



FINANCE COMMITTEE AGENDA

Tuesday, June 11, 2019

8:30 AM

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

MEMBERS: Mayor Pro Tem Marty Simonoff and Council Member Cecilia Hupp
ALTERNATE: Mayor Christine Marick

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 May 28, 2019 Meeting

Attachments

Minutes

DISCUSSION

3. Professional Services Agreement with Calabrese Architect for Design Services for the Civic Center Security System Improvement Project (CIP 7954)

Attachments

Agreement

Exhibit A_Proposal

4. Extend Landscape Maintenance Contracts for One Year in Maintenance Districts Nos. 1, 3, 5 and 6

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

5. Approval of the Fiscal Year 2019-20 Appropriations Limit

Attachments

Resolution

6. Legislative Advocacy Services

Attachments

Agreement

Proposal

7. Update to City's Local Debt Policy

Attachments

Resolution

8. Custodial Services

Attachments

Agreement

9. Approval of Fiscal Year 2019-20 Property Tax Rate to Fund the City's Paramedic Program

Attachments

Resolution

10. Schedule Next Meeting: June 25, 2019

cc: Council Member Glenn Parker
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: 06/11/2019

SUBJECT: Approval of Minutes of May 28, 2019 Meeting

Attachments

Minutes



FINANCE COMMITTEE MINUTES

Tuesday, May 28, 2019

8:30 AM

Executive Conference Room, Level Three

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

CALL TO ORDER / ROLL CALL

ATTENDEES: Mayor Pro-Tem Marty Simonoff, Council Member Cecilia Hupp, David Crabtree, Tony Olmos, Michael Ho, Faith Madrazo, Mario Maldonado, Lee Squire and Alicia Brenner.

OTHER ATTENDEES: Jim Fabian (Fieldman, Rolapp and Associates)

1. Matters from the Audience – *None*

CONSENT

2. Approval of Minutes of May 14, 2019 Meeting – *Approved.*

DISCUSSION

3. City Traffic Engineer Annual Contract – *Committee discussed item and requested language to be added within the staff report clarifying that any contract increases be brought to the City Council for consideration. Recommended for City Council Approval.*
4. Mitigation Agreement Between Puente Hills Habitat Preservation Authority and City; Mitigation Endowment Fund and Mitigation Easement Endowment Fund Agreements Between The San Diego Foundation and City for the SR 57 Freeway & Lambert Road Interchange Improvements (CIP 7251) – *Recommended for City Council Approval.*
5. Authorization for the Brea Public Financing Authority Issuance of Local Agency Revenue Refunding Bonds, Series 2019, to Refinance Outstanding 2005 Revenues Bonds and to Engage Professional Services – *Recommended for City Council Approval.*
6. Schedule Next Meeting: July 11, 2019

Meeting adjourned: 8:36 am

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

City of Brea

FINANCE COMMITTEE COMMUNICATION

TO: Finance Committee Members

FROM: Bill Gallardo

DATE: 06/11/2019

SUBJECT: Professional Services Agreement with Calabrese Architect for Design Services for the Civic Center Security System Improvement Project (CIP 7954)

RECOMMENDATION

1. Approve agreement with Calabrese Architect in the amount of \$30,000; and
2. Approve a 10% design contingency

BACKGROUND/DISCUSSION

The City of Brea has a multi-million dollar seven year Capital Improvement Program (CIP) that includes various projects under six categories. Included in the current CIP, under the Facility Improvements category, is the Civic Center Security System Improvement Project (CIP 7954).

The scope of the overall project is to install a number of doors behind the public counters to close off open aisles in order to prevent unauthorized public access to the “back-of-house.” In addition, the project would also install a glass partition wall from the 3rd floor lobby area to the Executive Conference Room to isolate a path that will be used for after-hours access to this conference room for meetings, such as City Council Closed and Study Session meetings. Finally, the project would expand the current conference room located near the Community Development/Engineering counter and install a partition wall to allow for flexible meeting space. To control access, the mentioned doors would include keycard portals.

The scope of Design Services with Calabrese Architect is to prepare design development drawings, prepare construction development documents, and provide support during bid and construction phases. The proposed fee for these services will not exceed \$30,000. Keycard access design is not part of the scope-of-work and will be handled through a separate contract with another vendor.

Calabrese Architect was selected under a sole-source procurement to maintain continuity on past Civic Center tenant improvement work the firm has successfully completed for the City of Brea within the last year. The firm completed the pre-design and schematic design phases for this project and produced improvement options for a fee of \$10,000. Finally, within the last few years, Calabrese Architect also prepared high quality construction documents for the City Hall Park Storage facility & gazebo, ADA Ramp at the Scout Center, ADA improvements at the Senior Center, Police Records remodel and police locker room renovation, which have been constructed. If approved, the project plans are expected to be completed by the end of August 2019. Construction is expected to begin in early November.

SUMMARY/FISCAL IMPACT

There are sufficient funds in Capital Improvement Program Project No. 7954 to fund the proposed scope-of-services. The project is funded by the Fixed Asset Replacement Program. There will be no General Fund impact.

RESPECTFULLY SUBMITTED

William Gallardo, City Manager

Prepared by: Tony Olmos, P.E., Director of Public Works

Attachments

Agreement

Exhibit A_Proposal

PROFESSIONAL SERVICES AGREEMENT

This Agreement is made and entered into this _____ day of June, 2019, between the City of Brea, a Municipal Corporation (hereinafter referred to as "CITY") and Calabrese Architect (hereinafter referred to as "CONSULTANT"),

A. Recitals

(i) CITY has heretofore previously selected CONSULTANT under a sole-source procurement. In an effort to maintain continuity on past Civic Center tenant improvement work successfully completed by the same CONSULTANT within the last year, CITY desires to retain Consultant pertaining to the performance of professional services with respect to design services for the Civic Center Security System Improvement Project (CIP 7954) ("Project" hereafter).

(ii) CONSULTANT has now submitted its proposal for the performance of such services, a full, true and correct copy of which proposal is attached hereto as Exhibit "A" and by this reference made a part hereof.

(iii) CITY desires to retain CONSULTANT to perform professional services necessary to render advice and assistance to CITY, CITY's Planning Commission, City Council and staff in preparation of Project.

(iv) CONSULTANT represents that it is qualified to perform such services and is willing to perform such professional services as hereinafter defined.

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

B. Agreement

1. Definitions: The following definitions shall apply to the following terms, except where the context of this Agreement otherwise requires:

(a) Project: The preparation of documents described in Exhibit "A" hereto including, but not limited to, the preparation of maps, surveys, reports, and documents, the presentation, both oral and in writing, of such plans, maps, surveys, reports and documents to CITY as required and attendance at any and all work sessions, public hearings and other meetings conducted by CITY with respect to the project.

(b) Services: Such professional services as are necessary to be performed by CONSULTANT in order to complete the Project.

(c) Completion of Project: The date of completion of all phases of the Project, including any and all procedures, development plans, maps, surveys, plan documents, technical reports, meetings, oral presentations and attendance by CONSULTANT at public hearings regarding the adoption of design services for the Civic Center Security System Improvement Project (CIP 7954) as set forth in Exhibit "A" hereto.

2. CONSULTANT agrees as follows:

(a) CONSULTANT shall forthwith undertake and complete the Project in accordance with Exhibit "A" hereto and all in accordance with Federal, State and CITY statutes, regulations, ordinances and guidelines, all to the reasonable satisfaction of CITY.

(b) CONSULTANT shall supply copies of all maps, surveys, reports, plans and documents (hereinafter collectively referred to as "documents") including all

supplemental technical documents, as described in Exhibit "A" to CITY within the time specified in Exhibit "A". Copies of the documents shall be in such numbers as are required in Exhibit "A". CITY may thereafter review and forward to CONSULTANT comments regarding said documents and CONSULTANT shall thereafter make such revisions to said documents as are deemed necessary. CITY shall receive revised documents in such form and in the quantities determined necessary by CITY. The time limits set forth pursuant to this Section B2(b) may be extended upon written approval of CITY.

(c) CONSULTANT shall, at CONSULTANT's sole cost and expense, secure and hire such other persons as may, in the opinion of CONSULTANT, be necessary to comply with the terms of this Agreement. In the event any such other persons are retained by CONSULTANT, CONSULTANT hereby warrants that such persons shall be fully qualified to perform services required hereunder. CONSULTANT further agrees that no subcontractor shall be retained by CONSULTANT except upon the prior written approval of CITY.

3. CITY agrees as follows:

(a) To pay CONSULTANT a maximum sum of thirty thousand dollars and zero cents (\$30,000.00) for the performance of the services required hereunder, plus a contingency of ten percent of the maximum project sum, equivalent to three thousand dollars and zero cents (\$3,000.00). This sum shall cover the cost of all staff time and all other direct and indirect costs or fees, including the work of employees, consultants and subcontractors to CONSULTANT. Payment to CONSULTANT, by CITY, shall be made in accordance with the schedule set forth

below. CITY must receive a written request from CONSULTANT to use any of the contingency amount prior to performing any work that is outside the Project scope as defined in Exhibit "A". It will be the CITY's sole discretion to authorize the use of the contingency funds and the CITY must give this authorization to CONSULTANT in writing prior to the commencement of said work. Any work performed outside the Project scope as defined in Exhibit "A" that has not received prior written approval by CITY is assumed to have been performed in support of said Project and included within the not-to-exceed contract amount.

(b) Payments to CONSULTANT shall be made by CITY in accordance with the invoices submitted by CONSULTANT, on a monthly basis, and such invoices shall be paid within a reasonable time after said invoices are received by CITY. All charges shall be in accordance with CONSULTANT's proposal either with respect to hourly rates or lump sum amounts for individual tasks. Notwithstanding any provision herein or as incorporated by reference, (i) in no event shall the totality of said invoices exceed 95% of the individual task totals described in Exhibit "A" and (ii) further provided that in no event shall CONSULTANT, or any person claiming by or through CONSULTANT be paid an aggregate amount in excess of the amount set forth in Section 3 (a).

(c) CONSULTANT agrees that, in no event, shall CITY be required to pay to CONSULTANT any sum in excess of 95% of the maximum payable hereunder prior to receipt by CITY of all final documents, together with all supplemental technical documents, as described herein acceptable in form and content to CITY. Final payment

shall be made not later than 60 days after presentation of final documents and acceptance thereof by CITY.

(d) Additional services: Payments for additional services requested, in writing, by CITY, and not included in CONSULTANT's proposal as set forth in Exhibit "A" hereof, shall be paid on a reimbursement basis in accordance with the fee schedule set forth in said Exhibit "A". Charges for additional services shall be invoiced on a monthly basis and shall be paid by CITY within a reasonable time after said invoices are received by CITY.

(e) Rate Changes: The fee schedule in Exhibit A shall not be revised during the term of the Contract (including any extension periods) without prior approval by CITY's City Council.

4. CITY agrees to provide to CONSULTANT:

(a) Information and assistance as set forth in Exhibit "A" hereto.

(b) Photographically reproducible copies of maps and other information, if available, which CONSULTANT considers necessary in order to complete the Project.

(c) Such information as is generally available from CITY files applicable to the Project.

(d) Assistance, if necessary, in obtaining information from other governmental agencies and/or private parties. However, it shall be CONSULTANT's responsibility to make all initial contact with respect to the gathering of such information.

5. Ownership of Written Product:

(a) Unless otherwise agreed upon in writing, all reports, documents, or other original written material, including any original images, photographs, video files, digital

files, and/or or other media created or developed for the CITY by CONSULTANT in the performance of this Agreement (collectively, "Written Product") shall be and remain the property of CITY without restriction or limitation upon its use or dissemination by CITY. All Written Product shall be considered to be "works made for hire", and all Written Product and any and all intellectual property rights arising from their creation, including, but not limited to, all copyrights and other proprietary rights, shall be and remain the property of CITY without restriction or limitation upon their use, duplication or dissemination by CITY. CONSULTANT shall not obtain or attempt to obtain copyright protection as to any of the Written Product.

(b) CONSULTANT hereby assigns to CITY all ownership and any and all intellectual property rights to the Written Product that are not otherwise vested in the CITY pursuant to subsection (a), above.

(c) CONSULTANT warrants and represents that it has secured all necessary licenses, consents or approvals to use any instrumentality, thing or component as to which any intellectual property right exists, including computer software, used in the rendering of the Services and the production of all Written Product produced under this Agreement, and that CITY has full legal title to and the right to reproduce the Written Product. CONSULTANT shall defend, indemnify and hold CITY, and its elected officials, officers, employees, servants, attorneys, designated volunteers, and agents serving as independent contractors in the role of city officials, harmless from any loss, claim or liability in any way related to a claim that CITY's use of any of the Written Product is violating federal, state or local laws, or any contractual provisions, or any laws relating to trade names, licenses, franchises, copyrights, patents or other means of protecting intellectual property rights and/or interests in product or inventions. Consultant shall bear all costs arising from the use of patented, copyrighted, trade secret or trademarked documents, materials, equipment, devices or processes in connection with its provision of the Services and Written Product produced under this Agreement. In the event the use of any of the Written Product or other deliverables hereunder by CITY is held to constitute an infringement and the use of any of the same is enjoined, CONSULTANT, at its expense, shall: (a) secure for CITY the right to continue using the Written Product and other deliverables by suspension of any

injunction, or by procuring a license or licenses for CITY; or (b) modify the Written Product and other deliverables so that they become non-infringing while remaining in compliance with the requirements of this Agreement. This covenant shall survive the termination of this Agreement.

6. Termination: This Agreement may be terminated by CITY upon the giving of a written "Notice of Termination" to CONSULTANT at least fifteen (15) days prior to the date of termination specified in said Notice. In the event this Agreement is so terminated, CONSULTANT shall be paid on a pro-rata basis with respect to the percentage of the Project completed as of the date of termination. In no event, however, shall CONSULTANT receive more than the maximum specified in paragraph 3(a), above. CONSULTANT shall provide to CITY any and all documents, data, studies, surveys, drawings, maps, models, photographs and reports, whether in draft or final form, prepared by CONSULTANT as of the date of termination. CONSULTANT may not terminate this Agreement except for cause.

7. Notices and Designated Representatives: Any and all notices, demands, invoices and written communications between the parties hereto shall be addressed as set forth in this section 7. The below named individuals, furthermore, shall be those persons primarily responsible for the performance by the parties under this Agreement:

CITY REPRESENTATIVE

**Tony Olmos, P.E.
Director of Public Works
1 Civic Center Circle
Brea, CA 92821**

CONSULTANT REPRESENTATIVE

**Joe A. Calabrese AIA
Architect
3660 West Temple Avenue, Suite 110
Pomona, CA 91768**

Any such notices, demands, invoices and written communications, by mail, shall be deemed to have been received by the addressee forty-eight (48) hours after deposit thereof in the United States mail, postage prepaid and properly addressed as set forth above.

