



FINANCE COMMITTEE AGENDA

Tuesday, March 27, 2018

8:30 AM

Executive Conference Room, Level Three
Brea Civic & Cultural Center, 1 Civic Center Circle, Brea, California

MEMBERS: Council Member Cecilia Hupp and Council Member Marty Simonoff
ALTERNATE: Mayor Glenn Parker

Materials related to an item on this agenda submitted to the Finance Committee after distribution of the agenda packet are available for public inspection in the third floor lobby of the Civic and Cultural Center at 1 Civic Center Circle, Brea, CA during normal business hours. Such documents may also be available on the City's website subject to staff's ability to post documents before the meeting.

CALL TO ORDER / ROLL CALL

1. Matters from the Audience

CONSENT

2. Approval of Minutes of March 8, 2018 Special Meeting

Attachments

Minutes

3. Amendment to Professional Services Agreement with MTGL, Inc. for Additional Construction Materials and Soils Testing Services on Capital Improvement Projects and Resolution Appropriating Additional Funds for the Laurel Elementary Magnet School/Lagos de Moreno Park Upgrades Project (CIP 7929)

Attachments

Amendment No. 1

4. Purchase of Ammunition

Attachments

Quote

Sole Source Letter

NOTE: This agenda is subject to amendments up to 72 hours prior to the meeting date.

5. Purchase of Microsoft Exchange Licenses

Attachments

Quote

DISCUSSION

6. Schedule Next Meeting: April 10, 2018

cc: Council Member Christine Marick
Council Member Steven Vargas

Special Accommodations

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the City Clerk's Office at (714) 990-7757. Notification 48 hours prior to the meeting will enable City staff to make reasonable arrangements to ensure accessibility. (28 CFR 35.102.35.104 ADA Title II)

City of Brea

FINANCE COMMITTEE COMMUNICATION

FROM: Bill Gallardo

DATE: 03/27/2018

SUBJECT: Approval of Minutes of March 8, 2018 Special Meeting

Attachments

Minutes



SPECIAL FINANCE COMMITTEE MINUTES

Thursday, March 8, 2018

8:30 AM

Executive Conference Room, Level Three

Brea Civic & Cultural Center, 1 Civic Center Circle, Brea, California

CALL TO ORDER / ROLL CALL

ATTENDEES: Council Member Cecilia Hupp, Council Member Marty Simonoff, Tony Olmos, Cindy Russell, Bill Bowlus, Steve Kooyman, Faith Madrazo, Lee Squire, Alicia Brenner and Ana Conrique.

CONSULTANT(S): Jessica Anderson (Vavrinek, Trine, Day & Co. LLP)

1. Matters from the Audience – *None*

CONSENT

2. Approval of Minutes of February 27, 2018 – *Approved.*
3. Polyphagous Shot Hole Borer Treatment – *Recommended for City Council approval.*
4. Amendment No. 1 to Professional Services Agreement with Parsons Transportation Group, Inc. for Design Services and Resolution for Appropriating Additional Funds for the SR-57 & Lambert Road Interchange Improvements, CIP 7251 – *Recommended for City Council approval.*

DISCUSSION

5. 2017 Comprehensive Annual Financial Report – *The Committee received a status update from Jessica Anderson.*
6. Schedule Next Meeting: March 27, 2018

Meeting adjourned: 8:43 AM

cc: Mayor Glenn Parker
Mayor Pro Tem Christine Marick
Council Member Steven Vargas

City of Brea

FINANCE COMMITTEE COMMUNICATION

TO: Finance Committee Members

FROM: Bill Gallardo

DATE: 03/27/2018

SUBJECT: Amendment to Professional Services Agreement with MTGL, Inc. for Additional Construction Materials and Soils Testing Services on Capital Improvement Projects

RECOMMENDATION

Approve Amendment to Professional Services Agreement

BACKGROUND/DISCUSSION

On July 1, 2015, the City Council approved a Professional Services Agreement (PSA) with MTGL, Inc. to provide Construction Materials and Soils Testing (Geotechnical) services for various Capital Improvement Projects on an "As-Needed (On-Call)" basis. The PSA includes a not-to-exceed amount of \$50,000 per year with an initial one-year term and provisions for three-one year extensions making the total possible term four (4) years. To date, the PSA term has been extended twice with the current term from July 1, 2017 to June 30, 2018 without the need to amend the annual amount.

