

CITY OF INDUSTRY

CITY COUNCIL
REGULAR MEETING AGENDA

JULY 13, 2017
9:00 AM



Mayor Mark Radecki
Mayor Pro Tem Cory Moss
Council Member Abraham Cruz
Council Member Catherine Marcucci
Council Member Newell Ruggles

Location: City Council Chamber, 15651 East Stafford Street, City of Industry, California 91744

Addressing the City Council:

- ▶ **Agenda Items:** Members of the public may address the City Council on any matter listed on the Agenda. In order to conduct a timely meeting, there will be a three-minute time limit per person for any matter listed on the Agenda. Anyone wishing to speak to the City Council is asked to complete a Speaker's Card which can be found at the back of the room and at the podium. The completed card should be submitted to the City Clerk prior to the Agenda item being called and prior to the individual being heard by the City Council.
- ▶ **Public Comments (Non-Agenda Items):** Anyone wishing to address the City Council on an item not on the Agenda may do so during the "Public Comments" period. In order to conduct a timely meeting, there will be a three-minute time limit per person for the Public Comments portion of the Agenda. State law prohibits the City Council from taking action on a specific item unless it appears on the posted Agenda. Anyone wishing to speak to the City Council is asked to complete a Speaker's Card which can be found at the back of the room and at the podium. The completed card should be submitted to the City Clerk prior to the Agenda item being called by the City Clerk and prior to the individual being heard by the City Council.

Americans with Disabilities Act:

- ▶ In compliance with the ADA, if you need special assistance to participate in any City meeting (including assisted listening devices), please contact the City Clerk's Office (626) 333-2211. Notification of at least 48 hours prior to the meeting will assist staff in assuring that reasonable arrangements can be made to provide accessibility to the meeting.

Agendas and other writings:

- ▶ In compliance with SB 343, staff reports and other public records permissible for disclosure related to open session agenda items are available at City Hall, 15625 East Stafford Street, Suite 100, City of Industry, California, at the office of the City Clerk during regular business hours, Monday through Friday 9:00 a.m. to 5:00 p.m. Any person with a question concerning any agenda item may call the City Clerk's Office at (626) 333-2211.

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1. Call to Order
 2. Flag Salute
 3. Roll Call

4. Public Comments

5. **CONSENT CALENDAR**

All matters listed under the Consent Calendar are considered to be routine and will be enacted by one vote. There will be no separate discussion of these items unless members of the City Council, the public, or staff request specific items be removed from the Consent Calendar for separate action.

5.1 Consideration of the Register of Demands for July 13, 2017.

RECOMMENDED ACTION: Approve the Register of Demands and authorize the appropriate City Official to pay the bills.

5.2 Consideration of Resolution No. CC 2017-24 – A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF INDUSTRY, CALIFORNIA, APPROVING BLANKET PURCHASE ORDERS FOR VENDORS TOTALING \$10,000 AND OVER FOR FY 2017-2018.

RECOMMENDED ACTION: Adopt Resolution No. CC 2017-24.

6. **ACTION ITEMS**

6.1 Consideration of a request submitted by William P. Morrow, Esq., to continue to serve as the City Clerk and to provide ongoing legal services to meet the objectives of the Industry Property and Housing Management Authority.

RECOMMENDED ACTION: Review and provide direction to Staff.

6.2 Consideration of Resolution No. CC 2017-23 – A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF INDUSTRY, CALIFORNIA, APPROVING THE STANDARD SOFTWARE LICENSE, SERVICES AND MAINTENANCE AGREEMENT WITH TYLER TECHNOLOGIES, INC., AND AUTHORIZE THE CITY MANAGER TO EXECUTE THE AGREEMENT.

RECOMMENDED ACTION: Adopt Resolution No. CC 2017-23.

6.3 Discussion and direction regarding Payment Options of California Public Employees Retirement System ("CalPERS") Unfunded Pension Liability and authorize the City Manager to execute required documents.

RECOMMENDED ACTION: Provide direction to Staff regarding the proposed funding options, and authorize the City Manager to execute the necessary documents.

- 6.4 Consideration of Property and Casualty Insurance Proposal for Fiscal Year 2017-2018 and Authorization of the City Manager to Execute all Relevant Documents for Inclusion and Binding of Property and Casualty Insurance for Fiscal Year 2017-2018.

RECOMMENDED ACTION: Approve the Proposal.

- 6.5 Consideration of Amendment No. 1 to the Professional Services Agreement with Emerson Consulting Group, Inc., for Economic Analysis Services in an amount not-to-exceed \$33,000.00.

RECOMMENDED ACTION: Approve the Amendment.

- 6.6 Consideration of Development Plan No. 17-3, proposed by JWL Associates on behalf of 2001 Media Inc., for a 9,670 square foot office and warehouse expansion to the east side of an existing industrial building located at 2727 Pellissier Place in the City of Industry.

- a. Consideration of Resolution No. CC 2017-25 – A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF INDUSTRY, CALIFORNIA, APPROVING DEVELOPMENT PLAN NO. 17-3, PERMITTING A 9,670 SQUARE FOOT OFFICE AND WAREHOUSE ADDITION TO AN EXISTING INDUSTRIAL DEVELOPMENT LOCATED AT 2727 PELLISSIER PLACE, CITY OF INDUSTRY, CALIFORNIA, AND NOTICE OF EXEMPTION REGARDING SAME, AND MAKING FINDINGS IN SUPPORT THEREOF.

RECOMMENDED ACTION: Adopt Resolution No. CC 2017-25.

7. **CITY COUNCIL COMMITTEE REPORTS**

8. **AB 1234 REPORTS**

9. **CITY COUNCIL COMMUNICATIONS**

10. **CLOSED SESSION**

- 10.1 Conference with real property negotiators pursuant to Government Code Section 54956.8

Property: Assessor's Parcel Numbers 8206-029-035 (14438
Don Julian Road, City of Industry)
City Negotiators: Paul J. Philips, City Manager and
James M. Casso, City Attorney
Negotiating Party: Tom Lee, President, Brook Property, Inc.
Under Negotiation: Price and Terms of Payment

10.2 CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION
Initiation of litigation pursuant to Government Code Section 54956.9(d)(4):
One Potential Case

11. Adjournment to Thursday, July 27, 2017 at 9:00 a.m.

CITY COUNCIL

ITEM NO. 5.1

**CITY OF INDUSTRY
AUTHORIZATION FOR PAYMENT OF BILLS
CITY COUNCIL MEETING OF JULY 13, 2017**

FUND RECAP:

<u>FUND</u>	<u>DESCRIPTION</u>	DISBURSEMENTS
100	GENERAL FUND	3,297,047.26
103	PROP A FUND	24,319.67
120	CAPITAL IMPROVEMENT FUND	2,126,359.67
140	CITY DEBT SERVICE	4,672.66
161	IPUC - ELECTRIC	503,250.22
TOTAL ALL FUNDS		5,955,649.48

BANK RECAP:

<u>BANK</u>	<u>NAME</u>	DISBURSEMENTS
BOFA	BANK OF AMERICA - CKING ACCOUNTS	1,033,467.56
PROP/A	PROP A - CKING ACCOUNT	24,319.67
REF	REFUSE - CKING ACCOUNT	584,945.87
WFBK	WELLS FARGO - CKING ACCOUNT	4,312,916.38
TOTAL ALL BANKS		5,955,649.48

APPROVED PER CITY MANAGER

CITY OF INDUSTRY

BANK OF AMERICA

July 13, 2017

Check	Date		Payee Name	Check Amount
PARKCIT.CHK - Parking Citation Checking				
604	06/16/2017		SUPERIOR COURT OF CALIFORNIA,	\$4,951.50
	Invoice	Date	Description	Amount
	APRIL 2017	05/23/2017	PARKING CITATIONS REPORT-APR 2017	\$4,951.50
605	06/16/2017		TURBO DATA SYSTEMS, INC	\$427.68
	Invoice	Date	Description	Amount
	26011	04/30/2017	CITTION PROCESSING-MAR/APR 2017	\$427.68
606	06/23/2017		SUPERIOR COURT OF CALIFORNIA,	\$4,983.00
	Invoice	Date	Description	Amount
	MAY 2017	06/07/2017	PARKING CITATIONS REPORT-MAY 2017	\$4,983.00
607	06/23/2017		TURBO DATA SYSTEMS, INC	\$409.34
	Invoice	Date	Description	Amount
	26201	05/31/2017	CITATION PROCESSING-APR/MAY 2017	\$409.34

Checks	Status	Count	Transaction Amount
	Total	11	\$1,033,467.56

CITY OF INDUSTRY

PROP A

July 13, 2017

Check	Date	Payee Name	Check Amount
PROPA.CHK - Prop A Checking			

Checks	Status	Count	Transaction Amount
	Total	6	\$24,319.67

**CITY OF INDUSTRY
WELLS FARGO BANK
July 13, 2017**

Check	Date		Payee Name	Check Amount
CITY.WF.CHK - City General Wells Fargo				
66577	06/15/2017		CARLSON, CALLADINE &	\$134,551.82
	Invoice	Date	Description	Amount
	19439	03/20/2017	LEGAL SVC-FEB 2017	\$22,711.01
	19493	04/18/2017	LEGAL SVC-MAR 2017	\$38,169.31
	19559	05/18/2017	LEGAL SVC-APR 2017	\$73,671.50
66578	06/21/2017		AT & T	\$8.98
	Invoice	Date	Description	Amount
	2017-00001512	06/01/2017	06/01-06/30/17 SVC - CITY WHITE PAGES	\$8.98
66579	06/21/2017		AT & T	\$225.00
	Invoice	Date	Description	Amount
	8962927724	06/01/2017	06/01-06/30/17 SVC - 600 S BREA CYN-METROLINK	\$225.00
66580	06/21/2017		BANK OF AMERICA - VISA	\$4,610.34
	Invoice	Date	Description	Amount
	2017-00001508	06/06/2017	5/7-6/6/17 CREDIT CARD EXP-PHILIPS	\$4,610.34
66581	06/21/2017		FRONTIER	\$2,281.01
	Invoice	Date	Description	Amount
	2017-00001513	06/01/2017	06/01-06/30/17 SVC - GS-21700 VALLEY BLVD	\$53.51
	2017-00001514	06/01/2017	06/01-06/30/17 SVC - GS-21650 VALLEY BLVD	\$50.83
	2017-00001515	06/01/2017	06/01-06/30/17 SVC - VARIOUS GENERATOR SITES	\$1,034.40
	2017-00001516	06/01/2017	06/01-06/30/17 SVC - VARIOUS SITES	\$938.34
	2017-00001517	06/04/2017	05/04-07/03/17 SVC - GS-21620 VALLEY BLVD	\$112.04
	2017-00001518	06/04/2017	06/04-07/03/17 SVC - EM-21858 GARCIA LN-ALARM	\$65.35
	2017-00001519	06/07/2017	06/07-07/06/17 SVC - GS-408 BREA CYN RD	\$26.54
66582	06/21/2017		L A COUNTY REGISTRAR-	\$75.00
	Invoice	Date	Description	Amount
	DP 17-4	06/09/2017	FEE-NOTICE OF EXEMPTION FOR DP17-4	\$75.00

**CITY OF INDUSTRY
WELLS FARGO BANK**

July 13, 2017

Check	Date		Payee Name	Check Amount
CITY.WF.CHK - City General Wells Fargo				
66587	06/21/2017		BANK OF AMERICA - VISA	\$336.52
	Invoice	Date	Description	Amount
	2017-00001534	06/06/2017	5/7-6/6/17 CREDIT CARD EXP-TUCKER	\$336.52
66588	06/21/2017		CALPINE ENERGY SOLUTIONS, LLC	\$114,073.92
	Invoice	Date	Description	Amount
	171630007331389	06/12/2017	WHOLESALE USE-MAY 2017	\$114,057.15
	171660007339177	06/15/2017	WHOLESALE GAS-MAY 2017	\$16.77
66589	06/22/2017		STATE BOARD OF EQUALIZATION	\$260.87
	Invoice	Date	Description	Amount
	0002 6552 584	06/01/2017	FIRE PREVENTION FEE-FOLLOW'S CAMP	\$260.87
66590	06/27/2017		APRIL DIAZ	\$500.00
	Invoice	Date	Description	Amount
	JUNIOR HIGH	06/23/2017	WINNER OF THE ART CONTEST AT THE TASTE OF	\$500.00
66591	06/27/2017		CHRISTINA KUO	\$1,000.00
	Invoice	Date	Description	Amount
	HIGH SCHOOL	06/23/2017	WINNER OF THE ART CONTEST AT THE TASTE OF	\$1,000.00
66592	06/27/2017		WEDGEWORTH ELEMENTARY	\$500.00
	Invoice	Date	Description	Amount
	ARTHUR LIN	06/23/2017	WINNER OF THE ART CONTEST AT THE TASTE OF	\$500.00
66593	06/28/2017		EMERSON CONSULTING GROUP,	\$10,000.00
	Invoice	Date	Description	Amount
	16-002	05/27/2017	ECONOMIC ANALYSIS SERVICE	\$10,000.00
66594	06/28/2017		PACIFIC PALMS CONFERENCE	\$7,493.85
	Invoice	Date	Description	Amount

**CITY OF INDUSTRY
WELLS FARGO BANK
July 13, 2017**

Check	Date	Payee Name	Check Amount
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CITY.WF.CHK - City General Wells Fargo

Invoice	Date	Description	Amount
2017-00001541	06/16/2017	05/15-06/15/17 SVC - 14329 VALLEY	\$261.67
2017-00001542	06/19/2017	05/16-06/16/17 SVC - 336 EL ENCANTO	\$47.58
841 7TH-JUN17	06/20/2017	05/17-06/19/17 SVC - 841 S SEVENTH	\$179.93
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66600	06/28/2017	SO CALIFORNIA EDISON COMPANY	\$11,347.91
Invoice	Date	Description	Amount
2017-00001548	05/26/2017	04/26-05/25/17 SVC - 745 ANAHEIM PUENTE RD CP	\$62.18
2017-00001549	05/26/2017	04/26-05/25/17 SVC - 17378 GALE AVE B	\$39.51
2017-00001550	06/13/2017	05/11-06/12/17 SVC - 575 BALDWIN PARK BLVD U	\$63.93
2017-00001551	06/13/2017	04/13-06/08/17 SVC - VALLEY BLVD U-VARIOUS SITES	\$422.34
2017-00001552	06/14/2017	05/12-06/13/17 SVC - 490 7TH U	\$57.44
2017-00001553	06/17/2017	05/17-06/16/17 SVC - 1341 FULLERTON RD	\$33.46
2017-00001554	06/17/2017	05/17-06/16/17 SVC - 17635 GALE	\$1,489.79
2017-00001555	06/20/2017	05/17-06/16/17 SVC - VARIOUS SITES	\$75.20
2017-00001556	06/20/2017	05/17-06/16/17 SVC - PECK RD S/O PELLISSIER	\$34.24
841 7TH-JUN17	06/20/2017	05/17-06/16/17 SVC - 841 7TH AVE	\$842.23
2017-00001557	06/20/2017	04/18-06/16/17 SVC - VARIOUS SITES	\$2,393.74
2017-00001558	06/20/2017	05/17-06/16/17 SVC - VARIOUS SITES	\$5,833.85
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66601	06/28/2017	SO CALIFORNIA EDISON COMPANY	\$51.57
Invoice	Date	Description	Amount
2017-00001547	05/25/2017	04/25-05/24/17 SVC - 5010 ENGLISH RD	\$51.57
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66602	06/28/2017	SOCALGAS	\$238.07
Invoice	Date	Description	Amount
2017-00001543	06/02/2017	05/01-05/31/17 SVC - 1 INDUSTRY HILLS PKWY	\$15.74
2017-00001544	06/02/2017	05/01-05/31/17 SVC - 2700 CHINO HILLS PKWY	\$50.24
2017-00001545	06/06/2017	05/03-06/02/17 SVC - 15625 STAFFORD ST APT A	\$156.31
2017-00001546	06/15/2017	05/12-06/13/17 SVC - 610 S BREA CYN RD	\$15.78

**CITY OF INDUSTRY
WELLS FARGO BANK**

July 13, 2017

Check	Date			Payee Name	Check Amount
CITY.WF.CHK - City General Wells Fargo					
66606	07/01/2017			UNUM LIFE INSURANCE COMPANY	\$5,569.60
	Invoice	Date	Description	Amount	
	7/1-7/31/17	06/19/2017	LONG TERM CARE PREMIUM FOR JULY 2017	\$5,569.60	
66607	07/05/2017			FRONTIER	\$319.28
	Invoice	Date	Description	Amount	
	2017-00001580	06/19/2017	06/19-07/18/17 SVC - FOLLOW'S CAMP GUARD	\$65.21	
	2017-00001581	06/19/2017	06/19-07/18/17 SVC - EM-21438 BAKER PKWY BLDG	\$50.83	
	2017-00001582	06/19/2017	06/19-07/18/17 SVC - EM-21415 BAKER PKWY	\$50.83	
	2017-00001583	06/19/2017	06/19-07/18/17 SVC - GS-21660 VALLEY BLVD	\$43.05	
	2017-00001584	06/22/2017	06/22-07/21/17 SVC - GS-21858 VALLEY BLVD	\$58.53	
	2017-00001585	06/22/2017	06/22-07/21/17 SVC - EM-21733 BAKER PKWY BLDG	\$50.83	
66608	07/05/2017			SO CALIFORNIA EDISON COMPANY	\$47,413.84
	Invoice	Date	Description	Amount	
	2017-00001570	06/20/2017	05/01-06/01/17 SVC - VARIOUS SITES	\$4,136.66	
	2017-00001571	06/20/2017	09/12/16-06/01/17 SVC - VARIOUS SITES	\$37,474.85	
	2017-00001572	06/20/2017	03/17-06/16/17 SVC - VARIOUS SITES	\$3,052.92	
	2017-00001573	06/20/2017	04/28-06/16/17 SVC - VARIOUS SITES	\$2,584.43	
	2017-00001574	06/22/2017	05/22-06/21/17 SVC - 14661 CLARK AVE U	\$48.74	
	2017-00001575	06/23/2017	05/23-06/22/17 SVC - 580 BREA CYN RD	\$23.92	
	2017-00001576	06/23/2017	05/23-06/22/17 SVC - 575 BREA CYN RD	\$24.11	
	2017-00001577	06/23/2017	05/23-06/22/17 SVC - 21380 VALLEY PED	\$68.21	
66609	07/05/2017			SO CALIFORNIA EDISON COMPANY	\$31.06
	Invoice	Date	Description	Amount	
	2017-00001578	06/24/2017	05/24-06/23/17 SVC - 5010 ENGLISH RD	\$31.06	
66610	07/05/2017			SO CALIFORNIA EDISON COMPANY	\$20,445.41
	Invoice	Date	Description	Amount	

**CITY OF INDUSTRY
WELLS FARGO BANK
July 13, 2017**

Check	Date		Payee Name	Check Amount
CITY.WF.CHK - City General Wells Fargo				
	5806	06/13/2017	EMERGENCY REPAIR-INDUSTRY HILLS	\$9,350.00
66617	07/13/2017		AMPLIFIED STRATEGIES, INC.	\$10,190.00
	Invoice	Date	Description	Amount
	3695	06/09/2017	MAILER FOR TASTE OF THE TOWN	\$10,190.00
66618	07/13/2017		ANNEALTA GROUP	\$33,000.00
	Invoice	Date	Description	Amount
	1074	06/05/2017	PLANNING SUPPORT SVC-MAY 2017	\$32,405.00
	1075	06/05/2017	PLANNING SUPPORT SVC-CUP 17-02, JN 6294	\$595.00
66619	07/13/2017		APPLIED METERING	\$2,840.00
	Invoice	Date	Description	Amount
	5724	06/05/2017	UTILITY OPERATIONS AND MAINT SVC	\$2,840.00
66620	07/13/2017		AVANT-GARDE, INC	\$4,197.50
	Invoice	Date	Description	Amount
	4414	06/19/2017	PROJECT MGMT-AZUSA AVE BRIDGE	\$382.50
	4417	06/19/2017	PROJECT MGMT-CITY BRIDGES	\$2,322.50
	4375	05/18/2017	CITYWIDE BRIDGES	\$780.00
	4376	05/18/2017	PROJECT MGMT-AZUSA AVE BRIDGE	\$712.50
66621	07/13/2017		BIGGS CARDOSA ASSOCIATES, INC.	\$2,499.19
	Invoice	Date	Description	Amount
	71626	05/05/2017	REPAINTING OF AZUSA AVE BRIDGE	\$2,499.19
66622	07/13/2017		BLAKE AIR CONDITIONING	\$4,052.28
	Invoice	Date	Description	Amount
	M39334	06/23/2017	QTRLY A/C MAINT-CITY HALL	\$1,419.00
	44903	06/08/2017	A/C MAINT-CITY HALL	\$2,633.28

**CITY OF INDUSTRY
WELLS FARGO BANK
July 13, 2017**

Check	Date			Payee Name	Check Amount
CITY.WF.CHK - City General Wells Fargo					
66630	07/13/2017			CASSO & SPARKS, LLP	\$134,598.07
	Invoice	Date	Description	Amount	
	20217	06/13/2017	COI-LEGAL SVC FOR JAN 2017	\$65,551.10	
	20219	06/13/2017	COI-LEGAL SVC FOR FEB 2017	\$69,046.97	
66631	07/13/2017			CHAD'S PROFESSIONAL CLEANING	\$795.00
	Invoice	Date	Description	Amount	
	05/01/2017	05/01/2017	CARPET CLEANING & CHAIRS-CITY HALL (SECOND	\$795.00	
66632	07/13/2017			CHEM PRO LABORATORY, INC	\$269.00
	Invoice	Date	Description	Amount	
	618884	05/23/2017	WATER TREATMENT-MAY 2017	\$269.00	
66633	07/13/2017			CITY OF INDUSTRY	\$1,258.83
	Invoice	Date	Description	Amount	
	2017-00000083	05/23/2017	IH FUEL PUMP-CITY HALL VEHICLES	\$512.82	
	2017-00000081	05/23/2017	IH FUEL PUMP-SECURITY VEHICLES	\$746.01	
66634	07/13/2017			CITY OF INDUSTRY-PAYROLL ACCT	\$100,000.00
	Invoice	Date	Description	Amount	
	P/R 6/30/17	06/28/2017	REIMBURSE PAYROLL 6/30/17	\$100,000.00	
66635	07/13/2017			CITY OF INDUSTRY-REFUSE	\$6,382.13
	Invoice	Date	Description	Amount	
	2876453	06/01/2017	DISP SVC-TRES HERMANOS	\$144.83	
	2876451	06/01/2017	DISP SVC-CITY HALL	\$313.42	
	2876450	06/01/2017	DISP SVC-TONNER CYN (MAINT YD)	\$674.00	
	2876452	06/01/2017	DISP SVC-TONNER CYN (CAMP COURAGE)	\$378.95	
	2877858	05/31/2017	DISP SVC-1123 HATCHER	\$4,485.29	
	2876692A	06/01/2017	DISP SVC-205 HUDSON AVE	\$192.82	

**CITY OF INDUSTRY
WELLS FARGO BANK**

July 13, 2017

Check	Date	Payee Name	Check Amount	
CITY.WF.CHK - City General Wells Fargo				
455945-A	06/29/2017	TRAIL IMPROVEMENTS ALONG TEMPLE AVE	\$753.93	
455946	06/29/2017	PACIFIC PALMS REPAIRS TO PARKING LOT	\$172.47	
455947	06/29/2017	SIXTH AVE RECONSTRUCTION	\$2,264.02	
455948	06/29/2017	HIGHWAY BRIDGE PROGRAM-AZUSA AVE	\$1,312.87	
455949	06/29/2017	FISCAL YEAR BUDGET	\$14,179.30	
455950	06/29/2017	STORM DRAIN IN AJAX AVE	\$1,829.19	
455951	06/29/2017	ROWLAND ST RECONSTRUCTION	\$13,375.95	
455952	06/29/2017	BIXBY DR PCC PAVEMENT	\$3,880.93	
455953	06/29/2017	AZUSA AVE AND TEMPLE AVE INTERSECTION	\$511.23	
455954	06/29/2017	VARIOUS ASSIGNMENTS RELATED TO SA TO IUDA	\$975.16	
455955	06/29/2017	NELSON AVE AND PUENTE AVE INTERSECTION	\$2,548.19	
455956	06/29/2017	BONELLI ST RESURFACING	\$2,480.91	
455957	06/29/2017	GATEWAY CITIES COUNCIL OF GOVERNMENTS	\$498.87	
455958	06/29/2017	SPEED SURVEY	\$1,119.10	
455959	06/29/2017	RESURFACING OF UNRUH AVE AND DON JULIAN	\$7,413.32	
455960	06/29/2017	CARTEGRAPH IMPLEMENTATION & MGMT	\$9,417.52	
455961	06/29/2017	COI ADDRESS AND BUSINESS ATLAS	\$1,020.24	
455962	06/29/2017	SEWER ATLAS FOR COI	\$825.20	
455963	06/29/2017	FULLERTON RD GRADE SEPARATION	\$10,973.28	
455964	06/29/2017	ALAMEDA CORRIDOR EAST RELATED PROJECTS	\$757.58	
455965	06/29/2017	FAIRWAY DR GRADE SEPARATION	\$4,182.55	
455966	06/29/2017	TURNBULL CYN GRADE SEPARATION	\$1,975.84	
455967	06/29/2017	NOGALES GRADE SEPARATION	\$5,082.26	
455968	06/29/2017	MISC GRADE SEPARATION STUDIES	\$344.94	
455969	06/29/2017	IPUC MAINT	\$549.08	
66638	07/13/2017	COLLECTION DEVELOPMENT, INC.	\$720.00	
	Invoice	Date	Description	Amount
	16623	06/22/2017	FLASH DRIVES DONATED TO HACIENDA/LA PUENTE	\$720.00
66639	07/13/2017	COMFORT SYSTEMS USA	\$1,381.00	

CITY OF INDUSTRY
WELLS FARGO BANK
July 13, 2017

Check	Date		Payee Name	Check Amount
CITY.WF.CHK - City General Wells Fargo				
66644	07/13/2017		CSMFO	\$40.00
	Invoice	Date	Description	Amount
	176473	06/29/2017	MEETING ON 7/19/17 - S. AVALOS	\$40.00
66645	07/13/2017		DAPEER, ROSENBLIT, AND LITVAK,	\$2,755.79
	Invoice	Date	Description	Amount
	13368	05/31/2017	LEGAL SVC-CODE ENFORCEMENT	\$2,315.79
	13369	05/31/2017	SPECIALIZED LEGAL SVC	\$440.00
66646	07/13/2017		DEPT OF ANIMAL CARE & CONTROL	\$6,216.78
	Invoice	Date	Description	Amount
	06/15/17	06/15/2017	SHELTER COSTS-MAY 2017	\$6,216.78
66647	07/13/2017		DEPT OF TRANSPORTATION	\$1,113,311.74
	Invoice	Date	Description	Amount
	17008895	06/02/2017	COOP 5033-GRAND AVE OFF-RAMP 57/60	\$519,383.89
	17008869	06/02/2017	COOP 5033-GRAND AVE OFF-RAMP 57/60	\$145,909.87
	17008858	05/31/2017	COOP 4959-WESTBOUND SLIP ON-RAMP SR60	\$448,017.98
66648	07/13/2017		DUGAN, STEVEN	\$36.30
	Invoice	Date	Description	Amount
	06/29/17	06/29/2017	REIMBURSEMENT FOR MILEAGE-HOMESTEAD	\$36.30
66649	07/13/2017		EASYLINK SERVICES	\$69.64
	Invoice	Date	Description	Amount
	07634191706	06/02/2017	FAX SVC-MAY 2017	\$69.64
66650	07/13/2017		EDMON J. RODMAN	\$250.00
	Invoice	Date	Description	Amount
	PPER1	06/08/2017	WWI LECTURE ON 7/9/17	\$250.00