8. Insurance: The CONSULTANT shall not commence work under this contract until it has obtained all insurance required hereunder in a company or companies acceptable to CITY nor shall the CONSULTANT allow any subcontractor to commence work on its subcontract until all insurance required of the subcontractor has been obtained. The CONSULTANT shall take out and maintain at all times during the life of this contract the following policies of insurance:

(a) Workers Compensation insurance: Before beginning work, the CONSULTANT shall furnish to the CITY a certificate of insurance as proof that it has taken out full compensation insurance for all persons whom the CONSULTANT may employ directly or through subcontractors in carrying out the work specified herein, in accordance with the laws of the State of California. Such insurance shall be maintained in full force and effect during the period covered by this contract. Further, such policy of insurance shall provide that the insurer waives all rights of subrogation against CITY and its elected officials, officers, employees and agents.

In accordance with the provisions of Section 3700 of the California Labor Code, every contractor shall secure the payment of compensation to his employees.

CONSULTANT, by executing this Agreement, certifies as follows:

"I am aware of the provisions of Section 3700 of the labor Code which require every employer to be insured against liability for workers' compensation or to undertake self insurance in accordance with the

provisions of that code, and I will comply with such provisions before commencing the performance of work of this contract.”

(b) For all operations of the CONSULTANT or any subcontractor in performing the work provided for herein, insurance with the following minimum limits and coverage:

(1) Commercial General Liability (occurrence) - for bodily injury, death and property damage for products/completed operations and any and all other activities undertaken by the CONSULTANT in the performance of this Agreement.

(2) Comprehensive Automobile Liability (occurrence) - for bodily injury, death and property damage insuring against all liability arising out of the use of any vehicle.

(3) Professional Errors and Omissions Liability (if required by the RFP) - insuring against all liability arising out of professional errors and/or omissions, providing protection of at least **two million dollars (\$2,000,000.00)** for errors and/or omissions (“malpractice”) of CONSULTANT in the performance of this Agreement. Such policy may be subject to a deductible or retention in an amount acceptable to CITY and shall further be subject to the provisions of subsections (2) and (6) of Section c, below. If a “claims made” policy is provided, such policy shall be maintained in effect from the date of performance of work or services on CITY’s behalf until three (3) years after the date the work or services are accepted as completed. Coverage for the post-completion period may be provided by renewal or replacement of the policy for each of the three (3) years or by a three (3) year extended reporting period endorsement which

reinstates all limits for the extended reported period. If any such policy and/or policies have a retroactive date, that date shall be no later than the date of first performance of work or services on behalf of CITY. Renewal or replacement policies shall not allow for any advancement of such retroactive date. Each such policy or policies shall include a standard “notice of circumstances” provision, and shall be subject to the requirements of subsections (1), (2), (5), (6), (7), and (9) of Section 8 (c).

(5) Other required insurance, endorsements or exclusions as required by the CITY.

(6) The policies of insurance required in this Section 8(b) shall have no less than the following limits of coverage:

(i) \$2,000,000 (Two Million Dollars) for bodily injury or death;

(ii) \$2,000,000 (Two Million Dollars) for property damage;

(iii) The total of the limits specified in subsections (i) and (ii), above, where a combined single limit is provided.

(c) The policies of insurance required in subsections (1) and (2) of Section 8(b), above shall:

(1) Be subject to no deductible amount unless otherwise provided, or approved in writing by CITY;

(2) Be issued by an insurance company approved in writing by CITY, which is admitted and licensed to do business in the State of California and which is rated A/VII or better according to the most recent A.M. Best Co. Rating Guide;

(3) Name as additional insureds the CITY, its elected officials, officers, employees, attorneys and agents, and any other parties, including subcontractors, specified by CITY to be included;

(4) Specify that it acts as primary insurance and that no insurance held or owned by the designated additional insureds shall be called upon to cover a loss under said policy;

(5) Specify that it applies separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability;

(6) Contain a clause substantially in the following words:

"It is hereby understood and agreed that this policy may not be canceled nor the amount of coverage thereof reduced until thirty (30) days after receipt by CITY of written notice of such cancellation or reduction of coverage as evidenced by receipt of a registered letter."

(7) Specify that any failure to comply with reporting or other provisions of the required policy, including breaches of warranty, shall not affect the coverage required to be provided;

(8) Specify that the insurer waives all rights of subrogation against any of the named additional insureds; and

(9) Specify that any and all costs of adjusting and/or defending any claim against any insured, including court costs and attorneys' fees, shall be paid in addition to and shall not deplete any policy limits.

(10) Otherwise be in form satisfactory to CITY.

(d) Prior to commencing performance under this Agreement, the CONSULTANT shall furnish the CITY with original endorsements, or copies of each required policy, effecting and evidencing the insurance coverage required by this

Agreement. The endorsements shall be signed by a person authorized by the insurer(s) to bind coverage on its behalf. All endorsements or policies shall be received and approved by the CITY before CONSULTANT commences performance. If performance of this Agreement shall extend beyond one (1) year, CONSULTANT shall provide CITY with the required policies or endorsements evidencing renewal of the required policies of insurance prior to the expiration of any required policies of insurance.

9. Indemnity for Design Professional Services.

9.1 In connection with its design professional services, CONSULTANT shall hold harmless and indemnify CITY, and its elected officials, officers, employees, servants, designated volunteers, and those CITY agents serving as independent contractors in the role of CITY officials (collectively, "Indemnitees"), with respect to any and all claims, demands, damages, liabilities, losses, costs or expenses, including reimbursement of attorneys' fees and costs of defense (collectively, "Claims" hereinafter), including but not limited to Claims relating to death or injury to any person and injury to any property, which arise out of, pertain to, or relate to in whole or in part to the negligence, recklessness, or willful misconduct of CONSULTANT or any of its officers, employees, subcontractors, or agents in the performance of its design professional services under this Agreement.

9.2 Other Indemnities. In connection with any and all claims, demands, damages, liabilities, losses, costs or expenses, including attorneys' fees and costs of defense (collectively, "Damages" hereinafter) not covered by this Section 9.1, CONSULTANT shall defend, hold harmless and indemnify the Indemnitees with respect to any and all Damages, including but not limited to, Damages relating to death or injury

to any person and injury to any property, which arise out of, pertain to, or relate to the acts or omissions of CONSULTANT or any of its officers, employees, subcontractors, or agents in the performance of this Agreement, except for such loss or damage arising from the sole negligence or willful misconduct of the CITY, as determined by final arbitration or court decision or by the agreement of the parties. CONSULTANT shall defend Indemnitees in any action or actions filed in connection with any such Damages with counsel of CITY's choice, and shall pay all costs and expenses, including all attorneys' fees and experts' costs actually incurred in connection with such defense. CONSULTANT's duty to defend pursuant to this Section 9.2 shall apply independent of any prior, concurrent or subsequent misconduct, negligent acts, errors or omissions of Indemnitees.

10. Assignment and Subcontracting: No assignment of this Agreement or of any part or obligation of performance hereunder shall be made, nor shall any required performance be subcontracted, either in whole or in part, by CONSULTANT without the prior written consent of CITY.

11. Damages: In the event that CONSULTANT fails to submit to CITY the completed project, together with all documents and supplemental material required hereunder, in public hearing form to the reasonable satisfaction of CITY, within the time set forth herein, or as may be extended by written consent of the parties hereto, CONSULTANT shall pay to CITY, as liquidated damages and not as a penalty, the sum of N/A dollars (\$000.00) per day for each day CONSULTANT is in default, which sum represents a reasonable endeavor by the parties hereto to estimate a fair compensation for the foreseeable losses that might result from such a default in

performance by CONSULTANT, and due to the difficulty which would otherwise occur in establishing actual damages resulting from such default, unless said default is caused by CITY or by acts of God, acts of the public enemy, fire, floods, epidemics, or quarantine restrictions.

12. Independent Contractor: CONSULTANT is retained by CITY only to the extent set forth in this Agreement, and the CONSULTANT's relationship to the CITY is that of an independent contractor. CONSULTANT shall be free to dispose of all portions of CONSULTANT's time and activities which CONSULTANT is not obligated to devote to the CITY in such a manner and to such persons, firms, or corporations as the CONSULTANT sees fit except as expressly provided in this Agreement. Neither the CITY nor any of its agents shall have control over the conduct of the CONSULTANT or any of the CONSULTANT's employees, except as set forth in this Agreement. CONSULTANT shall not have the status of an employee under this Agreement, or be entitled to participate in any insurance, medical care, vacation, sick leave or other benefits provided for CITY's officers or employees. CONSULTANT shall have no power to incur any debt, obligation, or liability on behalf of CITY or otherwise act on behalf of the CITY as an agent. CONSULTANT shall not, at any time, or in any manner, represent that it or any of its agents or employees are in any manner agents or employees of the CITY. CONSULTANT agrees to pay all required taxes on amounts paid to CONSULTANT under this Agreement, and to indemnify and hold CITY harmless from any and all taxes, assessments, penalties, and interest asserted against CITY by reason of the independent contractor relationship created by this Agreement. CONSULTANT shall fully comply with the workers' compensation law regarding

CONSULTANT and CONSULTANT's employees. CONSULTANT further agrees to indemnify and hold CITY harmless from any failure of CONSULTANT to comply with applicable workers' compensation laws. CITY shall have the right to offset against the amount of any fees due to CONSULTANT under this Agreement any amount due to CITY from CONSULTANT as a result of CONSULTANT's failure to promptly pay to CITY any reimbursement or indemnification arising under this Section..

13. Governing Law and Venue: This Agreement shall be governed by and construed in accordance with the laws of the State of California. Venue for any legal action arising out this Agreement shall be the Superior Court of the County of Orange, California.

14. Attorneys' Fees: In the event any legal proceeding is instituted to enforce any term or provision of this Agreement, the prevailing party shall be entitled to recover attorneys' fees, experts' fees, and all other costs of litigation from the opposing party in an amount determined by the court to be reasonable.

15. Entire Agreement: This Agreement supersedes any and all other agreements, either oral or in writing, between the parties with respect to the subject matter herein. Each party to this Agreement acknowledges that no representation by any party which is not embodied herein nor any other agreement, statement, or promise not contained in this Agreement shall be valid and binding. Any modification of this Agreement shall be effective only if it is in writing signed by all parties. In the event of any inconsistency between this document and Exhibit A, the provisions of this document shall govern over Exhibit A.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of
the day and year first set forth above:

CONSULTANT

(two signatures required if corporation)

CITY

City Manager or Mayor

ATTEST:

City Clerk

Friday, May 10, 2019

Tony Olmos, P.E.
Public Works Director
City of Brea Public Works Department
545 N. Berry St.
Brea CA 92821

Regarding: 3rd Floor Security Improvement Proposal

Tony Olmos,

Thank you for the opportunity to submit this proposal for your 3rd Floor Security Improvement Project. Attached is a "Proposal" with scope of work & fee and a "Rate Sheet" for your review and approval.

Sincerely,



Joe A. Calabrese AIA
Architect

CalabreseArchitect

Existing Agreement - \$10,000.00 not to exceed without prior authorization

Pre-Design Phase: \$ 3,500.00

Schematic Design Phase: \$ 6,500.00

Balance Available \$1,493.65

Balance to complete this phase of work includes: Project meeting, OOM Estimate of construction cost.
(about 13 hours x \$120.00)

Additional Service Agreement - \$30,000.00 not to exceed without prior authorization

Design Development Phase: \$7,200.00

Includes: Establish and describe the size and character of the entire project in more detail. Drawings will include floor plan, sections and elevations. Update 3D visualization as needed. Outline specifications listing major materials and finishes as well as general description of how mechanical and electrical systems can be accommodated. Material samples for review. Coordinate with mechanical, electrical, and structural engineers and other consultants as needed. Further refine the estimate of construction cost. (about 60 hours x \$120.00)

Construction Development Phase: \$7,200.00

Includes: Prepare the detailed working drawings and specifications that the contractor will use to establish final construction prices and to build the project. Assist the owner in filing documents for the approval of governmental authorities permits. Coordinate with structural engineer and other consultants as needed. Further refine the estimate of construction cost. (about 60 hours x \$120.00)

Bid Phase: \$2,400.00

Includes: Answers questions and clarifies drawing and specifications for the owner and contractors. Assists the owner in obtaining bids or negotiated proposals from contractors. Assists owner in awarding contracts for construction. (about 20 hours x \$120.00)

Construction Administration Phase: \$7,200.00

Includes: Assists owner during construction. Visits the site at intervals agreed to by the owner (about 4) to help verify that the contractor's work is consistent with the contract drawings and specifications. Assists with Review of RFI's, payments and change orders. Coordinate with mechanical, electrical, and structural engineers and other consultants as needed. Informs owner and contractor of work that requires correction. Update plans to indicate "as-built" condition (about 60 hours x \$120.00)

Engineering: \$6,000.00

Includes: Structural engineering of movable partition support and attachments, partition/storefront system support and attachments (about 2,000 x1.5). Mechanical & Electrical engineering consultation (about 2,000 x1.5)

Above Includes:

PDF / DWG Base files

Travel mileage

In-house work prints

Above Excludes:

Engineered plans for modifications to mechanical & electrical systems (none anticipated)

Engineered plans for modifications to security and access control systems (by others)

Engineered plans for modifications to fire sprinkler systems (none anticipated)

Prints and shipping (pdf is provided for your printing use)

Proposal

CalabreseArchitect

ITEM

UNIT COST

PROFESSIONAL SERVICE

ARCHITECT	\$150.00 / HR
STAFF (ADMIN & TECH)	\$85.00 / HR
CONSULTANT (ENGINEER OR LANDSCAPE ARCHITECT)	1.5 X COST

REIMBURSABLE EXPENSES

MISC.

PROJECT RELATED GOVERNMENT FEES/TAXES	1.2 X COST
PRESENTATION MATERIALS, MISC.	1.2 X COST
SHIPPING	1.2 X COST
TRAVEL EXPENSES OUTSIDE OF SO. CAL.	1.2 X COST

PRINTS

OUTSIDE PROVIDER OF PRINTS/COPIES (PRINT SERVICE)	1.2 X COST
IN-HOUSE PRINTS/COPIES PROVIDED TO CLIENT OR OTHERS ON CLIENT'S BEHALF	
8.5X11	.10 B/W / PAGE
8.5X11	.40 COLOR / PAGE
8.5X14	.15 B/W / PAGE
8.5X14	.60 COLOR / PAGE
11X17	.20 B/W / PAGE
11X17	.90 COLOR / PAGE
IN-HOUSE WORKING PRINTS/COPIES	INCLUDED, NO EXTRA CHARGE

ELECTRONIC FILES

NO COMPUTER COMPATIBILITY WARRANTY	
PDF	INCLUDED, NO EXTRA CHARGE
DWG	INCLUDED, NO EXTRA CHARGE
DXF	INCLUDED, NO EXTRA CHARGE
JPEG	INCLUDED, NO EXTRA CHARGE
WORD	INCLUDED, NO EXTRA CHARGE

Rate Sheet

City of Brea

FINANCE COMMITTEE COMMUNICATION

TO: Finance Committee Members

FROM: Bill Gallardo

DATE: 06/11/2019

SUBJECT: Extend Landscape Maintenance Contracts for One Year in Maintenance Districts Nos. 1, 3, 5 and 6

RECOMMENDATION

Authorize the City Manager to extend the current landscape maintenance contracts for one additional year in Maintenance Districts Nos. 1, 3, 5 and 6.