During the July 1, 2016 to June 30, 2017 term, MTGL has provided Geotechnical and Material Testing services on several high-priority projects including The Tracks at Brea, Segments 6, 2 and 3 (CIP 7873), and Laurel Elementary Magnet School/Lagos de Moreno Park Upgrades Project (CIP 7929) totaling approximately \$41,278, which was less than the \$50,000 annual threshold.

As stated previously, MTGL is currently providing Geotechnical services for CIP 7929, which has encountered several issues necessitating an increased geotechnical, special inspection, and material testing presence, such as, but not limited to: 1) unforeseen six inch (6") sewer lateral replacement work which serves the school; 2) Contractor-caused construction delays due to lack of performance; 3) re-occurring site visits for special inspection and materials testing due to the Contractor's unorthodox means and methods; and 4) re-occurring site visits for re-inspection of Contractor's work. Collectively, these issues have pushed the completion of the project past the original completion date of November 28, 2017 to the Contractor's recently submitted schedule of June 2018. As a result, MTGL has requested additional services for the project up to June in the approximate amount of \$140,000 over the original Purchase Order ("PO") amount of \$20,790. It was estimated that the original PO issued in June 2017 would cover the associated services up to the original completion date of November 2017. Unfortunately, that was not the case.

Therefore, in order to proceed with the PO Change amount of \$140,000, the annual PSA

amount of \$50,000 will need to be increased accordingly. The majority of the cost overruns related to the MTGL services for this Project should be reimbursed from the School District associated with the sewer line work, subject to their Board approval, and from the Contractor through payment deductions for re-inspecting and standby time, as well as liquidated damages assessed against the Contractor for the added costs associated with their delays.

Staff has prepared a PSA Amendment (Amendment No.1) to increase the annual not-to-exceed second term amount from \$50,000 to \$160,000, which will cover the added CIP 7929 project costs of \$140,000 plus \$20,000 for other projects needing MTGL services up to July 1, 2018. See Amendment No. 1.

SUMMARY/FISCAL IMPACT

Amendment No. 1 to the MTGL annual "as-needed (on-call)" basis PSA for Geotechnical services will allow staff to obtain a PO change in the amount of \$140,000 for CIP 7929, which will cover the work up to June 2018. Additionally, this will allow continuity of services and avoid further time delays and added costs that would be associated with bringing in another firm to provide these services. Therefore, staff recommends amending the PSA with MTGL to increase the not-to-exceed amount from \$50,000 to \$160,000 for the second extended term only to cover the \$140,000 PO change for CIP 7929, with \$20,000 remaining in the amended annual amount for other CIP projects needing these services.

All costs related to MTGL services are included in the approved budget for the aforementioned project. Furthermore, the majority of the cost overruns related to the MTGL services for this project should be reimbursed from the School District associated with the sewer line work, subject to their Board approval, and from the Contractor through payment deductions for re-inspecting and standby time as well as liquidated damages assessed against the Contractor for the added costs associated with their delays. The following table reflects the approved budget, expenses to date, and remaining balance for project CIP 7929:

CIP #	Project Name	Approved Budget	Expenditures to Date	Remaining Balance
7929	Lagos de Moreno Park	\$ 2,546,545	\$1,585,351	\$ 961,194

On June 6, 2017, the City Council approved the budget for the project, which is funded by the Capital & Mitigation Improvement Fund (Fund 560) (\$1,155,072), the Park Development Fund (Fund 250) (\$1,141,473), and School District funding (\$250,000). As indicated by the table above, there are still sufficient funds within the project to cover the increased not-to-exceed costs in the PSA Amendment No. 1 with respect to the PO change for CIP 7929. Therefore, there will be no impact to the General Fund.