CITY OF INDUSTRY
WELLS FARGO BANK
July 13, 2017

Check	Date		Payee Name	Check Amount
CITY.WF.CHK - City General Wells Fargo				
66658	07/13/2017		GATEWAY CITIES COUNCIL OF	\$20,000.00
	Invoice	Date	Description	Amount
	06/14/17	06/14/2017	PARTICIPATION IN 91/605/405 MAJOR CORRIDOR	\$20,000.00
66659	07/13/2017		HACIENDA-LA PUENTE UNIFIED	\$956.50
	Invoice	Date	Description	Amount
	17-016PP-22PP	06/02/2017	BUS FUNDING STIPEND-HOMESTEAD	\$956.50
66660	07/13/2017		HADDICK'S AUTO BODY	\$4,290.11
	Invoice	Date	Description	Amount
	047842	06/05/2017	AUTO MAINT-LIC 1370863	\$316.67
	047837	06/05/2017	AUTO MAINT-LIC 1370863	\$48.01
	047836	06/05/2017	AUTO MAINT-LIC 1094930	\$52.62
	047834	06/05/2017	AUTO MAINT-LIC 1356177	\$76.80
	047832	06/05/2017	AUTO MAINT-LIC 1370863	\$15.27
	047831	06/05/2017	AUTO MAINT-LIC 1320295	\$566.34
	047843	06/05/2017	AUTO MAINT-LIC 1264382	\$270.80
	047844	06/05/2017	AUTO MAINT-LIC 1347776	\$52.62
	047840	06/05/2017	AUTO MAINT-LIC 6UQX922	\$227.68
	047838	06/05/2017	AUTO MAINT-LIC 7EAL475	\$69.00
	047835	06/05/2017	AUTO MAINT-2008 JOHN DEERE	\$2,594.30
66661	07/13/2017		HEDMAN - L A	\$60.00
	Invoice	Date	Description	Amount
	5198A	05/26/2017	SERVICE-REPROGRAM CHECK WRITER	\$60.00
66662	07/13/2017		HISTORICAL RESOURCES, INC.	\$61,955.11
	Invoice	Date	Description	Amount
	06/26/17	06/26/2017	REIMBURSEMENT FOR OFFICE SUPPLIES	\$467.25
	06/26/17-A	06/26/2017	AGRMT REIMBURSEMENT-JUN 2017	\$59,322.79
	06/19/17	06/19/2017	REIMBURSEMENT FOR F & M CREDIT CARD	\$2,165.07

**CITY OF INDUSTRY
WELLS FARGO BANK
July 13, 2017**

Check	Date		Payee Name	Check Amount
CITY.WF.CHK - City General Wells Fargo				
	188819	05/26/2017	PEST SVC-TONNER CYN	\$380.00
	188816	05/24/2017	INSPECTION-TONNER CYN	\$125.00
	187383	06/08/2017	PEST SVC-TONNER CYN	\$125.00
	187986	05/01/2017	BEE REMOVAL-1123 HATCHER AVE	\$145.00
66669	07/13/2017		JAS PACIFIC	\$84,660.00
	Invoice	Date	Description	Amount
	BI 12497	04/05/2017	DEVELOPMENT SVC SUPPORT-MAR 2017	\$43,380.00
	BI 12558	06/05/2017	DEVELOPMENT SVC SUPPORT-MAY 2017	\$41,280.00
66670	07/13/2017		JMDiaz, Inc.	\$4,608.19
	Invoice	Date	Description	Amount
	006 (17-078)	05/31/2017	STAFF AUGMENTATION SVC-MAY 2017	\$4,608.19
66671	07/13/2017		KEISER, KRISTIN	\$135.00
	Invoice	Date	Description	Amount
	06/19/17	06/19/2017	PHOTOGRAPHY SVC ON 6/16/17	\$135.00
66672	07/13/2017		KIMLEY-HORN & ASSOCIATES, INC.	\$11,653.75
	Invoice	Date	Description	Amount
	9520956	05/31/2017	TRAFFIC ENGINEERING SVC	\$2,892.89
	9520958	05/31/2017	ENGINEERING/TRAFFIC SURVEY	\$8,760.86
66673	07/13/2017		KLEINFELDER, INC.	\$23,652.68
	Invoice	Date	Description	Amount
	001152168	05/24/2017	SOIL TESTING-VALLEY BLVD RECONSTRUCTION	\$23,652.68
66674	07/13/2017		KLINE'S PLUMBING, INC.	\$2,060.00
	Invoice	Date	Description	Amount
	10385	06/20/2017	EMERGENCY REPAIR-CITY HALL	\$495.00
	10360	06/06/2017	EMERGENCY REPAIR-205 HUDSON VE	\$1,050.00

**CITY OF INDUSTRY
WELLS FARGO BANK
July 13, 2017**

Check	Date			Payee Name	Check Amount
CITY.WF.CHK - City General Wells Fargo					
66682	07/13/2017			MARTIN AND CHAPMAN CO.	\$3,107.30
	Invoice	Date	Description	Amount	
	2017140	05/17/2017	EXPENSES FOR CANCELLED ELECTION ON 6/6/17	\$3,107.30	
66683	07/13/2017			METHOD TECHNOLOGIES	\$57.50
	Invoice	Date	Description	Amount	
	37989	06/07/2017	UPDATE CITY WEBSITE	\$28.75	
	38176	06/28/2017	UPDATE CITY WEBSITE	\$28.75	
66684	07/13/2017			MICHAEL BAKER INTERNATIONAL,	\$3,520.00
	Invoice	Date	Description	Amount	
	980467	05/28/2017	PLANNING SUPPORT SVC-MAY 2017	\$3,520.00	
66685	07/13/2017			MR PLANT & INTERIOR BOTANICAL	\$720.00
	Invoice	Date	Description	Amount	
	JUL 6736	07/01/2017	PLANT MAINT-JUL 2017	\$192.00	
	JULY 6737	07/01/2017	PLANT MAINT-JUL 2017	\$528.00	
66686	07/13/2017			MUNI-ENVIRONMENTAL, LLC	\$25,245.73
	Invoice	Date	Description	Amount	
	17-017	06/20/2017	COMMERCIAL WASTE PROGRAM	\$25,245.73	
66687	07/13/2017			MX GRAPHICS, INC.	\$1,232.35
	Invoice	Date	Description	Amount	
	12467	04/12/2017	BLUEPRINT SVC-JN 6201	\$110.57	
	12465	04/11/2017	BLUEPRINT SVC-JN 6201	\$470.19	
	12479	04/13/2017	BLUEPRINT SVC-JN 6201	\$642.89	
	12234	03/15/2017	BLUEPRINT SVC-MP 02 05 7	\$8.70	
66688	07/13/2017			NHA ADVISORS, LLC	\$20,205.97

**CITY OF INDUSTRY
WELLS FARGO BANK
July 13, 2017**

Check	Date		Payee Name	Check Amount
CITY.WF.CHK - City General Wells Fargo				
66695	07/13/2017		POST ALARM SYSTEMS	\$286.90
	Invoice	Date	Description	Amount
	977753	06/05/2017	MONITORING SVC-HOMESTEAD	\$286.90
66696	07/13/2017		ProcureIT USA, LLC	\$8,637.52
	Invoice	Date	Description	Amount
	PIT111734	06/01/2017	COMPUTER LICENSES	\$961.35
	PIT111103	06/08/2017	COMPUTER LICENSES	\$4,442.53
	PIT111744	06/08/2017	COMPUTER EQUIP AND LICENSES	\$1,247.69
	PIT111771	06/08/2017	COMPUTER LICENSES	\$1,486.48
	PIT111808	06/23/2017	COMPUTER EQUIPMENT	\$499.47
66697	07/13/2017		QUAN, ISIS	\$12.54
	Invoice	Date	Description	Amount
	06/29/17	06/29/2017	REIMBURSEMENT FOR MILEAGE-HOMESTEAD	\$12.54
66698	07/13/2017		R.F. DICKSON CO., INC.	\$17,131.51
	Invoice	Date	Description	Amount
	2508580	05/31/2017	STREET & PARKING LOT SWEEPING	\$17,131.51
66699	07/13/2017		REGIONAL GOVERNMENT	\$20,950.00
	Invoice	Date	Description	Amount
	7067	05/31/2017	HR SERVICE-MAY/JUN 2017	\$20,950.00
66700	07/13/2017		RESERVE ACCOUNT	\$1,000.00
	Invoice	Date	Description	Amount
	06/08/17	06/08/2017	POSTAGE FOR ACCOUNT #15775679.	\$1,000.00
66701	07/13/2017		RICOH USA, INC.	\$583.82
	Invoice	Date	Description	Amount

**CITY OF INDUSTRY
WELLS FARGO BANK**

July 13, 2017

Check	Date		Payee Name	Check Amount
CITY.WF.CHK - City General Wells Fargo				
	0302963	05/31/2017	IH-MAINT LANDFILL GAS SYSTEM	\$14,796.00
66708	07/13/2017		SELIGSON PUBLISHING INC	\$302.86
	Invoice	Date	Description	Amount
	2616	05/01/2017	BOOKS FOR MUSEUM STORE	\$302.86
66709	07/13/2017		SO CAL INDUSTRIES	\$358.17
	Invoice	Date	Description	Amount
	278174	06/16/2017	FENCE RENTAL-INDUSTRY HILLS	\$89.72
	275690	05/31/2017	RR RENTAL-CAMP COURAGE	\$84.88
	274259	05/19/2017	FENCE RENTAL-INDUSTRY HILLS	\$89.72
	278746	06/20/2017	RR RENTAL-TONNER CYN/GRAND AVE	\$93.85
66710	07/13/2017		SOUTH COAST A.Q.M.D.	\$10,406.71
	Invoice	Date	Description	Amount
	3125700	06/14/2017	LANDFILL GAS COLLECTIONS-INDUSTRY HILLS	\$10,406.71
66711	07/13/2017		SOUTH COAST A.Q.M.D.	\$127.46
	Invoice	Date	Description	Amount
	3122708	06/14/2017	FLAT FEE EMISSIONS-INDUSTRY HILLS	\$127.46
66712	07/13/2017		SPITZZERI, PAUL	\$291.51
	Invoice	Date	Description	Amount
	06/29/17	06/29/2017	REIMBURSEMENT FOR MILEAGE-HOMESTEAD	\$291.51
66713	07/13/2017		SQUARE ROOT GOLF &	\$170,603.37
	Invoice	Date	Description	Amount
	1293ELHM	06/27/2017	LANDSCAPE SVC-HOMESTEAD	\$17,780.50
	1292ELHM	06/27/2017	LANDSCAPE SVC-EL ENCANTO	\$6,537.29
	1291ELHM	06/27/2017	LANDSCAPE SVC-VARIOUS CITY SITES	\$8,370.76
	1294H	06/27/2017	LANDSCAPE SVC-VARIOUS CITY SITES	\$137,914.82

**CITY OF INDUSTRY
WELLS FARGO BANK
July 13, 2017**

Check	Date		Payee Name	Check Amount
CITY.WF.CHK - City General Wells Fargo				
	Invoice 90071745	Date 06/08/2017	Description PLAN REVIEW OF AZUSA AVE REPAINTING	Amount \$793.09
66722	07/13/2017		USA FACT, INC.	\$133.31
	Invoice 7061631	Date 06/03/2017	Description BACKGROUND CHECK SVC	Amount \$125.71
	7062329	06/10/2017	BACKGROUND CHECK SVC	\$7.60
66723	07/13/2017		WEATHERITE SERVICE	\$534.00
	Invoice L171420	Date 06/01/2017	Description A/C MAINT-IMC BLDG	Amount \$164.00
	L171846	06/13/2017	A/C MAINT-15660 STAFFORD/15559 RAUSCH	\$370.00
66724	07/13/2017		WEGER, KRISTEN	\$109.15
	Invoice 06/15/17	Date 06/15/2017	Description REIMBURSEMENT FOR BOOKS	Amount \$109.15
66725	07/13/2017		WILLDAN ENGINEERING	\$562.50
	Invoice 00615321	Date 06/13/2017	Description ENGINEERING SVC-VARIOUS SITES	Amount \$562.50
66726	07/13/2017		WINDSTREAM	\$801.80
	Invoice 69103517	Date 06/10/2017	Description CITY HALL PHONE SVC-JUN 2017	Amount \$801.80

Checks	Status	Count	Transaction Amount
	Total	150	\$4,312,916.38

CITY COUNCIL

ITEM NO. 5.2



MEMORANDUM

TO: Honorable Mayor and Members of the City Council

FROM: Paul J. Philips, City Manager

STAFF: Susan Paragas, Director of Finance
Steven Avalos, Finance Manager

DATE: July 13, 2017

SUBJECT: Consideration of Resolution No. CC 2017-24 – A Resolution of the City Council of the City of Industry, California, Approving Blanket Purchase Orders (“BPOs”) for Vendors Totaling \$10,000 and Over for FY 2017-2018

BACKGROUND:

In FY 2016-17 (“FY 17”), the Financial Services Department (“Finance”) implemented several new internal controls and financial procedures City-wide. Of the new financial measures implemented, Blanket Purchase Orders (“BPOs”) were identified as a critical fiscal control that allows the City and staff to procure goods and supplies, professional or maintenance services, and/or equipment in a timely manner to efficiently administer the day-to-day operations of the City.

Annually, after the City’s operating budget is adopted, Finance will present a BPO Vendor List for all vendors the City anticipates to spend over \$10,000 for the City Council’s (“Council”) consideration to approve for the upcoming fiscal year. On June 8, 2017, the City Council approved and adopted the City’s Operating Budget and budgets for all its affiliated entities for FY 2017-18 (“FY 18”). The FY 18 BPO Vendor List was developed in line with the FY 18 Adopted Budget and in accordance with the City’s municipal purchasing codes.

DISCUSSION:

Blanket Purchase Orders (“BPOs”) are a customary financial practice common among cities in California; and in summary, are utilized to pay for goods and services with

vendors and contractors that the City regularly conducts business with during the fiscal year. Although most BPOs can be created under the City Manager's purchasing authority, as an added level of fiscal control and transparency, at the beginning of each fiscal year a list of BPOs for vendors and services providers the City regularly conducts business with that total \$10,000 and over annually will be presented to Council for formal approval for the new fiscal year. This will streamline the purchasing process where necessary, and assist staff to efficiently obtain goods and services to tend to its day-to-day operations.

BPOs are not intended to bypass or supersede the purchasing or bidding provisions as outlined in the Industry Municipal Code ("IMC"), nor intended to bypass the City's standard agreements and terms. Departments must adhere to the purchasing code, and must obtain informal bidding, quoting, or go through a formal procurement process as necessary. Finance will strictly enforce the purchasing code and ensure departments are adhering to the correct purchasing procedures.

As such, outlined below is a summary of the IMC, as it pertains to the Purchasing (IMC Section 3.04) and Bidding Procedures (IMC Section 3.52), that departments must follow and adhere to when obtaining goods and services.

Supplies & Equipment - For supplies and equipment (IMC Section 3.04.050), purchases of \$100,000 and under may be made at the discretion of the City Manager on the open market with the solicitation of at least three (3) written proposals. Upon the approval of the City Council, BPOs will be created for all vendors the City regularly conducts business with for supplies and equipment for FY 18.

Purchases of supplies and equipment over \$100,000 requires a formal bidding process and formal approval by the Council. Should items over \$100,000 be taken to Council during the current fiscal year, BPOs will be created for these items as they are approved by Council.

Contractual and Professional Services – For contractual and professional services, pursuant to the City's purchasing code (IMC Section 3.04.055), the City Manager's purchasing authority limit is \$10,000. All contracts and professional services over \$10,000 must be approved by the City Council. Once approved by Council, Contract BPOs will be utilized to pay for recurring professional services and contracts during the fiscal year. All professional services agreements and contracts identified in the FY 18 BPO Vendor List have been previously approved by the City Council and their Contract BPOs are included for Council's consideration to approve for FY 18.

Contracts and professional services under \$10,000 can be made and approved by the City Manager at his discretion without specific solicitation or bidding requirements. Professional Services for services under \$10,000 are not included in the FY 18 BPO Vendor List. However, BPOs will still be created for these vendors under \$10,000 if the City regularly conducts business with these vendors on a recurring basis. The use of

BPOs will not circumvent the need for professional service agreements (“PSAs”), the City will continue to use PSAs as it has in the past.

Maintenance Services – For maintenance services contracts, pursuant to IMC Section 3.52.120, contracts related to the maintenance of City facilities may be awarded by informal bidding, negotiated contract, or competitive bidding. BPOs will be created for all vendors the City anticipates to utilize for maintenance services for FY 18.

Lastly, BPOs are a financial practice that is strongly endorsed and supported by the City’s auditors. BPOs were first introduced and approved by Council in FY 17, in which the auditors lauded staff for this implementation. Since then, the auditors have recommended the City continue this practice and continue to be consistent in our use of BPOs, as the auditors can cite the City in its annual audit if these are not implemented correctly.

BPO Vendor List for FY 18

The BPO Vendor List for FY 18, attached as Exhibit A, includes all vendors the City regularly conducts business with. The BPO Vendor List also includes City contractors and service providers the City already has professional agreements in place with. The BPO amounts are either estimated amounts based on historical spending levels for vendors without formal contracts or the annual contract amounts stipulated per each approved agreement and all BPO amounts are in line with the FY 18 Adopted Budget.

For all vendors and service providers that total less than \$10,000 annually, BPOs will also be utilized for only vendors that the City regularly conducts business on a recurring basis with throughout the fiscal year.

FISCAL IMPACT:

The BPOs for all vendors and service providers listed in Exhibit A total \$36,785,800. This has been accounted for and included in the FY 18 Adopted Budget.

RECOMMENDED ACTION:

Staff recommends the City Council to adopt Resolution No. CC 2017-24 and approve the BPO Vendor List for vendors totaling \$10,000 and over for FY 18.

Attachments:

1. Resolution No. CC 2017-24 – Resolution Approving Blanket Purchase Orders for Vendors Totaling \$10,000 and Over for FY 2017-2018
2. Exhibit A – FY 18 Blanket Purchase Order Vendor List

RESOLUTION NO. CC 2017-24

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF INDUSTRY,
CALIFORNIA, APPROVING BLANKET PURCHASE ORDERS FOR
VENDORS TOTALING \$10,000 AND OVER FOR FY 2017-2018**

WHEREAS, in FY 2016-17 ("FY 17"), the Financial Services Department ("Finance") implemented several new internal controls and financial procedures citywide, in which Blanket Purchase Orders ("BPOs") were identified as a critical fiscal control that allows the City and staff to procure goods and supplies, professional or maintenance services, and/or equipment in a timely manner to efficiently administer the day-to-day operations of the City; and

WHEREAS, BPOs are a customary financial practice common among all cities in California; and in summary, are utilized to pay for goods and services with vendors that the City regularly conducts business with during the fiscal year; and

WHEREAS, BPOs do not bypass or supersede any purchasing and bidding provisions as outlined in the Industry Municipal Code ("IMC"), Section 3.04 and Section 3.52, nor do they bypass the City's approved agreements and standard terms; and

WHEREAS, BPOs are a financial practice that is strongly endorsed and supported by the City's auditors, in which the auditors have recommended the City continue this practice and continue to be consistent in our use of BPOs, as the City can be cited in the annual audit if these are not implemented correctly; and

WHEREAS, annually, after the City's operating budget is adopted, Finance will present a BPO Vendor List for all vendors the City anticipates to spend over \$10,000 for the City Council's consideration to approve for the upcoming fiscal year; and

WHEREAS, on June 8, 2017, the City Council approved and adopted the City's Operating Budget and budgets for all its affiliated entities for FY 2017-18 ("FY 18"); and

WHEREAS, the BPO Vendor List for FY 18 was developed in accordance with the City of Industry's Municipal Code ("IMC") as it pertains to purchasing (IMC Section 3.04) and Bidding Procedures (IMC Section 3.52); and

WHEREAS, the BPO Vendor List for FY 18 was also developed in accordance with the FY 18 Adopted Budget.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF INDUSTRY,
CALIFORNIA, DOES HEREBY FIND, DETERMINE, AND RESOLVE AS FOLLOWS:**

Section 1. The above recitals are true and correct and are incorporated herein by reference.

Section 2. The City Council hereby approves the list of Blanket Purchase Orders (“BPOs”), attached hereto as Exhibit A, and incorporated herein by reference, for all vendors that total \$10,000 and over for FY 2017-18 (“FY 18”).

Section 3. The City Council authorizes the City Manager, and/or his designee, to prepare and execute all BPOs identified and listed on said Exhibit A.

Section 4. The provisions of this Resolution are severable and if any provision, clause, sentence, word or part thereof is held illegal, invalid, unconstitutional, or inapplicable to any person or circumstances, such illegality, invalidity, unconstitutionality, or inapplicability shall not affect or impair any of the remaining provisions, clauses, sentences, sections, words or parts thereof of the Resolution or their applicability to other persons or circumstances.

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

PASSED, APPROVED AND ADOPTED by the City Council of the City of Industry, California, at a regular meeting held on the 13th day of July 2017.

AYES: COUNCIL MEMBERS

NOES: COUNCIL MEMBERS

ABSTAIN: COUNCIL MEMBERS

ABSENT: COUNCIL MEMBERS

Mark D. Radecki, Mayor

ATTEST:

Diane M. Schlichting, Chief Deputy City Clerk

City of Industry
Blanket Purchase Order Vendor List for FY 2017-18 ("FY 18")
Exhibit A
Vendors Totaling \$10,000 and Over

Item #	Vendor Name	Primary Purpose	FY 18 Proposed Amount
1	Aborta-Bug Pest Control	Facilities Maintenance - Pest Control	60,000
2	Advanced Discovery, Inc.	Legal Services - Documentation & Scanning Services	100,000
3	All American Electric	Facilities & Property Maintenance	70,000
4	All American Contracting Corporation	Facilities & Property Maintenance	30,000
5	Alvaka Networks	Professional Services - Information Technology Services	160,000
6	Anneafta Group	Professional Services - Planning Augmentation Services	436,800
7	Applied Metering Technologies	Electric Utility - Utility Operations & Maintenance Services	35,000
8	B & T Cattie	Property Maintenance - Grazing Services at Open Space Properties	180,000
9	Blake Air Conditioning Company	Facilities Maintenance - HVAC & Air Conditioning Services at City Facilities	30,000
10	Brown Rudnick, LLP	Professional Services - Independent Oversight Advisor	300,000
11	Bryan Press	Office Supplies - City Letterhead, Envelopes, & Business Cards	15,000
12	Butsko Utility Design Inc.	Electric Utility - Utility Engineering Services	150,000
13	CA Dept of Transportation	Professional Services - Maintenance of City's Transportation & Street Infrastructure	15,000
14	Cabral Roofing	Facilities Maintenance	10,000
15	Carlson, Calladine & Peterson, LLP	Legal Services - Specialized Legal Services	300,000
16	Cartegraph Systems, Inc.	Professional Services - Annual Software Fees for City's Electronic Work Order System	31,000
17	CASC Engineering and Consulting	Professional Services - NPDES Consulting Services	100,000
18	Casso & Sparks, LLP	Legal Services - City Attorney	1,500,000

City of Industry
Blanket Purchase Order Vendor List for FY 2017-18 ("FY 18")
Exhibit A
Vendors Totaling \$10,000 and Over

Item #	Vendor Name	Primary Purpose	FY 18 Proposed Amount
19	Chad's Professional Cleaning	Facilities Maintenance	10,000
20	City of Foster City	Professional Services - City's Job Recruitment & Advertisement Services	10,000
21	City of La Puente	Community Promotions - 4th of July Contribution	40,000
22	City of Walnut	Street Maintenance	20,000
23	CNC Engineering	Professional Services - Engineering Services	2,500,000
24	CNC Equestrian	Facilities Management - Operations & Management of City's Expo Center	600,000
25	Comfort Systems USA Southwest, Inc.	Facility Maintenance - HVAC Maintenance for El Encanto Healthcare Facility	40,000
26	Cordoba Corporation - Electric Utility	Electric Utility - Utility Administration Services for Industry Public Utility Commission ("IPUC")	2,613,000
27	Cordoba Corporation - Engineering Services	Professional Services - Engineering Services	2,000,000
28	Cordoba Corporation - Real Estate Advisory Services	Professional Services - Real Estate Advisory Services	540,000
29	County of LA Department of Public Works	Professional Services - Maintenance of City's Transportation & Street Infrastructure	800,000
30	County of Los Angeles	Professional Services - Weed Abatement Services	50,000
31	County Sanitation Districts of Los Angeles County	Water Utility - Purchase of City's Recycled Water	400,000
32	Dakota Backflow Co.	Property Maintenance - Environmental Testing at City Facilities	15,000
33	Dapeer, Rosenblit, and Litvak, LLP	Legal Services - Code Enforcement	125,000
34	Dept of Animal Care & Control	Public Safety - Animal Control Services	45,000
35	Egoscue Law Group	Legal Services - Environmental Issues	30,000
36	Electra-Media, Inc	Professional Services - Billboard Lease	25,000

City of Industry
Blanket Purchase Order Vendor List for FY 2017-18 ("FY 18")
Exhibit A
Vendors Totaling \$10,000 and Over

Item #	Vendor Name	Primary Purpose	FY 18 Proposed Amount
37	Emerson Consulting Group, Inc.	Professional Services - City Economic Studies & Analysis	18,000
38	Enco Utility Services	Electric Utility - Utility Billing Services	60,000
39	Frazer, LLP	Professional Services - Specialized Financial Services	100,000
40	Fuel Pros, Inc.	Property Maintenance - Industry Hills Fuel Station	25,000
41	Greater Los Angeles Area Council	Community Promotions - Boy Scouts Program	25,000
42	Haddick's Auto Body	Fleet Maintenance	65,000
43	HDL Coren & Cone	Professional Services - Property Tax & Auditing Services	15,000
44	Hinderliter, De Llamas and Associates	Professional Services - Sales Tax & Auditing Services	15,000
45	Historical Resources, Inc.	Facilities Management - Operations & Management of Workman Homestead Museum Facility	1,150,000
46	Home Depot Credit Service	Property Maintenance	75,000
47	Industry Manufacturers Council ("IMC")	Community Promotions - City's Business Relations & Community Promotions Program	900,000
48	Industry Security Services	Professional Services - Security Services	1,300,000
49	Industry Tire Service	Fleet Maintenance	15,000
50	Jane Pisano	Professional Services - Operations Review of Workman Temple Homestead Museum	10,000
51	Janus Pest Management	Facilities Maintenance - Pest Control	15,000
52	Jason Addison Smith ("JAS") Pacific	Facilities Maintenance & Project Management	450,000
53	JMDiaz, Inc.	Professional Services - Engineering Services	1,000,000
54	Karen Wise	Professional Services - Operations Review of Workman Temple Homestead Museum	25,000

City of Industry
Blanket Purchase Order Vendor List for FY 2017-18 ("FY 18")
Exhibit A
Vendors Totaling \$10,000 and Over