BACKGROUND/DISCUSSION

The current contracts in Maintenance Districts 1, 3, 5 and 6 with Tropical Plaza Nursery, Inc. are set to expire in July 2019. These landscape maintenance contracts were initially awarded in July of 2014 as a one year contract with four possible extensions. Four extensions have been issued and the contracts are now in their fifth year of five possible years.

However, there has been recent interest in pursuing a joint contract for landscape maintenance services by a number of north Orange County cities. To allow time to work on a joint Request for Proposals (RFP), staff is requesting for a one year time extension for these contracts. Staff anticipates being able to award new contracts from the RFP for the 2020-21 Fiscal Year.

Current contract prices, along with a 2% requested CPI increase are shown in the table below. The CPI for the 2018 twelve month period was 3.2% which is the maximum increase based on our current agreement.

District	Current Contract	2% CPI Increase	Total Contract Price
District 1	\$14,003	\$280	\$14,283
District 3	\$23,759	\$475	\$24,234
District 5	\$28,527	\$571	\$29,098
District 6	\$77,187	\$1,544	\$78,730

Tropical Plaza Nursery, Inc. has successfully completed the landscape maintenance in the districts for over fifteen years and staff recommends the one year extension until the new RFP is completed.

SUMMARY/FISCAL IMPACT

The current contracts are in the fifth year of five possible years. Staff is requesting to extend the contracts one additional year until a joint RFP can be completed.

There is no General Fund impact with this action. Funding is available in each of the District's budgets through individual assessments for the maintenance contracts and other operational costs. Funds 341, 343, 345 and 346 will be used.

RESPECTFULLY SUBMITTED

William Gallardo, City Manager

Prepared by: Bill Bowlus, Public Works Superintendent

Concurrence: Tony Olmos, Director of Public Works

City of Brea

FINANCE COMMITTEE COMMUNICATION

TO: Finance Committee Members
FROM: Bill Gallardo
DATE: 06/11/2019
SUBJECT: Approval of the Fiscal Year 2019-20 Appropriations Limit

RECOMMENDATION

Adopt the attached resolution approving the Fiscal Year 2019-20 Appropriations Limit.

BACKGROUND/DISCUSSION

In November 1979, the voters of the State of California approved Proposition 4, commonly known as the “Gann Initiative.” The Proposition created Article XIII B of the State Constitution placing various limits on the appropriations of state and local governments. The law requires the governing body of each local jurisdiction to establish annually by resolution, the Appropriations Limit for the upcoming year. In effect, the law requires that expenditures subject to the limit cannot exceed the prior year’s expenditures after adjusting for inflation and population changes.

In June 1990, Proposition 111 was enacted which modified the formula to allow the Appropriations Limit to be more responsive to local growth issues. Prop. 111 allowed the City of Brea to modify its limit to take into consideration the change in the County or City population, whichever is greater.

The Appropriations Limit applies to all taxes levied by and for a municipality. In addition, user fees are excluded from the formula. The Appropriations Limit also excludes the following activities: Successor Agency to the Brea Redevelopment Agency Funds, Enterprise Funds, certain Capital Improvement Funds, and funds received from special assessment districts.

Brea’s appropriations that are “subject to the limit” have traditionally been much lower than required by Article XIII B. This year’s Appropriations Limit has been calculated to be \$102,993,779. Revenues subject to the Appropriations Limit are \$41,829,973 resulting in a favorable gap of \$61,163,806.

SUMMARY/FISCAL IMPACT

There is no fiscal impact associated with establishing the Appropriations Limit.

RESPECTFULLY SUBMITTED

William Gallardo, City Manager

Prepared by: Alicia Brenner, Senior Fiscal Analyst

Concurrence: Cindy Russell, Administrative Services Director

Attachments

Resolution

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BREA DETERMINING AND APPROVING DESIGNATED INFLATION FACTORS AND ESTABLISHING THE APPROPRIATIONS LIMIT FOR FISCAL YEAR 2019-20

A. RECITALS:

(i) The voters of California, on November 6, 1979, added Article XIII B to the State Constitution placing various limitations on the appropriations of state and local governments.

(ii) Pursuant to Article XIII B and Section 7910 of the State Government Code, Brea must adopt an annual appropriations limit.

(iii) The documentation used in the determination of the appropriations limit set forth below has been available to the public as required by law.

B. RESOLUTION:

NOW, THEREFORE, be it is found, determined and resolved by the City Council of the City of Brea as follows:

1. Selects the California per capita personal income and the greater of the County or City population increase as allowable inflation factors.

2. Approves the following as the Appropriations Limit for Fiscal Year 2019-20 at \$102,993,779 as shown in attached Exhibit A.

3. Declare that the appropriations of the City of Brea for Fiscal Year 2019-20 that are subject to the limitation do not exceed the limitation.

APPROVED AND ADOPTED this 18th day of June, 2019.

Mayor

ATTEST: _____
City Clerk

I, Lillian Harris-Neal, City Clerk of the City of Brea, do hereby certify that the foregoing Resolution was adopted at a regular meeting of the City Council of the City of Brea, held on the 18th day of June, 2019, by the following vote:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

DATED: _____

City Clerk

EXHIBIT A

2019-20 APPROPRIATION LIMIT CALCULATION

2019-20 APPROPRIATIONS LIMITATION:

2018-19 Limitation: \$96,851,095

Annual adjustment factors:

Population increase (for Brea, City of)	2.40%		1.0240
Inflation change (California Personal Income)	3.85%	x	<u>1.0385</u>
Combining adjustment factors			1.063424

2019-20 Limitation **\$102,993,779**

APPROPRIATIONS SUBJECT TO LIMITATION AND APPROPRIATIONS MARGIN:

Budget appropriation 2019-20 \$72,849,886

Add Interest Earnings 1,208,896

Less exclusions:

Non-proceeds of taxes (32,228,809)

Other -

Total exclusions (32,228,809)

Total appropriations subject to limitation **\$41,829,973**

City of Brea

FINANCE COMMITTEE COMMUNICATION

TO: Finance Committee Members

FROM: Bill Gallardo

DATE: 06/11/2019

SUBJECT: Legislative Advocacy Services

RECOMMENDATION

1. Approve the Agreement with Townsend Public Affairs to provide Legislative Advocacy Services in an amount not-to-exceed \$60,000;
2. Authorize the City Manager to issue up to four one-year extensions; and
3. Authorize the Purchasing Agent to issue Purchase Orders accordingly

BACKGROUND/DISCUSSION

For more than 25 years, the City has retained the services of a state and federal legislative advocate to assist the City in developing and successfully pursuing its legislative priorities. These services include:

- Developing key advocacy goals for each new legislative session and assisting the City in achieving those goals;
- Participating in the ongoing legislative process to help ensure that the City's desired level of state funding is secured;
- Providing the City with grant management and assistance;
- Developing a strategy to gain support for City priorities at the state level;
- Representing the City at hearings, particularly those involving appropriations requests;
- Providing testimony at Committee and floor sessions on behalf of City;
- Preparing City representatives for hearings and meetings with members of Congress by providing support materials, talking points, and briefing papers; and
- Monitoring legislative developments affecting the City's agenda and updating designated City staff through written reports/analysis, phone calls, legislative tracking, e-mails, and conference calls/meetings

Throughout the years, by contracting for state and federal legislative advocacy services, Brea has been able to secure state and federal funding for critical community projects and programs which has far exceeded the cost of utilizing a legislative advocate.

To help secure these important services, the Management Services Department developed the scope of services requirements and the Purchasing Division solicited competitive proposals from well-qualified consultants. Even though notifications were posted on the City's website and on the City's eProcurement system, which sent nationwide notices to interested firms, of the 47 firms who downloaded the RFP, only two submitted responses by the May 23, 2019 deadline. The primary reason cited for not submitting a proposal was that the prospective consultant provided advocacy services only on the federal level and not on the state level. Staff began the evaluations immediately after the proposal deadline. A panel

of three raters evaluated the proposals based on demonstrated competence, professional qualifications, and a fair and reasonable price for the City. Staff on the panel independently ranked the proposals and determined that Townsend Public Affairs was the best-qualified consultant to provide both state and federal legislative advocacy services and that their price was fair and reasonable. The Ferguson Group, the other firm to submit a proposal, only demonstrated providing federal advocacy services.

Rank	Consultant Name	Price
1	Townsend Public Affairs	\$60,000
2	The Ferguson Group	\$60,000

The Agreement has a one-year base period at a cost of \$60,000 and options for up to four one-year extensions that will permit the continuance of these services based on mutual agreement of the parties. Ferguson's price for the entire five-year period totaled \$300,000 for federal advocacy services only and Townsend's price was \$312,000 for state and federal services. Townsend's pricing has a small increase of \$6,000 per year in years four and five. The first year's pricing is identical to the current contract the City has with Townsend dating back to 2014, which will expire June 30, 2019.

Since the prices for the services are fixed for each year of the contract, staff requests that City Council authorize the City Manager to exercise the renewal terms as long as the consultant's performance continues to meet Brea's requirements. Moreover, either party may terminate the agreement with a short-term notice, if desired. This will allow the City to continue to monitor the performance of the firm and adjust services as necessary.

SUMMARY/FISCAL IMPACT

The City recently solicited competitive proposals from well-qualified consultants for state and federal legislative advocacy services. Based on a review of proposals, staff is recommending that Townsend Public Affairs be awarded the contract. For the past 12 years, Townsend Public Affairs has been successfully performing as the City's state and federal legislative advocate and has assisted Brea in identifying and securing state and federal funding for a variety of public improvements and programs, ranging from transportation and infrastructure improvements to affordable housing and parks. Since 2007, Townsend Public Affairs has worked with City staff to secure over \$16 million in funding. The most recent examples include funding for the North Orange County Public Safety Task Force and the SR 57/Lambert Road Interchange Improvements project. Staff recommends approving the Agreement with Townsend Public Affairs to provide Legislative Advocacy Services.

The total annual cost for advocacy services will not change and is currently a budgeted item. The Fiscal Year 2019-20 Budget has sufficient funding available in the General Fund (110), Urban Runoff (410), Water Utility (420), and Sewer Utility (430). Therefore, no additional funding is required.

RESPECTFULLY SUBMITTED

William Gallardo, City Manager

Prepared by: Neil Groom, Procurement and Contracts Administrator

Concurrence: Liz Pharis, Senior Management Analyst; and

Cindy Russell, Administrative Services Director

Attachments

Agreement
Proposal

**PROFESSIONAL SERVICES
AGREEMENT**

THIS AGREEMENT ("Agreement") is effective on the date on which this Agreement is executed by the City of Brea, ("Effective Date"), and is between Townsend Public Affairs, Inc., ("CONTRACTOR") and the CITY OF BREA, a California municipal corporation ("CITY"). CONTRACTOR and CITY are sometimes referred to herein collectively as the "Parties" and singularly as "Party". The Parties agree as follows:

I. Agreement

- A. This Agreement, together with the following exhibits are incorporated herein by reference, and supersedes all prior agreements and understandings:
 - Exhibit A – Scope of Services/Specifications
 - Exhibit B – Compensation
 - Exhibit C – General Provisions
 - Exhibit D – Indemnity and Insurance Requirements
- B. This Agreement may be modified by written amendment executed by all parties.

II. Scope of Services Summary

CONTRACTOR shall, during the Term of the Agreement, provide **Legislative Advocacy Services** as further set forth in Exhibit A, all to CITY's reasonable satisfaction (collectively, the "Services").

III. Term of the Agreement

- A. CONTRACTOR shall commence performance of Services on the date **indicated in the notice to proceed issued by the City Project Manager**.
- B. AGREEMENT shall remain in full force and effect **for one (1) year** unless sooner terminated as set forth in the Termination subsection of Exhibit C ("Initial Term").
- C. AGREEMENT may **be extended for four (4) additional years (each a "Renewal Term"), commencing upon the expiration of the preceding Term. CITY and CONTRACTOR may agree to extend this Agreement in writing, executed before the end of the Initial Term or Renewal Term, as applicable.**

IV. Compensation Summary

- A. CITY shall pay CONTRACTOR for satisfactorily and completely rendered Services according to prices and in the manner set forth in Exhibit B. Parties agree that full and complete payment for all Services shall not exceed **\$60,000 for the Initial Term ("Contract Amount"). The Contract Amount for any exercised Renewal Term may be adjusted as set forth in Exhibit B.** The CITY shall have no obligation to pay any amount in excess of the foregoing amounts, unless agreed to in writing by the CITY.
- B. CONTRACTOR shall not render any services in excess of the Services described in Exhibit A ("Additional Services") without CITY's prior written approval. Any work performed without CITY's prior written approval shall be deemed to have been performed as part of the Services and included within the not-to-exceed Contract Amount.

V. Insurance Requirements Summary

- A. All insurance shall comply with the specific requirements set forth in Exhibit D.
- B. Exhibit D shall govern in the event of any conflict with the following coverages.
 - 1. **Commercial General Liability (CGL)**
Limits shall be no less than \$2,000,000 per occurrence.
 - 2. **Automobile Liability Insurance (ALI) (any auto)**
Limits shall be no less than \$2,000,000 per occurrence.
 - 3. **Workers' Compensation**
State of California statutory limits
Employer's Liability Insurance
Limits shall be no less than \$1,000,000 per accident for bodily injury or disease.
 - 4. **Professional Liability Insurance (PL)**
Limits shall be no less than \$1,000,000 per claim.

VI. Notices and Designated Representatives

All notices made pursuant to this Agreement shall be in writing and deemed effectively given: (i) upon receipt, when delivered personally; (ii) one business day after deposit with an overnight courier service; or (iii) two business days after having been sent by registered or certified mail, whether or not a signed receipt is received, provided a proof of delivery is obtained. All communications shall be sent to:

CITY – Project Manager:
Liz Pharis
Senior Management Analyst
1 Civic Center Circle
Brea, CA 92821
(714) 990-7706 phone
LizP@CityofBrea.net

CITY – City Clerk (if over \$25,000):
Lillian Harris-Neal, MMC
City Clerk
1 Civic Center Circle
Brea, CA 92821
(714) 990-7757 phone
LillianHN@CityofBrea.net

CONTRACTOR:

Representative's Name	Christopher Townsend
Title	President
Address, Suite#	1401 Dove Street, Suite 330
City, State, Zip	Newport Beach, CA 92660
Phone	(949) 399-9050
Email	ChristopherTownsend@TownsendPA.Com

(SIGNATURES ON FOLLOWING PAGE)

Offer and Acceptance

I. OFFER made by Contractor to the City of Brea:

I, the undersigned, hereby represent and warrant that I am authorized to submit this Offer on behalf of and to bind the principals who I represent to all the requirements of the City of Brea's Terms & Conditions, Specifications, Scope or Work, any attachments, exhibits, amendments; and I offer and agree to those requirements at the prices set forth in Exhibit B-Compensation. Further, I understand that no contract exists unless City accepts this Offer by signing below.

Business Name: Townsend Public Affairs, Inc.