RESPECTFULLY SUBMITTED

William Gallardo, City Manager

Prepared by: Steve Kooyman, P.E., City Engineer

Concurrence: Tony Olmos, P.E., Public Works Director

AMENDMENT No. 1 TO PROFESSIONAL SERVICES AGREEMENT

This Amendment No. 1 to Professional Services Agreement is made and entered into this th day of _____, 2018 by and between **MTGL, Inc.** ("CONSULTANT") and the **CITY OF BREA** ("CITY").

A. Recitals.

(i) **On July 1, 2015**, CITY and CONSULTANT entered into an agreement for professional services, whereby CONSULTANT provides as-needed construction materials and soils testing services for various Capital Improvement Projects ("Agreement", hereinafter.)

(ii) The Agreement is for a one-year term with provisions for three-one year extensions with the total term not exceeding four (4) years with a not to exceed amount of fifty thousand dollars and zero cents (\$50,000.00), per term.

(iii) The Agreement was granted a first extended term, July 1, 2016 to June 30, 2017, mutually agreed upon by both parties.

(iv) The Agreement was granted a second extended term, July 1, 2017 to June 30, 2018, mutually agreed upon by both parties.

(v) The parties hereto desire to amend the Agreement to increase the contract amount from \$50,000 to \$160,000 for only the second extended contract term.

B. Amendment.

NOW, THEREFORE, it is agreed by and between CITY and CONSULTANT as follows:

1. Notwithstanding any other provision therein, the amount of the Agreement is hereby increased from \$50,000 to \$160,000 for only the second extended contract term. Except as amended by this Amendment No. 1, all other terms and conditions of the Agreement remain unchanged.

2. **The persons** executing this Amendment No. 1 warrant that they are authorized to execute this first Amendment and that this Amendment No. 1 is binding on the parties hereto.

NOW, WHEREFORE, the parties have executed this Amendment No. 1 as of the date first set forth above.

CITY OF BREA
A California municipal corporation

CONSULTANT

Glenn Parker, Mayor

Michael J. Landon, President

Lillian Harris-Neel, City Clerk

City of Brea

FINANCE COMMITTEE COMMUNICATION

TO: Finance Committee Members
FROM: Bill Gallardo
DATE: 03/27/2018
SUBJECT: Purchase of Ammunition for Law Enforcement Activities

RECOMMENDATION

Authorize the Purchasing Agent to issue purchase orders to Dooley Enterprises, Inc. for law enforcement ammunition purchases in an aggregate amount not to exceed available budget appropriations for each fiscal year in which they occur.

BACKGROUND/DISCUSSION

The Brea Police Department has standardized on Winchester and Winchester Ranger brand ammunition in its law enforcement activities, including daily use target practice, firearms training, and range qualifications for each officer. The Winchester Ranger brand is specifically manufactured for the exclusive use by law enforcement entities; other Winchester ammunition (used for target practice and training) is available commercially to the public. The Brea Police Department's current Range Staff has extensive experience with Winchester ammunition; have conducted and/or witnessed dozens of tests; and any move from Winchester ammunition would necessitate extensive research and additional expense. Winchester ammunition has been selected because it is the most suitable for the many makes and models of handguns used by the Police Department.

Winchester has named Dooley Enterprises in Anaheim, California as the sole authorized distributor for Winchester law enforcement ammunition for Alaska, Arizona, California, Hawaii, Nevada, Oregon, and Washington. Also, Winchester is the only law enforcement ammunition kept in stock by a local distributor, which helps to eliminate the need for costly shipping and insurance costs, as ammunition is quite heavy and hazardous to ship.

Purchasing was able to obtain an additional approximate 2.2% discount from the most recent pricing offered by Dooley's. Based on the new law enforcement agency prices, which average 44.5% below the list price, and the Police Department's estimated annual quantities, the annual cost is projected to be about \$42,386. Price increases will be limited to documented price increases by the manufacturer less the applicable law enforcement discount. In addition to the Winchester brand, the Police Department's SWAT division purchases other brands of specialized ammunition consistent with other law enforcement agencies. By using the same local distributor, Dooley's Inc., the City would be able to save the shipping and insurance costs referred to previously.