Item #	Vendor Name	Primary Purpose	FY 18 Proposed Amount
55	Keenan and Associates	Professional Services - Risk Management Services & Property & Casualty Insurance Broker	235,000
56	Kimley-Horn & Associates, Inc.	Professional Services - Engineering & Traffic-Related Studies	80,000
57	Kline's Plumbing, Inc.	Property Maintenance	30,000
58	LA County Dept of Public Works	Professional Services - Maintenance of City's Transportation & Street Infrastructure	250,000
59	LA County Sheriff's Department	Public Safety - City's Public Safety Provider	9,925,000
60	Land of The Free Foundation	Community Promotions	10,000
61	Lang, Hansen, O'Malley & Miller	Professional Services - Legislative Advocacy Services	300,000
62	Locks Plus	Facilities & Property Maintenance	15,000
63	Los Angeles County Flood Control District	City MOU with LA County - Environmental Remediation / NPDES Monitoring	150,000
64	Mail Finance Inc.	Equipment Rental - Lease for Mail Equipment	10,000
65	Michael Baker International, Inc.	Professional Services - Planning Services	80,000
66	Mr. Plant & Interior Botanical Designs	Facilities Maintenance	10,000
67	Municipal Insurance Cooperative JPA	Professional Services - City's Liability and Casual Property Insurance Provider	165,000
68	Muni-Environmental, LLC	Professional Services - Commercial Recycling & Waste Management Programs	295,000
69	Musulman Roofing Co., Inc.	Property Maintenance	20,000
70	NHA Advisors, LLC	Professional Services - City's Financial Advisor	20,000
71	Norton Rose Fulbright US LLP	Professional Services - City's Bond Counsel	20,000
72	Olmos Professional Services	Facilities Maintenance - Janitorial Services for all City Facilities	110,000

City of Industry
Blanket Purchase Order Vendor List for FY 2017-18 ("FY 18")
Exhibit A
Vendors Totaling \$10,000 and Over

Item #	Vendor Name	Primary Purpose	FY 18 Proposed Amount
73	Online Solutions, LLC	Computer Software - Billing Software for Building Permits, Planning, & Code Enforcement	15,000
74	Pacific Utility Installation	Electric Utility - Utility Operations & Maintenance	60,000
75	Patriot Environmental Services, Inc.	Professional Services - Waste Disposal Services	10,000
76	Placeworks	Professional Services - Specialized Studies for Planning & Development Projects	60,000
77	PlanetBids, Inc.	Professional Services - Annual Software Fees for City's Electronic Procurement/RFP System	41,000
78	Price, Postel & Parma, LLP	Legal Services - Real Estate Advisory Matters	20,000
79	ProcureIt USA, LLC	Computer Supplies & Equipment	50,000
80	Quinn Company	Fleet Maintenance	20,000
81	R.F. Dickson Co., Inc.	Professional Services - Street Sweeping Services	225,000
82	Ricoh USA, Inc.	Printers/Copiers - Equipment Lease Agreement	75,000
83	Sage Environmental Group	Professional Services - Environmental Compliance Services in Open Space Properties	70,000
84	San Gabriel Valley Economic Partnership	Community Promotions - City Membership	25,000
85	San Gabriel Valley Newspaper Group	Advertisement - Notices for Invitation of Bids, Public Hearings, and Ordinances, Etc.	25,000
86	Satsuma Landscape & Maintenance	Professional Services - City Landscape Services for City Properties & Right-of-Way Street Infrastructure	1,900,000
87	SC Fuels	Fleet Maintenance - Fuel Purchases for Industry Hills Fuel Tanks	150,000
88	SCS Field Services	Property Maintenance - Maintenance of Industry Hills Underground Fuel Storage Tanks	200,000
89	So Cal Industries	Property Maintenance	10,000
90	Square Root Golf & Landscape, Inc	Professional Services - City Landscape Services for City Properties & Right-of-Way Street Infrastructure	2,300,000

City of Industry
Blanket Purchase Order Vendor List for FY 2017-18 ("FY 18")
Exhibit A
Vendors Totaling \$10,000 and Over

Item #	Vendor Name	Primary Purpose	FY 18 Proposed Amount
91	SST Construction, LLC	Property Maintenance - City of Industry Metrolink Station	35,000
92	Staples Business Advantage	Office Supplies	40,000
93	Steinke Electric, Kirk	Facilities & Property Maintenance	10,000
94	Stotz Equipment	Fleet Maintenance	20,000
95	Superior Court of California, County of L.A.	Parking Citation Services and Fees	60,000
96	Sureteck, Inc.	Facilities & Property Maintenance	25,000
97	The Dolphin Group, Inc.	Professional Services - City's Public Relations & Media Consultant	324,000
98	The Gabriel Foundation	Community Promotions - Annual Industry Hills Charity Pro Rodeo Contribution	105,000
99	The Morrow Law Firm	Professional Services - Contracted City Clerk	60,000
100	The Pun Group	Professional Services - City's Contracted Auditing Firm	95,000
101	Thomson Reuters - West	Professional Services - Updating of City Municipal Code Books	10,000
102	Tradeway Glass Co.	Facilities Maintenance	10,000
103	Trimark Associates, Inc.	Property Maintenance - Maintenance Services at Metrolink Solar Carports	25,000
104	Tyler Technologies, Inc.	Professional Services - City's Financial System Licenses/Maintenance	25,000
105	Vanguard Cleaning Systems, Inc.	Property Maintenance - Homestead Museum Janitorial Services	12,000
106	Veterans Benefit Team Roping Foundation	Community Promotions	40,000
107	Vision Technology Solutions, LLC	Professional Services - New City Website Annual Fees, Maintenance & Support & IMC and YAL Website Re-Design	60,000
108	Vortex Industries, Inc.	Property Maintenance - Expo Center Gate Repairs	10,000

City of Industry
Blanket Purchase Order Vendor List for FY 2017-18 ("FY 18")
Exhibit A
Vendors Totaling \$10,000 and Over

Item #	Vendor Name	Primary Purpose	FY 18 Proposed Amount
109	W.A. Rasic Construction, Inc.	Professional Services - On-Call Water Maintenance Provider	100,000
110	Weatherite Service	Property Maintenance - HVAC Maintenance for El Encanto Healthcare Facility	20,000
111	West Coast Arborists, Inc.	Professional Services - Tree Trimming	45,000
112	Worldwide Supply, LLC	Computer Supplies & Equipment	10,000
113	Zabco Painting	Property Maintenance	15,000

CITY COUNCIL

ITEM NO. 6.1



CITY OF INDUSTRY

Incorporated June 18, 1957

MEMORANDUM

TO: Honorable Mayor Radecki and Members of the City Council

FROM: Paul J. Philips, City Manager *Paul J. Philips*

DATE: July 13, 2017

SUBJECT: Attached Request from William P. Morrow, Esq., to (1) Continue to serve as the City Clerk, and, (2) To provide ongoing legal services to the Industry Property and Housing Management Authority ("IPHMA")

As you will recall, the IPHMA recently requested increased and dedicated legal and staff services to fulfill their goals and objectives.

Accordingly, Mr. Morrow has submitted the attached proposal to meet the Authority's objectives, as well as addressing the position of City Clerk.

IT IS RECOMMENDED that the City Council review and direct staff accordingly.

The Morrow Law Firm
Law & Government Strategies

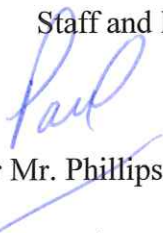
SENATOR BILL MORROW, ESQ
California State Senate-Retired
Senator.Morrow@morrowlawfirm.org

June 23, 2017

Paul Phillips, City Manager
City of Industry
15625 East Stafford Street, #100
City of Industry, CA 91744

HAND DELIVERED

RE: Staff and legal resource for City of Industry Housing Commission


Dear Mr. Phillips:

It has come to my attention that the City of Industry Housing Commission has requested a dedicated staff and legal resource to assist the Commission in developing a response to the housing issues raised by Independent Monitor Bill Lockyer in his report of April 12, 2017, and recommending policy changes to the City Council regarding the same.

The purpose of this letter is to make known that I am very much interested and available to provide the services requested by the Commission.

During my tenure in the Legislature, I had the good fortune to closely work with Bill Lockyer on a number of legislative issues. On a personal, as well as professional level, I would very much enjoy, and look forward to working with him again.

It is my understanding that the work contemplated for the Commission would include, but not be limited to, developing a formal application procedure for potential City-housing tenants; and formulating policies which assess and balance the compatibility of housing expansion with environmental and legal exposures in an industrial city such as Industry.

If I were to assume these new responsibilities and additional work for the Commission, I could still continue to perform the duties of the City Clerk in the administration of elections.

On the elections front, my immediate project, which I had previously mentioned to you that I would undertake, and which I have begun, is to research and assess the extent to which the election consolidation requirements of SB 415 apply to the City. As you recall, SB 415, which was signed into law in 2015, becomes operative on January 1st, 2018. In certain instances, this new law (statutorily embodied in California Elections Code §§ 14050-14057) requires general

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municipal elections to be consolidated with county elections, which effectively occur during the statewide primary and general elections held in even-numbered years only. If this law applies to charter cities such as Industry (and this is not clear on the face of the statutes), then the City of Industry, which presently holds its municipal elections in odd-numbered years pursuant to its Charter, may be required to adopt an election consolidation plan before the end of this year (and which would effectively convert its off-year and local-only elections to county and statewide elections in even-numbered years). I am also assessing the pros and cons, and the desirability or not, of election consolidation with L.A. County apart from SB 415; as well as interfacing with the County, who as you might expect, is pressuring all cities in the County to consolidate.

As you are aware, to assist the City in maintaining its budget and ensuring cost controls, I agreed to billing the City on a monthly fixed rate of \$5,000 per month, instead of my standard hourly billing rate. Moreover, to further help the City in controlling its costs and providing transparency in budget management, as well as in specific response to press inquiries, I have kept meticulous records of all my work on behalf of the City, including the number of man-hours which I provided. All of which I agreed to document, and have documented, in detailed monthly invoices to the City, despite in the end, only billing the agreed upon fixed monthly rate. Even a cursory review and tabulation of the data documented in the invoices, comparing my hourly rate to the actual fixed rate charged, quickly and clearly reveal that the City has realized thousands of dollars in savings and value for my work.

I am willing to continue this manner of billing for both the City Clerk services that I presently provide, as well as the anticipated additional services to be provided to the Housing Commission, for a monthly fixed fee of \$10,000 per month.

If you wish to discuss further, let me know. Thank you for considering my interest in working for the City Housing Commission, and I am ...

Very Truly Yours,



William "Bill" P. Morrow

WPM/mlf


CITY COUNCIL


ITEM NO. 6.2



MEMORANDUM

TO: Honorable Mayor Radecki and Members of the City Council

FROM: Paul J. Philips, City Manager 

STAFF: Susan Paragas, Director of Finance 

DATE: July 13, 2017

SUBJECT: Consideration of Resolution No. CC 2017-23, a Resolution of the City Council of the City of Industry, California, Approving a Standard Software License, Services and Maintenance Agreement with Tyler Technologies, Inc.

BACKGROUND:

On September 27, 2010, the City entered into and executed a Standard and Software License and Services Agreement ("Agreement") with New World Systems Corporation ("New World"). On November 16, 2015, New World merged with and into Tyler Technologies, Inc. ("Tyler") and Tyler is the surviving entity of the merger. The City's license with Tyler's New World ERP is only for the financial management suite that provides the functionalities of a general ledger, accounts payable, and other financial management programs.

In December 2015, the City and Tyler amended the Agreement to extend the Standard Software Maintenance and Support Services ("SSMSS") to December 31, 2016. The SSMSS provides full support from Tyler regarding the operation of their software. Upgrades and the newest technology are also provided without additional license fees.

The Agreement only covers New World's Financial Management suite. However, the City would benefit in the other suites provided by New World such as Payroll and Human Resources and myCommunity. A new agreement will need to be entered into with Tyler to include additional suites.

DISCUSSION:

It is important that the City is efficient and effective through advanced workflow and easy access to information. Tyler offers an enterprise resource planning software that:

- Manage expenditures and appropriations
- Streamline payroll and HR processes
- Provide community development tools
- Enable self-service for employees and community
- Access more data for informed decisions

The City currently only utilizes Tyler's financial management suite, which is heavily used by the Finance Department staff. This current software, including budget tracking, purchasing and the invoice payment process, will be expanded to appropriate City staff. It is necessary to provide training to the additional staff who will utilize this software, to ensure they are able to fully use the available applications and achieve efficiency in the management and reporting of the City's financial transactions.

Moreover, to improve customer services, operate more efficiently and streamline the management of City data, it is recommended that the following Tyler applications be added to the current software:

1. *Payroll and Human Resources Suite* – Includes personnel management, position control, benefits administration, leave management, personnel action process, etc.
2. *myCommunity Suite* – Includes parcel management, permits, licensing, code enforcement, etc.
3. *eSuite Applications* – Online tools for citizens, vendors, businesses and employees providing online access to bill payments and interaction, application for permits and business licenses, employee timesheets, 24/7 employee access to view and change personal information, enroll in benefits, etc.

All of these applications integrate with the financial management suite. The one-time cost of the licenses and the implementation of the new applications is estimated at \$234,720. The one-year cost of the SSMSS for the new applications is \$13,536.

As stated above, the current SSMSS for the Financial Management Suite expired on December 31, 2016. It is recommended that the SSMSS be continued for another year retroactive to January 1, 2017, as Tyler has been continuing to provide services, and expire on December 31, 2017. The new agreement allows the City to extend the SSMSS for five (5) one-year periods. The annual rate increase for the SSMSS will not exceed 5% of the prior year's costs.

A new agreement with Tyler is attached in Resolution number CC 2017-23 to include the new costs of the implementation and maintenance of the new suites, together with the Financial Management suite.

FISCAL IMPACT:

The fiscal impact for the software is **\$263,916**, which was allocated in the City's FY 2017/18 budget.

RECOMMENDED ACTION:

Staff recommends the City Council adopt Resolution CC 2017-23, approving the Standard Software License, Services and Maintenance Agreement with Tyler Technologies, Inc.

ATTACHMENT:

Resolution No. CC 2017-23: Council Approval of the Standard Software License, Services and Maintenance Agreement with Tyler Technologies, Inc. and Authorize City Manager to Execute

RESOLUTION NO. CC 2017-23

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF INDUSTRY, CALIFORNIA, APPROVING THE STANDARD SOFTWARE LICENSE, SERVICES AND MAINTENANCE AGREEMENT WITH TYLER TECHNOLOGIES, INC. AND AUTHORIZE THE CITY MANAGER TO EXECUTE THE AGREEMENT

WHEREAS, on September 27, 2010, the City entered into and executed a Standard Software License and Services Agreement (“Agreement 2010”) with New World Systems Corporation (“New World”) to provide accounting software and related maintenance services; and

WHEREAS, on November 16, 2015, New World merged with and into Tyler Technologies and Tyler is the surviving entity of the merger; and

WHEREAS, on December 10, 2015, the City amended Agreement 2010 with Amendment No.1, to extend the maintenance and support services for the Financial Management module;

WHEREAS, the term of the software maintenance portion of Amendment No. 1 expired on December 31, 2016;

WHEREAS, in order to implement best practices and provide additional software, the Parties now desire to enter into this Agreement, as set forth below.

NOW, THEREFORE, for and in consideration of the mutual covenants and conditions herein contained, City and Tyler agree as follows:

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

Section 1. The above recitals are true and correct and are incorporated herein by reference.

Section 2. The City Council adopts Resolution No. 2017-23 approving the Standard Software License, Services and Maintenance agreement (“Agreement”), attached hereto as Attachment 1, with Tyler Technologies for their New World software as provided in Exhibit A; and

Section 3. The City Council hereby appoints the City Manager or his designee to execute the Agreement.

Section 4. The provisions of this resolution are severable and if any provision, clause, sentence, word or part thereof is held illegal, invalid, unconstitutional, or inapplicable to any person or circumstances, such illegality, invalidity, unconstitutionality, or inapplicability shall not affect or impair any of the remaining provisions, clauses,

sentences, sections, words or parts thereof of the Resolution or their applicability to other persons or circumstances.

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

Section 6. This resolution shall be effective immediately.

PASSED, APPROVED AND ADOPTED by the City Council of the City of Industry at a regular meeting held on July 13, 2017, by the following vote:

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

Mark D. Radecki, Mayor

ATTEST:

Diane M. Schlichting, Chief Deputy City Clerk

ATTACHMENT 1

STANDARD SOFTWARE LICENSE, SERVICES AND MAINTENANCE AGREEMENT

(See attached Attachment 1)

CITY OF INDUSTRY

STANDARD SOFTWARE LICENSE, SERVICES, AND MAINTENANCE AGREEMENT

This Standard Software License, Services and Maintenance Agreement ("Agreement"), is made and entered into this 13th day of July 2017 ("Effective Date"), by and between the City of Industry ("City"), a municipal corporation, and Tyler Technologies, Inc. ("Tyler"), a Delaware corporation. The City and Tyler are hereinafter collectively referred to as the "Parties".

RECITALS

WHEREAS, on September 27, 2010, the City entered into and executed a Standard Software License and Services Agreement ("Agreement 2010") with New World Systems Corporation ("New World") to provide accounting software and related maintenance services; and

WHEREAS, on November 16, 2015, New World merged with and into Tyler Technologies and Tyler is the surviving entity of the merger; and

WHEREAS, on December 10, 2015, the City amended Agreement 2010 with Amendment No.1, to extend the maintenance and support services for the Financial Management module;

WHEREAS, the term of the software maintenance portion of Amendment No. 1 expired on December 31, 2016;

WHEREAS, in order to implement best practices and provide additional software, the Parties now desire to enter into this Agreement, as set forth below.

NOW, THEREFORE, for and in consideration of the mutual covenants and conditions herein contained, City and Tyler agree as follows:

1. TERM

(a) The Maintenance and Support Services for the Financial Management module, set forth in Attachment 2 of Exhibit A, shall be extended from January 1, 2017, and shall remain and continue in effect until December 31, 2017.

(b) The Maintenance and Support Services for the new modules, set forth in Attachment 2 of Exhibit A, shall commence on the Effective Date, and shall remain and continue in effect, but in no event later than December 31, 2017.

(c) Notwithstanding the foregoing, the City may, at its sole discretion, extend this Agreement for five (5) one-year periods. Either party may terminate, in writing, with at least thirty (30) days advance notice.

(d) The implementation of the new modules/software, as listed in Exhibit 2 of Exhibit A, shall commence on the Effective Date, and shall remain and continue in effect until tasks

described herein are completed, unless sooner terminated pursuant to the provisions of this Agreement.

2. SERVICES

(a) Tyler shall perform the tasks ("Services") described and set forth in Exhibit A, attached hereto and incorporated herein as though set forth in full, including Consulting, Training, Conversion and other miscellaneous Services. ("Scope of Services"). Tasks other than those specifically described in the Scope of Services shall not be performed without prior written approval of the City. The Services shall be performed by Tyler, unless prior written approval is first obtained from the City. In the event of conflict or inconsistency between the terms of this Agreement and Exhibits A, the terms of this Agreement shall prevail.

(b) City shall have the right to request, in writing, changes to the Services. Any such changes mutually agreed upon by the Parties, and any corresponding increase or decrease in compensation, shall be incorporated by written amendment to this Agreement.

(c) Tyler shall perform all Services in a manner reasonably satisfactory to the City and in conformance with the standards of quality normally observed by an entity providing software and technology services, serving a municipal agency. Tyler shall provide the services set forth in the Investment Summary at City's election, including Consulting, Training, Conversion, and other miscellaneous Services.

(d) Tyler shall comply with all applicable federal, state, and local laws, regulations and ordinances in the performance of this Agreement, including but not limited to, the conflict of interest provisions of Government Code Section 1090 and the Political Reform Act (Government Code Section 81000 *et seq.*). During the term of this Agreement, Tyler shall not perform any work for another person or entity for whom Tyler was not working on the Effective Date if both (i) such work would require Tyler to abstain from a decision under this Agreement pursuant to a conflict of interest statute or law; and (ii) City has not consented in writing to Tyler's performance of such work. No officer or employee of City shall have any financial interest in this Agreement that would violate California Government Code Sections 1090 *et seq.* Tyler hereby warrants that it is not now, nor has it been in the previous twelve (12) months, an employee, agent, appointee, or official of the City. If Tyler was an employee, agent, appointee, or official of the City in the previous twelve (12) months, Tyler warrants that it did not participate in any manner in the forming of this Agreement. Tyler understands that, if this Agreement is made in violation of Government Code §1090 *et seq.*, the entire Agreement is void and Tyler will not be entitled to any compensation for Services performed pursuant to this Agreement, and Tyler will be required to reimburse the City for any sums paid to the Tyler. Tyler understands that, in addition to the foregoing, it may be subject to criminal prosecution for a violation of Government Code § 1090 and, if applicable, will be disqualified from holding public office in the State of California.

(e) Tyler represents that it has, or will secure at its own expense, all licensed personnel required to perform the Services. All Services shall be performed by Tyler or

under its supervision, and all personnel engaged in the Services shall be qualified and licensed to perform such services.

3. MANAGEMENT

City's Director of Finance shall represent the City in all matters pertaining to the administration of this Agreement, review and approval of all products submitted by Tyler, but shall have no authority to modify the Services or the compensation due to Tyler.

4. PAYMENT

(a) The City agrees to pay Tyler, in accordance with the payment rates and terms and the schedule of payment as set forth in Attachment 1 of Exhibit A of this Agreement, incorporated herein by this reference as though set forth in full, based upon actual time spent on the above tasks. This amount shall not exceed Two Hundred Sixty-Three Thousand Nine Hundred Sixteen (\$263,916). No additional payments are authorized unless approved by City or as provided in this Agreement.

(b) Tyler shall not be compensated for any services rendered in connection with its performance of this Agreement which are in addition to those set forth herein, unless such additional services are authorized in advance and in writing by the City. Tyler shall be compensated for any additional services in the amounts and in the manner as agreed to by City and Tyler at the time City's written authorization is given to Tyler for the performance of said services.

(c) Tyler shall submit invoices for actual services performed. Invoices shall be submitted on or about the first business day of each month, or as soon thereafter as practical, for services provided in the previous month. Payment shall be made within thirty (30) days of receipt of each invoice as to all non-disputed fees. If the City disputes any of Tyler's fees it shall give written notice to Tyler within thirty (30) days of receipt of an invoice of any disputed fees set forth on the invoice. Any final payment under this Agreement shall be made within 45 days of receipt of an invoice therefore.

5. SUSPENSION OR TERMINATION OF AGREEMENT

(a) The City may at any time, for any reason, with or without cause, suspend or terminate this Agreement, or any portion hereof, by serving upon the Tyler at least thirty (30) days prior written notice. Upon receipt of said notice, the Tyler shall immediately cease all work under this Agreement, unless the notice provides otherwise. If the City suspends or terminates a portion of this Agreement such suspension or termination shall not make void or invalidate the remainder of this Agreement.

(b) In the event this Agreement is terminated for any reason, the City shall pay to Tyler fees for all products delivered, work performed, and expenses incurred up to the time of termination, provided that the work performed is of value to the City. Upon termination of this Agreement pursuant to this Section, the Tyler shall submit an invoice to the City pursuant to Section 4 of this Agreement.

(c) If City fails to make prompt payments to Tyler when invoiced, or if City fails to fulfill its responsibilities under this Agreement, including but not limited to those outlined in Exhibit A, Section II, Paragraph 6.0, then Tyler may at its option terminate this Agreement with written notice as follows:

- (i) The termination notice shall define the reason for termination;
- (ii) If the cited reason for termination is City's failure to make prompt payment, City shall have ten (10) days from receipt of said notice to make payment in full for all outstanding invoiced payments due;
- (iii) If the cited reason for termination is City's failure to fulfill its responsibilities, City shall have thirty (30) days from receipt of said notice to correct any actual deficiencies in order to satisfy the terms of this Agreement;
- (iv) During the applicable cure period, Tyler will use sound management practices and its best efforts to resolve any issues or obstacles - including the reassignment of personnel if reasonably necessary to improve the working relationship;
- (v) At the end of the applicable cure period, unless the termination has been revoked in writing by Tyler, the Agreement terminates, and the Parties shall comply with the provisions set forth in Section 5(b).

6. OWNERSHIP OF DOCUMENTS

(a) Tyler shall maintain complete and accurate records with respect to sales, costs, expenses, receipts, and other such information required by City that relate to the performance of services under this Agreement. Tyler shall maintain adequate records of services provided in sufficient detail to permit an evaluation of services. All such records shall be maintained in accordance with generally accepted accounting principles and shall be clearly identified and readily accessible. Tyler shall provide reasonable access to the representatives of City or its designees at reasonable times, to review such books and records; shall give City the right to examine and audit said books and records; shall permit City to make transcripts or copies therefrom as reasonably necessary; and shall allow inspection of all work, data, documents, proceedings, and activities related to this Agreement. Such records, together with supporting documents, shall be maintained for a period of three (3) years after receipt of final payment.

(b) Upon completion of, or in the event of termination or suspension of this Agreement, except as set forth in Section II. 2.0 of Exhibit A, all original documents, designs, drawings, maps, models, computer files, surveys, notes, and other documents prepared in the course of providing the services to be performed pursuant to this Agreement shall become the sole property of the City and may be used, reused, or otherwise disposed of by the City without the permission of the Tyler. The foregoing notwithstanding, Tyler reserves all rights not expressly granted to the City in this Agreement. The Tyler Software and Documentation are protected by copyright and other intellectual property laws and treaties. We own the title, copyright, and other intellectual property rights in the Tyler Software and the Documentation. The Tyler Software is licensed, not sold.

7. INDEMNIFICATION

INDEMNITY.

(a) Tyler shall indemnify, defend and hold harmless City, and any and all of its employees, officials and agents from and against any and all third-party claims, losses, liabilities, damages, costs, and expenses (including reasonable attorney's fees and costs) for (i) personal injury or property damage to the extent caused by our negligence or willful misconduct; or (ii) Tyler's violation of a law applicable to our performance under this Agreement. City must notify Tyler promptly in writing of the claim. City agrees to provide Tyler with reasonable assistance, cooperation, and information in defending the claim.

(b) Intellectual Property Infringement Indemnification

Tyler will defend City against any third party claim(s) that the Tyler Software or Documentation infringes that third party's patent, copyright, or trademark, or misappropriates its trade secrets, and will pay the amount of any resulting adverse final judgment (or settlement to which we consent). City must notify Tyler promptly in writing of the claim. City agrees to provide Tyler with reasonable assistance, cooperation, and information in defending the claim.

Tyler's obligations under this section will not apply to the extent the claim or adverse final judgment is based on City's: (a) use of a previous version of the Tyler Software and the claim would have been avoided had City installed and used the current version of the Tyler Software, and Tyler provided notice of that requirement to City; (b) combining the Tyler Software with any product or device not provided, contemplated, or approved by Tyler; (c) altering or modifying the Tyler Software, including any modification by third parties at City's direction or otherwise permitted by City; (d) use of the Tyler Software in contradiction of this Agreement, including with non-licensed third parties; or (e) willful infringement, including use of the Tyler Software after Tyler notifies City to discontinue use due to such a claim.

If Tyler receives information concerning an infringement or misappropriation claim related to the Tyler Software, Tyler may, at its expense and without obligation to do so, either: (a) procure for the City the right to continue its use; (b) modify it to make it non-infringing; or (c) replace it with a functional equivalent, in which case the City will stop running the allegedly infringing Tyler Software immediately. Alternatively, we may decide to litigate the claim to judgment, in which case the City may continue to use the Tyler Software consistent with the terms of this Agreement.