Federal ID# 91-1929265

only for Public Works projects Contractor Lic.#: N/A DIR Reg#: N/A

Business Type ☐ Individual/Sole Proprietor ☐ Partnership ☐ Limited Liability Company
(Contractor select one) ☒ Corporation (requires two signatures) ☐ Other

Address: 1401 Dove Street, Suite 330

City, State, Zip: Newport Beach, CA 92660

Printed Name & Title: Christopher Townsend, President

Phone & Email: (949) 399-9050, Christopher.Townsend@TownsendPA.com

Signature(s): [Signature], President Date: 05/23/2019
(principal)

Signature(s): [Signature], Secretary Date: 05/23/2019
(2nd Signature required if corp)

II. ACCEPTANCE of Offer by the City of Brea:

I, the undersigned, hereby represent and warrant that I am authorized to accept Offer on behalf of and to bind City of Brea and I accept the Offer accordingly. Contractor is now bound to furnish all requirements set forth in Contractor's Offer. Contractor is cautioned not to begin work until a written notice to proceed or purchase order is received from City.

City of Brea, a California Municipal Corporation

Mailing Address: 1 Civic Center Circle

City, State, Zip: Brea California 92821

Printed Name & Title: Christine Marick, Mayor

Authorized Signature: _____ Date _____

III. Attestation (if total contract value exceeds \$25,000 or \$200,000 for Public Works projects)

Printed Name & Title: Lillian Harris-Neal, City Clerk

Authorized Signature: _____ Date _____

EXHIBIT A
SCOPE OF WORK

I. Time of Performance

- A. **Commencement and Completion of Work.** The Services to be performed pursuant to this Agreement shall commence upon ***receipt of written notice to proceed from the City***. Failure to commence work in a timely manner and/or diligently pursue work to completion may be deemed to be a breach, resulting in termination of this Agreement.
- B. **Schedule.** After commencement of performance pursuant to paragraph A, above, the Services must be completed ***within agree-upon time by the Parties***.
- C. **Excusable Delays.** Neither party shall be responsible for delays or lack of performance resulting from acts beyond the reasonable control of the party or parties. Such acts shall include, but not be limited to, acts of God, fire, strikes, material shortages, compliance with laws or regulations enacted after the Effective Date, riots, acts of war, or any other conditions beyond the reasonable control of a party.

II. Additional Services

- A. Additional Services are those services related to the scope of services of CONTRACTOR set forth in this Exhibit A but not anticipated at the time of execution of this Agreement. Additional Services shall be provided only when an Addendum to this Agreement authorizing the Additional Services is approved by CITY in accordance with CITY's purchasing procedures.
- B. CITY reserves the right to perform any work that would otherwise constitute Additional Services with its own staff or to retain other contractors to perform the Additional Services.

III. City Provisions

City has attached the RFP 2019050102 Advocacy Services (Exhibit 2019 Legislative Platform Final) to the eProcurement.

IV. Scope of Services

- A. Required Services will include, but are not limited to, the following:
 - 1. Monitoring – Consultant shall serve as a reliable and consistent conduit of information to and from the California State Assembly and Senate and/or congressional delegation, other members of Congress, congressional committees, congressional staff, and federal agencies; monitor and provide regular reports, both orally and in writing, on current legislation, the State and Federal budget process or an assembly and/or congressional events that may directly or indirectly impact the City. Consultant should work closely with the City to assist in the development of the City's legislative platform and specific legislative priorities. Frequent contact should be made with elected officials and their staff concerning the development of future legislation and regulations impacting the City. Said contact shall keep policy makers aware of the potential effect of the specific legislation and regulations to the City's interests.
 - 2. Bill Tracking Service - Consultant should obtain and monitor all bills, resolutions, files, journals, histories, etc. As such, copies of all bills and

amendments that are determined to have an impact on the legislative and regulatory interests of the agency should be forwarded to the City.

3. Legislative Advocacy - The City's position on key State and Federal action shall be transmitted to elected officials and their staff, as well as Committee and federal agencies (as appropriate) and other interest groups. This should be accomplished through personal discussions with elected officials and their staff, committee consultants and agency representatives, testifying at appropriate policy and fiscal committees and agency hearings, orchestrating statements of legislators, prepare and send letters notifying appropriate officials and agencies of the City's position and drafting announcements. Design and implement a strategy, in consultation with City staff that raises the consciousness and awareness of issues relating to municipalities. Arrange meetings with City staff and legislators in Sacramento, CA and Washington D.C. and their staff.
4. Coordination and Reporting of Legislative/Regulatory Efforts - Consultant will work with the City in the coordination of a legislative/regulatory program, which includes the development of legislative/regulatory positions and platforms as well as drafting proposed legislation when appropriate. The firm should strive to coordinate the City's perspective with other associates as appropriate. Design and implement a strategy, in consultation with City staff that raises the consciousness and awareness of issues relating to the City with elected officials and broadens and improves direct communication of City staff with state and/or federal legislators. Consultant will be provide regular written reports of all legislative activities and be available to participate in City Council meetings as needed.
5. Special Projects Facilitation – Consultant should be a special project facilitator for the City before state and federal agencies on funding matters and to develop project guidelines, policy and resolution statements. Assist the City with strategic communication or crisis response, if needed, relative to the County's legislative affairs activities.
6. Establish an Active Presence - Contractor should actively establish a strong identity and presence in Sacramento, CA and/or Washington, DC on behalf of the City. This effort should be reinforced by day-to-day involvement in the political, regulatory and legislative actions on behalf of this organization. Additionally, on-site visits to the City shall be made upon reasonable notice and request to Consultant along with a presentation to the City and to confer with City staff regarding legislative issues as requested.
7. Grant Identification, Writing, and Assessment – The Consultant will identify potential state and/or federal grants that would be in line with the City's mission and values. The Consultant will assist in the writing of grant proposals and the acquiring of letters of support for grant proposals from elected officials.

End of Exhibit A

**EXHIBIT B
COMPENSATION**

I. Total Compensation

- A. CONTRACTOR agrees to accept the specified compensation as set forth in this Agreement as full payment for satisfactorily performing all work, including furnishing all labor and materials required to fully and satisfactorily complete the Services to CITY's reasonable satisfaction. To the maximum extent permitted by law, CONTRACTOR assumes all risks related to its performance of the Services including risks of unforeseen difficulties or conditions which may arise or be encountered in the performance of the Services. CONTRACTOR shall only be compensated as set forth herein for work satisfactorily performed in accordance with the Scope of Work.
- B. **Contract Amount.** Full and complete payment for all Services shall not exceed **\$60,000 for the Initial Term. The Contract Amount for any exercised Renewal Term may be adjusted as set forth hereunder.**
- C. ***City reserves the right to adjust the Scope of Services and a corresponding change will be made not-to-exceed the Contract Amount.***
- D. **CITY shall have no obligation to pay any sum in excess of the Fixed Prices and/or Total Contract Amount unless authorized by in writing by the CITY.**

II. Prices and Expenses

- A. **Pricing.** CONTRACTOR shall be paid for the performance of Services on a fixed not-to-exceed prices indicated in Attachment 1 to Exhibit B of the Agreement.
 - 1. **All-inclusive Costs.** Costs include everything necessary to furnish all Scope of Services requirements including but not limited to management; labor; prep work; paper; travel; incidentals; applicable taxes and fees; licenses; permits; notices; bonding; insurance; and all other related costs. Additional costs will be disallowed.
 - 2. **Renewal Pricing.** Pricing is fixed for each one-year contract period. Any request for relief due to extraordinary increases in costs must be accompanied by supporting documentation. Any subsequent decreases must be reflected automatically in the applicable invoices.

III. Manner of Payment and Accounting Requirements

- A. Taxes
 - 1. CONTRACTOR shall pay, when due, any and all taxes incurred as a result of CONTRACTOR's compensation hereunder, including estimated taxes, and shall provide CITY with proof of the payment upon request.
 - 2. CONTRACTOR hereby agrees to indemnify CITY for any claims, losses, costs, fees, liabilities, damages or injuries suffered by CITY arising out of CONTRACTOR's breach of this Section.

B. Payment Terms

1. CONTRACTOR shall submit invoices in arrears, after Services have been received. CITY will make payment in net 30 days after receipt of an undisputed invoice in a format acceptable to CITY. Invoices are subject to routine processing requirements. The responsibility for providing an acceptable invoice to CITY for payment rests with CONTRACTOR. Incomplete or incorrect invoices are not acceptable and will be returned to CONTRACTOR for correction.
2. Billing shall cover Services not previously invoiced. CONTRACTOR shall reimburse CITY for any monies paid to the Contractor for services not provided, or when services do not meet the contract requirements.
3. Payments made by the CITY shall not preclude the right of the CITY from thereafter disputing any items involved or billed under this contract and shall not be construed as acceptance of any part of the goods or services.

C. Invoices

1. CONTRACTOR will provide an invoice on the CONTRACTOR'S letterhead. Each invoice will have a unique number and must include:
 - a) Contractor's name and address
 - b) Contractor's remittance address, if different from above
 - c) Contractor's Taxpayer ID Number
 - d) Name of City Agency/Department
 - e) Delivery/service address
 - f) Contract number
 - g) Purchase Order (PO) number
 - h) Date of invoice
 - i) Description of Services/Goods
 - j) Sales tax, if applicable
 - k) Freight/delivery charges, if applicable
 - l) Total
2. Invoices and support documentation are to be forwarded to:
 - a) City of Brea
 - b) Accounts Payable
 - c) 1 Civic Center Circle
 - d) Brea CA 92821
 - e) City does not accept electronic invoices.
3. Accounting Records of CONTRACTOR
 - a) During performance of this Agreement and for a period of three (3) years after termination or expiration of this Agreement, CONTRACTOR shall maintain all accounting and financial records related to this Agreement, including, but not limited to, records of CONTRACTOR's costs for all Services and Additional Services performed under this Agreement and records of CONTRACTOR's reimbursable expenses, if any, in accordance with generally accepted accounting practices, and shall keep and make the records available for inspection and audit by representatives of the CITY upon reasonable written notice.

D. PRICING

ALL INCLUSIVE COSTS

Costs include everything necessary to furnish all Scope of Services requirements including but not limited to management; labor; prep work; paper; travel; incidentals; applicable taxes and fees; licenses; permits; notices; bonding; insurance; and all other related costs.

City of Brea
Legislative Advocacy Services

Contract # 2019050102

Attachment 1 to Exhibit B

Proposed Fixed Prices for Year 1 through 5

Year	Description	Mo	Price/Mo	Total
1	Legislative Advocacy Services	12	\$ 5,000	\$ 60,000
2	Legislative Advocacy Services*	12	\$ 5,000	\$ 60,000
3	Legislative Advocacy Services*	12	\$ 5,000	\$ 60,000
4	Legislative Advocacy Services*	12	\$ 5,500	\$ 66,000
5	Legislative Advocacy Services*	12	\$ 5,500	\$ 66,000
A	Total Five-Year Not-to-Exceed Price			\$ 312,000

* Option years are years 2 through 4

End of Attachment 1

EXHIBIT C
GENERAL PROVISIONS

I. Standard Requirements

- A. **Assignment and Subcontracting.** To assignment of this Agreement or of any part or obligation of performance hereunder shall be made, nor shall any required performance be subcontracted, either in whole or in part, by CONTRACTOR without the prior written consent of CITY.
- B. **Compliance with Law.** CONTRACTOR shall forthwith undertake and complete the Services in accordance with Exhibit "A" attached to this Agreement and all in accordance with Federal, State and CITY statutes, regulations, ordinances and guidelines all to the reasonable satisfaction of CITY.
- C. **Confidentiality.** Any and all information and data provided to CONTRACTOR pursuant to this Agreement shall be forever maintained as confidential by CONTRACTOR, to the maximum extent permitted by law.
- D. **Standard of Care.** CONTRACTOR shall provide exceptional Standard of Care while fulfilling the terms of this Agreement, is performing as a representative of CITY. Any negative contact with staff, residents/citizens, businesses, visitors or other contractors shall be reported by CONTRACTOR immediately to CITY. CONTRACTOR's management and supervisory personnel shall intercede to resolve or mitigate the negative contact in conjunction with CITY staff. CITY and CONTRACTOR may agree in advance to a single person contact, a representative of either the CITY or CONTRACTOR, for the investigation and response to complaints.
- E. **Hires.** CONTRACTOR shall, at CONTRACTOR's sole cost and expense, secure and hire such other persons as may, in the opinion of CONTRACTOR, be necessary to comply with the terms of this Agreement. In the event any such other persons are retained by CONTRACTOR, CONTRACTOR hereby warrants that such persons shall be fully qualified to perform services required hereunder. CONTRACTOR further agrees that no subcontractor shall be retained by CONTRACTOR except upon the prior written approval of CITY.
- F. **Independent Contractor.** CONTRACTOR is retained by CITY only to the extent set forth in this Agreement, and the CONTRACTOR's relationship to the CITY is that of an independent contractor. CONTRACTOR shall be free to dispose of all portions of CONTRACTOR's time and activities which CONTRACTOR is not obligated to devote to the CITY in such a manner and to such persons, firms, or corporations as the CONTRACTOR sees fit except as expressly provided in this Agreement. Neither the CITY nor any of its agents shall have control over the conduct of the CONTRACTOR or any of the CONTRACTOR's employees, except as set forth in this Agreement. CONTRACTOR shall not have the status of an employee under this Agreement, or be entitled to participate in any insurance, medical care, vacation, sick leave or other benefits provided for CITY's officers or employees. CONTRACTOR shall have no power to incur any debt, obligation, or liability on behalf of CITY or otherwise act on behalf of the CITY as an agent. CONTRACTOR shall not, at any time, or in any manner, represent that it or any of its agents or employees are in any manner agents or employees of the CITY. CONTRACTOR agrees to pay all required taxes on amounts paid to CONTRACTOR under this Agreement, and to indemnify and

hold CITY harmless from any and all taxes, assessments, penalties, and interest asserted against CITY by reason of the independent contractor relationship created by this Agreement. CONTRACTOR shall fully comply with the workers' compensation law regarding CONTRACTOR and CONTRACTOR's employees. CONTRACTOR further agrees to indemnify and hold CITY harmless from any failure of CONTRACTOR to comply with applicable workers' compensation laws. CITY shall have the right to offset against the amount of any fees due to CONTRACTOR under this Agreement any amount due to CITY from CONTRACTOR as a result of CONTRACTOR's failure to promptly pay to CITY any reimbursement or indemnification arising under this Section.