SUMMARY/FISCAL IMPACT

Since Dooley's is the only authorized distributor for Winchester law enforcement ammunition in California; can provide the required ammunition; has a local distribution point; and has offered its law enforcement agency pricing to Brea, staff recommends authorizing the Purchasing Agent to issue as-needed purchase orders based on available budget appropriations for each fiscal year in which they occur.

The Fiscal Year 2017-18 budget has sufficient funding available in the Police Department's Firearms Qualifications and Firearms Materials & Supplies accounts (110-21-2131-4382, 2131-4383, and 2134-4383).

RESPECTFULLY SUBMITTED

William Gallardo, City Manager

Prepared by: Neil Groom, Procurement and Contracts Administrator

Concurrence: John Burks, Police Captain; Cindy Russell, Administrative Services Director

Attachments

Quote

Sole Source Letter

Brea Police Department
Ammunition Price Sheet

LN	QTY 1000s	UNIT	SYMBOL	DESCRIPTION	LIST PRICE	DISC %	UNIT PRICE	EXTENDED PRICE
1	3	EA	Q4172	9mm 115gr. Full Metal Jacket	\$ 355.80	40.00%	\$ 213.48	\$ 640.44
2	30	EA	Q4238	40 S&W 180gr. Full Metal Jacket	\$ 417.80	40.00%	\$ 250.68	\$ 7,520.40
3	15	EA	Q4170	45 Auto 230gr. Full Metal Jacket	\$ 499.20	41.00%	\$ 294.53	\$ 4,417.92
4	45	EA	Q3131	5.56mm 55 gr. FMJ	\$ 631.00	44.00%	\$ 353.36	\$ 15,901.20
5	2	EA	Q4206	380 Auto 95gr. Full Metal Jacket	\$ 459.60	40.00%	\$ 275.76	\$ 551.52
6	3	EA	RA9T	9mm 147gr. Jacketed Hollow Point T-Series	\$ 523.80	40.00%	\$ 314.28	\$ 942.84
7	10	EA	RA40T	40 S&W 180gr. Jacketed Hollow Point T-Series	\$ 591.40	40.00%	\$ 354.84	\$ 3,548.40
8	5	EA	RA45T	45 Auto 230gr. Jacketed Hollow Point T-Series	\$ 732.80	47.00%	\$ 388.38	\$ 1,941.92
9	3	EA	RA556B	5.56mm 64gr. Bonded Solid Base	\$ 1,542.00	50.00%	\$ 771.00	\$ 2,313.00
10	5	EA	RA1200	12ga. 9 Pellets 00 Buck, Low Recoil	\$ 932.40	46.00%	\$ 503.50	\$ 2,517.48
11	1	EA	RA12RS15	12ga. 1oz. Slug, Low Recoil	\$ 1,038.00	50.00%	\$ 519.00	\$ 519.00
12	5	EA	AAM127	12ga. 2 3/4" 3dram 1 1/8oz. #71/2 AA®	\$ 714.40	56.00%	\$ 314.34	\$ 1,571.68
The above quantities are estimated annual amounts; the City of Brea makes no guarantee of any specific amounts.					ADD LINES ABOVE		Subtotal:	\$ 42,385.80
					0.00%		Sales Tax:	\$ -
							Total Price:	\$ 42,385.80



March 1, 2018

To Whom It May Concern:

Dooley Enterprises is an authorized law enforcement distributor for Winchester ammunition and is the sole source for Winchester Ammunition in Alaska, Arizona, California, Hawaii, Nevada, Oregon and Washington.

Sincerely,

A handwritten signature in black ink, appearing to read "Glen Weeks".

Glen Weeks
Director, Government Contracts and
Specialty Products

jdm
gw18-28

City of Brea

FINANCE COMMITTEE COMMUNICATION

TO: Finance Committee Members

FROM: Bill Gallardo

DATE: 03/27/2018

SUBJECT: Purchase of Microsoft Exchange Licenses

RECOMMENDATION

Authorize the Purchasing Agent to issue a purchase order to CDW Government LLC (CDGW) in the amount of \$34,434.96 for the purchase of Microsoft Exchange Licenses.