If an infringement or misappropriation claim is fully litigated and City's use of the Tyler Software is enjoined by a court of competent jurisdiction, in addition to paying any adverse final judgment (or settlement to which we consent), Tyler will, at its option, either: (a) procure the right to continue its use; (b) modify it to make it non-infringing; (c) replace it with a functional equivalent; or (d) terminate the City's license and refund the license fees paid for the infringing Tyler Software, as depreciated on a straight-line basis measured over seven (7) years from the execution date of the Agreement by which the City licensed such software. Tyler will pursue those options in the order listed herein. This section provides the City's exclusive remedy for third party copyright, patent, or trademark infringement and trade secret misappropriation claims.

8. INSURANCE

Tyler shall maintain prior to the beginning of and for the duration of this Agreement insurance coverage as specified in Exhibit D attached hereto and incorporated herein by reference.

9. INDEPENDENT CONTRACTOR

(a) Tyler is and shall at all times remain as to the City a wholly independent consultant and/or independent contractor. The personnel performing the services under this Agreement on behalf of Tyler shall at all times be under Tyler's exclusive direction and control. Neither City nor any of its officers, employees, or agents shall have control over the conduct of Tyler or any of Tyler's officers, employees, or agents, except as set forth in this Agreement. Tyler shall not at any time or in any manner represent that it or any of its officers, employees, or agents are in any manner officers, employees, or agents of the City. Tyler shall not incur or have the power to incur any debt, obligation, or liability whatever against the City, or bind the City in any manner.

(b) No employee benefits shall be available to Tyler personnel in connection with the performance of this Agreement. Except for the fees paid to Tyler as provided in the Agreement, City shall not pay salaries, wages, or other compensation to Tyler personnel for performing services hereunder for City. City shall not be liable for compensation or indemnification to Tyler personnel for injury or sickness arising out of performing services hereunder.

10. LEGAL RESPONSIBILITIES

Tyler shall keep itself informed of applicable State and Federal laws and regulations which in any manner affect those employed by it or in any way affect the performance of its service pursuant to this Agreement. Tyler shall at all times observe and comply with all such laws and regulations. The City, and its officers and employees, shall not be liable at law or in equity occasioned by failure of Tyler to comply with this Section.

11. UNDUE INFLUENCE

Tyler declares and warrants that no undue influence or pressure was used against or in concert with any officer or employee of the City in connection with the award, terms or implementation of this Agreement, including any method of coercion, confidential financial arrangement, or financial inducement. No officer or employee of the City has or will receive compensation, directly or indirectly, from Tyler, or from any officer, employee or agent of Tyler, in connection with the award of this Agreement or any work to be conducted as a result of this Agreement. Violation of this Section shall be a material breach of this Agreement entitling the City to any and all remedies at law or in equity.

12. NO BENEFIT TO ARISE TO LOCAL OFFICERS AND EMPLOYEES

No member, officer, or employee of City, or their designees or agents, and no public official who exercises authority over or responsibilities with respect to the Project during his/her tenure or for one year thereafter, shall have any interest, direct or indirect, in any agreement or sub-agreement, or the proceeds thereof, for work to be performed in connection with the Project performed under this Agreement.

13. RELEASE OF INFORMATION/CONFLICTS OF INTEREST

(a) All information gained by Tyler in performance of this Agreement shall be considered confidential and shall not be released by Tyler without City's prior written authorization unless required by law. Tyler, its officers, employees, agents, or subconsultants, shall not without written authorization from the City, voluntarily provide declarations, letters of support, testimony at depositions, response to interrogatories, or other information concerning the work performed under this Agreement or relating to any project or property located within the City, unless otherwise required by law or court order.

(b) In the event the City receives a public records request for information related to this Agreement, pursuant to the California Public Records Act (Cal. Gov't. Code §§6252 *et seq.*), City shall promptly notify Tyler .

14. NOTICES

Any notices which either party may desire to give to the other party under this Agreement must be in writing and may be given either by (i) personal service, (ii) delivery by a reputable document delivery service, such as but not limited to, Federal Express, which provides a receipt showing date and time of delivery, or (iii) mailing in the United States Mail, certified mail, postage prepaid, return receipt requested, addressed to the address of the party as set forth below or at any other address as that party may later designate by notice:

To City: City of Industry
15625 E. Stafford
City of Industry, CA 91744
Attention: City Manager

With a Copy To: James M. Casso, City Attorney
Casso & Sparks, LLP
13200 Crossroads Parkway North, Suite 345
City of Industry, CA 91746

To Tyler: Tyler Technologies, Inc.
840 West Long Lake Road
Troy, Michigan 48098
Attention: Roger Routh

Copy to:
Tyler Technologies, Inc.
1 Tyler Drive
Yarmouth, ME 04096

Attention: Chief Legal Officer

15. BINDING EFFECT, ASSIGNMENT & SUBCONTRACTING

Neither the City nor Tyler shall assign the performance of this Agreement, nor any part thereof, nor any monies due hereunder, without prior written consent of the other Party. The foregoing notwithstanding, City consent is not required for an assignment by Tyler as a result of a corporate reorganization, merger, acquisition, or purchase of substantially all of Tyler assets.

Before retaining or contracting with any subconsultant for any services under this Agreement, Tyler shall provide City with the identity of the proposed subconsultant, a copy of the proposed written contract between Tyler and such subconsultant which shall include an indemnity provision similar to the one provided herein and identifying City as an indemnified party, or an incorporation of the indemnity provision provided herein, and proof that such proposed subconsultant carries insurance at least equal to that required by this Agreement or obtain a written waiver from the City for such insurance.

Nothing in this Agreement shall be deemed or construed to create a contractual relationship between the City and any subconsultant employed by Tyler. Tyler shall be solely responsible for payments to any subconsultants.

16. GOVERNING LAW/ATTORNEYS' FEES

The City and Tyler understand and agree that the laws of the State of California shall govern the rights, obligations, duties, and liabilities of the parties to this Agreement and also govern the interpretation of this Agreement. Any litigation concerning this Agreement shall take place in the municipal, superior, or federal district court in Los Angeles County, California. If any action at law or suit in equity is brought to enforce or interpret the provisions of this Agreement, or arising out of or relating to the Services provided by Tyler under this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees and all related costs, including costs of expert witnesses and consultants, as well as costs on appeal, in addition to any other relief to which it may be entitled.

17. ENTIRE AGREEMENT

This Agreement contains the entire understanding between the Parties relating to the obligations of the Parties described in this Agreement. All prior or contemporaneous agreements, understandings, representations, and statements, oral or written and pertaining to the subject of this Agreement or with respect to the terms and conditions of this Agreement, are merged into this Agreement and shall be of no further force or effect. Each party is entering into this Agreement based solely upon the representations set forth herein and upon each party's own independent investigation of any and all facts such party deems material.

18. SEVERABILITY

If any term or provision of this Agreement or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, then such term or provision

shall be amended to, and solely to, the extent necessary to cure such invalidity or unenforceability, and in its amended form shall be enforceable. In such event, the remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Agreement shall be valid and be enforced to the fullest extent permitted by law.

19. COUNTERPARTS

This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

20. CAPTIONS

The captions appearing at the commencement of the sections hereof, and in any paragraph thereof, are descriptive only and shall have no significance in the interpretation of this Agreement.

21. WAIVER

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

22. REMEDIES

(a) Each right, power and remedy provided for herein or now or hereafter existing at law, in equity, by statute, or otherwise shall be cumulative and shall be in addition to every other right, power, or remedy provided for herein or now or hereafter existing at law, in equity, by statute, or otherwise. The exercise, the commencement of the exercise, or the forbearance of the exercise by any party of any one or more of such rights, powers or remedies shall not preclude the simultaneous or later exercise by such party of any of all of such other rights, powers or remedies.

(b) Prior to the initiation of litigation, each party agrees to provide written notice to the other party within thirty (30) days of becoming aware of a dispute. The Parties agree to cooperate to reasonably resolve all disputes, including, if requested by either party, appointing a senior representative to meet and engage in good faith negotiations. Senior representatives will convene within thirty (30) days of the written dispute notice, unless otherwise agreed. All meetings and discussions between senior representatives related to the dispute, will be deemed confidential settlement discussions not subject to disclosure under Federal Rule of Evidence 408 or any similar applicable state rule. If the Parties fail to resolve the dispute within the thirty (30) day period (or in a time frame agreed upon by the Parties), either party may assert its respective rights and remedies in a court of competent jurisdiction. Nothing in this section shall prevent either party from seeking

necessary injunctive relief during the dispute resolution procedures.

(c) For any claim relating to the non-conformance or imperfection of any licensed software provided under this Agreement, Tyler will correct the defect so that it conforms to the warranties set forth in Exhibit A, Section II, subparagraph 4.1.

23. AUTHORITY TO EXECUTE AGREEMENT

The person or persons executing this Agreement on behalf of Tyler represents and warrants that he/she has the authority to execute this Agreement on behalf of the Tyler and has the authority to bind Tyler to the performance of its obligations hereunder.

24. LIMITATION OF LIABILITY. EXCEPT AS OTHERWISE EXPRESSLY SET FORTH IN THIS AGREEMENT, TYLER'S LIABILITY FOR DAMAGES ARISING OUT OF THIS AGREEMENT, WHETHER BASED ON A THEORY OF CONTRACT OR TORT, INCLUDING NEGLIGENCE AND STRICT LIABILITY, SHALL BE LIMITED TO CITY'S ACTUAL DIRECT DAMAGES, NOT TO EXCEED (A) PRIOR TO FORMAL TRANSITION TO MAINTENANCE AND SUPPORT, THE TOTAL ONE-TIME FEES SET FORTH IN THE INVESTMENT SUMMARY; OR (B) AFTER FORMAL TRANSITION TO MAINTENANCE AND SUPPORT, THE THEN-CURRENT ANNUAL MAINTENANCE AND SUPPORT FEE. THE PRICES SET FORTH IN THIS AGREEMENT ARE SET IN RELIANCE UPON THIS LIMITATION OF LIABILITY.

25. EXCLUSION OF CERTAIN DAMAGES. TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, IN NO EVENT SHALL TYLER BE LIABLE FOR ANY SPECIAL, INCIDENTAL, PUNITIVE, INDIRECT, OR CONSEQUENTIAL DAMAGES WHATSOEVER, EVEN IF TYLER HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

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

"CITY"
City of Industry

"TYLER"
Tyler Technologies, Inc.

By: _____
Paul J. Philips, City Manager

By _____
Name, Title

Attest:

By: _____
Diane M. Schlichting, Chief Deputy City Clerk

Approved as to form:

By: _____
James M. Casso, City Attorney

Attachments: Exhibit A Scope of Services and Rate Schedule
 Exhibit B Insurance Requirements

EXHIBIT B

INSURANCE REQUIREMENTS

Without limiting Tyler's indemnification of City, and prior to commencement of the Services, Tyler shall obtain, provide and maintain at its own expense during the term of this Agreement, policies of insurance of the type and amounts described below.

General liability insurance. Tyler shall maintain commercial general liability insurance with coverage at least as broad as Insurance Services Office form CG 00 01, in an amount not less than \$3,000,000.00 per occurrence, \$5,000,000.00 general aggregate, for bodily injury, personal injury, and property damage.

Automobile liability insurance. Tyler shall maintain automobile insurance at least as broad as Insurance Services Office form CA 00 01 covering bodily injury and property damage for all activities of the Tyler arising out of or in connection with Work to be performed under this Agreement, including coverage for any owned, hired, non-owned or rented vehicles, in an amount not less than \$1,000,000.00 combined single limit for each accident.

Professional liability (errors & omissions) insurance. Tyler shall maintain professional liability insurance that covers the Services to be performed in connection with this Agreement, in the minimum amount of \$1,000,000 per claim and in the aggregate. Any policy inception date, continuity date, or retroactive date must be before the effective date of this agreement and Tyler agrees to maintain continuous coverage through a period no less than three years after completion of the services required by this agreement.

Workers' compensation insurance. Tyler shall maintain Workers' Compensation Insurance (Statutory Limits) and Employer's Liability Insurance (with limits of at least \$1,000,000.00).

Proof of insurance. Tyler shall provide certificates of insurance to City as evidence of the insurance coverage required herein. Insurance certificates must be approved by City's Risk Manager prior to commencement of performance. Current certification of insurance shall be kept on file with City at all times during the term of this contract.

Duration of coverage. Tyler shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property, which may arise from or in connection with the performance of the Services hereunder by Tyler, his agents, representatives, or employees.

Primary/noncontributing. Coverage provided by Tyler shall be primary for claims for which Tyler is found liable, and any insurance or self-insurance procured or maintained by City shall not be required to contribute with it. The limits of insurance required herein may be satisfied by a combination of primary and umbrella or excess insurance. Any umbrella or excess insurance shall contain a provision that such coverage shall also apply on a primary and non-contributory basis for the benefit of City before the City's own insurance or self-insurance shall be called upon to protect it as a named insured.

Exhibit B – Insurance Requirements (continued)

Acceptable insurers. All insurance policies shall be issued by an insurance company currently authorized by the Insurance Commissioner to transact business of insurance in the State of California, with an assigned policyholders' Rating of A- (or higher) and Financial Size Category Class VI (or larger) in accordance with the latest edition of Best's Key Rating Guide, unless otherwise approved by the City's Risk Manager.

Waiver of right of recovery & subrogation. All insurance coverage maintained or procured pursuant to this agreement shall specifically allow Tyler or others providing insurance evidence in compliance with these specifications to waive their right of recovery prior to a loss. Tyler agrees to waive subrogation rights against the City for the CGL, Auto and Worker's Compensation policies. Such waiver is only for the City and is not applicable for damage or injury causes by the City.

Enforcement of contract provisions (non estoppel). Tyler acknowledges and agrees that any actual or alleged failure on the part of the City to inform Tyler of non-compliance with any requirement imposes no additional obligations on the Agency nor does it waive any rights hereunder.

Requirements not limiting. Requirements of specific coverage features or limits contained in this Section are not intended as a limitation on coverage, limits or other requirements, or a waiver of any coverage normally provided by any insurance. Specific reference to a given coverage feature is for purposes of clarification only as it pertains to a given issue and is not intended by any party or insured to be all inclusive, or to the exclusion of other coverage, or a waiver of any type. If the Tyler maintains higher limits than the minimums shown above, the City requires and shall be entitled to coverage for the higher limits maintained by the Tyler. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the City.

Notice of cancellation. Tyler agrees to provide to City with a thirty (30) day notice of cancellation (except for nonpayment for which a ten (10) day notice is required) or nonrenewal of coverage for each required coverage.

Additional insured status. General liability and Auto policies shall provide or be endorsed to provide that City and its officers, officials, employees, and agents, and volunteers shall be additional insureds under such policies. This provision shall also apply to any excess liability policies.

Separation of Insureds. A severability of interests provision must apply for all additional insureds ensuring that Tyler's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the insurer's limits of liability. The policy(ies) shall not contain any cross-liability exclusions.

Pass Through Clause. Tyler agrees to require that its subconsultants, subcontractors, and any other party involved with the project who is brought onto or involved in the project by Tyler, provide the same minimum insurance coverage and endorsements required of Tyler.

Timely notice of claims. Each party shall provide the other party with prompt and timely notice of claims made or suits instituted that arise out of or result from Tyler's performance under this Agreement, and that involve or may involve coverage under any of the required liability policies.

Additional insurance. Tyler shall also procure and maintain, at its own cost and expense, any additional kinds of insurance, which in its own judgment may be necessary for its proper protection and prosecution of the work.

**EXHIBIT A
SCOPE OF SERVICES**

This Scope of Services sets forth Services that Tyler will provide to the City.

Exhibit A is comprised of the following:

- Attachment 1 TOTAL COST SUMMARY AND PAYMENT SCHEDULE**
- Attachment 2 LICENSED STANDARD SOFTWARE AND FEES**
- Attachment 3 IMPLEMENTATION AND TRAINING SUPPORT SERVICES**
- Attachment 4 STANDARD SOFTWARE MAINTENANCE AND SUPPORT**
- Attachment 5 DATA FILE CONVERSION ASSISTANCE**

I. DEFINITIONS

The following terms as defined below are used throughout this **Agreement**:

1. **“Authorized Copies”**:
 Except as provided in Section II, subparagraph 1.3, the only authorized copies of the Licensed Software and Licensed Documentation are the copies of each application software package defined in this Paragraph. They are:
 - (i) the single copy of the Licensed Software and the related Licensed Documentation delivered by **Tyler** under this **Agreement**; and
 - (ii) any additional copies made by **City** as authorized in Section II, subparagraph 1.2.
2. **“An Authorized User/Workstation”**:
 Subject to the number of users specified in Exhibit A, any PC workstation that is connected to access the Licensed Software resident on Computer and that may be logged on to access the programs, interfaces, data, or files created and/or maintained by the Licensed Software.
3. **“Computer”**:
 The .NET Server(s) to be located at:
 City of Industry
 15625 East Stafford Street
 City of Industry, CA 91744
City shall identify in writing the serial number of the Computer within ten (10) days of receipt of the Computer or within ten (10) days of the Effective Date, whichever is later. If the Computer is to be relocated, **City** shall notify **Tyler** of the new location in writing prior to the relocation.
4. **“Confidential Information”** See Section 13(c) of the Agreement
5. **“City Liaison”**:
 An individual authorized and designated by **City** to act as liaison between **City** and **Tyler** for the duration of this **Agreement**. Within ten (10) days of the Effective Date, **City** shall notify **Tyler** of the name of the City Liaison.
6. **“Delivery of Licensed Standard Software”**:
 Licensed Standard Software will be delivered in a machine readable form to **City** via an agreed upon network connection, or on appropriate media if requested, as soon as the software is available after the Effective Date.
7. **“Development Software”**:
 Standard application software currently under development by **Tyler** which, if applicable, will be completed and delivered to **City** as Licensed Standard Software when available.
8. **“Installation of Licensed Standard Software”**:
 Installation of the Licensed Standard Software shall be deemed to occur, for all billings or other events described herein, upon the earlier of:
 - (a) the transfer or loading of the Licensed Standard Software onto a **City** server or computer, or
 - (b) thirty (30) days after delivery of the Licensed Standard Software.
9. **“Licensed Custom Software”**:
 Any software (programs or portions of programs) developed by **Tyler** specifically for **City’s** own use.
10. **“Licensed Documentation”**:
Tyler User Manuals which includes the current specifications for the Licensed Standard Software and other written instructions relating to the Licensed Software (such as Product Bulletins, installation instructions, and training materials).
11. **“Licensed Products”**:
 The Licensed Software, the related Licensed Documentation, and the Authorized Copies of the foregoing.
12. **“Licensed Software”**:
 The Licensed Standard Software, Development Software, Upgrades, and Licensed Custom Software provided under this **Agreement**.
13. **“Licensed Standard Software”**:
 The current version of **Tyler** standard and development application software package(s) (in machine readable code) listed in Exhibit A.
14. **“SSMA”**:
 The **Tyler** Standard Software Maintenance Agreement as set forth in Exhibit C.
15. **“Travel Expenses”**:

All actual and reasonable travel expenses incurred by **Tyler** for trips relating to this project, including airfare, rental car, lodging, mileage, and daily per diem expenses, which shall not exceed the estimate in Exhibit AA of this **Agreement** without **City's** prior written approval. Notwithstanding the foregoing, the City will not compensate Tyler for travel time.

16. ***“Upgrades”:***

Any enhanced and/or improved versions of the Licensed Standard Software provided as Licensed Standard Software under Exhibit C of this **Agreement** and released after the execution of this **Agreement** provided City is a current maintenance and support customer.

II. GENERAL TERMS AND CONDITIONS

1.0 *SINGLE USE LICENSE*

- 1.1 **Tyler** grants **City** a nontransferable, nonexclusive, and non-assignable license to use the Licensed Software only on the Computer and only for its internal processing needs. **City** shall have the right and license to use, the Licensed Software only for **City's** own use and only on the Computer and only on an authorized workstation. **Tyler** will deliver to **City** one copy of each application of the Licensed Software (in machine readable form compatible with the specified operating environment) and one copy of the related Licensed Documentation. If **City** fails to pay all license fees specified in Exhibit A and the applicable custom software fees, if any, **City** shall forfeit the right and license to use the Licensed Products and shall return them to **Tyler**. A failure to renew the Term as defined at Section 1(c) of this Agreement shall not alter your rights to the Licensed Software, which are perpetual but may be revoked if you do not comply with the terms of this Agreement.
- 1.2 In order to assist **City** in the event of an emergency, **City** is permitted to make up to two (2) back-up copies on magnetic media of each application of the Licensed Software and one back-up copy of the related Licensed Documentation. These Authorized Copies may be stored as defined above so long as they are kept in a location secure from unauthorized use. **City** or anyone obtaining access through **City** shall not copy, distribute, disseminate, or otherwise disclose to any third party the Licensed Products or copies thereof in whole or in part, in any form or media. This restriction on making and distributing the Licensed Products or copies of any Licensed Product, includes without limitation, copies of the following:
 - (i) Program libraries, either source or object code;
 - (ii) Operating control language;
 - (iii) Test data, sample files, or file layouts;
 - (iv) Program listings; and
 - (v) Licensed Documentation.
- 1.3 Upon written request by **City**, and with written permission by **Tyler**, additional Authorized Copies may be made for **City's** internal use only.

2.0 *OWNERSHIP*

- 2.1 The Licensed Products and all copyright, trade secrets and other proprietary rights, title and interest therein, remain the sole property of **Tyler** or its licensors, and **City** shall obtain no right, title or interest in the Licensed Products by virtue of this **Agreement** other than the nonexclusive, nontransferable, non-assignable license to use the Licensed Products as restricted herein.
- 2.2 The license to use any Licensed Custom Software provided under this **Agreement**, if any, is included in this license. **Tyler** shall have the right to use any data processing ideas, techniques, concepts, and/or know-how acquired by it in the performance of services under this **Agreement** including the development of Licensed Custom Software for the advancement of its own technical expertise and the performance of other Software License and Service Agreements or any other applicable agreements. **Tyler** shall have, without restriction, the right to use all programs, procedures, information, and techniques that are publicly available, obtained or obtainable from third parties and/or developed independently by **Tyler** without specific reference to **City's** organization.

3.0 *CORRECTION AND SOFTWARE MAINTENANCE ON STANDARD SOFTWARE*

- 3.1 **Tyler** provides software correction service and maintenance for the Licensed Standard Software during the term of **City's** SSMA. See Attachment 4 to Exhibit A for a description of the SSMA start date and term, the services available and the applicable fees and procedures.

4.0 *WARRANTIES*

- 4.1 **Tyler** warrants, for **City's** benefit only, that the Licensed Standard Software will perform as specified in its user manuals based on the then-current release of the Licensed Standard Software.
- 4.2 **Tyler** warrants, for **City's** benefit only, that it possesses the necessary intellectual rights to license to **City** the Licensed Standard Software provided hereunder.

The foregoing warranties do not apply if the Licensed Product(s) have been modified by any party other than **Tyler**. **Tyler** does not warrant that the features or functions of the Licensed Software will meet **City's**

requirements or in any combination or use **City** selects. EXCEPT AS SPECIFICALLY PROVIDED IN THIS PARAGRAPH 4.0, AND ITS SUBSECTIONS, **TYLER** EXPRESSLY DISCLAIMS ANY EXPRESS OR IMPLIED WARRANTIES WITH RESPECT TO THE LICENSED PRODUCTS, INCLUDING BUT NOT LIMITED TO, THE LICENSED PRODUCTS' CONDITION, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR ANY IMPLIED WARRANTY ARISING FROM COURSE OF PERFORMANCE, COURSE OF DEALING OR USAGE OF TRADE.

5.0 *INSTALLATION AND TRAINING SUPPORT SERVICES*

- 5.1 As provided for in Exhibit B and concurrent with timely payments, **Tyler** shall make available to **City** qualified representative(s) who will provide installation and training support services for each application of the Licensed Software delivered. See Exhibit B for a description of the services provided and the applicable fees and procedures.

6.0 *CITY LIAISON AND CITY RESPONSIBILITIES*

The successful implementation of the Licensed Products into **City's** environment requires **City's** commitment to and cooperation in the implementation process. Accordingly, **City** hereby agrees to the following:

- 6.1 **City** understands that the Licensed Software is designed to run in a specified operating environment which includes hardware, software and related equipment not provided by **Tyler**. **City** is responsible for assuring that the appropriate hardware equipment, related components and all cabling are installed timely and are suitable for the successful installation of the Licensed Software.
- 6.2 **City** agrees to provide the management interface and support necessary to successfully complete the implementation of the Licensed Software. This support includes upper level management priority setting and timely involvement during and after a change in **City's** organization, **City's** operations and/or after changes in **City's** internal policies or procedures which directly affect the software implementation.
- 6.3 **City** shall designate the appropriate individual authorized to serve as the City Liaison for the duration of the Licensed Software implementation. If **City** must replace the City Liaison for reasons beyond its control, **City** will assign a new City Liaison as soon as reasonably possible. **Tyler** is not responsible for any delay caused directly or indirectly by the reassignment of the City Liaison. In addition to other duties and responsibilities, the City Liaison shall:
- (i) provide timely answers to **Tyler's** requests for information;
 - (ii) coordinate a mutually agreeable implementation and training schedule;
 - (iii) have authority to sign for and obligate **City** to any matters relating to service requests, design documents, performance test documents and/or delivery and service dates;
 - (iv) in situations where **City** participation is required, provide timely input for systems definition, detail design, and use of the software system.
- 6.4 **City** is responsible for creating and maintaining its master files, tables and the like which includes accurate data entry, accurate file editing and overall file control to assure successful systems performance.
- 6.5 **City** shall provide qualified individuals with sufficient backup to be trained to use the Licensed Software and to interpret the output. Applying the output information in **City's** environment is **City's** sole responsibility.

7.0 *BILLING AND ADDITIONAL AUTHORIZED WORKSTATION CHARGES*

- 7.1 The attached Exhibits set forth the manner in which fees and payments shall be allocated and made under this **Agreement**. To the extent **City** imposes additional requirements on **Tyler** for services other than those expressly provided in this **Agreement**, **Tyler** retains the right to make additional price adjustments and/or any other adjustments that may be necessitated. Before performing these additional services, **Tyler** will notify **City** that the services are subject to additional charge(s).
- 7.2 If **City** wishes to add additional authorized workstations or Licensed Standard Software, **City** agrees to pay the additional License fees at the then current software prices in effect. SSMA fees shall be increased according to the additional Licensed Standard Software fees on the next annual billing date after the additional workstations and/or Licensed Standard software is added, or as specified in the future contract. With said payments, the license provided in Section II, Paragraph 1.0 permits **City's** use of the Licensed Software for the specified workstations.
- 7.3 **City** shall notify **Tyler** if additional authorized workstations need to be added to access the Licensed Software and will pay the additional authorized workstation fees promptly when invoiced.

7.4 Any taxes or fees imposed from the course of this **Agreement** are the responsibility of the **City** and **City** agrees to remit when imposed. If an exemption is claimed by the **City**, an exemption certificate must be submitted to **Tyler**.

8.0 *NON-RECRUITMENT OF PERSONNEL*

8.1 During, and for a period of twenty-four (24) months after the expiration of, the Standard Software Maintenance Agreement and/or any renewal maintenance agreement, each party agrees not to solicit or hire current or former employees of the other without the other's prior written consent.

9.0 *RELEASE OF INFORMATION* See Section 13(c) of the Agreement

10.0 *REMEDIES* See Section 22 of the Agreement

11.0 *INTEGRATION WITH U.S. COPYRIGHT ACT*

11.1 In addition to all other provisions provided under this **Agreement**, **City** agrees to be bound by and to comply with any and all provisions of the U.S. Copyright Act (*The Copyright Act of 1976, U.S.C. Sections 101-810 (1976) as amended*). If a provision of the U.S. Copyright Act and this **Agreement** conflict, the more restrictive of the two applies. If it cannot be determined which is the more restrictive, then the provision within this **Agreement** shall apply.