- G. **Information and Assistance.** CITY will provide information and assistance as set forth in Exhibit "A" hereto; photographically reproducible copies of maps and other information, if available, which CONTRACTOR considers necessary in order to complete the Project. Such information as is generally available from CITY files applicable to the Project. Assistance, if necessary, in obtaining information from other governmental agencies and/or private parties. However, it shall be CONTRACTOR's responsibility to make all initial contact with respect to the gathering of such information.
- H. **Governing Law .**This Agreement shall be governed by and construed in accordance with the laws of the State of California. Venue for any legal action arising out this Agreement shall be the Superior Court of the County of Orange, California.
- I. **Entire Agreement.** This Agreement supersedes any and all other agreements, either oral or in writing, between the parties with respect to the subject matter herein. Each party to this Agreement acknowledges that no representation by any party which is not embodied herein nor any other agreement, statement, or promise not contained in this Agreement shall be valid and binding. Any modification of this Agreement shall be effective only if it is in writing signed by all parties.
- J. **Precedence of Documents.** In the event of any inconsistency or conflict between the Agreement and any of the Exhibits or any other attachments, the Agreement, then this Exhibit C, then the remaining Exhibits and attachments shall govern.
- K. **Termination.** This Agreement may be terminated by CITY for any or no reason upon the giving of a written notice of termination to CONTRACTOR at least fifteen (15) days prior to the date of termination specified in said notice. In the event this Agreement is so terminated, and provided CONTRACTOR is not then in breach, CONTRACTOR shall be paid on a pro-rata basis with respect to the percentage of the Services satisfactorily completed or goods satisfactorily provided as of the date of termination. In no event, however, shall CONTRACTOR receive more than the Contract Amount. CONTRACTOR shall provide to CITY any and all Work Product including all documents, data, studies, surveys, drawings, maps, models, photographs and reports, whether in draft or final form, prepared by CONTRACTOR as of the date of termination. CONTRACTOR may not terminate this Agreement except for cause.

II. Ownership of Work Product

- A. Unless otherwise agreed upon in writing, all reports, documents, or other original written material, including any original images, photographs, video files, digital files, and/or other media created or developed for the CITY by CONTRACTOR in the performance of this Agreement (collectively, "Work Product") shall be and remain the property of CITY without restriction or limitation upon its use or dissemination by CITY. All Work Product shall be considered to be "works made for hire", and all Work Product and any and all intellectual property rights arising from creation thereof, including, but not limited to, all copyrights and other proprietary rights, shall be and remain the property of CITY without restriction or limitation upon their use, duplication or dissemination by CITY. CONTRACTOR shall not obtain or attempt to obtain copyright protection as to any of the Work Product.
- B. CONTRACTOR hereby assigns to CITY all ownership and any and all intellectual property rights to the Work Product that are not otherwise vested in the CITY pursuant to the foregoing paragraph.

CONTRACTOR warrants and represents that it has secured all necessary licenses, consents or approvals to use any instrumentality, thing or component as to which any intellectual property right exists, including computer software, used in the rendering of the Services and the production of all Work Product produced under this Agreement, and that CITY has full legal title to and the right to reproduce the Work Product. CONTRACTOR shall defend, indemnify and hold CITY, and its elected officials, officers, employees, servants, attorneys, designated volunteers, and agents serving as independent contractors in the role of city officials, harmless from any loss, claim or liability in any way related to a claim that CITY's use of any of the Work Product is violating federal, state or local laws, or any contractual provisions, or any laws relating to trade names, licenses, franchises, copyrights, patents or other means of protecting intellectual property rights and/or interests in product or inventions. CONTRACTOR shall bear all costs arising from the use of patented, copyrighted, trade secret or trademarked documents, materials, equipment, devices or processes in connection with its provision of the Services and Work Product produced under this Agreement. In the event the use of any of the Work Product or other deliverables hereunder by CITY is held to constitute an infringement and the use of any of the same is enjoined, CONTRACTOR, at its expense, shall: (a) secure for CITY the right to continue using the Work Product and other deliverables by suspension of any injunction, or by procuring a license or licenses for CITY; or (b) modify the Work Product and other deliverables so that they become non-infringing while remaining in compliance with the requirements of this Agreement. This covenant shall survive the termination of this Agreement.

End of Exhibit C

**EXHIBIT D
INDEMNITY AND INSURANCE REQUIREMENTS**

I. Indemnity Requirements

- A. **Indemnity for Professional Services.** To the fullest extent permitted by law, the CONTRACTOR shall, at its sole cost and expense, protect, defend, hold harmless and indemnify City, its elected officials, officers, attorneys, agents, employees, designated volunteers, successors, assigns and those CITY agents serving as independent contractors in the role of CITY officials (collectively "Indemnitees" in this Section), from and against any and all damages, costs, expenses, liabilities, claims, demands, causes of action, proceedings, judgments, penalties, liens, and losses of any nature whatsoever, including fees of accountants, attorneys and other professionals, and all costs associated therewith (collectively "Claims"), whether actual, alleged or threatened, arising out of, pertaining to, or relating to, in whole or in part, the negligence, recklessness or willful misconduct of CONTRACTOR, and/or its officers, agents, servants, employees, subcontractors, contractors or their officers, agents, servants or employees (or any entity or individual for that CONTRACTOR shall bear the legal liability thereof) in the performance of professional services under this Agreement. CONTRACTOR shall defend the Indemnitees in any action or actions filed in connection with any Claims with counsel of the Indemnitees' choice, and shall pay all costs and expenses, including all attorneys' fees and experts' costs actually incurred in connection with such defense. CONTRACTOR shall reimburse the Indemnitees for any and all legal expenses and costs incurred by the Indemnitees in connection therewith.
- B. **Other Indemnities.** Other than in the performance of professional services, and to the fullest extent permitted by law, CONTRACTOR shall, at its sole cost and expense, protect, defend, hold harmless and indemnify the Indemnitees from and against any and all damages, costs, expenses, liabilities, claims, demands, causes of action, proceedings, judgments, penalties, liens and losses of any nature whatsoever, including fees of accountants, attorneys and other professionals, and all costs associated therewith, and the payment of all consequential damages (collectively "Damages"), in law or equity, whether actual, alleged or threatened, which arise out of, pertain to, or relate to the acts or omissions of CONTRACTOR, its officers, agents, servants, employees, subcontractors, materialmen, suppliers, or contractors, or their officers, agents, servants or employees (or any entity or individual that CONTRACTOR shall bear the legal liability thereof) in the performance of this Agreement, including the Indemnitees' active or passive negligence, except for Damages arising from the sole negligence or willful misconduct of the Indemnitees, as determined by final arbitration or court decision or by the agreement of the Parties. CONTRACTOR shall defend the Indemnitees in any action or actions filed in connection with any Damages with counsel of the Indemnitees' choice, and shall pay all costs and expenses, including all attorneys' fees and experts' costs actually incurred in connection with such defense. CONTRACTOR shall reimburse the Indemnitees for any and all legal expenses and costs incurred by the Indemnitees in connection therewith.
- C. These Indemnification provisions are independent of and shall not in any way be limited by Insurance Requirements of this Agreement.

II. Insurance Requirements

A. General

1. City reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances. If the existing policies do not meet the Insurance Requirements set forth herein, Contractor agrees to amend, supplement or endorse the policies to do so.
2. Without limiting the Contractor's indemnity obligations hereunder, Contractor shall procure and maintain in full force and effect for the Term of this Agreement, the following policies of insurance.
3. For all insurance required by this Agreement, if a general aggregate limit applies, either the general aggregate limit shall apply separately to the Services or the general aggregate limit shall be twice the required occurrence limit.
4. If the Contractor maintains broader coverage and/or higher limits than the minimums required herein, City requires and shall be entitled to the broader coverage and/or higher limits maintained by the Contractor.

B. Coverages

1. Commercial General Liability (CGL)

- a) CGL affords coverage at least as broad as Insurance Services Office "occurrence" form CG 00 01, including products and completed operations, property damage, bodily injury, and personal & advertising injury.
- b) Limits shall be no less than \$2,000,000 per occurrence

2. Products-Completed Operations (PCO)

Contractor shall procure and submit to City evidence of insurance for a period of at least ten (10) years from the time that all work under this Contract is completed.

3. Automobile Liability Insurance (ALI)

- a) ALI with coverage at least as broad as Insurance Services Office Form CA 0001 covering "Any Auto" (Symbol 1) for each accident for bodily injury and property damage with limit no less than \$1,000,000 per occurrence.
- b) If Contractor does not own any vehicles, Contractor may satisfy this requirement by providing the following:
 - (1) A personal automobile liability policy for the contractor's own vehicle, if Contractor is a one-person operation; and
 - (2) A non-owned & hired auto liability endorsement to the commercial general liability policy if the contractor may lease, hire, rent, borrow, or use vehicles of others (e.g., employee-owned vehicles).

4. Workers' Compensation (WC)

- a) Workers' Compensation as required by the State of California with statutory limits, and Employer's Liability Insurance with a limit of not less than \$1,000,000 per accident for bodily injury or disease.
- b) Self-Employment Affidavit or Declaration, signed under the penalty of perjury, if Contractor does not have any employees who will be performing work on behalf of City, Contractor must provide the following:
 - (1) A signed Self-Employment Affidavit Letter or a signed Declaration that Contractor is aware of the provisions of Section 3700 of the California Labor Code, which requires every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and that Contractor will comply with such provisions before commencing the performance of the work of this contract; and
 - (2) A certification that Contractor does not employ any individual(s) in the course and scope of business operations.

5. Professional Liability Insurance (PL)

- a) Covered Professional Services shall specifically include all work to be performed under this contract and delete any exclusion that may potentially affect the work to be performed.
- b) Limits shall be no less than \$1,000,000 per claim; \$1,000,000 aggregate

C. Endorsements

Insurance policies shall not be in compliance if they include any limiting provision or endorsement that has not been submitted to City for approval. The insurance policies shall contain or be endorsed to contain, the following provisions:

1. Commercial General Liability & Contractors Pollution Liability

a) Additional Insured

- (1) City, its elected officials, officers, employees, volunteers, boards, and representatives shall be additional insureds with regard to liability and defense of suits or claims arising out of the work or operations performed by or on behalf of the Contractor including materials, parts or equipment furnished in connection with such work or operations.
- (2) Additional Insured Endorsements shall not:
 - (a) Be limited to "Ongoing Operations"
 - (b) Exclude "Contractual Liability"
 - (c) Restrict coverage to the "Sole" liability of Contractor
 - (d) Exclude "Third-Party-Over Actions"

(e) Contain any other exclusion contrary to the Contract

(3) Additional Insured Endorsements shall be at least as broad as ISO Form(s) CG 20 10 11 85; or CG 2010 and CG 20 37.

b) Primary Insurance

This insurance shall be primary and any other insurance whether primary, excess, umbrella or contingent insurance, including deductible, or self-insurance available to the insureds added by endorsement shall be in excess of and shall not contribute with this insurance. Coverage shall be at least as broad as ISO CG 20 01 04 13.

2. Auto Liability

a) Additional Insured

City, its elected officials, officers, employees, volunteers, boards, agents and representatives) shall be additional insureds with regard to liability and defense of suits or claims arising out of the work or operations performed by or on behalf of the Contractor.

b) Primary Insurance

This insurance shall be primary and any other insurance whether primary, excess, umbrella or contingent insurance, including deductible, or self-insurance available to the insureds added by endorsement shall be in excess of and shall not contribute with this insurance.

3. Workers' Compensation

A waiver of subrogation stating that the insurer waives all rights of subrogation against the indemnified parties.

D. Insurance Obligations of Contractor

The Insurance obligations under this Agreement shall be: (1) all the Insurance coverage and/or limits carried by or available to Contractor; or (2) the minimum Insurance coverage requirements and/or limits shown in this agreement; whichever is greater. Any insurance proceeds in excess of or broader than the minimum required coverage and/or minimum required limits, which are applicable to a given loss, shall be available to City. No representation is made that the minimum Insurance requirements of this agreement are sufficient to cover the obligations of the Contractor under this agreement.

E. Notice of Cancellation

Required insurance policies shall not be cancelled or the coverage reduced until a thirty (30) day written notice of cancellation has been served upon City except ten (10) days shall be allowed for non-payment of premium.

F. Waiver of Subrogation

Required insurance coverages (except professional liability) shall not prohibit Contractor from waiving the right of subrogation prior to a loss. Contractor shall

waive all rights of subrogation against the indemnified parties and policies shall contain or be endorsed to contain such a provision. This provision applies regardless of whether City has received a waiver of subrogation endorsement from the insurer.

G. Evidence of Insurance

All policies, endorsements, certificates, and/or binders shall be subject to approval by City as to form and content. These requirements are subject to amendment or waiver only if so approved in writing by City. City reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time.

The certificates and endorsements for each insurance policy shall be signed by a person authorized by that insurer to bind coverage on its behalf. At least fifteen (15 days) prior to the expiration of any such policy, evidence of insurance showing that such insurance coverage has been renewed or extended shall be filed with City. If such coverage is cancelled or reduced, Contractor shall, within ten (10) days after receipt of written notice of such cancellation or reduction of coverage, file with City evidence of insurance showing that the required insurance has been reinstated or has been provided through another insurance company or companies.

H. Deductible or Self-Insured Retention

Any deductible or self-insured retention must be approved in writing by City and shall protect the indemnified parties in the same manner and to the same extent as they would have been protected had the policy or policies not contained a deductible or self-insured retention. City may require the Contractor to purchase coverage with a lower retention or provide proof of ability to pay losses and related investigations, claim administration and defense expenses within the retention.

I. Contractual Liability

The coverage provided shall apply to the obligations assumed by the Contractor under the indemnity provisions of this Contract.

J. Failure to Maintain Coverage

Contractor agrees to suspend and cease all operations hereunder during such period of time as the required insurance coverage is not in effect and evidence of insurance has not been furnished to City. City shall have the right to withhold any payment due until Contractor has fully complied with the insurance provisions of this Contract.

In the event that the Contractor's operations are suspended for failure to maintain required insurance coverage, the Contractor shall not be entitled to an extension of time for completion of the Work because of production lost during suspension.

K. Acceptability of Insurers

Each such policy shall be from a company or companies with a current A.M. Best's rating of no less than A:VII and authorized to do business in the State of California, or otherwise allowed to place insurance through surplus line brokers under applicable provisions of the California Insurance Code or any federal law. Any other rating must be approved in writing by City.

L. Claims Made Policies

If coverage, including coverage for Construction Defect claims, is written on a claims-made basis, the retroactive date on such insurance and all subsequent insurance shall coincide or precede the effective date of the initial Contractor's Agreement with City and an extended reporting period shall be provided for a period of at least ☐ 2 years ☐ 3 years ☒ 5 years ☐ 10 years from termination or expiration of this Contract.

M. Insurance for Subcontractors

Contractor shall be responsible for causing Subcontractors to purchase the same types and limits of insurance in compliance with the terms of this Contract/Agreement, including adding City as an Additional Insured, providing Primary and Non-Contributory coverage and Waiver of Subrogation to the Subcontractor's policies. The Commercial General Liability Additional Insured Endorsement shall be on a form at least as broad as CG 20 38 04 13.

End of Exhibit D

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City of **BREA**

Proposal for
Legislative Advocacy Services

May 23, 2019

TABLE OF CONTENTS

Table of Contents 2

A. Cover Letter 3

B. Qualifications 4

C. Proposal 5

D. Pricing 7

E. Offeror Qualifications Response Form 8

F. Required Forms..... 23

G. Similar Work Product 30

H. Signed Agreement 44

Attachment A: Proposed Staff Resumes 67

A. COVER LETTER

May 23, 2019

Bill Gallardo, City Manager
City of Brea
1 Civic Center Circle
Brea, CA 92821

Dear Mr. Gallardo:

Thank you for the opportunity for Townsend Public Affairs, Inc. ("TPA") to submit our proposal for Legislative Advocacy Services to the City of Brea ("City").