BACKGROUND/DISCUSSION

The City of Brea utilizes Microsoft Exchange as the organization's email management software. Our Exchange Software was last upgraded in 2011, and will soon be three versions behind the latest version, Exchange 2016. Upgrading to the most current version will provide the organization with additional functionality and integration to the City's Intranet. It will also streamline email management processes to improve efficiency for City IT staff; deliver additional layers of message protection for improved security against viruses and spam; and enable an upgrade to the Exchange email system.

Purchasing solicited bids for these Microsoft Exchange licenses and received three. After reviewing the bids for conformity to the bid submittal requirements, it was determined that all bids were non-responsive due to failure to provide either the required documents or rejection of the City's terms and conditions. Staff reviewed other publicly bid agreements and found that these licenses are available through a State of California contract. CDWG was awarded the State's Software Licensing Program for Microsoft Government Select Plus, which included the Microsoft Exchange licenses and they offered a price lower than the bids that were received.

Virtual Graffiti	\$41,934.15	Bid Price
Coast to Coast Computer	\$36,483.00	Bid Price
Dell Marketing	\$34,617.38	Bid Price
CDWG	\$34,434.96	State Contract Price

SUMMARY/FISCAL IMPACT

Since CDWG was awarded a State contract for Microsoft licenses and offered a very competitive price, staff recommends issuing a purchase order to CDWG accordingly.

The City Council adopted Fiscal Year 2017-18 Budget has sufficient funding available for the requested amount for the first year purchase in the Administrative Services Department, Operations Expenditure Account 475-14-1471-4291.

RESPECTFULLY SUBMITTED

William Gallardo, City Manager

Prepared by: Neil Groom, Procurement and Contracts Administrator

Concurrence: Cindy Russell, Administrative Services Director; Randy Hornsby, IT Manager

Attachments

Quote

QUOTE CONFIRMATION



DEAR CLIFF FLAUGHER,

Thank you for considering CDW•G for your computing needs. The details of your quote are below. [Click here](#) to convert your quote to an order.



ACCOUNT MANAGER NOTES:

Microsoft and CDW-G:

<https://www.cdwg.com/content/brands/microsoft/software-cloud.aspx>

QUOTE #	QUOTE DATE	QUOTE REFERENCE	CUSTOMER #	GRAND TOTAL
JQFS467	3/6/2018	MS EXCHANGE AND CALS	0376884	\$34,434.96

QUOTE DETAILS				
ITEM	QTY	CDW#	UNIT PRICE	EXT. PRICE
Microsoft Exchange Server 2016 Standard CAL - license - 1 user CAL Mfg. Part#: 381-04439 UNSPSC: 43232915 Electronic distribution - NO MEDIA Contract: California NVP Software (ADSP016-130652 7-16-70-37)	600	3845741	\$56.63	\$33,978.00
Microsoft Exchange Server 2016 Standard - license - 1 server Mfg. Part#: 312-04372 UNSPSC: 43232915 Electronic distribution - NO MEDIA Contract: California NVP Software (ADSP016-130652 7-16-70-37)	1	3845739	\$456.96	\$456.96

PURCHASER BILLING INFO		SUBTOTAL		\$34,434.96
Billing Address: CITY OF BREA ACCOUNTS PAYABLE 1 CIVIC CENTER CIR BREA, CA 92821-5792 Phone: (714) 990-7600 Payment Terms: Net 30 Days-Govt State/Local		SHIPPING		\$0.00
		GRAND TOTAL		\$34,434.96
		Please remit payments to: CDW Government 75 Remittance Drive Suite 1515 Chicago, IL 60675-1515		
DELIVER TO				
Shipping Address: CITY OF BREA CLIFF FLAUGHER 1 CIVIC CENTER CIR BREA, CA 92821-5792 Phone: (714) 990-7600 Shipping Method: ELECTRONIC DISTRIBUTION				

Need Assistance? CDW•G SALES CONTACT INFORMATION



David Salkover

(866) 461-9703

davisal@cdwg.com

This quote is subject to CDW's Terms and Conditions of Sales and Service Projects at <http://www.cdwg.com/content/terms-conditions/product-sales.aspx>
For more information, contact a CDW account manager