12.0 *INDEPENDENT CONTRACTOR* See Section 9 of the Agreement

13.0 *INSURANCE REQUIREMENTS* See Exhibit B to the Agreement

14.0 *DISPUTE RESOLUTION* See Section 22(b) of the Agreement

15.0 *TERMINATION* See Section 5 of the Agreement

16.0 *PATENT AND TRADEMARK INDEMNIFICATION* See Section 7(c) of the Agreement

17.0 *NOTICES* See Section 14 of the Agreement

18.0 *GOVERNING LAW/ATTORNEY'S FEES* See Section 16 of the Agreement

19.0 *ENTIRE AGREEMENT* See Section 17 of the Agreement

20.0 *CAPTIONS* See Section 20 of the Agreement

21.0 *WAIVER* See Section 21 of the Agreement

ATTACHMENT 1**TOTAL COST SUMMARY AND PAYMENT SCHEDULE****Total Cost Summary: Licensed Standard Software, Implementation Services, and Third Party Products**

<u>DESCRIPTION OF COST</u>	<u>COST</u>
A. LICENSED STANDARD SOFTWARE as further detailed in Attachment 2	\$75,200
1. Licensed Standard Software	
B. IMPLEMENTATION SERVICES	\$129,520
1. Project Management as further described in Attachment 2	
2. Interface Installation Services as further described in Attachment 2	
3. Implementation and Training Services as further described in Attachment 2	
4. Data Conversion as further described in Attachment 2	
5. Other Implementation Services as further described in Attachment 2	
ONE TIME PROJECT COST:	<u>\$204,720</u>
C. TRAVEL EXPENSES (Estimate) - billed as incurred	\$30,000
D. STANDARD SOFTWARE MAINTENANCE SERVICES (for 2017) - The services are further detailed in Exhibit 2	\$29,196

Attachment 1 - Cost Summary and Payment Schedule (continued)

II. Payments for Licensed Standard Software, Implementation Services, and Third Party Products

<u>DESCRIPTION OF PAYMENT</u>	<u>PAYMENTS</u>
A. LICENSED STANDARD SOFTWARE as further detailed in Attachment 2	\$75,200
1. Amount invoiced upon Effective Date (100%)	
B. IMPLEMENTATION SERVICES as further detailed in Attachment 2	
	\$129,520
– Project Management will be billed monthly, in arrears. Monthly fee is \$2,200.	\$22,000
– Implementation and Training Services fees are invoiced as delivered	\$91,500
– Conversions	
Amounts invoiced, <u>by conversion option</u> , upon initial delivery (50%) of the applicable Data Conversion	\$8,010
Amounts invoiced, <u>by conversion option</u> , upon City acceptance (50%) to load the converted data into Live/Production environment of the applicable Data Conversion	\$8,010
ONE TIME PAYMENTS:	<u>\$204,720</u>
TRAVEL EXPENSES (*Estimate) as further detailed in Attachment 2	\$30,000*
(These expenses are billed as incurred)	
1. 15 trips are anticipated.	
C. SOFTWARE MAINTENANCE SERVICES	\$29,196*
as further detailed in Attachment 2	
1. Financial Management Suite	\$15,660
2. Payroll and Human Resources Suite	3,825
3. myCommunity Suite	5,247
4. eSuite Application	3,564
5. Unlimited Site License	900
* Subject to increase upon renewal.	

ATTACHMENT 2



Quoted By: Terri Minter
 Date: 12/12/2016
 Quote Expiration: 4/11/2017
 Client Name: City of Industry, CA - #1549
 Quote Number: NW-00116 V3
 Quote Description: HR/Payroll, CD & Unlimited User

Sales Quotation for:

City of Industry, CA - #1549
 15625 East Stafford Street #100
 City of Industry, CA 91744
 (626) 333-2211

Tyler price quotations are valid for 120 days

Software and Related Services

Description	License	Year 1 Maintenance	Implementation		Data Conversion	Module Total
			# of Days	Cost		
Payroll & Human Resources Suite:						
Payroll Processing - Includes Personnel Management, Position Control, Benefits Administration, Leave Management, Personnel Action Proc., Position Budgeting, DM and HR Analytics/Dashboards	\$19,050	\$3,429	33	\$40,260	\$7,000	\$69,739
Employee Event Tracking	\$2,200	\$396	2	\$2,440		\$5,036
Payroll & Human Resources Suite Subtotal:	\$21,250	\$3,825	35	\$42,700	\$7,000	\$74,775
myCommunity Suite:						
Parcel Management	\$2,650	\$477	7	\$8,540		\$11,667
Permits (Incl. IVR Interface)	\$3,300	\$594	5	\$6,100	\$3,920	\$13,914
Licensing (Animal, Business, Contractor; Incl. DM/Analytics)	\$4,400	\$792	5	\$6,100	\$4,000	\$15,292
Code Enforcement	\$2,200	\$396	2	\$2,440	\$1,100	\$6,136
Municipal Inspections (Incl. IVR Interface)	\$4,400	\$792	4	\$4,880		\$10,072
myCommunity Server	\$10,000	\$1,800	4	\$4,880		\$16,680
myInspections - Unlimited Users	\$2,200	\$396	4	\$4,880		\$7,476
myCommunity Suite Subtotal:	\$29,150	\$5,247	31	\$37,820	\$9,020	\$81,237
eSuite Applications:						
eSuite Base	\$2,200	\$396	1	\$1,220	Not Applicable	\$3,816
eEmployee	\$2,200	\$396	1	\$1,220	Not Applicable	\$3,816
eTimesheets	\$3,100	\$558	2	\$2,440	Not Applicable	\$6,098
eBenefits Admin	\$4,800	\$864	1	\$1,220	Not Applicable	\$6,884
ePayments	\$2,200	\$396	2	\$2,440	Not Applicable	\$5,036
ePermits	\$2,200	\$396	1	\$1,220	Not Applicable	\$3,816
eLicense	\$3,100	\$558	1	\$1,220	Not Applicable	\$4,878
eSuite Application Subtotal:	\$19,800	\$3,564	9	\$10,980		\$34,344
Unlimited Site License:						
Unlimited Site License	\$5,000	\$900				\$5,900
Unlimited Site License Subtotal:	\$5,000	\$900				\$5,900
TOTAL INITIAL COST:	\$75,200	\$13,536	75	\$91,500	\$16,020	\$196,256

Attachment 2 - Continued



Quoted By: Terri Minter
 Date: 12/12/2016
 Quote Expiration: 4/11/2017
 Client Name: City of Industry, CA - #1549
 Quote Number: NW-00116 V3
 Quote Description: HR/Payroll, CD & Unlimited User

Sales Quotation for:

City of Industry, CA - #1549
 15625 East Stafford Street #100
 City of Industry, CA 91744
 (626) 333-2211

Tyler price quotations are valid for 120 days

Service	Description	Monthly Fee	Number of Months	Total
Project Management Services	Project Management Services Include: a) a summary level Implementation Plan; b) a detail level Implementation Plan; c) revised Implementation Plans (if required); d) monthly project status reports; and e) project status meetings • a project review (kickoff) meeting at Customer's location • progress status meeting(s) will occur during implementation via telephone conference or at Customer's location; and • a project close-out meeting at Customer's location to conclude the project.	\$2,200	10	\$22,000
TOTAL:				\$ 22,000

New World ERP Summary	One Time Fees	Recurring
Total Software	\$75,200	\$13,536
Total Services	\$129,520	
Summary Total	\$204,720	\$13,536

Contract Total (Excluding Estimated Travel Expenses)	\$218,256
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Estimated Travel Expenses			
Trips @ \$2,000/each -Includes airfare, car rental, hotel accommodations and per diem	15	Trips	\$30,000

Footnotes

The Client currently has 15 Financial Management Users. This Amendment entitles the Client to change the 15 authorized users to an unlimited Site License for their licensed software. The Site License is available to only the affiliated Public Administration agencies within the City of Industry, CA.

The costs provided in this proposal are based on all of the proposed products and services being obtained from Tyler Technologies. Should significant portions of the products or services be deleted, Tyler reserves the right to adjust its prices accordingly.

Personal Computers must meet the minimum hardware requirements for the New World ERP product. Microsoft Windows 7 or greater with Internet Explorer (IE) 8 or greater is the required operating system and browser for all client machines.

Servers must meet the minimum hardware requirements for the New World ERP product. Windows Server 2008 (R2) or greater is required for the Application Server(s), Web Server(s) and Database Server. Microsoft SQL Server 2008 (R2) or greater is required for the Database Server. Customers must also license the appropriate number of Microsoft Client Access Licenses (CALs) for license compliance.

Suggested minimum: 100MB Ethernet Network. 10MB CAT5 Ethernet Network may have less than adequate response time. Further consultation would be required to assess your network.

Travel and expenses are not included under *Total Services* as they are billed at actual cost. A separate line item above "Estimated Travel Expenses" shows Tyler's estimate for travel and living expenses for the scope of this project. That estimate is based upon \$2,000 per trip, which may include airfare, hotel, per diem, car rental, and gas). All travel and living expenses will be billed on a weekly basis, but only as incurred.

Tyler supports SQL Server Reporting Services (SSRS) for server-based report generation and ad hoc reporting. SSRS utilizes a web services interface to support the development of custom reporting applications. SSRS is included in the Express, Workgroup, Standard, and Enterprise editions of Microsoft SQL Server. Customers may elect to use other third-party report generation tools including Crystal Reports however Tyler does not provide support for these tools and cannot guarantee compatibility.

Prices assumes that all software proposed is licensed.

Licensed Software, and third party software embedded therein, if any, will be delivered in a machine-readable form to Customer via an agreed upon network connection. Any taxes or fees imposed are the responsibility of the purchaser and will be remitted when imposed.

Attachment 2 - Continued



Tyler Technologies, Inc.
 (FEIN 75-2303920)
 P.O. Box 203556
 Dallas, TX 75320-3556

Empowering people who serve the public®

Questions:

Tyler Technologies - ERP & Schools
 Phone: 1-800-772-2260 Press 2, then 1
 Fax: 1-866-673-3274
 Email: ar@tylertech.com

Industry, CA
 15625 Stafford St
 City Of Industry, CA 91744-3922

Customer No.	Ord No	PO Number
49996	86492	

Description	Extended Price
Annual Maintenance Period: 01/01/2017 - 12/31/2017	15,660.00

Milestone Details

Description:	Contract Amount:	Percent Invoiced:	Amount Invoiced:
New World Maintenance - Asset Management .NET	1,103.00	100%	1,103.00
New World Maintenance - Bank Reconciliation .NET	662.00	100%	662.00
New World Maintenance - Contract Accounting .NET	1,103.00	100%	1,103.00
New World Maintenance - Finance Analytics .NET	1,103.00	100%	1,103.00
New World Maintenance - Financial Management Base Suite .NET	5,513.00	100%	5,513.00
New World Maintenance - Government (GASB) Reporting .NET	1,985.00	100%	1,985.00
New World Maintenance - Misc. Billing & Receivables .NET	1,103.00	100%	1,103.00
New World Maintenance - Project Accounting .NET	1,103.00	100%	1,103.00
New World Maintenance - Purchasing Base .NET	1,985.00	100%	1,985.00

<p>**ATTENTION** Order your checks and forms from Tyler Business Forms at 877-749-2090 or tylerbusinessforms.com to guarantee 100% compliance with your software.</p>	Subtotal	15,660.00
	Sales Tax	0.00
	Total	15,660.00

ATTACHMENT 3**PROJECT MANAGEMENT, IMPLEMENTATION AND TRAINING SUPPORT SERVICES****1. Project Management Services**

Tyler shall act as Project Manager to assist City in implementing the Tyler Software. Project Management Services include:

- a) a summary level implementation Plan;
- b) a detail level implementation Plan;
- c) revised implementation Plans (if requested);
- d) monthly project status reports; and
- e) project status meetings
 - a project review (kickoff) meeting at City's location
 - progress status meeting(s) will occur during implementation via telephone conference or at City's location; and
 - a project close-out meeting at City's location to conclude the project.

2. Implementation and Training Support Services

Implementation and training support services have been allocated for this project as specified in Attachment 2. Avoiding or minimizing custom or modified features will aid in keeping the support costs to the amount allocated. The recommended implementation and training support services include:

- a) implementation of the Tyler Software; and
- b) training City or assisting with training on the Tyler Software.

The project management, implementation and training support services provided by Tyler may be performed at City's premises and/or at Tyler's headquarters in Troy, Michigan (e.g., portions of project management are performed in Troy).

ATTACHMENT 4**STANDARD SOFTWARE MAINTENANCE AND SUPPORT**

Tyler will provide City with the following maintenance and support services for the Tyler Software. Capitalized terms not otherwise defined will have the meaning assigned to such terms in the Agreement.

1. **Term**. Tyler provides maintenance and support services on an annual basis. The initial term commences on January 1, 2017, and remains in effect for one (1) year. The term will renew automatically for additional one (1) year terms unless terminated in writing by either party at least ninety (90) days prior to the end of the then-current term. Tyler will adjust the term to match City's first use of the Tyler Software in live production if that event precedes the one (1) year anniversary of the Effective Date.
2. **Maintenance and Support Fees**. City's year 1 maintenance and support fees for the Tyler Software are listed in Attachment 2. Tyler agrees that the increase in the annual maintenance shall not exceed 5% per year for the next five (5) annual renewals and thereafter annual fees will be at Tyler's then-current rates. Tyler reserves the right to suspend maintenance and support services if City fails to pay undisputed maintenance and support fees within thirty (30) days of Tyler's written notice. Tyler will reinstate maintenance and support services only if City pays all past due maintenance and support fees, including all fees for the periods during which services were suspended.
3. **Maintenance and Support Services**. Tyler shall:
 - 3.1 perform maintenance and support obligations in a professional, good, and workmanlike manner, consistent with industry standards, to resolve Defects, as defined in the Agreement, in the Tyler Software (limited to the then-current version and the immediately prior version); provided, however, that if City modifies the Tyler Software without Tyler's consent, Tyler's obligation to provide maintenance and support services on and warrant the Tyler Software will be void;
 - 3.2 provide telephone support during Tyler's established support hours, currently Monday through Friday from 8:00 a.m. to 8:00 p.m. (Eastern Time Zone)
 - 3.3 maintain personnel that are sufficiently trained to be familiar with the Tyler Software and third party software, if any, in order to provide maintenance and support services;
 - 3.4 provide City with a copy of all major and minor releases to the Tyler Software (including updates and enhancements) that Tyler makes generally available without additional charge to customers who have a maintenance and support agreement in effect; and
 - 3.5 provide non-Defect resolution support of prior releases of the Tyler Software in accordance with Tyler's then-current release life cycle policy.
4. **City's Responsibilities**. Tyler shall use all reasonable efforts to perform any maintenance and support services remotely. Therefore, City agrees to maintain a high-speed internet connection capable of connecting us to City's PCs and server(s). City agrees to provide Tyler with a login account and local administrative privileges as we may reasonably require to perform remote services. Tyler will, at its option, use the secure connection to assist with proper diagnosis and resolution, subject to any reasonably applicable security protocols. If Tyler cannot resolve a support issue remotely, Tyler may be required to provide onsite services. In such event, Tyler will be responsible for its travel expenses, unless it is determined that the reason onsite support was required was a reason outside Tyler's control. Either way, City agrees to provide Tyler with full and free access to the Tyler Software, to allow Tyler to provide the maintenance and support services.
5. **Hardware and Other Systems**. If in the process of diagnosing a software support issue it is discovered that one of City's peripheral systems or other software is the cause of the issue, we will notify the City so that the City may contact the support agency for that peripheral system. Tyler cannot support or maintain third party products except as expressly set forth in the Agreement.

Attachment 4 - Standard Software Maintenance and Support (continued)

In order for Tyler to provide the highest level of software support, City bears the following responsibility related to hardware and software:

- (a) All infrastructure executing Tyler Software shall be managed by City;
 - (b) City will maintain support contracts for all non-Tyler software associated with Tyler Software (including operating systems and database management systems, but excluding Third-Party Software, if any); and
 - (c) City will perform daily database backups and verify that those backups are successful.
6. Other Excluded Services. Maintenance and support fees do not include fees for the following services: (a) initial installation or implementation of the Tyler Software; (b) onsite maintenance and support (unless Tyler cannot remotely correct a Defect in the Tyler Software, as set forth above); (c) application design; (d) other consulting services; (e) maintenance and support of an operating system or hardware; (f) support outside our established support hours; or (g) installation, training services, or third party product costs related to a new release. Requested maintenance and support services such as those outlined in this section will be billed to City on a time and materials basis at Tyler's then current rates. City must request those services with at least one (1) weeks' advance notice.
7. Current Support Call Process. Tyler's current Support Call Process for the Tyler Software is provided in Schedule A to Attachment 4.

Attachment 4 - Standard Software Maintenance and Support (continued)

SCHEDULE A**Support Call Process**

If, after City has cut over to live production use of the Tyler Software, City believes that the Tyler Software is Defective, as "Defect" is defined in the Agreement, then City will notify Tyler by phone, in writing, by email, or through the support website. Please reference the applicable Customer Support page at www.tylertech.com/client-support for information on how to use these various means of contact.

Documented examples of the claimed Defect must accompany each notice. Tyler will review the documented notice and when there is a Defect, Tyler shall resolve it at no additional cost to City beyond your then-current maintenance and support fees.

In receiving and responding to Defect notices and other support calls, Tyler will follow the priority categorizations below. These categories are assigned based on City's determination of the severity of the Defect and Tyler's reasonable analysis. If City believes a priority categorization needs to be updated, City may contact us again, via the same methods outlined above, to request the change.

In each instance of a Priority 1 or 2 Defect, prior to final Defect correction, the support team may offer City workaround solutions, including patches, configuration changes, and operational adjustments, or may recommend that City revert back to the prior version the Tyler Software pending Defect correction.

- (a) **Priority 1:** *A Defect that renders the Tyler Software inoperative; or causes the Tyler Software to fail catastrophically.*

After initial assessment of the Priority 1 Defect, if required, Tyler shall assign a qualified product technical specialist(s) within one business (1) hour. The technical specialist(s) will then work to diagnose the Defect and to correct the Defect, providing ongoing communication to you concerning the status of the correction until the Tyler Software is operational without Priority 1 defect.

The goal for correcting a Priority 1 Defect is 24 hours or less.

- (b) **Priority 2:** *A Defect that substantially degrades the performance of the Tyler Software, but does not prohibit your use of the Tyler Software.*

Tyler shall assign a qualified product technical specialist(s) within four (4) business hours of its receipt of City's notice. The product technical specialist will then work to diagnose and correct the Defect. Tyler shall work diligently to make the correction, and shall provide ongoing communication to you concerning the status of the correction until the Tyler Software is operational without Priority 2 Defect.

The goal for correcting a Priority 2 event is to include a correction in the next Tyler Software release.

- (c) **Priority 3:** *A Defect which causes only a minor impact on the use of the Tyler Software.*

Tyler may include a correction in subsequent Tyler Software releases.

ATTACHMENT 5
DATA FILE CONVERSION ASSISTANCE

Tyler shall provide conversion assistance to the City to help convert the existing data files in the Investment Summary. If additional files are identified after the contract execution, estimates will be provided to the City prior to Tyler beginning work on those newly identified files, and approval by the City shall be required prior to commencement of the work.

General

- 1) This conversion effort includes data coming from one unique data source, not multiple sources.
- 2) No data cleansing, consolidation of records, or editing of data will be part of the data conversion effort. Data cleansing, removal of duplicate records, and editing must take place by the City prior to providing the data to Tyler.

Tyler Responsibilities

- 1) Tyler will provide the City with a conversion design document for signoff prior to beginning development work on the data conversion. No conversion programming by Tyler will commence until the City approves this document.
- 2) Tyler will provide the data conversion programs to convert the City's data from a single data source to the Tyler Software for the specified files that contain 500 or more records.
- 3) As provided in the approved project plan for conversions, Tyler will schedule a conversion analysis trip and a separate data conversion testing trip to the City. The conversion testing trip for each application is a billable support trip, using standard daily billable rates, which is scheduled in conjunction with the delivery of the converted data to the City.
- 4) Tyler will provide the City up to three (3) test sets of the converted data. Additional test sets requested may/will require additional conversion costs.
- 5) Tyler will provide the standard conversion record layouts to the City and convert the available data elements defined in the standard conversion record layouts.

City Responsibilities

- 1) The City will provide data in standard conversion record layouts as provided by Tyler. Submitted data files must include an accurate count of records contained in the files.
- 2) Data will be submitted to Tyler in one of the following formats: AS/400 files, Microsoft SQL Server database, Microsoft Access database, Microsoft Excel Spreadsheet, or an ASCII - format delimited text file. Data and databases will be transferred using the New World ftp site.
- 3) The City understands that files or tables containing less than 500 records or table entries will not be converted.
- 4) As provided in the project plan for conversions, the City will provide a dedicated resource in each application area to focus on conversion mapping and testing. This includes dedicating a support person(s) whenever Tyler staff is on site regarding conversions. Roughly a one to one commitment exists for the City's commitment and Tyler's commitment. The City understands that thorough and timely testing of the converted data by City personnel is a key part of a successful data conversion.
- 5) The City will promptly review conversion deliveries and signoff on both the conversion design document and on the final conversion after the appropriate review. Applying the converted data to the production (Live) environment will constitute conversion acceptance by the City.

INSURANCE REQUIREMENTS

Without limiting Tyler's indemnification of City, and prior to commencement of the Services, Tyler shall obtain, provide and maintain at its own expense during the term of this Agreement, policies of insurance of the type and amounts described below.

General liability insurance. Tyler shall maintain commercial general liability insurance with coverage at least as broad as Insurance Services Office form CG 00 01, in an amount not less than \$3,000,000.00 per occurrence, \$5,000,000.00 general aggregate, for bodily injury, personal injury, and property damage.

Automobile liability insurance. Tyler shall maintain automobile insurance at least as broad as Insurance Services Office form CA 00 01 covering bodily injury and property damage for all activities of the Tyler arising out of or in connection with Work to be performed under this Agreement, including coverage for any owned, hired, non-owned or rented vehicles, in an amount not less than \$1,000,000.00 combined single limit for each accident.

Professional liability (errors & omissions) insurance. Tyler shall maintain professional liability insurance that covers the Services to be performed in connection with this Agreement, in the minimum amount of \$1,000,000 per claim and in the aggregate. Any policy inception date, continuity date, or retroactive date must be before the effective date of this agreement and Tyler agrees to maintain continuous coverage through a period no less than three years after completion of the services required by this agreement.

Workers' compensation insurance. Tyler shall maintain Workers' Compensation Insurance (Statutory Limits) and Employer's Liability Insurance (with limits of at least \$1,000,000.00).

Proof of insurance. Tyler shall provide certificates of insurance to City as evidence of the insurance coverage required herein. Insurance certificates must be approved by City's Risk Manager prior to commencement of performance. Current certification of insurance shall be kept on file with City at all times during the term of this contract.

Duration of coverage. Tyler shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property, which may arise from or in connection with the performance of the Services hereunder by Tyler, his agents, representatives, or employees.

Primary/noncontributing. Coverage provided by Tyler shall be primary for claims for which Tyler is found liable, and any insurance or self-insurance procured or maintained by City shall not be required to contribute with it. The limits of insurance required herein may be satisfied by a combination of primary and umbrella or excess insurance. Any umbrella or excess insurance shall contain a provision that such coverage shall also apply on a primary and non-contributory basis for the benefit of City before the City's own insurance or self-insurance shall be called upon to protect it as a named insured.

Exhibit B – Insurance Requirements (continued)

Acceptable insurers. All insurance policies shall be issued by an insurance company currently authorized by the Insurance Commissioner to transact business of insurance in the State of California, with an assigned policyholders' Rating of A- (or higher) and Financial Size Category Class VI (or larger) in accordance with the latest edition of Best's Key Rating Guide, unless otherwise approved by the City's Risk Manager.

Waiver of right of recovery & subrogation. All insurance coverage maintained or procured pursuant to this agreement shall specifically allow Tyler or others providing insurance evidence in compliance with these specifications to waive their right of recovery prior to a loss. Tyler agrees to waive subrogation rights against the City for the CGL, Auto and Worker's Compensation policies. Such waiver is only for the City and is not applicable for damage or injury causes by the City.

Enforcement of contract provisions (non estoppel). Tyler acknowledges and agrees that any actual or alleged failure on the part of the City to inform Tyler of non-compliance with any requirement imposes no additional obligations on the Agency nor does it waive any rights hereunder.

Requirements not limiting. Requirements of specific coverage features or limits contained in this Section are not intended as a limitation on coverage, limits or other requirements, or a waiver of any coverage normally provided by any insurance. Specific reference to a given coverage feature is for purposes of clarification only as it pertains to a given issue and is not intended by any party or insured to be all inclusive, or to the exclusion of other coverage, or a waiver of any type. If the Tyler maintains higher limits than the minimums shown above, the City requires and shall be entitled to coverage for the higher limits maintained by the Tyler. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the City.

Notice of cancellation. Tyler agrees to provide to City with a thirty (30) day notice of cancellation (except for nonpayment for which a ten (10) day notice is required) or nonrenewal of coverage for each required coverage.

Additional insured status. General liability and Auto policies shall provide or be endorsed to provide that City and its officers, officials, employees, and agents, and volunteers shall be additional insureds under such policies. This provision shall also apply to any excess liability policies.

Separation of Insureds. A severability of interests provision must apply for all additional insureds ensuring that Tyler's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the insurer's limits of liability. The policy(ies) shall not contain any cross-liability exclusions.

Pass Through Clause. Tyler agrees to require that its subconsultants, subcontractors, and any other party involved with the project who is brought onto or involved in the project by Tyler, provide the same minimum insurance coverage and endorsements required of Tyler.

Exhibit B – Insurance Requirements (continued)

Timely notice of claims. Each party shall provide the other party with prompt and timely notice of claims made or suits instituted that arise out of or result from Tyler's performance under this Agreement, and that involve or may involve coverage under any of the required liability policies.

Additional insurance. Tyler shall also procure and maintain, at its own cost and expense, any additional kinds of insurance, which in its own judgment may be necessary for its proper protection and prosecution of the work.

CITY COUNCIL

ITEM NO. 6.3



CITY OF INDUSTRY

Incorporated June 18, 1957

MEMORANDUM

TO: Honorable Mayor Radecki and Members of the City Council

FROM: Paul J. Philips, City Manager *Paul J. Philips*

STAFF: Susan Paragas, Director of Finance

DATE: July 13, 2017

SUBJECT: **Consideration of Payment Options of California Public Employees' Retirement System ("CalPERS") Unfunded Pension Liability and Authorize the City Manager to Execute Required Documents**

BACKGROUND:

The City of Industry's pensions are pre-funded, as opposed to pay-as-you-go retirement systems like Social Security. In pre-funded systems, the employer and employee make contributions into a pension trust each year, over the course of an employee's working life. The money is invested and earnings on these funds are re-invested. By the time the employee reaches retirement, the accumulated assets in the trust are available to pay benefits. The objective is to accumulate sufficient assets to pay the benefits over the remainder of the employee's life.

Funding a Pension Plan



An actuarial valuation of a pension plan determines how much the contributions should be to ensure that the benefits being earned will be funded in a systematic fashion. Since actuarial assumptions are for the long term, demographic and economic assumptions vary depending on the City's actual experience. Some of the major factors that affect the valuations range from mortality experience, retirement rates, salary growth and investment returns. Therefore, an actuarial is prepared each year by CalPERS to determine a more accurate contribution level that is appropriate for the City's actual experience.