TPA has been proud and honored to serve as the state and federal lobbyist for the City over the past 12 years. During our tenure, TPA has demonstrated its focused and unwavering commitment to the legislative platform and funding priorities of the City, securing **over \$16 million** in funding for the City, while serving as an extension of the City staff.

Since its inception in 1998, TPA has earned the reputation as ***Champions for Better Communities*** by providing the experience, resources, and relationships expected from a premier legislative advocacy and grant writing firm while also giving clients the unique brand of customer service they deserve: personal attention, maximum accessibility, and passion for their mission.

Our strategic approach to advocacy and funding is tailored to meet the individual needs of each client by leveraging the breadth and depth of our team as well as our vast network of relationships with key stakeholders and decision makers.

Utilizing this method on behalf of our clients, TPA has shepherded over 80 legislative and regulatory proposals into law, and secured over \$1.6 billion in grants from state, federal, and local government agencies as well as nonprofit foundations and private companies.

Thank you again for your interest in our firm and your consideration of this proposal. TPA is available and fully committed to providing legislative advocacy services to the City and will be for the duration of the contract. Please contact us if you have any questions or need additional information. We would be honored to continue to serve the City of Brea.

Yours truly,



Christopher Townsend
President

B. QUALIFICATIONS

TPA has served as the state and federal advocate for the City of Brea since 2007 (12 years), which means we are uniquely qualified to understand the needs of the City, craft a legislative strategy, and develop and implement an advocacy strategy to achieve success. Throughout the course of our engagement, we have achieved significant advocacy successes for the City. In total we have secured **over \$16 million** in funding for City projects and priorities, including **over \$9.5 million** in the past five years. The following is a summary of our successes for the City, *limited only to the past five years*:

TPA SPONSORED LEGISLATIVE ACHIEVEMENTS FOR THE CITY OF BREA		
Year	Description	Status
2019	AB 1437 (Chen), TPA is currently working with the City of Brea and Assemblymember Chen to sponsor AB 1437. The bill will reallocate the portion of any paramedic tax that is still being captured by the Brea Redevelopment Successor Agency to the taxing entity to be used for purposes established by the voter-approved local paramedic tax measure.	Bill will be heard on the Assembly floor
2017	AB 97 (Ting), TPA worked with group of North Orange County cities, including Brea, to create the North Orange County Public Safety Task Force. The Task Force secured \$20 million through the FY 2017-18 State budget request to provide funding for a four-year pilot program to address youth violence prevention and intervention in K-12 schools; promote and enhance the successful reentry of offenders into the community; and address homeless outreach and intervention efforts.	Signed by the Governor on June 27, 2017
2015	SB 354 (Huff), TPA sponsored SB 354 (Huff) on behalf of the City of Brea and the City of Fullerton. The bill authorized the authority formed under SB 1251 to provide its employees the defined benefit plan or formula that those employees received from their respective employers prior to the exercise of a common power by the joint power authority.	Signed by the Governor on August 10, 2015
2014	SB 1251 (Huff), TPA sponsored SB 1251 (Huff) on behalf of the City of Brea and the City of Fullerton. SB 1251 was introduced to make a technical change to amend state law and allow the two cities to enter into a JPA and fully merge the two departments, while ensuring that existing employees from both cities would be able to keep their retirement benefits at the rate they were hired.	Signed by the Governor on September 28, 2014

TPA FUNDING ACHIEVEMENTS FOR THE CITY OF BREA		
Year	Funding Source	Amount Awarded
2017	Board of State and Community Corrections, North Orange County Public Safety Task Force	\$1,330,000
2015	Environmental Protection Agency, Brownfield Clean Up Grant	\$600,000
	Department of Transportation, Active Transportation Program Grant, The Tracks at Brea	\$652,000
2014	Natural Resources Agency and Strategic Growth Council, Proposition 84 Urban Greening Grant	\$950,000
	Congestion Mitigation Air Quality Grant, Bicycle Corridor Improvement Program	\$999,272
	Department of Transportation, Active Transportation Program Grant, The Tracks at Brea	\$2,557,000
	Department of Transportation, Active Transportation Program Grant, The Tracks at Brea	\$2,484,000
TOTAL FUNDING ACHIEVEMENTS		\$9,572,272

C. PROPOSAL

TPA will utilize the following strategic and comprehensive approach to achieve client satisfaction and provide the services outlined in the Scope of Services, starting on page 4 of the RFP:

- **Conduct Detailed Orientation:** TPA utilizes a comprehensive onboarding process that includes extensive meetings with various relevant members of City leadership and key City departments to help develop a strategic plan that is carefully tailored to satisfy the needs of the City, as well as designed for maximum success in the current political climate and funding environment.
- **Develop State and Federal Legislative Strategy:** Utilizing the information gathered during the onboarding process, TPA will coordinate with the City to develop an official legislative platform and strategy that represents the City's priorities in Sacramento and Washington, DC. This blueprint will be shared with key stakeholders in the State Legislature and Governor's Administration as well as Congress and the Trump Administration.
- **Implement the Legislative Strategy:** TPA will advocate for the City's legislative agenda utilizing the following methods:
 - **Monitoring:** TPA will serve as a reliable and consistent conduit of information to and from, but not limited to the California State Assembly and Senate, the City's congressional delegation, other members of Congress and their staff, key congressional committees, and various federal agencies. TPA will monitor and provide regular reports, both orally and in writing, on current legislation, the State and Federal budget process or an assembly and/or congressional events that may directly or indirectly impact the City. TPA will work closely with the City to assist in the development of the City's legislative platform and specific legislative priorities. TPA will maintain frequent contact with elected officials and their staff concerning the development of all future legislation and regulations impacting the City. TPA will communicate the potential effects of specific legislation and regulations on the City to elected officials and their staff. *(Scope of Work 1, RFP Page 4)*
 - **Track Legislation:** TPA will identify, analyze, monitor, and obtain all bills, resolutions, files, journals, histories, etc. relevant to the City's legislative platform and assess their potential impact on the City. All bills and amendments that are determined to have an impact on the legislative and regulatory interests of the agency will be forwarded to the City. *(Scope of Work 2, RFP Page 4)*
 - **Legislative Advocacy:** TPA will work to ensure that the City's position on key State and Federal action is transmitted to elected officials and their staff. The City's position will also be shared with key state and federal committees and agencies, as well as other key stakeholders and interest groups.

TPA will prepare and submit written and verbal testimony to appropriate policy and fiscal committees and agency hearings regarding legislation relevant to the City. TPA will also draft and deliver position letters to legislators and key officials on specific bill language, notifying them of the City's position. TPA will also work with City to design and implement a strategy that raises the consciousness and awareness of issues relating to municipalities. *(Scope of Work 3, RFP Page 4)*
 - **Coordinate Advocacy Trips:** TPA will work with the City to coordinate advocacy trips to Sacramento and Washington, DC to meet with the City's legislative delegation, as well as legislators that serve on committees relevant to the City's agenda. Furthermore, whenever possible, TPA will also schedule site visits by legislators to the City.
 - **Coordination and Reporting of Legislative/Regulatory Efforts:** TPA will work with the City to coordinate a legislative and regulatory program, to develop legislative and regulatory positions and platforms. In addition, TPA will draft language and amendments for relevant legislation, as required to

protect and promote the City's agenda. When appropriate, TPA will work to coordinate the City's perspective with other municipalities. Additionally, TPA will work with the City to design and implement a strategy that raises the consciousness and awareness of issues relating to the City with elected officials and broadens and improves direct communication of City staff with state and/or federal legislators. TPA will provide regular written reports of all legislative activities and be available to participate in City Council meetings as needed. [\(Scope of Work 4, RFP Page 5\)](#)

- **Special Projects Facilitation:** TPA will represent the City as a special projects facilitator before state and federal agencies on various funding matters to help develop project guidelines, as well as policy and resolution statements. If needed, TPA will assist the City with strategic communication or crisis response relative to the County's legislative affairs activities. [\(Scope of Work 5, RFP Page 5\)](#)
- **Establish an Active Presence:** TPA will actively work, on behalf of the City, to establish a strong identity and presence in Sacramento, CA and Washington, DC. TPA will always be available for on-site visits, meetings, and presentations to the City. TPA will regularly communicate with City staff regarding legislative issues. [\(Scope of Work 6, RFP Page 5\)](#)
- **Build, Strengthen, and Leverage Relevant Relationships:** TPA has cultivated a network of valuable relationships that will be leveraged to promote the City's legislative agenda. TPA will engage various techniques to leverage our network of key relationships on behalf of the City:
 - Schedule meetings for the City to discuss relevant legislation
 - Prepare all briefing materials and talking points for the City
 - Brief legislative offices and stakeholders on the City's legislative agenda
 - Follow-up on meetings to ensure commitments and deliverables are being met
- **Craft Strategic Funding Plan:** Utilizing the information gathered during the onboarding process, TPA will coordinate with the City to develop a proactive and comprehensive strategic funding plan that serves the City's priorities. ***The plan will do more than simply identify City projects;*** it will outline and prioritize multiple funding options for each project, and develop a specific plan of work tailored for each project. It will also identify key "strings attached" to help assess the cost/benefit ratio for each grant opportunity.
- **Grant Identification, Writing, and Assessment:** TPA will utilize list-serve subscription programs, funding workshops, agency canvassing, and other networking tactics to ensure every potential opportunity is identified and reviewed for relevance with the City's projects, mission, and values. TPA will then share these opportunities with the City for further assessment and determination if a grant application is warranted. The City will also receive a grant matrix of funding programs that is updated regularly as new opportunities arise. TPA will assist the City in developing, drafting, submitting, and following up on each City grant application. TPA will also leverage relationships with relevant officials and program officers in various state and federal funding agencies to ensure that City grant applications are aligned with the goals of the specific grant program and that the applications are well-crafted and well-positioned for funding. TPA will also provide strategic assistance, such as letters of support from key stakeholders and other materials, to make the application as compelling and competitive as possible. TPA will ensure that applications are submitted prior to the deadline. TPA will also obtain a receipt for proof of submission. [\(Scope of Work 7, RFP Page 5\)](#)
- **Provide Progress Reports:** TPA will confer regularly with the City on our activities. TPA will provide timely electronic reports on the status of all legislative activity, such as bill language, amendments, and committee analyses. In addition to written reports, TPA will be available to the City for conference calls, in-person briefings, and meetings.
- **Prepare and File Lobbying Disclosure Reports:** TPA will prepare and file, on behalf of the City, all applicable state and federal lobbying disclosure reports.

D. PRICING

ALL INCLUSIVE COSTS

Costs include everything necessary to furnish all Scope of Services requirements including but not limited to management; labor; prep work; paper; travel; incidentals; applicable taxes and fees; licenses; permits; notices; bonding; insurance; and all other related costs.

City of Brea
Legislative Advocacy Services

Contract # 2019050102

Attachment 1 to Exhibit B

Proposed Fixed Prices for Year 1 through 5

Year	Description	Mo	Price/Mo	Total
1	Legislative Advocacy Services	12	\$ 5,000	\$ 60,000
2	Legislative Advocacy Services*	12	\$ 5,000	\$ 60,000
3	Legislative Advocacy Services*	12	\$ 5,000	\$ 60,000
4	Legislative Advocacy Services*	12	\$ 5,500	\$ 66,000
5	Legislative Advocacy Services*	12	\$ 5,500	\$ 66,000
A	Total Five-Year Not-to-Exceed Price			\$ 312,000

* Option years are years 2 through 4

End of Attachment 1



E. OFFEROR QUALIFICATIONS RESPONSE FORM

Offeror Qualifications Response Form

Townsend Public Affairs

(Offeror's Company Name)

Instructions. Prospective Offerors must provide the information requested below and include it in their Offer. Provide your responses under each of the number points. Do not omit or renumber any sections. Refer to attached documents sparingly and only as necessary; and ensure that any documents referred to are numbered according to the outline below.

I. Company Information: Name, Contacts, History, Scope of Services

Please provide the following information about your company:

- A. Your company's full legal name, address, phone, fax, email, website.
Townsend Public Affairs, Inc.
1401 Dove Street, Suite 330, Newport Beach, CA 92660
Phone: (949) 399-9050 Fax: (949) 476-8215
ChristopherTownsend@TownsendPA.Com
www.TownsendPA.com
- B. Prior company names (if any) and years in business; mergers, buyouts, etc.
Prior Company Names: N/A
Years in Business: 21 years
Mergers, Buyouts, Etc.: N/A
- C. Organizational structure (i.e. corp., LLC, sole proprietorship, etc.).
C Corporation
- D. Names and titles of the principal owner(s).
Christopher Townsend, President
- E. Person(s) authorized to make commitments for your company.
Christopher Townsend, President
- F. Company history, experience, years in business for current company name.
Founded in 1998, TPA has represented over 300 clients, shepherded **over 80** legislative and regulatory proposals into law, and secured **over \$1.6 billion** in grants from state, federal, and local government agencies as well as nonprofit foundations and private companies.
- G. Annual company revenues for the last three fiscal years.
2016: \$3,795,946.00
2017: \$4,037,843.00
2018: \$4,554,576.00
- H. Tax ID number.
91-1929265

- I. The complete scope of services offered by your company.
State, Federal, Regional, and Local Advocacy and Grant Writing
- J. The number of clients (including governmental) served in past and present.
Current Clients: 103
Total Past and Present Clients: 315
- K. Special qualifications, training, credentials, recognition, or awards.
12 Registered State and Federal Lobbyists and Grant Writers
- L. Contracts terminated for cause, pending litigation or legal issues.
None.
- M. Any current or historical engagement or relationship with any public or private party that could potentially create a conflict of interest with the City.
None.

II. Resources: Staffing, Facilities

Provide the following information relative to required services:

- A. Names, titles, and resumes of key management personnel.
Christopher Townsend, President: 37 years of legislative, public policy, and funding experience on behalf of public agencies throughout California (21 years of experience as the Founder and President of TPA).
Cori Williams, Southern California Senior Director (primary contact): Over a decade of legislative, public policy, and funding experience on behalf of public agencies throughout California.
Key management personnel resumes have been included in Attachment A on page 67 of this proposal.
- B. Qualifications of specific individuals who will work on the project.
Casey Elliott, State Capitol Director: 18 years of legislative, public policy, and funding experience on behalf of public agencies throughout California.
Laura Kroeger, Associate: Eight years of legislative, public policy, and funding experience on behalf of public agencies throughout California.
Sean McReynolds, Associate: Experience working with public agencies throughout California.
Key personnel resumes have been included in Attachment A on page 67 of this proposal.
- C. Current number of employees: full-time and part-time employees.
15 Full-Time Employees
- D. Annual turnover rate of staff.
The TPA Executive Team has been with the company between 8 and 13 years, reflecting longevity and a commitment to TPA. Typically, at TPA one entry level staff position is turned over annually.

- E. Names of any subcontractor's you propose to use for our contract.
Provide only names here.

None.
- F. Facilities that would be utilized to perform the required work.

TPA State Capitol Office, Sacramento
TPA Federal Office, Washington, DC
TPA Southern California Office, Newport Beach
- G. Resumes for proposed primary contact and supporting staff.

Resumes for the proposed primary contract and supporting staff have been included in Attachment A on page 67 of this proposal.