Below are some of the annual contribution rates for the City of unfunded liability based on previous actuarial valuations by CalPERS:

CalPERS (Employer Normal Cost) Contribution Rates	Employer Required Contribution FY 2015-16	Employer Required Contribution FY 2016-17	Employer Required Contribution FY 2017-18	Employer Projected Contribution FY 2018-19
Tier 1 – 2.7%@55	13.243%	13.673%	13.714%	13.700%
Tier 2 – 2.0%@60	8.785%	9.111%	9.152%	9.200%
Tier 3 – 2.0%@62	N/A	7.191%	7.170%	7.200%

Below is the lump-sum payment applied to the annual unfunded liability to help pay down the total unfunded liability balance:

CalPERS Employer Lump-Sum Payment of Unfunded Liability	Unfunded Liability Payment FY 2015-16	Unfunded Liability Payment FY 2016-17	Unfunded Liability Payment FY 2017-18	Unfunded Liability Payment FY 2017-18
Tier 1 – 2.7%@55	\$319,496	\$364,959	\$428,190	\$517,866
Tier 2 – 2.0%@60	\$ 45	\$ 47	\$ 540	\$ 605
Tier 3 – 2.0%@62	N/A	\$ 0	\$ 51	\$ 185
TOTAL LUMP-SUM CONTRIBUTION	\$319,541	\$365,006	\$428,781	\$518,656

Therefore, the contributions increase annually to account for changes in the factors mentioned above.

DISCUSSION:

The most recent CalPERS valuation report of June 30, 2015 (released in August 2016), estimated the City's total unfunded liability balance at \$7,151,413. The City's unfunded liability is currently amortized at 30 years. The table below lists the interest costs to be charged to the City utilizing the various amortization schedules to pay down the balance.

CalPERS Employer Payment Options for Unfunded Liability	Estimated Interest Charges
30-Year Amortization(Current)	\$7,935,900
20-Year Amortization	\$7,355,330
15-Year Amortization	\$5,037,096
Lump Sum Payment/Payoff	\$ 0

To save the estimated interest charges, the City should make a payment to fully payoff its unfunded liability. The City has available funds to make the full payment of \$7,151,413 from the General Fund reserves. However, the next annual valuation report, ending June 30, 2016, will be available at the end of August 2017 ("New Valuation"). It is anticipated that the New Valuation will reflect a higher unfunded liability primarily due to the lower investment earnings by CalPERS. Therefore, it is recommended that the amount from the New Valuation be used to fully fund the liability to save any additional interest costs on the higher valuation amount.

Additionally, it is also recommended that the City Council authorize the City Manager to execute the necessary documentation with CalPERS. A subsequent staff report will be submitted to the City Council for approval for the selected funding option and a final unfunded liability amount.

FISCAL IMPACT:

Currently, as of the June 30, 2015 actuarial valuation, a full lump sum payoff is estimated to be \$7.15 million. The City could save over \$7.93 million in interest costs by making a payoff to its estimated unfunded liability.

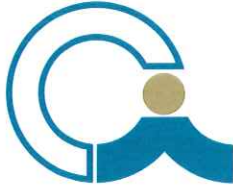
RECOMMENDATION:

Staff recommends that the City Council:

- 1) Provide staff with direction related to the proposed funding options; and
- 2) Authorize the City Manager to execute the necessary documents to make the payment.

CITY COUNCIL

ITEM NO. 6.4



CITY OF INDUSTRY

Incorporated June 18, 1957

To: Honorable Mayor Radecki and Members of the City Council

From: Paul J. Philips, City Manager *Paul J. Philips*

Staff: Alex Gonzalez, Director of Development Services and Administration *AG*
Susan Paragas, City Controller *SP*

Date: July 13, 2017

SUBJECT: Consideration of Property and Casualty Insurance Proposal for Fiscal Year 2017-2018 and Authorization of the City Manager to Execute all Relevant Documents for Inclusion and Binding of Property and Casualty Insurance for Fiscal Year 2017-2018

Background:

Keenan and Associates provided the City with a proposal for renewal of Property and Casualty Insurance on June 22, 2017 based on its negotiations with multiple insurance providers. Based on the limited time frame to ensure continuous coverage, the City Manager, in consultation with the City Attorney, instructed Keenan and Associates to bind coverage by midnight of June 30, 2017.

The City is a member of the Municipal Insurance Cooperative Joint Powers Authority (MIC JPA), a non-risk sharing pool of public agencies whose members include the Cities of: Commerce, Cudahy, Dublin, Industry, Larkspur, Palm Springs, Upland, Walnut Creek, and Yountville; as well as the San Bernardino County Transportation Authority (SBCTA, formerly known as SANBAG) and the Placer County Water Agency. Keenan and Associates has bound the City's insurance as of July 1, 2017, therefore no gap in insurance coverage has occurred.

The total cost for the property and casualty insurance for fiscal year 2017-2018 is \$395,809 for the General Fund and \$30,301 for the Successor Agency to the Industry Urban-Development Agency ("Successor Agency"). The insurance covers the following: Public Entity Liability, Property, Difference in Condition, Workers Compensation, Aviation and Crime.

Fiscal Review:

The total savings for the renewals is \$38,142 for the City and \$20,981 for the Successor Agency. The cost of insurance coverage has been approved in the 2017-2018 budget. As in previous years, the City has chosen to self-insure its automobiles for comprehensive and collision, with auto liability covered by the umbrella liability coverage. This year, the City's deductible for earthquake insurance has been reduced from 10% to 5%, and a fund will be created to retain an additional \$6 million in liquid assets as an emergency fund for catastrophic events. This fund will allow the City to discontinue a second \$6 million dollar earthquake policy.

Staff Recommendation:

Staff recommends that the City Council approve the City's property and casualty insurance for fiscal year 2017-2018, and direct the City Manager to execute all necessary documents to effectuate coverage.

Exhibits

- A. Keenan and Associates Property, Liability and Excess Worker's Compensation Renewal Proposal for the 2017-2018 Program Year dated June 22, 2017

PJP/AG/SP

EXHIBIT A

**Keenan and Associates Property, Liability and Excess Worker's Compensation
Renewal Proposal for the 2017-2018 Program Year dated June 22, 2017**

[Attached]

June 22, 2017

City of Industry
c/o Alex Gonzalez
15625 E. Stafford Street, Suite 100
Industry, CA 91744

RE: 2017-2018 Property & Casualty Renewal Proposal

Dear Alex,

We are pleased to present the City's 2017-2018 Property & Casualty renewal proposal. We have structured a very fair and competitively priced program and look forward to continuing the partnership with the City in providing its risk management services. Following is an overview of the insurance market and summary of the various coverage quotations.

Insurance Marketplace Overview

The insurance and reinsurance market sustained more losses in the past year than in any of the recent years on record. The 2016 hurricane season ended with 15 named storms generating 7 hurricanes, 3 considered major. The first half of 2016 insured losses from U.S. catastrophes increased 30% along with higher than average "cat" losses for the past 10 years. The second half of 2016 U.S. property/casualty claim payouts for natural disasters was \$14.5 billion, which was up significantly from the \$11 billion in the first half of 2015. These are significant number, but not enough to harden the Property market. However, this has caused underwriters to be far more careful when evaluating risks so individual account loss experience becomes very important.

The Liability market is hardening for public agencies due to the long tail exposures of concussions and abuse. In addition, "full service" public entities face further challenges as carriers are pulling out of the public agency market due to law enforcement, auto and long-term "tail" risk concerns. California Workers' Compensation reform has been somewhat beneficial, though rising medical costs are outpacing frequency improvements. In spite of these market challenges, interest rates remain low and capital is still flowing in the market, so while there are increasing rate pressures on certain lines of coverage, it's not nearly as significant if we were truly in a hard market.

Given the recent market conditions, and the City's loss experience and exposures, all lines of coverage for the City will receive rate decreases or remain flat. There are several options to consider, particularly with Property and DIC coverage. The following is a summary of the renewals by line of coverage.

- **Property:** The City has had excellent loss history with zero losses over the past three policy terms. Fireman's Fund has been the incumbent carrier for the past 9 years and provided a fair renewal quote of \$93,936 considering the City's increased in Total Insurable Values going from \$60.6M to \$69M. We also received an alternative option from Affiliated FM with a more competitive rate and premium of \$67,667 but also with an increase in deductible from \$5K to \$10K. The alternative option from Affiliated FM results in a 37.7% rate reduction or \$27,847 savings in premium.
- **Excess Liability:** Given the current market conditions for public agencies, we obtained a very competitive quotation through the Municipal Insurance Cooperative (MIC) that is \$4,054 less or 2.7% less than the expiring program. Renewal rates with MIC remain flat while many other carriers continue to raise rates. The Municipal Insurance Cooperative is the most competitive while providing broader coverage and far greater claim control.
- **DIC:** The City's total insurable values remained flat and the premium, inclusive of taxes and fees will decrease by 3.7% or \$2,270. We have included several options for the City to consider including a 5% deductible option as well as options up to the full TIV or \$10M in limits which are fully supported by the catastrophic modeling report. The alternative option with a 5% deductible and \$10M in limits provides a savings of 22.4% or 13,416 from expiring.
- **Workers Compensation:** - There continues to be few markets willing to write this coverage for public agencies in California, particular for cities with safety. The City's workers' compensation program is written through State Compensation Insurance Fund under a guaranteed cost program. The City's estimated annual payroll for FY 2017-18 increased by \$308,694 or 14.65% from expiring however, the State Fund's renewal quote does reflect a decrease in the net rate of 7.16% going from \$3.05 to \$2.83. The City's renewal quote resulted in an annual cost of \$68,408 which is a 6.4% increase in premium or \$4,137 from expiring.
- **Crime:** The City had been underinsured and elected to increase the policy limits in 2016 from \$250K to \$10M. The incumbent carrier provided a flat renewal premium of \$5,106 with \$10M in limits and \$100K deductible and no changes to the policy's terms and conditions

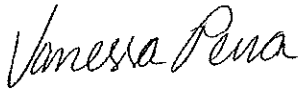
Successor Agency

- **Airport/Aircraft Hull:** The City's Successor Agency's aviation policy received a renewal quote with a reduction in premium of 9.1% or \$525 from expiring.
- **Property:** The City's Successor Agency's has had excellent loss history and has had a long standing partnership with the incumbent carrier, Fireman's Fund. The City's total insurable values have decreased significantly from \$22.3M to \$16.1M which is a 27.8% change from expiring. The renewal quote from Fireman's Fund was received at \$25,784 reflecting a 39%

reduction or \$16,728. We also received an alternative option from Affiliated FM with a more competitive rate and premium of \$23,531 with no change in deductible. The alternative option from Affiliated FM results in a 23.3% rate reduction or \$18,981 savings in premium.

On behalf of Keenan & Associates, it is truly a privilege and honor to serve the City and we appreciate all of your support and confidence in our services.

Sincerely,



Vanessa Pena
Account Executive
Municipal Property & Casualty

This insurance document is furnished to you as a matter of information for your convenience. It only summarizes the listed proposed policy(ies) and is not intended to reflect all the terms and conditions or exclusions of such proposed policy(ies). Moreover, the information contained in this document reflects proposed coverage as of the effective date(s) of the proposed policy(ies) and does not include subsequent changes. This document is not an insurance policy and does not amend, alter or extend the coverage afforded by the listed proposed policy(ies). The insurance afforded by the listed proposed policy(ies) is subject to all the terms, conditions and exclusions of such policy(ies).

**City of Industry
Renewal Comparison
2016 - 2017**

Coverage	Expiring Program 7/1/16 - 7/1/17		Renewal Option 7/1/17 - 7/1/18		% Change
Liability	\$	150,000	\$	145,946	-2.70%
Property Program					
Premium	\$	95,514	\$	67,667	-29.15%
Total Insured Values (TIV)	\$	60,678,686	\$	69,074,510	13.84%
Rate Per \$100 of TIV	\$	0.16	\$	0.10	-37.77%
DIC					
Premium	\$	59,856	\$	46,440	-22.41%
Total Insured Values (TIV)	\$	16,477,624	\$	16,477,624	0%
Rate Per \$100 of TIV	\$	0.36	\$	0.28	-22.41%
Workers Compensation					
Premium	\$	64,268	\$	68,405	6.44%
Estimated Payroll	\$	2,107,039	\$	2,415,733	14.65%
Net Rate	\$	3.05	\$	2.83	-7.16%
Experience Modification		101%		101%	
Aviation	\$	5,770	\$	5,245	-9.10%
Crime	\$	5,106	\$	5,106	0%
Keenan Admin/Loss Control	\$	9,437	\$	9,500	
MIC JPA Administration	\$	4,000	\$	7,500	
Keenan Brokerage Fee	\$	40,000	\$	40,000	
Total Premiums:	\$	433,951	\$	395,809	-8.79%

Successor Agency

Coverage	Expiring Program 7/1/16 - 7/1/17		Renewal Option 7/1/17 - 7/1/18		% Change
Property Program					
Premium	\$	42,512	\$	23,531	-44.65%
Total Insured Values (TIV)	\$	22,346,302	\$	16,130,560	-27.82%
Rate Per \$100 of TIV	\$	0.19	\$	0.15	-23.32%


CITY COUNCIL

ITEM NO. 6.5



MEMORANDUM

To: Honorable Mayor Radecki and Members of the City Council

From: Paul J. Philips, City Manager 

Staff: Alex Gonzalez, Director of Development Services and Administration *AG*

Date: July 13, 2017

SUBJECT: Consideration of Amendment No. 1 to the Professional Services Agreement with Emerson Consulting Group, Inc., for Economic Analysis Services in an amount not to exceed \$33,000

Background:

On August 11, 2016, City Council approved a Professional Services Agreement with Emerson Consulting Group, Inc., ("Emerson") to conduct a study to prepare a ("Report") on the economic impact of the City on the San Gabriel Valley ("SGV") in which the City is located, and the larger Los Angeles County ("LA County") which surrounds the political jurisdiction. The economic analysis study reviewed the following conditions:

- Number of businesses and jobs in the City as compared with the County of Los Angeles;
- Industrial market segmentation using the North American Industry Classification System ("NAICS") code in the City including estimated sales and employment;
- Economic growth as compared with the County of Los Angeles;
- Estimated level of wages generated as compared with the County of Los Angeles;
- Multipliers to estimate the impact of economic activity in the City of Industry on the San Gabriel Valley and County of Los Angeles;
- Applications of the use of multiplies to assess the impact of economic activity in the City;
- The contributions and challenges that the jurisdiction has on the County of Los Angeles economy, trade and long term economic development;
- Providing ArcGIS compatible data files and maps to visualize information about the City; and
- Provide interactive maps on the Internet to visualize the analytical results, integration of the maps into the City's ArcGIS online environment.

On May 25, 2017, Emerson presented the findings of the economic analysis study to the City Council. Based on the Report, City staff was directed to amend the Professional Services Agreement to expand the study to include an analysis of the economic impact of the City on Orange, San Bernardino and Riverside Counties.

The cost of the additional analysis is \$18,000.00, which includes expanding the economic analysis study to include the impact of the City on the Orange, San Bernardino and Riverside Counties. Emerson will present to City Council a Report which will include the additional economic analysis study findings. The total contract amount, for the original Report, and the additional work is \$33,000.00.

Fiscal Impact:

Appropriate \$18,000 to General Fund – Civic-Financial Center Expenses – Professional Services (account no. 100-625-5120.01) for Fiscal Year 2017-2018.

Table 1 – Summary of Economic Analysis Project Costs

Professional Services Agreement dated August 11, 2016	\$15,000.00
Amendment No. 1 to the Professional Services Agreement	\$18,000.00
Total	\$33,000.00

Recommendation:

- 1.) Staff recommends that the City Manager be authorized to execute Amendment No. 1 to the Professional Services Agreement with Emerson Consulting Group, Inc., to expand the economic analysis study to include the impact of the City on the Orange, San Bernardino and Riverside Counties.
- 2.) Appropriate \$18,000 to General Fund – Civic-Financial Center Expenses – Professional Services (account no. 100-625-5120.01) for Fiscal Year 2017-2018.

Exhibits

- A. Amendment No. 1 to the Professional Services Agreement with Emerson Consulting Group, Inc., in an amount not to exceed \$33,000
- B. Professional Services Agreement with Emerson Consulting Group, Inc., in an amount not to exceed \$15,000

PJP/AG:kw

EXHIBIT A

**Amendment No. 1 to the Professional Services Agreement with Emerson
Consulting Group, Inc., in an amount not to exceed \$33,000**

[Attached]

**AMENDMENT NO. 1
TO PROFESSIONAL SERVICES AGREEMENT**

This Amendment No. 1 to the Professional Services Agreement (“Agreement”), is made and entered into this 13th day of July, 2016, (“Effective Date”) by and between the City of Industry, a California municipal corporation (“City”) and Emerson Consulting Group, Inc., a California corporation (“Consultant”). The City and Consultant are hereinafter collectively referred to as the “Parties.”

RECITALS

WHEREAS, on or about August 11, 2016, the City Council approved a Professional Services Agreement with Emerson Consulting Group, Inc., to conduct a study to prepare a (“Report”) on the economic impact of the City on the San Gabriel Valley (“SGV”) in which the City is located and the larger Los Angeles County (“LA County”) which surrounds this political jurisdiction; and

WHEREAS, on or about May 25, 2016, the Report was presented to the City Council;
and

WHEREAS, on or about May 25, 2016, the City Council directed Staff to expand the study to include an analysis of the economic impact of the City on the County of Orange, County of San Bernardino and County of Riverside; and

WHEREAS, the Parties desire to amend the Agreement to increase the compensation of the Agreement by \$18,000.00, to allow Consultant to expand the economic analysis study per the Professional Services Agreement, Scope of Services dated August 11, 2016; and

WHEREAS, for the reasons set forth herein, the City and Consultant desire to enter into this Amendment No. 1, as set forth below.

AMENDMENT

NOW, THEREFORE, in consideration of the mutual covenants, promises and agreements set forth herein, it is agreed the aforesaid Agreement, a copy of which is attached hereto as Exhibit A, and incorporated herein by reference, shall remain in full force and effect except as otherwise hereinafter provided:

Section 4. Payment

The second sentence of Section 4(a) is hereby amended to read in its entirety as follows:

This amount shall not exceed Thirty-Three Thousand Dollars (\$33,000.00) for the total Term of the Agreement unless additional payment is approved as provided in this Agreement.

Exhibit A Scope of Services

The Scope of Services shall be amended to include the information set forth in Attachment 1, attached hereto and incorporated herein by reference.

Exhibit B Rate Schedule

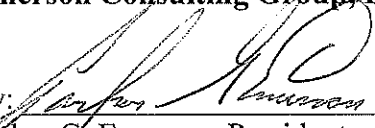
The Rate Schedule shall be amended to include the information set forth in Attachment 2, attached hereto and incorporated herein by reference.

IN WITNESS WHEREOF, the Parties have executed this Amendment No. 1 to the Agreement as of the Effective Date.

“CITY”
City of Industry

By: _____
Paul J. Philips, City Manager

“CONSULTANT”
Emerson Consulting Group, Inc.

By:  _____
Parker G. Emerson, President

Attest:

By: _____
Diane M. Schlichting, Chief Deputy City Clerk

APPROVED AS TO FORM

By: _____
James M. Casso, City Attorney

ATTACHMENT 1

SCOPE OF SERVICES

Consultant shall expand the economic analysis study and Report to include the County of Orange, County of San Bernardino and County of Riverside.

DELIVERABLES

The deliverables under Amendment No. 1 shall include:

- One (1) presentation of draft report to City staff; and
- One (1) presentation of final report to joint meeting of City Council and Industry Manufacturing Council Board by November 2017, to include application of models to data and explanation of how data may be interpreted and used; and
- One (1) copy of ArcGIS-compatible data files on a USB flash drive; and
- Interactive internet map on ArcGIS Online; and
- Six (6) printed spiral or comb-bound copies of the Report with Appendices; and
- Maximum of two (2) hours responding orally to press inquiries; and
- The draft Report shall be submitted to the City Manager and/or designated staff within 90 days of the effective date of Amendment No. 1.

ATTACHMENT 2

RATE SCHEDULE

Consultant shall be compensated Eighteen Thousand Dollars (\$18,000.00) for the Services set forth herein in Attachment 1 above.

The City shall pay Seven Thousand Dollars (\$7,000.00) to the Consultant upon execution of this Amendment No. 1 to the Agreement. The balance of Eleven Thousand Dollars (\$11,000.00) shall be paid to Consultant upon completion of Services and delivery of the Final Report, as set forth in Attachment 1 above.

EXHIBIT B

Professional Services Agreement with Emerson Consulting Group, Inc. in an amount not to exceed \$15,000

[Attached]

CITY OF INDUSTRY
PROFESSIONAL SERVICES AGREEMENT

This PROFESSIONAL SERVICES AGREEMENT ("Agreement"), is made and effective as of August 11, 2016 ("Effective Date"), between the City of Industry, a municipal corporation ("City") and Emerson Consulting Group, Inc., a California Corporation ("Consultant"). The City and Consultant are hereinafter collectively referred to as the "Parties".

RECITALS

WHEREAS, City desires to engage Consultant to perform the services described herein, and Consultant desires to perform such services in accordance with the terms and conditions set forth herein.

NOW, THEREFORE, for and in consideration of the mutual covenants and conditions herein contained, City and Consultant agree as follows:

1. TERM

This Agreement shall commence on the Effective Date, and shall remain and continue in effect until tasks described herein are completed, but in no event later than July 31, 2017, unless sooner terminated pursuant to the provisions of this Agreement.

2. SERVICES

(a) Consultant shall perform the tasks ("Services") described and set forth in Exhibit A, attached hereto and incorporated herein as though set forth in full. ("Scope of Services"). Tasks other than those specifically described in the Scope of Services shall not be performed without prior written approval of the City. The Services shall be performed by Consultant, unless prior written approval is first obtained from the City. In the event of conflict or inconsistency between the terms of this Agreement and Exhibit A, the terms of this Agreement shall prevail.

(b) City shall have the right to request, in writing, changes to the Services. Any such changes mutually agreed upon by the Parties, and any corresponding increase or decrease in compensation, shall be incorporated by written amendment to this Agreement.

(c) Consultant shall perform all Services in a manner reasonably satisfactory to the City and in a first-class manner in conformance with the standards of quality normally observed by an entity providing economic analysis services, serving a municipal agency.

(d) Consultant shall comply with all applicable federal, state, and local laws, regulations and ordinances in the performance of this Agreement, including but not limited to, the conflict of interest provisions of Government Code Section 1090 and the

Political Reform Act (Government Code Section 81000 *et seq.*)). During the term of this Agreement, Consultant shall not perform any work for another person or entity for whom Consultant was not working on the Effective Date if both (i) such work would require Consultant to abstain from a decision under this Agreement pursuant to a conflict of interest statute or law; and (ii) City has not consented in writing to Consultant's performance of such work. No officer or employee of City shall have any financial interest in this Agreement that would violate California Government Code Sections 1090 *et seq.* Consultant hereby warrants that it is not now, nor has it been in the previous twelve (12) months, an employee, agent, appointee, or official of the City. If Consultant was an employee, agent, appointee, or official of the City in the previous twelve (12) months, Consultant warrants that it did not participate in any manner in the forming of this Agreement. Consultant understands that, if this Agreement is made in violation of Government Code §1090 *et seq.*, the entire Agreement is void and Consultant will not be entitled to any compensation for Services performed pursuant to this Agreement, and Consultant will be required to reimburse the City for any sums paid to the Consultant. Consultant understands that, in addition to the foregoing, it may be subject to criminal prosecution for a violation of Government Code §1090 and, if applicable, will be disqualified from holding public office in the State of California.

(e) Consultant represents that it has, or will secure at its own expense, all licensed personnel required to perform the Services. All Services shall be performed by Consultant or under its supervision, and all personnel engaged in the Services shall be qualified and licensed to perform such services.

3. MANAGEMENT

City's City Manager or his designee shall represent the City in all matters pertaining to the administration of this Agreement, review and approval of all products submitted by Consultant, but shall have no authority to modify the Services or the compensation due to Consultant.

4. PAYMENT

(a) The City agrees to pay Consultant in accordance with the payment rates and terms and the schedule of payment as set forth in Exhibit B ("Rate Schedule"), attached hereto and incorporated herein by this reference as though set forth in full, based upon actual time spent on the above tasks. This amount shall not exceed fifteen thousand dollars (\$15,000.00) for the total Term of the Agreement unless additional payment is approved as provided in this Agreement.

(b) Consultant shall not be compensated for any services rendered in connection with its performance of this Agreement which are in addition to those set forth herein, unless such additional services are authorized in advance and in writing by the City. Consultant shall be compensated for any additional services in the amounts and in the manner as agreed to by City and Consultant at the time City's written authorization is given to Consultant for the performance of said services.



(c) Upon completion of the Services and delivery of the Report, Consultant shall submit an invoice for actual services performed. Payment shall be made within thirty (30) days of receipt of each invoice as to all non-disputed fees. If the City disputes any of Consultant's fees it shall give written notice to Consultant within thirty (30) days of receipt of an invoice of any disputed fees set forth on the invoice. Any final payment under this Agreement shall be made within forty-five (45) days of receipt of an invoice therefore.

5. SUSPENSION OR TERMINATION OF AGREEMENT

(a) The City may at any time, for any reason, with or without cause, suspend or terminate this Agreement, or any portion hereof, by serving upon the Consultant at least ten (10) days prior written notice. Upon receipt of said notice, the Consultant shall immediately cease all work under this Agreement, unless the notice provides otherwise. If the City suspends or terminates a portion of this Agreement such suspension or termination shall not make void or invalidate the remainder of this Agreement.

(b) In the event this Agreement is terminated pursuant to this Section, the City shall pay to Consultant the actual value of the work performed up to the time of termination, provided that the work performed is of value to the City. Upon termination of the Agreement pursuant to this Section, the Consultant shall submit an invoice to the City pursuant to Section 5 of this Agreement.

6. OWNERSHIP OF DOCUMENTS

(a) Consultant shall maintain complete and accurate records with respect to sales, costs, expenses, receipts, and other such information required by City that relate to the performance of services under this Agreement. Consultant shall maintain adequate records of services provided in sufficient detail to permit an evaluation of services. All such records shall be maintained in accordance with generally accepted accounting principles and shall be clearly identified and readily accessible. Consultant shall provide free access to the representatives of City or its designees at reasonable times to review such books and records; shall give City the right to examine and audit said books and records; shall permit City to make transcripts or copies therefrom as necessary; and shall allow inspection of all work, data, documents, proceedings, and activities related to this Agreement. Such records, together with supporting documents, shall be maintained for a period of three (3) years after receipt of final payment.

(b) Upon completion of, or in the event of termination or suspension of this Agreement, all original documents, designs, drawings, maps, models, computer files, surveys, notes, and other documents prepared in the course of providing the services to be performed pursuant to this Agreement shall become the sole property of the City and may be used, reused, or otherwise disposed of by the City without the permission of the Consultant. With respect to computer files, Consultant shall make available to the City, at the Consultant's office, and upon reasonable written request by the City, access to the necessary computer software and hardware for purposes of accessing, compiling, transferring, copying and/or printing computer files. Consultant hereby grants to City all right, title, and interest, including any copyright, in and to the documents, designs, drawings,

maps, models, computer files, surveys, notes, and other documents prepared by Consultant in the course of providing the services under this Agreement. All reports, documents, or other written material developed by Consultant in the performance of the Services pursuant to this Agreement, shall be and remain the property of the City. All software applications used by Consultant and data from third parties or that is in the public domain shall remain the property of Consultant and/or third parties and/or in the public domain.

7. INDEMNIFICATION

(a) Indemnity for professional liability

When the law establishes a professional standard of care for Consultant's Services, to the fullest extent permitted by law, Consultant shall indemnify, protect, defend and hold harmless the City and any and all of its officials, employees and agents ("Indemnified Parties") from and against any and all losses, liabilities, damages, costs and expenses, including legal counsel's fees and costs caused in whole or in part by any negligent or wrongful act, error or omission of Consultant, its officers, agents, employees or Subconsultants (or any agency or individual that Consultant shall bear the legal liability thereof) in the performance of professional services under this Agreement.

(b) Indemnity for other than professional liability

Other than in the performance of professional services and to the full extent permitted by law, Consultant shall indemnify, defend and hold harmless City, and any and all of its employees, officials and agents from and against any liability (including liability for claims, suits, actions, arbitration proceedings, administrative proceedings, regulatory proceedings, losses, expenses or costs of any kind, whether actual, alleged or threatened, including legal counsel fees and costs, court costs, interest, defense costs, and expert witness fees), where the same arise out of, are a consequence of, or are in any way attributable to, in whole or in part, the performance of this Agreement by Consultant or by any individual or agency for which Consultant is legally liable, including but not limited to officers, agents, employees or subcontractors of Consultant.

(c) **DUTY TO DEFEND.** In the event the City, its officers, employees, agents and/or volunteers are made a party to any action, claim, lawsuit, or other adversarial proceeding arising from the performance of the services encompassed by this Agreement, and upon demand by City, Consultant shall have an immediate duty to defend the City at Consultant's cost or at City's option, to reimburse the City for its costs of defense, including reasonable attorney's fees and costs incurred in the defense of such matters.

Payment by City is not a condition precedent to enforcement of this indemnity. In the event of any dispute between Consultant and City, as to whether liability arises from the sole negligence of the City or its officers, employees, or agents, Consultant will be obligated to pay for City's defense until such time as a final judgment has been entered adjudicating the City as solely negligent. Consultant will not be entitled in the absence of such a determination to any reimbursement of defense costs including but not limited to attorney's fees, expert fees and costs of litigation.

8. INSURANCE

Consultant shall maintain prior to the beginning of and for the duration of this Agreement insurance coverage as specified in Exhibit C attached hereto and incorporated herein by reference.

9. INDEPENDENT CONSULTANT

(a) Consultant is and shall at all times remain as to the City a wholly independent consultant and/or independent contractor. The personnel performing the services under this Agreement on behalf of Consultant shall at all times be under Consultants exclusive direction and control. Neither City nor any of its officers, employees, or agents shall have control over the conduct of Consultant or any of Consultant's officers, employees, or agents, except as set forth in this Agreement. Consultant shall not at any time or in any manner represent that it or any of its officers, employees, or agents are in any manner officers, employees, or agents of the City. Consultant shall not incur or have the power to incur any debt, obligation, or liability whatever against the City, or bind the City in any manner.

(b) No employee benefits shall be available to Consultant in connection with the performance of this Agreement. Except for the fees paid to Consultant as provided in the Agreement, City shall not pay salaries, wages, or other compensation to Consultant for performing services hereunder for City. City shall not be liable for compensation or indemnification to Consultant for injury or sickness arising out of performing services hereunder.

10. LEGAL RESPONSIBILITIES

The Consultant shall keep itself informed of State and Federal laws and regulations which in any manner affect those employed by it or in any way affect the performance of its service pursuant to this Agreement. The Consultant shall at all times observe and comply with all such laws and regulations. The City, and its officers and employees, shall not be liable at law or in equity occasioned by failure of the Consultant to comply with this Section.

11. UNDUE INFLUENCE

Consultant declares and warrants that no undue influence or pressure was used against or in concert with any officer or employee of the City in connection with the award, terms or implementation of this Agreement, including any method of coercion, confidential financial arrangement, or financial inducement. No officer or employee of the City has or will receive compensation, directly or indirectly, from Consultant, or from any officer, employee or agent of Consultant, in connection with the award of this Agreement or any work to be conducted as a result of this Agreement. Violation of this Section shall be a material breach of this Agreement entitling the City to any and all remedies at law or in equity.

12. NO BENEFIT TO ARISE TO LOCAL OFFICERS AND EMPLOYEES

No member, officer, or employee of City, or their designees or agents, and no public official who exercises authority over or responsibilities with respect to the Project during



his/her tenure or for one year thereafter, shall have any interest, direct or indirect, in any agreement or sub-agreement, or the proceeds thereof, for work to be performed in connection with the Project performed under this Agreement.

13. RELEASE OF INFORMATION/CONFLICTS OF INTEREST

(a) All information gained by Consultant in performance of this Agreement shall be considered confidential and shall not be released by Consultant without City's prior written authorization. Consultant, its officers, employees, agents, or subconsultants, shall not, without written authorization from the City, voluntarily provide declarations, letters of support, testimony at depositions, response to interrogatories, or other information concerning the work performed under this Agreement or relating to any project or property located within the City, unless otherwise required by law or court order.

(b) Consultant shall promptly notify City should Consultant, its officers, employees, agents, or subconsultants be served with any summons, complaint, subpoena, notice of deposition, request for documents, interrogatories, request for admissions, or other discovery request ("Discovery"), court order, or subpoena from any person or party regarding this Agreement and the work performed there under or with respect to any project or property located within the City, unless Consultant is prohibited by law from informing the City of such Discovery, court order or subpoena. City retains the right, but has no obligation, to represent Consultant and/or be present at any deposition, hearing, or similar proceeding as allowed by law. Unless City is a party to the lawsuit, arbitration, or administrative proceeding and is adverse to Consultant in such proceeding, Consultant agrees to cooperate fully with the City and to provide the opportunity to review any response to discovery requests provided by Consultant. However, City's right to review any such response does not imply or mean the right by City to control, direct, or rewrite said response.

14. NOTICES

Any notices which either party may desire to give to the other party under this Agreement must be in writing and may be given either by (i) personal service, (ii) delivery by a reputable document delivery service, such as but not limited to, Federal Express, which provides a receipt showing date and time of delivery, or (iii) mailing in the United States Mail, certified mail, postage prepaid, return receipt requested, addressed to the address of the party as set forth below or at any other address as that party may later designate by notice:

To City: City of Industry
15625 E. Stafford, Suite 100
City of Industry, CA 91744

Attention: City Manager

With a Copy To: James M. Casso, City Attorney
Casso & Sparks, LLP
13200 Crossroads Parkway North, Suite 345
City of Industry, CA 91746



Tel (626) 269-2980
jcasso@cassosparks.com

To Consultant: Mr. Parker G. Emerson, President
Emerson Consulting Group, Inc.
140 N. Harvard Avenue, #1952
Claremont CA 91711-8952
Tel (909) 447-9439
parker@emersonenterprises.com

15. ASSIGNMENT

The Consultant shall not assign the performance of this Agreement, nor any part thereof, nor any monies due hereunder, without prior written consent of the City.

Before retaining or contracting with any subconsultant for any services under this Agreement, Consultant shall provide City with the identity of the proposed subconsultant, a copy of the proposed written contract between Consultant and such subconsultant which shall include an indemnity provision similar to the one provided herein and identifying City as an indemnified party, or an incorporation of the indemnity provision provided herein, and proof that such proposed subconsultant carries insurance at least equal to that required by this Agreement or obtain a written waiver from the City for such insurance.

Notwithstanding Consultant's use of any subconsultant, Consultant shall be responsible to the City for the performance of its subconsultant as it would be if Consultant had performed the Services itself. Nothing in this Agreement shall be deemed or construed to create a contractual relationship between the City and any subconsultant employed by Consultant. Consultant shall be solely responsible for payments to any subconsultants. Consultant shall indemnify, defend and hold harmless the Indemnified Parties for any claims arising from, or related to, the services performed by a subconsultant under this Agreement.

16. WARRANTY

Consultant provides no warranty or guarantee that any economic or other projections or predictions set forth in the Report will in fact occur.

17. GOVERNING LAW/ATTORNEYS' FEES

The City and Consultant understand and agree that the laws of the State of California shall govern the rights, obligations, duties, and liabilities of the parties to this Agreement and also govern the interpretation of this Agreement. Any litigation concerning this Agreement shall take place in the municipal, superior, or federal district court in Los Angeles County, California. If any action at law or suit in equity is brought to enforce or interpret the provisions of this Agreement, or arising out of or relating to the Services provided by Consultant under this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees and all related costs, including costs of expert witnesses and consultants, as well as costs on appeal, in addition to any other relief to which it may be entitled.

18. ENTIRE AGREEMENT

This Agreement contains the entire understanding between the Parties relating to the obligations of the Parties described in this Agreement. All prior or contemporaneous agreements, understandings, representations, and statements, oral or written and pertaining to the subject of this Agreement or with respect to the terms and conditions of this Agreement, are merged into this Agreement and shall be of no further force or effect. Each party is entering into this Agreement based solely upon the representations set forth herein and upon each party's own independent investigation of any and all facts such party deems material.

19. SEVERABILITY

If any term or provision of this Agreement or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, then such term or provision shall be amended to, and solely to, the extent necessary to cure such invalidity or unenforceability, and in its amended form shall be enforceable. In such event, the remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Agreement shall be valid and be enforced to the fullest extent permitted by law.

20. COUNTERPARTS

This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

21. CAPTIONS

The captions appearing at the commencement of the sections hereof, and in any paragraph thereof, are descriptive only and shall have no significance in the interpretation of this Agreement.

22. WAIVER

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

23. REMEDIES

Each right, power and remedy provided for herein or now or hereafter existing at law, in equity, by statute, or otherwise shall be cumulative and shall be in addition to every other right, power, or remedy provided for herein or now or hereafter existing at law, in equity, by statute, or otherwise. The exercise, the commencement of the exercise, or

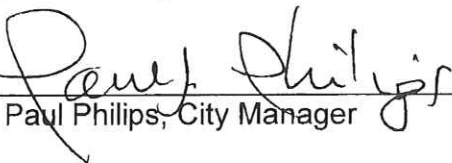
the forbearance of the exercise by any party of any one or more of such rights, powers or remedies shall not preclude the simultaneous or later exercise by such party of any of all of such other rights, powers or remedies.

24. AUTHORITY TO EXECUTE THIS AGREEMENT

The person or persons executing this Agreement on behalf of Consultant represents and warrants that he/she has the authority to execute this Agreement on behalf of the Consultant and has the authority to bind Consultant to the performance of its obligations hereunder.

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

"CITY"
City of Industry

By: 
Paul Philips, City Manager

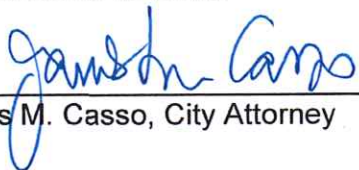
"CONSULTANT"
Emerson Consulting Group, Inc.

By: 
Parker G. Emerson, President

Attest:

By: 
Cecelia Dunlap, Deputy City Clerk

Approved as to form:

By: 
James M. Casso, City Attorney

Attachments: Exhibit A Scope of Services
 Exhibit B Rate Schedule
 Exhibit C Insurance Requirements



EXHIBIT A

SCOPE OF SERVICES

Consultant shall employ faculty from California State Polytechnic University, Pomona, Dr. Sandra M. Emerson, MPA Director, and Dr. Carsten Lange, Professor and Graduate Coordinator, as Principal Investigators to conduct a study to prepare a report ("Report") on the economic impact of the City on the San Gabriel Valley ("SGV") in which the City is located and the larger Los Angeles County ("LA County") which surrounds this political jurisdiction. The Report shall provide a balanced representation of the City's role and comparative analysis, its contribution and challenges, and shall provide accurate, verifiable data of the City's economic contribution to the SGV and Los Angeles County.

REPORT CONTENT

- The information to be provided in the Report shall include the following:
- Number of business and jobs in the City as compared with Los Angeles County;
 - Industrial market segmentation (NAICS code based) in the City including estimated sales and employment;
 - Economic growth as compared with LA County;
 - Estimated level of wages generated as compared with LA County;
 - *Multipliers* to estimate the impact of economic activity in the City of Industry on the SGV and LA County;
 - Applications of the use of multipliers to assess the impact of economic activity in the city;
 - The contributions and challenges that the jurisdiction has on the LA County economy, trade, and long term economic development;
 - ArcGis compatible data files and maps to visualize information about the city; and
 - Interactive maps to visualize the analytical results. The City will integrate the maps into the City's ArcGIS Online environment, and restrict access to city staff where needed.

DEFINITION OF SAN GABRIEL VALLEY

The San Gabriel Valley ("SGV"), as used in this Agreement, shall consist of those forty-seven (47) cities, neighborhoods, and unincorporated portions of Los Angeles County listed by the Los Angeles Times on its website <http://maps.latimes.com/neighborhoods/region/san-gabriel-valley>; to wit: Alhambra, Arcadia, Avocado Heights, Azusa, Baldwin Park, Bradbury,



Charter Oak, Citrus, Covina, Diamond Bar, Duarte, East Pasadena, East San Gabriel, El Monte, Glendora, Hacienda Heights, Industry, Irwindale, La Habra Heights, La Puente, Mayflower Village, Monrovia, Monterey Park, North El Monte, North Whittier, Ramona, Rosemead, Rowland Heights, San Dimas, San Gabriel, San Marino, San Pasqual, Sierra Madre, South Diamond Bar, South El Monte, South Pasadena, South San Gabriel, South San Jose Hills, Temple City, Valinda, Vincent, Walnut, West Covina, West Puente Valley, West San Dimas, Whittier, and Whittier Narrows.

PROJECT TASKS AND TIMELINE

The Report shall be completed as follows:

Task	Provided by	Timing	Reported
Environmental scan of source data	Emerson/Lange	first month	Appendix of final report
Evaluation of data sources and utility	Emerson/Lange	first month	Final report Presentation
Preparing ArcGIS compatible data files	Lange	second month	
Develop interactive Internet maps	Lange	third month	ArcGIS Online
Incorporation of data into City GIS system	City of Industry	fourth month	
Identification of scholarly models for applying multipliers locally and regionally	Emerson	fourth month	Final report
Application of models to data and explanation of how data may be interpreted and used.	Lange	fourth month	Final report / presentation

The Report shall be submitted to the City Manager within 160 days of the Effective Date of this Agreement. Consultant shall provide one (1) preview of the Report to designated City staff followed by one (1) preview by the City Manager or designee and shall participate in providing one (1) presentation to City Council within thirty (30) days of submitting the Report to the City Manager. Consultant’s presentation to the City Council shall serve as the completion of the Report described in Section 4(c) of the Agreement.

DELIVERABLES

The deliverables under this Agreement shall include:

- One (1) copy of ArcGIS-compatible data files on a USB flash drive
- Interactive internet map on ArcGIS Online
- Six (6) printed spiral- or comb-bound copies of the Report with Appendices.
- One (1) presentation of Report to City Council to include application of models to data and explanation of how data may be interpreted and used.

A handwritten signature in black ink, appearing to be 'P. H. O.', is located at the bottom right of the page.

EXHIBIT B

RATE SCHEDULE

Consultant shall be compensated fifteen thousand dollars (\$15,000.00) for the Services set forth herein.

The City shall pay Five Thousand Dollars (\$5,000.00) to the Consultant upon execution of this Agreement. The balance of Ten Thousand Dollars (\$10,000.00) shall be paid to Consultant upon completion of the Services and delivery of the Report, as set forth in Section 4(c).

A handwritten signature in black ink, appearing to be initials or a stylized name, located at the bottom right of the page.

EXHIBIT C

INSURANCE REQUIREMENTS

Without limiting Consultant's indemnification of City, and prior to commencement of the Services, Consultant shall obtain, provide and maintain at its own expense during the term of this Agreement, policies of insurance of the type and amounts described below and in a form satisfactory to Agency.

General liability insurance. Consultant shall maintain commercial general liability insurance with coverage at least as broad as Insurance Services Office form CG 00 01, in an amount not less than \$1,000,000.00 per occurrence, \$2,000,000.00 general aggregate, for bodily injury, personal injury, and property damage. The policy must include contractual liability that has not been amended. Any endorsement restricting standard ISO "insured contract" language will not be accepted.

Automobile liability insurance. Consultant shall maintain automobile insurance at least as broad as Insurance Services Office form CA 00 01 covering bodily injury and property damage for all activities of the Consultant arising out of or in connection with Work to be performed under this Agreement, including coverage for any owned, hired, non-owned or rented vehicles, in an amount not less than \$1,000,000.00 combined single limit for each accident.

Professional liability (errors & omissions) insurance. Consultant shall maintain professional liability insurance that covers the Services to be performed in connection with this Agreement, in the minimum amount of \$1,000,000 per claim and in the aggregate. Any policy inception date, continuity date, or retroactive date must be before the effective date of this agreement and Consultant agrees to maintain continuous coverage through a period no less than three years after completion of the services required by this agreement.

Workers' compensation insurance. Consultant shall maintain Workers' Compensation Insurance (Statutory Limits) and Employer's Liability Insurance (with limits of at least \$1,000,000.00).

Consultant shall submit to City, along with the certificate of insurance, a Waiver of Subrogation endorsement in favor of Agency, its officers, agents, employees and volunteers.

Proof of insurance. Consultant shall provide certificates of insurance to City as evidence of the insurance coverage required herein, along with a waiver of subrogation endorsement for workers' compensation. Insurance certificates and endorsement must be approved by City's Risk Manager prior to commencement of performance. Current certification of insurance shall be kept on file with City at all times during the term of this contract. City reserves the right to require complete, certified copies of all required insurance policies, at any time.

Duration of coverage. Consultant shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property, which may



arise from or in connection with the performance of the Services hereunder by Consultant, his agents, representatives, employees or subconsultants.

Primary/noncontributing. Coverage provided by Consultant shall be primary and any insurance or self-insurance procured or maintained by City shall not be required to contribute with it. The limits of insurance required herein may be satisfied by a combination of primary and umbrella or excess insurance. Any umbrella or excess insurance 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 City before the City's own insurance or self-insurance shall be called upon to protect it as a named insured.

City's rights of enforcement. In the event any policy of insurance required under this Agreement does not comply with these specifications or is canceled and not replaced, City has the right but not the duty to obtain the insurance it deems necessary and any premium paid by City will be promptly reimbursed by Consultant, or City will withhold amounts sufficient to pay premium from Consultant payments. In the alternative, City may cancel this Agreement.

Acceptable insurers. All insurance policies shall be issued by an insurance company currently authorized by the Insurance Commissioner to transact business of insurance in the State of California, with an assigned policyholders' Rating of A- (or higher) and Financial Size Category Class VI (or larger) in accordance with the latest edition of Best's Key Rating Guide, unless otherwise approved by the City's Risk Manager.

Waiver of subrogation. All insurance coverage maintained or procured pursuant to this agreement shall be endorsed to waive subrogation against City, its elected or appointed officers, agents, officials, employees and volunteers or shall specifically allow Consultant or others providing insurance evidence in compliance with these specifications to waive their right of recovery prior to a loss. Consultant hereby waives its own right of recovery against City, and shall require similar written express waivers and insurance clauses from each of its subconsultants.

Enforcement of contract provisions (non estoppel). Consultant acknowledges and agrees that any actual or alleged failure on the part of the City to inform Consultant of non-compliance with any requirement imposes no additional obligations on the Agency nor does it waive any rights hereunder.

Requirements not limiting. Requirements of specific coverage features or limits contained in this Section are not intended as a limitation on coverage, limits or other requirements, or a waiver of any coverage normally provided by any insurance. Specific reference to a given coverage feature is for purposes of clarification only as it pertains to a given issue and is not intended by any party or insured to be all inclusive, or to the exclusion of other coverage, or a waiver of any type. If the Consultant maintains higher limits than the minimums shown above, the City requires and shall be entitled to coverage for the higher limits maintained by the Consultant. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the City.



Notice of cancellation. Consultant agrees to oblige its insurance agent or broker and insurers to provide to City with a thirty (30) day notice of cancellation (except for nonpayment for which a ten (10) day notice is required) or nonrenewal of coverage for each required coverage.

Additional insured status. General liability policies shall provide or be endorsed to provide that City and its officers, officials, employees, and agents, and volunteers shall be additional insureds under such policies. This provision shall also apply to any excess liability policies.

Prohibition of undisclosed coverage limitations. None of the coverages required herein will be in compliance with these requirements if they include any limiting endorsement of any kind that has not been first submitted to City and approved of in writing.

Separation of Insureds. A severability of interests provision must apply for all additional insureds ensuring that Consultant's insurance shall apply separately to each insured against who claim is made or suit is brought, except with respect to the insurer's limits of liability. The policy(ies) shall not contain any cross-liability exclusions.

Pass Through Clause. Consultant agrees to ensure that its subconsultants, subcontractors, and any other party involved with the project who is brought onto or involved in the project by Consultant, provide the same minimum insurance coverage and endorsements required of Consultant. Consultant agrees to monitor and review all such coverage and assumes all responsibility for ensuring that such coverage is provided in conformity with the requirements of this section. Consultant agrees that upon request, all agreements with consultants, subcontractors, and others engaged in the project will be submitted to City for review.

City's right to revise specifications. The City reserves the right at any time during the term of the contract to change the amounts and types of insurance required by giving the Consultant ninety (90) days advance written notice of such change. If such change results in substantial additional cost to the Consultant, the City and Consultant may renegotiate Consultant's compensation.

Self-insured retentions. Any self-insured retentions must be declared to and approved by the City. The City reserves the right to require that self-insured retentions be eliminated, lowered, or replaced by a deductible. Self-insurance will not be considered to comply with these specifications unless approved by the City.

Timely notice of claims. Consultant shall give the City prompt and timely notice of claims made or suits instituted that arise out of or result from Consultant's performance under this Agreement, and that involve or may involve coverage under any of the required liability policies.

Additional insurance. Consultant shall also procure and maintain, at its own cost and expense, any additional kinds of insurance, which in its own judgment may be necessary for its proper protection and prosecution of the work.



CITY COUNCIL

ITEM NO. 6.6



CITY OF INDUSTRY

P.O. Box 3366 • 15625 E. Stafford St. • City of Industry, CA 91744-0366 • (626) 333-2211 • FAX (626) 961-6795

MEMORANDUM

To: City Council

From: Paul J. Philips, City Manager *Paul J. Philips*

Staff: Troy Heling, Senior Planner *TH*
Dina Lomeli, Consultant Assistant Planner II *D.L.*

Date: July 13, 2017

Subject: Development Plan 17-3, 2727 Pellissier Place.

Proposal

JWL Associates Inc. representing Media 2001, Inc., is requesting approval of a development plan to allow for the construction of a new addition to an existing building, at 2727 Pellissier Place. The project will increase the size of the building's warehouse and office space, and the addition will provide a fresh appearance to the overall architecture of the building. Staff is recommending approval of the applicant's request due to the project's conformance to the City's development guidelines contained within Section 17.36.020 of the City of Industry Municipal Code. The Municipal Code requires approval of a Development Plan by the City Council for new construction and expansions of existing facilities.

As shown on the attached site plan (Exhibit B) and floor plan (exhibit C) the project consists of the construction of a 9,670 square foot addition to the existing 18,315 square foot structure, resulting in a 27,985 square foot industrial building. The new addition will feature a tilt-up building with dove grey colored stucco to match the existing building materials, hung windows on the south elevation, and two new rolling doors along the north elevation, as shown on the elevation plan (Exhibit D). Currently the site exceeds the 12 percent landscape requirements and will continue to exceed those requirements with the addition. Landscaping will be provided along Pellissier Place and Peck Road, acting as a buffer between the industrial lot and adjacent roads. The parking area will be relocated and expanded to meet the City's parking requirements.

The project site currently has two existing driveways on Pellissier Place that lead into the property's parking lot. The driveway located north of the property will act as the main entryway after the construction of the new addition. The driveway located closer to the Pellissier Place and Peck Road intersection will lead to two stand-alone parking spaces located along the direct entrance of the proposed new office area.

Location and Surroundings

As shown on the location map (Exhibit A), the project site is located south of Interstate 605. Pellissier Place wraps around the property's east and south boundary, Peck Road is located west of the site and to the north is an existing industrial site. The subject property is surrounded by industrial properties to the north, south, east and west.

Staff Analysis

Staff has reviewed that the proposed development project and determined that it is consistent with the Zoning ("I" – Industrial) and General Plan (Employment) designations of the property and complies with the development and design standards found in Section 17.36, *Design Review*, of the Industry Municipal Code. Specifically, the project will be in compliance with all applicable development standards which include: parking, landscaping, building height, lot coverage and setbacks.

Property

Section 17.36.060 of the Municipal Code calls for well-designed and coordinated buildings, walls, lighting and landscaping. The existing architecture of the building and the immediate neighboring structures consist of a concrete tilt-up style. The proposed warehouse and office addition will match the building's exterior materials by using a dove grey stucco finish. The front elevation of the building, facing Pellissier Place, will also feature hung windows to provide a more vibrant exterior. The addition will include a parapet wall that will conceal any rooftop mechanical equipment from street view and match the height of the existing building.

Access

The property is served by street access adequate in width and improved as necessary to carry the quantity of traffic such a use would generate. The Municipal Code requires all driveway and drive-aisles to be a minimum of 26 feet in width. The property's main entrance will be located in the rear of the building, northbound of Pellissier Place and will consist of a 26 foot (26'-8") driveway that will lead into the main parking lot of the site. There is also a 40 foot driveway located closer to the Peck Road and Pellissier Place intersection that leads to two parking spaces that are adjacent to an exterior entrance that leads directly to the office and lobby area of the proposed addition. All proposed drive aisles on this site are 26 feet or greater.

Compatibility

Section 17.36.060(Q) of the Municipal Code, requires that a minimum of 12 percent of the site be devoted to landscaping. The property will have a total of 12,178 square feet of landscaping (20%) along Pellissier Place and Peck Road. The site greatly exceeds the City's minimum landscape requirements and much of the existing landscaping along Pellissier Place and Peck Road consists of mature, deciduous shrubs and trees.

Parking

Per Section 17.36.060(K) of the Municipal Code, parking for an industrial building that is between 25,000 to 100,000 square feet is required to provide 50 parking spaces plus one parking space per 750 square feet of floor area over 25,000 square feet. Based on this formula, a total of 54 parking spaces are required and 54 parking spaces are proposed, therefore meeting the parking requirement.

Environmental Analysis

The proposed project is exempt from the California Environmental Quality Act ("CEQA") per Section 15332. This Class 32 exemption applies to in-fill development where the project is consistent with the general plan designation and all applicable general plan policies, as well as the zoning designation and regulations; the project occurs in the city limits, the site is no more than five acres, and is substantially surrounded by urban uses; the

project site has no value as a habitat for endangered, rare, or threatened species; approval of the project would not result in any significant effects related to traffic, noise, air or water quality; and the site can be adequately served by all required public utilities and all public services. The site is 1.38 acres which is under the five acre threshold required in the infill exemption and is surrounded by developed industrial buildings and uses. All roads and utilities are existing and maintained by the City and the respective utility entities and have served the industrial uses for many years and are suitable for the minor addition. The site does not contain any endangered habitat because it is a developed lot that was disturbed when the original building was built and all environmental concerns such as endangered, rare or threatened species if any were addressed and mitigation measures were put in place to address them. The addition would not result in significant effects related to traffic, noise, and air because the same number of trucks and employees will continue to work at this location providing the same traffic counts as current business operation. Also, the addition will not affect water quality because the project is required to have a Water Quality Management Plan (WQMP) in place where all water is treated on site before going to City sewer. Furthermore no hazardous waste is produced at this site. The site is currently served by all public utilities, fire, and police and will continue to be served by them.