III. Required Services: Meeting or Bettering these Requirements

Provide the following information relative to required services:

- A. Ability to perform specific tasks as outlined in the RFP.

TPA has raised the bar amongst California advocacy firms. With four offices strategically located across the state, as well as an office in Washington DC, TPA is perfectly positioned to achieve results which other firms simply cannot. Additionally, TPA has served as the state and federal advocate for the City of Brea since 2007 (12 years), which means we have been uniquely qualified to understand the needs of the City, craft a legislative agenda, and develop and implement an advocacy strategy to achieve success.
- B. Reasonableness of your fee to do the work.

TPA's reasonable and not to exceed monthly fee includes all legislative advocacy services outlined in the Scope of Work and will remain fixed for the duration of the contract.
- C. Current resources to meet or better all task and timeline requirements herein.

TPA uses a strategic and comprehensive approach to legislative advocacy that will be tailored to meet the specific needs of the City. TPA's team of 12 registered state lobbyists, come from a wide range of background experiences and areas of expertise. The diversity of our team members allows TPA to maximize creativity, innovation, and strategic thinking when implementing the legislative and funding agendas of our clients.

TPA's State Capitol office is located across the street from the State Capitol, and the TPA Federal Office is located near the US Capitol, which allows us to engage with key decision makers in a timely manner. The City may also access both the TPA State Capitol office and TPA Federal office as a venue for advocacy meetings or a temporary work area when City staff visit Sacramento and Washington, DC. Additionally, TPA's Southern California office is located within close proximity to the City, giving TPA the ability to meet in-person with City staff and departments with little notice.

TPA has all the necessary technical capabilities needed to successfully provide the City with the Scope of Services outlined in the RFP. We utilize CapitolTrack to identify, monitor, and track all legislation. In addition, we utilize list-serve subscription programs, funding workshops, agency canvassing, and other networking tactics to ensure every potential funding opportunity is identified and shared with the City.

- D. How quickly can you begin providing services if awarded the contract?
- TPA will begin providing services to the City immediately after contract approval.

IV. Demonstrated and Technical Experience

Please describe your company's:

A. Demonstrated record of success on work previously performed.

TPA LEGISLATIVE ADVOCACY ACHIEVEMENTS

Policy Sector	Issue	Description
Local Governance	Local Control and Finance	<ul style="list-style-type: none"> Public Facilities and Finance Public Employee Programs Contractual Assessment Programs Infrastructure Financing Opportunities
	Public Employee Benefits	<ul style="list-style-type: none"> PEPRA Compliance JPA Benefits Medical Benefits Vesting
Transportation	Local Streets and Roads	<ul style="list-style-type: none"> State Highway Relinquishments Local Venue Signage on State Highways
	State Highway System	<ul style="list-style-type: none"> State Bond Funding for Highway Projects Expansion of Toll Lanes/Toll Roads
Water and Sanitation	Water Quality	<ul style="list-style-type: none"> Drinking Water Public Health Regulations Groundwater Pollution Liability Groundwater Management Plans Direct/Indirect Potable Reuse
	Water Infrastructure	<ul style="list-style-type: none"> State Bond Funding for Water Projects Local Reliability Projects Water Conservation Programs
	Sanitation Infrastructure	<ul style="list-style-type: none"> Integrated Regional Watershed Projects Advanced Water Treatment Facilities
Education	Community College Districts	<ul style="list-style-type: none"> Veterans Resources Alternative Energy Job Training ADA Reform
	K-12 School Districts	<ul style="list-style-type: none"> K-12 Safety Planning Programs Joint Use Projects with Civic Agencies
	School Facilities	<ul style="list-style-type: none"> Charter School Facilities Funding Community College Facilities Funding K-12 School District Facilities Funding
Housing and Community Development	Affordable Housing	<ul style="list-style-type: none"> Developing Funding for Affordable Housing Expanding Affordable Housing Eligibility
	Economic Development	<ul style="list-style-type: none"> Capital Investment Incentive Program Expansion Enterprise Zone Program Regulations Military Base Re-Use Land Planning
	Redevelopment	<ul style="list-style-type: none"> Agency Dissolution Process Developing Post-RDA Funding Sources State Liability Reduction
Recreation and Community Resources	Park Facilities	<ul style="list-style-type: none"> Joint-Use Projects with Schools Districts State Bond Funding for Local Park Projects
	Cultural Facilities	<ul style="list-style-type: none"> CA Cultural and Historical Endowment CA Nature Education Facilities Program
Energy, Environment, and Natural Resources	Health and Safety	<ul style="list-style-type: none"> Air Pollution Reduction Methods Treatment of the Remains of a Deceased Veteran
	Greenhouse Gas Reduction	<ul style="list-style-type: none"> TOD Housing to Support Cap and Trade Objectives Increase Transit Accessibility for Active Transportation
Public Safety	Crime Reduction	<ul style="list-style-type: none"> Sex Trafficking Control Gun Control
	Local Law Enforcement	<ul style="list-style-type: none"> Increasing Local Police Presence/COPS Police Body Cameras Regional Public Safety Task Force Initiatives
	Cannabis	<ul style="list-style-type: none"> Drafting Local and State Cannabis Regulations Local Control

GRANT FUNDING ACHIEVEMENTS

This table provides an overview of our grant funding achievements on behalf of our clients from state, federal, and local government agencies as well as private and nonprofit grant programs.

These amounts represent grants secured through a competitive and/or legislative process and do NOT include any funds awarded to clients via formulas or related forms of funding entitlements.

Policy Sector	State Funding	Federal Funding	All Sources
Transportation	\$535.8 Million	\$101.7 Million	\$637.5 Million
Parks and Recreation	\$89.6 Million	\$6.2 Million	\$95.8 Million
Water and Sanitation	\$113.8 Million	\$6.2 Million	\$120.0 Million
Housing and Economic Development	\$363.0 Million	\$5.0 Million	\$368.0 Million
Cultural Resources	\$93.6 Million	\$7.0 Million	\$100.6 Million
Public Safety	\$45.5 Million	\$45.6 Million	\$91.1 Million
Education	\$243.1 Million	\$22.2 Million	\$265.3 Million
TOTAL	\$1.484 Billion	\$194 Million	\$1.678 Billion

A DETAILED SCHEDULE OF OUR STATE, FEDERAL, AND LOCAL LEGISLATIVE AND GRANT FUNDING ACHIEVEMENTS CAN BE PROVIDED UPON REQUEST

TPA STATE AND FEDERAL ADVOCACY AND FUNDING ACHIEVEMENTS
FOR THE CITY OF BREA

TPA has served as the state and federal advocate for the City of **Brea since 2007 (12 years)**, which means we are uniquely qualified to understand the needs of the City, craft a legislative agenda, and then develop and implement an advocacy strategy to achieve success. Throughout the course of our engagement, we have achieved significant advocacy successes for the City. Furthermore, we have secured **over \$16 million** in funding for City projects and priorities. The following is a summary of our successes for the City:

TPA STATE ADVOCACY ACHIEVEMENTS FOR THE CITY OF BREA	
Project	Description of Efforts
AB 1437 (Chen, 2019)	TPA is currently working with the City of Brea and Assemblymember Chen to sponsor AB 1437. The bill will reallocate the portion of any paramedic tax that is still being captured by the Brea Redevelopment Successor Agency to the taxing entity to be used for purposes established by the voter-approved local paramedic tax measure. The bill has passed out of the Assembly Housing and Community Development Community as well as the Assembly Local Government Committee and the Assembly Appropriations Committee. The bill will next be heard on the Assembly Floor. Passage of the bill will save the City a total of approximately \$1.4 million in annual general fund revenue for the next 17 years.
AB 97 (Ting, 2017)	TPA worked with group of North Orange County cities, including Brea, to create the North Orange County Public Safety Task Force. TPA was responsible for forming the initial idea, bringing the cities together for a regional ask, creating the Task Force and presenting the idea to the Legislature and advocating for the funding in Sacramento. The Task Force secured \$20 million through the FY 2017-18 State budget request to provide funding for a four-year pilot program to address youth violence prevention and intervention in K-12 schools; promote and enhance the successful reentry of offenders into the community; and address homeless outreach and intervention efforts. From that \$20 million, \$1.33 million is allocated directly to the Brea Police Department. The balance of funding is shared amount the other cities as well as local community-based organizations, including several organizations in Brea including the Boys and Girls Club.
Pension Reform and Prevailing Wage	TPA has been working closely with City of Brea staff and leadership over the last several years to identify and advocate for a solution to the CalPERS unfunded pension liability and challenges with prevailing wage. TPA has conducted multiple Sacramento advocacy trips to discuss the issue with Sacramento Legislative Leadership and is continuing to work with the City of identify creative solutions, including sponsoring potential legislation.

Tracks at Brea	TPA has worked in partnership with City Staff to secure over \$6.4 million in competitive grant funding for the Tracks at Brea Project over the last 5 years. There is an additional \$500,000 million in pending funding that TPA is working on securing from the Land and Water Conservation Fund following a discrepancy in the awarded funds. TPA has been working closely with the City of Brea, the City of La Habra and the County of Orange to secure support for the Tracks at Brea Western Expansion. TPA coordinated closely with City staff, the City of La Habra and the County to draft and submit a funding application for the 2018 Active Transportation Program.
SB 354 (Huff, 2015)	TPA sponsored SB 354 (Huff) on behalf of the City of Brea and the City of Fullerton. As the cities were working toward formation of the JPA, both Brea and Fullerton had hired classic public safety employees after December 31, 2012 to replace retiring personnel. CalPERS informed the cities that these employees would be classified as new members under the Public Employees' Pension Reform Act of 2013 once they are moved over to the new JPA. SB 354 revised the period during which the authorization granted to a JPA formed by the Cities of Brea and Fullerton to provide specified retirement benefits, as described above, may be applied. The bill authorized the authority formed under SB 1251 to provide its employees the defined benefit plan or formula that those employees received from their respective employers prior to the exercise of a common power by the joint power authority. SB 354 was signed by the Governor on August 10, 2015.
SB 1251 (Huff, 2014)	TPA sponsored SB 1251 (Huff) on behalf of the City of Brea and the City of Fullerton. The two cities had been working together to facilitate a merger of their Fire Departments into one single entity, which will service both communities. In order to provide consolidated services, maximize cost savings, and maintain local control the cities must enter into a Joint Power Agreement (JPA) to fully merge the two departments. However, in their efforts to form the JPA, the cities became aware that law passed in 2013, the Public Employees' Pension Reform Act (PEPRA), prohibited employees, who would be subject to such a merger, from retaining their existing retirement benefits. In order to remedy this situation that had not been contemplated in PEPRA, SB 1251 was introduced to make a technical change to amend state law and allow the two cities to enter into a JPA and fully merge the two departments, while ensuring that existing employees from both cities would be able to keep their retirement benefits at the rate they were hired. SB 1251 was signed into law by the Governor on September 28, 2014.

TPA FEDERAL ADVOCACY ACHIEVEMENTS FOR THE CITY OF BREA	
Project	Description of Efforts
H.R. 530 (Eshoo)	TPA is currently working with the City of Brea to push for a solution to recent FCC actions to restrict local control in the forthcoming 5G wireless infrastructure expansion. TPA worked with Congresswoman Eshoo's office to introduce H.R. 530, which would fully nullify the FCC actions. TPA also urged Congressman Cisneros's office to cosponsor the bill on behalf of the City, and worked with other members of the California delegation to drum up additional support. The bill currently boasts 48 cosponsors, including 19 from the California delegation. Furthermore, TPA successfully urged Senator Feinstein's office to introduce a companion bill in the Senate, which increases the legislation's likelihood of passage. The House version of the bill has been referred to the House Energy and Commerce Committee, and TPA continues to work with committee staff to schedule a public hearing on the topic and to promote the bill.
Lambert/57 Interchange	TPA worked with the City's congressional representatives through the appropriations process to fight for increased funding for priority transportation programs, including INFRA and the National Highway Freight Program. In addition, TPA leveraged the City's congressional representatives to advocate for the City's individual applications that were submitted for competitive grant funding. Ultimately, the City received \$65 million for the Lambert/57 Interchange project through the National Highway Freight Program, which funds the Trade Corridor Enhancement Program.

TPA FUNDING ACHIEVEMENTS FOR THE CITY OF BREA		
Year	Funding Source	Amount Awarded
2008	Department of Transportation, Safe Routes to School Grant	\$150,300
2009	Department of Transportation, Bicycle Transportation Account Grant	\$1,000,000
	Department of Transportation, Community Based Transportation Planning Grant	\$80,150
2010	Environmental Protection Agency, Brownfield Clean Up Grant	\$141,085
	Orange County Transportation Authority, Transportation Development Act, Brea Rails to Trails	\$500,000
	Natural Resources Agency and Strategic Growth Council, Proposition 84 Urban Greening Project Grant	\$500,000
2011	Department of Parks & Recreation, Land Water and Conservation Fund, The Tracks at Brea	\$214,000
	Environmental Protection Agency, Revolving Loan Fund	\$1,000,000
	Department of Housing & Community Development, Housing-Related Parks Program	\$183,350
	Department of Transportation, Safe Routes to School Grant	\$273,600
	Federal Emergency Management Agency, Assistance to Firefighters Grant	\$137,920

2012	Department of Parks & Recreation, Habitat Conservation Fund, The Tracks at Brea	\$200,000
	Department of Parks & Recreation, Land Water and Conservation Fund, The Tracks at Brea	\$550,851
	Department of Transportation, Safe Routes to School Grant	\$450,000
	Orange County Transportation Authority, Bicycle Corridor Improvement Program	\$836,150
2013	Department of Housing & Community Development, Housing-Related Parks Program	\$483,650
2014	Natural Resources Agency and Strategic Growth Council, Proposition 84 Urban Greening Grant	\$950,000
	Congestion Mitigation Air Quality Grant, Bicycle Corridor Improvement Program	\$999,272
	Department of Transportation, Active Transportation Program Grant, The Tracks at Brea	\$2,557,000
	Department of Transportation, Active Transportation Program Grant, The Tracks at Brea	\$2,484,000
2015	Environmental Protection Agency, Brownfield Clean Up Grant	\$600,000
	Department of Transportation, Active Transportation Program Grant, The Tracks at Brea	\$652,000
2017	Board of State and Community Corrections, North Orange County Public Safety Task Force	\$1,330,000
TOTAL FUNDING ACHIEVEMENTS		\$16,273,328

B. How you will schedule staff to ensure milestones and deadlines are met?

TPA Southern California Senior Director Cori Williams will oversee the proposed team for the project to ensure the proposed work for this project is completed, considering the team's current workload. Cori and the proposed team will also be supported by an additional seven TPA legislative and funding advocates. TPA has the breadth and depth of experience AND the ability to deploy as many advocates as needed to maximize success for the City while minimizing the burden on City staff.

TPA President Christopher Townsend will personally engage in the project to adjust internal workloads in order to ensure quality control of all deliverables.

C. Provide required response time to the urgent service requests.

TPA will communicate realistic timelines for all projects, directions, and inquiries from the City requiring more than a brief timeline to complete. In the event there is an urgent service request, TPA asks that the City respond within a 48 hour period.