Fiscal Impact

Development Plan 17-3 will have a positive impact on property tax revenues, new employment opportunities and contribute to the City's professional environment in order to enhance the overall value of the City of Industry.

Recommendation

Based on the analysis provided with this staff report, staff recommends that the City Council adopt Resolution No. CC 2017-25 and Standard Requirements and Conditions of Approval contained in the Resolution (Exhibit F) and direct staff to file the Notice of Exemption.

Exhibits

- Exhibit A: Location Map
- Exhibit B: Site Plan
- Exhibit C: Floor Plan
- Exhibit D: Elevations
- Exhibit E: Notice of Exemption
- Exhibit F: Resolution No. CC 2017-25 approving Development Plan No. 17-3 with findings of approval, Standard Requirements and Conditions of Approval

Exhibit A Location Map DP 17-3

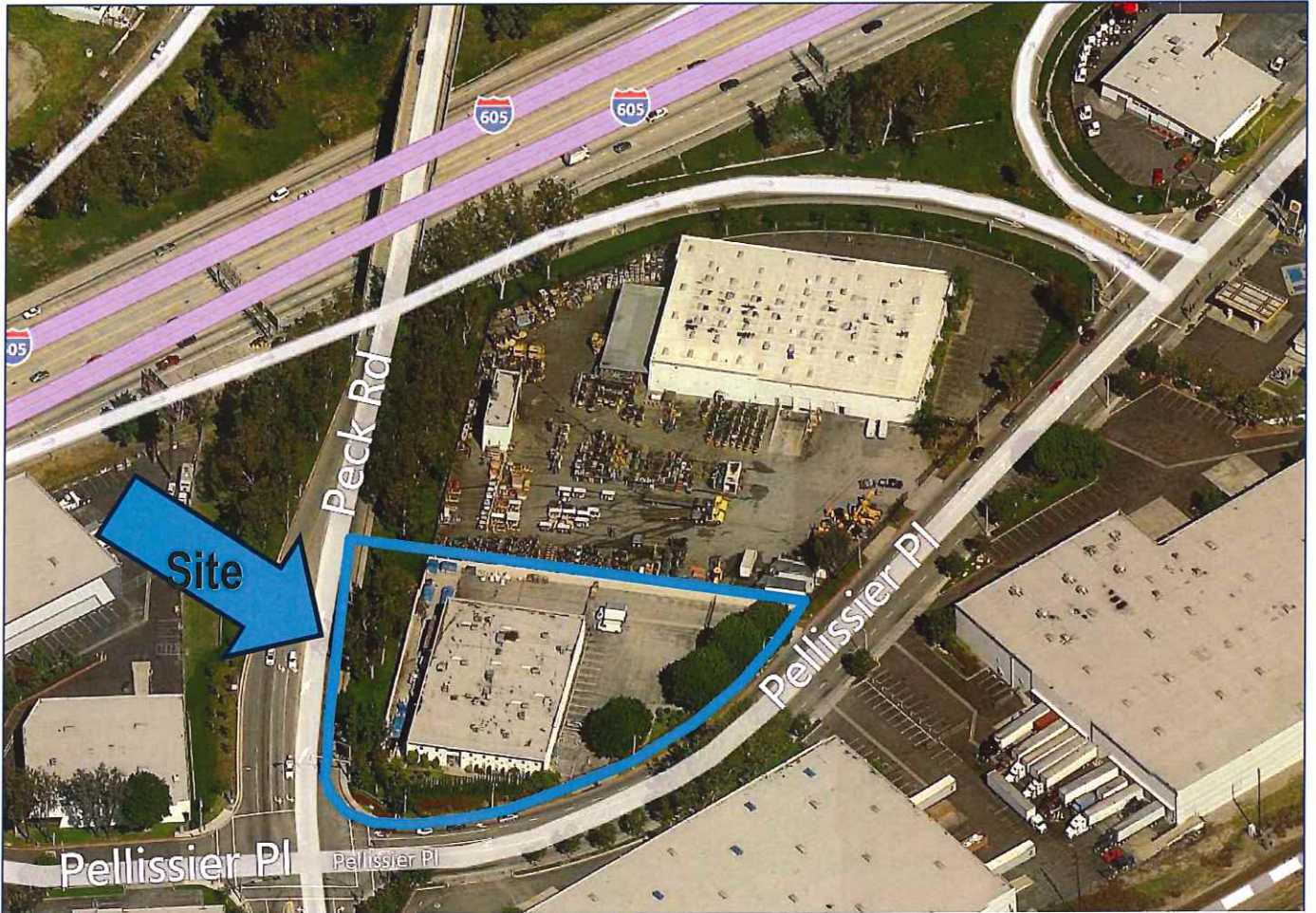


Exhibit C Floor Plan DP 17-3



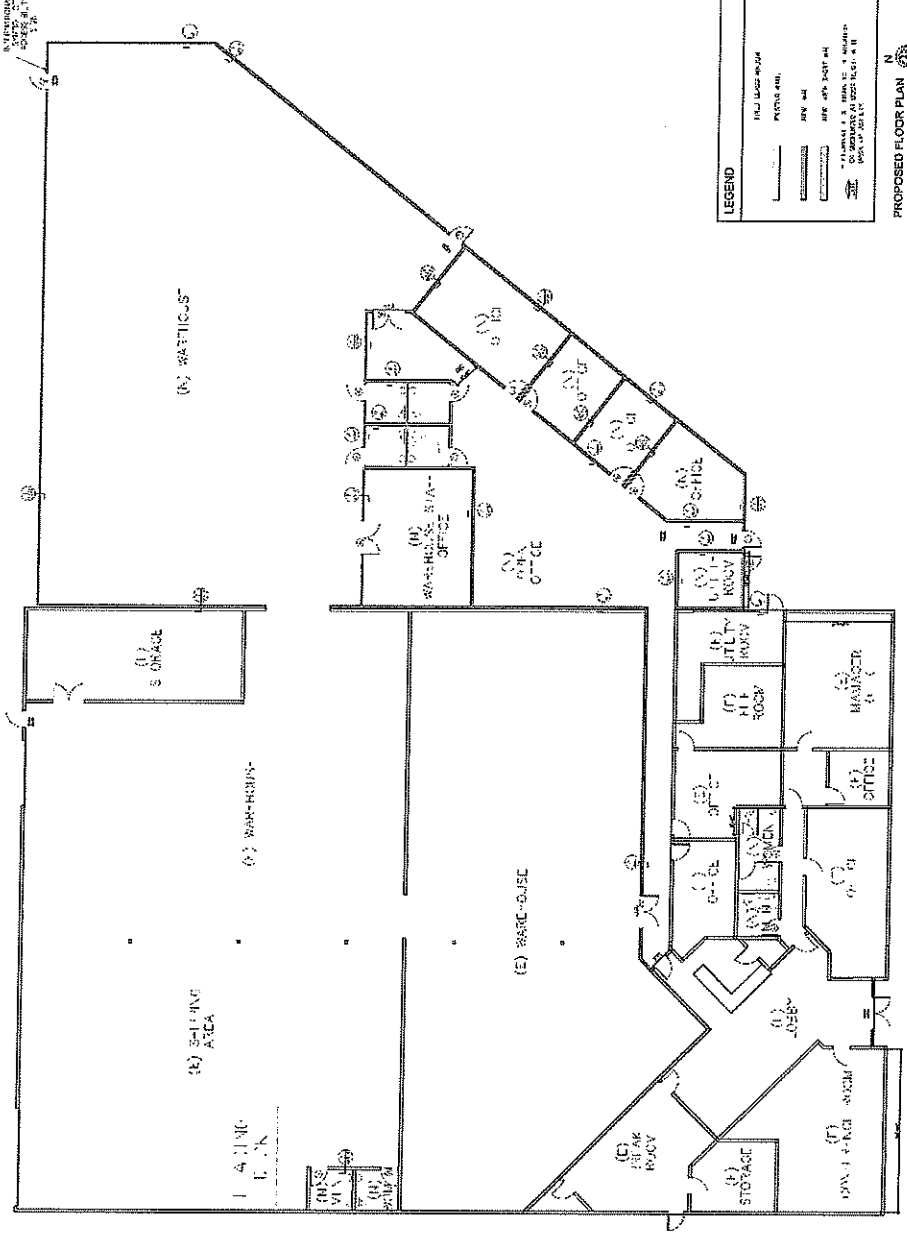
DATE: 01/15/13
 DRAWN BY: J. W. L. / J. W. L.
 CHECKED BY: J. W. L. / J. W. L.
 APPROVED BY: J. W. L. / J. W. L.



PROPOSED FLOOR PLAN

NO.	DATE	DESCRIPTION
1	01/15/13	ISSUED FOR PERMITS
2	01/15/13	ISSUED FOR PERMITS
3	01/15/13	ISSUED FOR PERMITS
4	01/15/13	ISSUED FOR PERMITS
5	01/15/13	ISSUED FOR PERMITS
6	01/15/13	ISSUED FOR PERMITS
7	01/15/13	ISSUED FOR PERMITS
8	01/15/13	ISSUED FOR PERMITS
9	01/15/13	ISSUED FOR PERMITS
10	01/15/13	ISSUED FOR PERMITS

A-2.2



LEGEND

(Symbol)	NEW WALL
(Symbol)	EXISTING WALL
(Symbol)	NEW DOOR
(Symbol)	EXISTING DOOR
(Symbol)	NEW WINDOW
(Symbol)	EXISTING WINDOW
(Symbol)	NEW FLOOR
(Symbol)	EXISTING FLOOR
(Symbol)	NEW CEILING
(Symbol)	EXISTING CEILING
(Symbol)	NEW ROOF
(Symbol)	EXISTING ROOF
(Symbol)	NEW MECHANICAL
(Symbol)	EXISTING MECHANICAL
(Symbol)	NEW ELECTRICAL
(Symbol)	EXISTING ELECTRICAL
(Symbol)	NEW PLUMBING
(Symbol)	EXISTING PLUMBING
(Symbol)	NEW HVAC
(Symbol)	EXISTING HVAC
(Symbol)	NEW FIRE
(Symbol)	EXISTING FIRE
(Symbol)	NEW SAFETY
(Symbol)	EXISTING SAFETY

PROPOSED FLOOR PLAN
 1/15/13

PERMITS SET, PERMITS APPLICATION SET

Exhibit D Elevations DP 17-3

2727 Pellissier Pl. City of Industry

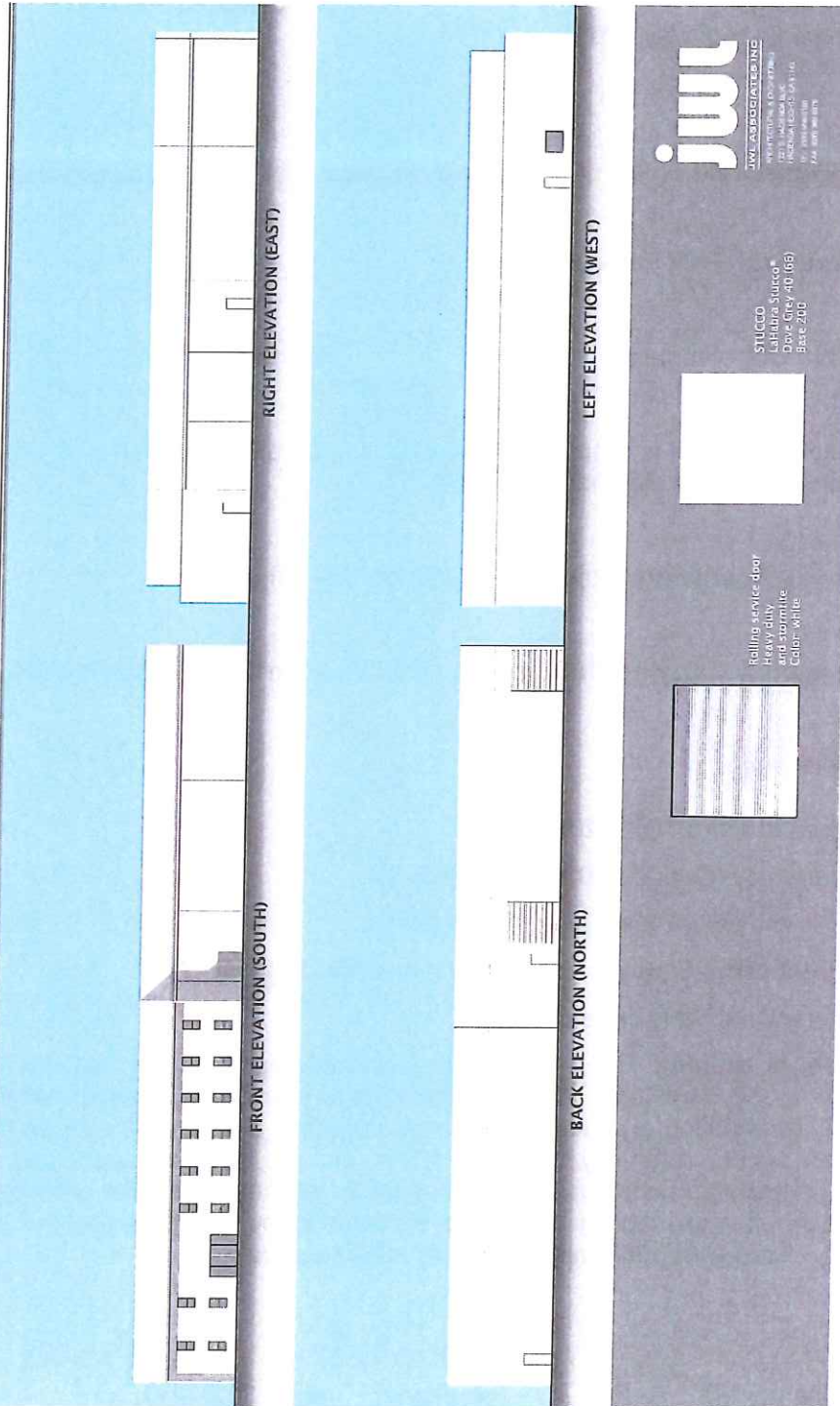


Exhibit E

Notice of Exemption

DP 17-3

To: County Clerk
County of Los Angeles
Environmental Filings
12400 East Imperial Highway #2001
Norwalk, CA 90650

City of Industry
15625 E. Stafford Street, Suite 100
City of Industry, CA 91744

Project Title: Development Plan 17-3

Project Location - Specific: 2727 Pellissier Place

Project Location-City: City of Industry

Project Location-County: Los Angeles

Description of Project: Applicant is proposing a warehouse and office addition of 6,177 square feet to an existing 18,315 square foot structure in the (M) Industrial zone.

Name of Public Agency Approving Project: City Council, City of Industry

Name of Person or Agency Carrying Out Project: Feifei Yuan on behalf of Media 2001 Inc.

Exempt Status: *(check one)*

- Ministerial (Sec. 21080(b)(1); 15268);
- Declared Emergency (Sec. 21080(b)(3); 15269(a));
- Emergency Project (Sec. 21080(b)(4); 15269(b)(c));
- Categorical Exemption. *State type and section number:* 15301(e)(2)
- Statutory Exemptions. *State code number:*

Reasons why project is exempt: The proposed project is exempt from the California Environmental Quality Act ("CEQA") per Section 15332. This Class 32 exemption applies to in-fill development where the project is consistent with the general plan designation and all applicable general plan policies, as well as the zoning designation and regulations; the project occurs in the city limits, the site is no more than five acres, and is substantially surrounded by urban uses; the project site has no value as a habitat for endangered, rare, or threatened species; approval of the project would not result in any significant effects related to traffic, noise, air or water quality; and the site can be adequately served by all required public utilities and all public services

Lead Agency

Contact Person: Dina Lomeli

Telephone: (626) 333-2211

Signature: _____

Date: July 13, 2017

Title: Consultant Assistant Planner II

Exhibit F
Resolution No. PC 2017-25

RESOLUTION NO. CC 2017-25

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF INDUSTRY, CALIFORNIA, APPROVING DEVELOPMENT PLAN NO. 17-3, TO ALLOW FOR A 9,670 SQUARE FOOT WAREHOUSE AND OFFICE ADDITION TO AN EXISTING WAREHOUSE, LOCATED AT 2727 PELLISSIER PLACE, CITY OF INDUSTRY, CALIFORNIA, AND THE NOTICE OF EXEMPTION REGARDING SAME, AND MAKING FINDINGS IN SUPPORT THEREOF

RECITALS

WHEREAS, on February 7, 2017 JWL Associates Inc. representing Media 2001, Inc. ("Applicant") filed a complete application requesting the approval of Development Plan ("DP") No. 17-3 described herein ("Application"); and

WHEREAS, the Application applies to an existing 18,315 square-foot industrial structure located on an existing 1.38 acre property at 2727 Pellissier Place, City of Industry, California, Assessor's Parcel Number 8125-016-011 ("Property"); and

WHEREAS, the Applicant is proposing to add a 9,670 square foot warehouse and office to an existing industrial structure, located in the "M" Industrial zone and, in accordance with Section 17.36.020 of the City's Municipal Code ("Code"), a DP is required for this type of activity; and

WHEREAS, the Land Use Element of the General Plan designates the Property as Employment. The proposed use is consistent with the General Plan as the proposed addition of a warehouse and office structure to an existing industrial building is similar to other industrial and manufacturing buildings in the same land use designation, and does not conflict with the established goals and objectives of the Land Use Element; and

WHEREAS, an Environmental Assessment form was submitted by the Applicant pursuant to the City's requirements. In accordance with California Environmental Quality Act ("CEQA") the proposed project is exempt per Section 15332 of the CEQA Guidelines. This Class 32 exemption applies to in-fill development where the project is consistent with the general plan designation and all applicable general plan policies, as well as the zoning designation and regulations; the project occurs in the city limits, the site is no more than five acres, and is substantially surrounded by urban uses; the project site has no value as a habitat for endangered, rare, or threatened species; approval of the project would not result in any significant effects related to traffic, noise, air or water quality; and the site can be adequately served by all required public utilities and all public services; The site is 1.38 acres which is under the five acre threshold required in the infill exemption and is surrounded by developed industrial buildings and uses. All roads and utilities are existing and maintained by the City and

the respective utility entities and have served the industrial uses for many years and are suitable for the minor addition. The site does not contain any endangered habitat because it is a developed lot that was disturbed when the original building was built and all environmental concerns such as endangered, rare or threatened species if any were addressed and mitigation measures were put in place to address them. The addition would not result in significant effects related to traffic, noise, and air because the same number of trucks and employees will continue to work at this location providing the same traffic counts as current business operation. Also, the addition will not affect water quality because the project is required to have a Water Quality Management Plan (WQMP) in place where all water is treated on site before going to City sewer. Furthermore no hazardous waste is produced at this site. The site is currently served by all public utilities, fire, and police and will continue to be served by them.

WHEREAS, on July 13, 2017, the City Council of the City of Industry conducted a duly noticed public meeting on the Application, and considered all testimony written and oral; and

WHEREAS, all legal prerequisites to the adoption of this Resolution have occurred.

NOW THEREFORE, it is hereby found, determined and resolved by the City Council of the City of Industry, California, hereby finds, determines and resolves as follows:

SECTION 1: The City Council finds that all of the facts set forth in the Recitals are true and correct, and are incorporated herein by reference.

SECTION 2: All necessary public meetings and opportunities for public testimony and comment have been conducted in compliance with State law and the Municipal Code of the City of Industry:

SECTION 3: Based upon independent staff analysis and in accordance with CEQA, this project is exempt per Section 15332. This Class 32 exemption applies to in-fill development where the project is consistent with the general plan designation and all applicable general plan policies, as well as the zoning designation and regulations; the project occurs in the city limits, the site is no more than five acres, and is substantially surrounded by urban uses; the project site has no value as a habitat for endangered, rare, or threatened species; approval of the project would not result in any significant effects related to traffic, noise, air or water quality; and the site can be adequately served by all required public utilities and all public services; The site is 1.38 acres which is under the five acre threshold required in the infill exemption and is surrounded by developed industrial buildings and uses. All roads and utilities are existing and maintained by the City and the respective utility entities and have served the industrial uses for many years and are suitable for the minor addition. The site does not contain any endangered habitat because it is a developed lot that was disturbed when the original building was built and all environmental concerns such as endangered, rare or threatened species if any were addressed and mitigation measures were put in place to address them. The addition would not result in significant effects related to traffic, noise, and air because the same number of trucks and employees will continue to work at this location providing the same traffic counts as current business operation. Also, the addition will not affect water quality because the project is required to have a Water Quality Management Plan (WQMP) plan in place where all water is treated on site before going to City sewer. Furthermore no hazardous waste is produced at this site. The site is currently served by all public utilities, fire, and police and will

continue to be served by them. Based on these criteria and on staff's analysis, the City Council adopts the Notice of Exemption and directs staff to file the same as required by law.

SECTION 4: Based upon substantial evidence presented to the City Council during the July 13, 2017 public meeting, including public testimony and written and oral staff reports, this City Council finds as follows:

(a) The site is suitable for development in accordance with the development plan because the project is in conformance with the City of Industry General Plan, zoning code and all applicable development standards outlined within Section 17.36.060 of the Municipal Code. This includes: setbacks, building height, parking and landscaping standards. Furthermore, the project is within a geographic area that is fully developed and is currently served by all public services and facilities such as sewer, water and gas; and

(b) The total development is arranged to avoid traffic congestion, ensure the public health safety and general welfare or prevent adverse effects upon neighboring properties because it has been designed to minimize any potential impacts by complying with the current City's Code. The Applicant, business owner and property owner are also responsible for complying with the current Building and Fire Codes. The project complies with the citywide driveway and drive aisle requirements to reduce traffic and congestion. Additionally, the property is in proximity to two major bus stops located within walking distance (less than half a mile) of the site. Furthermore, conditions of approval have been incorporated to minimize potential adverse impacts from occurring on the premises; and

(c) The proposed addition will be in general accord with all elements of the City's Zoning Ordinance because the Project complies with all development standards in regards to building setbacks, building height, parking, access, screening and design; and

(d) The development is consistent with the provisions of the general plan or any applicable redevelopment plan. The proposed addition of a warehouse and office is consistent with the land use designation of employment found in the City's General Plan. These allowable land uses include (and are not limited to) manufacturing, warehousing and storage. The project is also compatible with surrounding properties and uses because the surrounding area is composed of warehouses and industrial buildings. The uses of the surrounding properties may change, but the character will remain industrial in nature and consistent with the general plan and zoning designations of the site. The project also supports several goals and policies of the General Plan by encouraging development and attracting a variety of industrial establishments in order to contribute to the City's economic sustainability and strategic growth; and

SECTION 5: Based upon the foregoing findings, the City Council hereby approves DP No. 17-03, subject to the conditions contained in Attachment 1, attached hereto and incorporated herein by reference.

SECTION 6. The provisions of this Resolution are severable and if any provision, clause, sentence, word or part thereof is held illegal, invalid, unconstitutional, or inapplicable to any person or circumstances, such illegality, invalidity, unconstitutionality, or inapplicability shall not affect or impair any of the remaining provisions, clauses, sentences,

sections, words or parts thereof of the Resolution or their applicability to other persons or circumstances.

SECTION 7: The City Clerk shall certify to the adoption of this Resolution and the same shall be in full force and effect.

PASSED, APPROVED AND ADOPTED by the City Council of the City of Industry at a regular meeting held on July 13, 2017 by the following vote:

AYES:	COUNCILMEMBERS:
NOES:	COUNCILMEMBERS:
ABSTAIN:	COUNCILMEMBERS:
ABSENT:	COUNCILMEMBERS:

Mark D. Radecki, Mayor

ATTEST:

Diane M. Schlichting, Chief Deputy City Clerk



CITY OF INDUSTRY

P.O. Box 3366 • 15625 E. Stafford St. • City of Industry, CA 91744-0366 • (626) 333-2211 • FAX (626) 961-6795

ATTACHMENT 1

Standard Requirements and Conditions of Approval

Application: Development Plan 17-3
Applicant: Media 2001, Inc.
Location: 2727 Pellissier Place

Conditions of Approval

Conditions of approval are unique provisions, beyond the requirements of law, the municipal code, or standard practices that are applied to a project by the City Council per Section 17.36.080 of the Zoning Code. Please note that if the design of your project or site conditions change, the conditions of approval may also change. If you have any questions regarding these requirements, please contact the City of Industry.

1. All perimeter walls, fencing, and common areas, shall be maintained by the Property Owner.

Code Requirements and Standards

The following is a list of code requirements and standards deemed applicable to the proposed project. The list is intended to assist the Applicant by identifying requirements that must be satisfied during the various stages of project permitting, implementation, and operation. It should be noted that this list is in addition to any "conditions of approval" adopted by the City Council and noted above. Please note that if the design of your project or site conditions change, the list may also change. If you have any questions regarding these requirements, please contact the City of Industry.

1. All development shall comply with the approved Development Plan.
2. The Development Plan approval expires twelve (12) months after the date of approval by the City Council if a building permit for each building and structure thereby approved has not been obtained within such period.

3. In conformance with Chapter 13.18 of the Municipal Code, the Applicant shall provide landscaping and automatic irrigation plans to be approved by the Planning Department prior to the issuance of a building permit. Such plans shall be in substantial conformity with the approved Development Plan.
4. The Applicant shall construct adequate fire protection facilities to the satisfaction of the Los Angeles County Fire Department.
5. All exterior surfaces of buildings and appurtenant structures shall be painted in accordance with the approved Development Plan.
6. The Applicant shall provide off-street parking as shown on the approved Development Plan.
7. Building plans shall be submitted to and approved by the Los Angeles County Engineer's Office - Building and Safety Division prior to the issuance of a building permit. All development shall be completed in substantial compliance with the approved Development Plan.
8. Demolition and construction operations shall be limited to the hours (7:00 am to 7:00 pm) prescribed by the Los Angeles County Noise Ordinance (Los Angeles County Municipal Code, Section 12.08.390).
9. No outdoor storage of any personal property, building materials, or other property not permanently affixed to the Property is allowed.
10. Prior to Planning Final, all outstanding fees and invoices due to the City shall be paid in full. If requested by City Staff, the Applicant shall provide proof of payment.
11. Remove all unpermitted additions before Permit Final.

Interpretation and Enforcement

1. The Applicant shall comply with all applicable code requirements, conditions of approval, laws, rules, and regulations applicable to the development of the project.
2. The Planning Department may interpret the implementation of each condition of approval and, with advanced notice, grant minor amendments to approved plans and/or conditions of approval based on changed circumstances, new information, and/or relevant factors as long as the spirit and intent of the approved condition of approval is satisfied. Permits shall not be issued until the proposed minor amendment has been reviewed and approved for conformance with the intent of the approved condition of

approval. If the proposed changes are substantial in nature, an amendment to the original entitlement may be required pursuant to the provisions of Industry Municipal Code.

Indemnification and Hold Harmless Condition

1. The Applicant and each of its heirs, successors and assigns, shall defend, indemnify and hold harmless the City of Industry and its agents, officers, and employees from any claim, action or proceedings, liability cost, including attorney's fees and costs against the City or its agents, officers or employees, to attack, set aside, void or annul any approval of the City, including but not limited to any approval granted by the City Council and Planning Commission concerning this project. The City shall promptly notify the Applicant of any claim, action or proceeding and should cooperate fully in the defense thereof.
2. The Applicant and Property Owner shall file an executed and acknowledged Acceptance of Terms and Conditions of the Development Plan within 10 days after the approval of said Development Plan.