D. How you will make up for work-hours lost (and resulting backlog that may occur) due to various unforeseen situations that may prohibit work on a specific day.

TPA utilizes a team approach to legislative and funding advocacy which ensures that the City will always have the appropriate resources and support from experienced personnel to advocate for the City's priorities and projects if the designated client manager is unavailable due to unforeseen circumstances.

- E. Provide any other relevant information that you believe would benefit City for the requested services.

TPA believes that funding success for our clients requires much more than simply reacting to existing grant programs when they are announced. TPA believes that maximum funding success for our clients requires aggressive PROACTIVE strategy and effort to CREATE new funding opportunities via legislative-directed spending in the budget as well as new grant programs that are tailored to ensure eligibility and maximum competitiveness for client projects. TPA has been successful with this strategy with the City of Brea through the creation of the North Orange County Public Safety Task Force through the State Budget.

TPA will continue to work with the City to generate and secure additional funding beyond the opportunities identified in traditional grant programs. TPA believes a creative legislative component is critical to maximize funding success for the City.

- F. Describe the standard time frames for response by Consultant staff to direction and/or inquiry from the City.

TPA will strive to respond to each direction and inquiry from the City as soon as possible. TPA aims to respond to all email requests within 48 hours. TPA will communicate realistic timelines for all projects, directions, and inquiries from the City requiring more than a brief timeline to complete.

- G. Provide any other relevant information that you believe would benefit City for the requested services.

TPA will work with the City to establish the best mechanisms to ensure a timely response from TPA to City staff on all inquiries relating to the Scope of Work. TPA will maintain regular communication with the City for the duration of the contract. With our location in Southern California as well as Sacramento and Washington DC, TPA is available for in person meetings at City Hall, phone conversations, email correspondence or any other method of communication that City Staff prefers. This regular communication will allow for timely and informed responses to the City.

- H. Describe systems/mechanisms that would be established for monthly reporting of status of projects and requests.

Currently, TPA provides a monthly legislative matrix that is customized for the City. The legislative matrix highlights key policy priorities for the City and provides an update on the City's position and bill status. In addition, on high priority items, TPA provides timely written or verbal updates to City staff. TPA is prepared to continue to provide the monthly report and legislative matrix as well as any additional reporting that is requested by the City. TPA will work closely with the City to create a customized system of reporting based on the City's preferences.

- I. Describe the preferred method for transmittal of requests and other material from the City.

TPA will adopt the methods for transmittal of requests and other material preferred by the City. The TPA Southern California office is located within close proximity to the City, giving TPA the ability to quickly respond to requests by the City in-person if need be. This proximity also allows TPA to be able to attend meetings with City staff and various departments, as well as City Council meetings with little notice.

- J. Describe in detail the efforts you will undertake to achieve client satisfaction and to satisfy the requirements detailed in the Scope of Work section.

TPA utilizes a team approach to achieve client satisfaction. The diversity of our team members allows TPA to maximize creativity, innovation, and strategic thinking when implementing the legislative and funding agendas of our clients. With 12 registered state and federal lobbyists, TPA has the breadth and depth of experience AND the ability to deploy as many advocates as needed to satisfy the requirements detailed in the scope of work section of this RFP. This team approach is proven to maximize success for the City while minimizing the burden on City staff.

TPA will utilize a strategic and comprehensive approach to achieve client satisfaction and to provide the services outlined in the Scope of Work. This approach is included on page 5 of this proposal.

- K. Explain your understanding of the current financial situation facing the City and municipalities in general and describe how Consultant's services would provide resources, value and community benefit.

TPA understands that the City of Brea, as well as municipalities across the State, are focused on closing their unfunded pension liability shortfalls. As employer contribution payments to CalPERS increase, the City's budget will continue to become tighter. TPA understands the City's policy priorities and will continue to work diligently with staff to identify attainable solutions to the pension shortfalls as well as solutions to measures that impose a cost burden on the City such as prevailing wage requirements. TPA will continue to work with the City to identify opportunities to introduce sponsored legislation in Sacramento that will help alleviate financial stress, such as AB 1437 (Chen) that TPA is working on now.

In addition, there is increased pressure on the City of Brea's budget for items like homeless and public safety. While North Orange County has been able to respond to Judge Carter's directives more aggressively than other parts of the County, the need for increased services and dedicated City revenues to fund ongoing homeless services is going to remain. TPA is prepared to continue to work with the City to identify creative funding opportunities that will provide additional revenue to the City's budget. TPA is responsible for creating the North Orange County Public Safety Task Force, which over a 4-year period will provide \$20 million to the North Orange County region and \$1.33 million directly to the City of Brea Police Department to combat issues related to homelessness. In addition, the Task Force has directed hundreds of thousands of dollars to community-based organizations in Brea, further benefiting the public and providing additional revenues for these

organizations to continue their outreach efforts in the community. These revenues have helped offset City expenditures and community-based organization expenditures for homeless outreach, youth gang prevention efforts, reentry services and other public safety items

In addition to identifying funding for priority projects within the City, TPA is anticipating that there will be conversations in Sacramento about a new form of redevelopment and community revitalization, as well as tax reform. In 2017, two bills were introduced that would have reinstated modified forms of tax increment based economic development, focused around affordable housing, but those efforts were unsuccessful. With Governor Brown termed out, the Legislature and Governor Newsom will likely discuss additional economic development tools for jurisdictions and how they can be structured to avoid previous challenges and lessen the potential impact on the State's budget. As it relates to sales tax, the recent Quill Corp v North Dakota decision will likely lead to a discussion, and potential legislation, regarding how out of State taxes are collected for online purchases.

TPA is actively participating in discussions with key stakeholders and decision-makers on both of these topics and is prepared to work with the City of Brea to ensure that any legislation that is introduced will benefit the City and provide additional economic development tools to increase revenues.

TPA has been a proud partner with the City of Brea and looks forward to continuing our advocacy efforts to create an even stronger Brea community.

Submitted by:

SIGNATURE:



PRINT NAME: **Christopher Townsend**

TITLE: **President**

DATE: **05/23/2019**



F. REQUIRED FORMS

Status of Past and Present Contracts

Each Offer must be accompanied by a signed Status of Past and Present Contracts form. Offeror must sign **one** of the declarations stated below indicating their current status.

Townsend Public Affairs

(Offeror's Company Name)

I. No Contract Terminations, Settlements, or Legal Actions (past five years)

By signing below, Offeror declares that the Offeror has not had any Contract Terminations, Settlements, or Legal Actions within the past five years of the date signed hereunder and currently does not have any pending Contract Terminations, Settlements, or Legal Actions.

SIGNATURE: 

PRINT NAME: Christopher Townsend

TITLE: President

DATE: 05/23/2019

II. One or More Contract Terminations, Settlements, or Legal Actions (past five years)

By signing below, Offeror declares that the Offeror has had either one or more Contract Terminations, Settlements, or Legal Actions within the past five years of the date signed hereunder or currently has pending Contract Terminations, Settlements, or Legal Actions in which case, Offeror must list for each such contract the company name, title of contract, contact name, and telephone number; title of contract, term of the contract, original contract value.

City reserves the right to reject any declarations that are not accompanied with the required documentation as described above.

SIGNATURE: _____

PRINT NAME: _____

TITLE: _____

DATE: _____

Statement of Compliance

Townsend Public Affairs

(Offeror's Company Name)

Each Offer must be accompanied by a signed Statement of Compliance. *Offeror must sign one of the declarations stated below* indicating that the Offer was submitted with or without exceptions to this Solicitation, Scope of Work, Terms and Conditions, or Agreement as may be attached.

I. No Exceptions

By signing below, Offeror declares that their Offer was prepared in strict compliance with the instructions, conditions, and terms of the Solicitation, Scope of Work, and Agreement.

SIGNATURE:



PRINT NAME: Christopher Townsend

TITLE: President

DATE: 05/23/2019

II. With Exceptions

By signing below, Offeror states that their Offer has been prepared in consideration of and with exception to some of the terms of this Solicitation, Scope of Work, Terms and Conditions, or Agreement. Offeror is advised that exceptions and/or a suggested change to any of the terms of Solicitation, Scope of Work, Terms and Conditions, or Agreement must be submitted in writing as an attachment to the Offer submittal. By signing below, Offeror declares that the Offer includes a statement that identifies each item to which Offeror is taking exception or is recommending change, includes the suggested rewording of the contractual obligations or suggested change in this Solicitation, identifies the reasons for submitting the proposed exception or change, as well as, any impact the change or exception may have on contract costs, scheduling, or other considerations. City reserves the right to reject any declarations that are not accompanied with the required documentation as described above.

SIGNATURE:

PRINT NAME:

TITLE:

DATE:

Insurance Commitment Form

Townsend Public Affairs

(Offeror's Company Name)

City reserves the right to modify the Exhibit D Insurance Requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.

City's acceptance and/or approval by City does not, and shall not be construed to, relieve Contractor of any obligations, responsibilities or liabilities under any resultant Contract.

The undersigned, at Contractor's sole cost and expense, hereby promises and agrees to:

- A. Acquire the required insurance as set forth in Exhibit D Insurance Requirements.
- B. Provide all insurance written by companies licensed or authorized by the State of California to issue insurance in the State of California with an A.M. Best Company rating of A VII or better.
- C. Provide all required proofs of insurance, certificates of insurance, policies, endorsements, and waiver of subrogations as set forth in Exhibit D Insurance Requirements within 30 days of notification of contract award and prior to the start of any work, whichever occurs sooner.
- D. Maintain in force at all times during the term of any Contract, insurance policies as set forth in Exhibit D Insurance Requirements.
- E. Replace any policies whose carrier's rating falls below A VII with policies that meet or better the required A VII rating no later than the renewal date of the policy.
- F. Amend, supplement, or endorse existing insurance policies that do not meet the insurance requirements set forth in Exhibit D Insurance Requirements.

Contractor's failure to comply with the required insurance as set forth in Exhibit D Insurance Requirements is a breach of contract, which may result in one or more of the following: suspension of work, suspension or termination of contract, remuneration of procurement costs for obtaining a replacement contractor, and suspension from submitting future offers based on Contractor's default.

I, the undersigned, hereby certify that I have the authority on behalf of the entity I represent and to commit to all the requirements as set forth in Exhibit D Insurance Requirements.

SIGNATURE: 

PRINT NAME: Christopher Townsend

TITLE: President

DATE: 05/23/2019

Non-Collusion Affidavit

Note: To be executed by Offeror and submitted with Offer.

State of California
(the State of the place of business)

County of Orange
(the County of the place of business)

Christopher Townsend, being first duly sworn, deposes and
(name of the person signing this form)

says that he/she is President of
(title of the person signing this form)

Townsend Public Affairs, the party making the foregoing offer
(name of offering company)

that the offer is not made in the interest of, or on behalf of, any undisclosed person, partnership, company, association, organization, or corporation; that the offer is genuine and not collusive or sham; that the OFFEROR has not directly or indirectly induced or solicited any other offeror to put in a false or sham offer; that the OFFEROR has not directly or indirectly colluded, conspired, connived, or agreed with any offeror or anyone else to put in a sham offer, or to refrain from offering; that the OFFEROR has not in any manner, directly or indirectly, sought by agreement, communication, or conference with anyone to fix the offer price of the OFFEROR or any other offeror, or to fix any overhead, profit, or cost element of the offer price, or of that of any other offeror; that all statements contained in the offer are true; and, the OFFEROR has not, directly or indirectly, submitted his or her offer price or any breakdown thereof, or the contents thereof, or divulged information or data relative thereto, to any corporation, partnership, company, association, organization, depository, or to any member or agent thereof, to effectuate a collusive or sham offer, and has not paid, and will not pay, any person or entity for such purpose.

Any person executing this declaration on behalf of a OFFEROR that is a corporation, partnership, joint venture, limited liability company, limited liability partnership, or any other entity, hereby represents that he or she has full power to execute, and does execute, this declaration on behalf of the OFFEROR.

I declare under penalty of perjury under the Laws of the State of California that the foregoing is true and correct and that this declaration is executed as set forth.

SIGNATURE:

PRINT NAME: Christopher Townsend

TITLE: President

DATE: 05/23/2019

Notary is not required for this offer.

Client References (for like work)

Townsend Public Affairs

(Offeror's Company Name)

1. Client's Company Name:	City of Buena Park
Client Address:	6650 Beach Blvd., Second Floor, Buena Park, CA 90622
Contact's Name:	Jim Vanderpool
Contact's Title:	City Manager
Contact's Telephone & FAX:	(714) 562-3550 & (714) 562-3559
Contact's Email:	JVanderpool@BuenaPark.com
Scope of Services/Products Provided:	State and Federal Advocacy and Grant Writing
Project Completion Date & Value:	Date: 2009 to present Value: \$8,075 per month
2. Client's Company Name:	Orange County Sanitation District
Client Address:	10844 Ellis Avenue, Fountain Valley, CA 92708
Contact's Name:	Jim Herberg
Contact's Title:	General Manager
Contact's Telephone & FAX:	(714) 593-7110 & none
Contact's Email:	JHerberg@OCSD.com
Scope of Services/Products Provided:	State Advocacy and Grant Writing
Project Completion Date & Value:	Date: 2008 to present Value: \$6,000 per month
3. Client's Company Name:	City of Placentia
Client Address:	401 E Chapman Ave., Placentia, CA 92870
Contact's Name:	Damien Arrula
Contact's Title:	City Manager
Contact's Telephone & FAX:	(714) 993-8117 & (714) 961-0283
Contact's Email:	DArrula@Placentia.org
Scope of Services/Products Provided:	State and Federal Advocacy and Grant Writing
Project Completion Date & Value:	Date: 2016 to present Value: \$5,000 per month
4. Client's Company Name:	City of Mission Viejo
Client Address:	200 Civic Center, Mission Viejo, CA 92691
Contact's Name:	Dennis Wilberg
Contact's Title:	City Manager

Contact's Telephone & FAX:	(949) 470-3051 & none
Contact's Email:	DWilberg@CityofMissionViejo.org
Scope of Services/Products Provided:	State and Federal Advocacy and Grant Writing
Project Completion Date & Value:	Date: 2008 to present Value: \$5,000 per month

Duplicate this form as necessary to complete list.

G. SIMILAR WORK PRODUCT

The following pages contain similar work product, including:

- April 2019 Monthly Report
- California Public Employee Retirement System Memo
- Enhanced Infrastructure Financing Districts Memo
- Fact Sheet, AB 1437 – Community Redevelopment: Paramedic Tax Funds
- Fact Sheet, Pension Reform
- Fact Sheet, Lambert 57 Interchange
- March 2018 Washington, DC Talking Points

MEMORANDUM

To: City of Brea
From: Townsend Public Affairs
Date: May 1, 2019
Subject: Monthly Report for the City of Brea — April 2019

State Legislative Update

After the Legislature returned from Spring Recess, legislators had only five working days to pass fiscal bills out of their assigned policy committees before the April 26 deadline. This is the first step in the legislative process for bills to either move forward to their appropriations committees or “die” in their house of origin. There have been nearly 3,000 bills introduced in the first year of this two-year session and only 330 of them failed passage before the April 26 deadline. Those bills are now two-year bills and will be considered again in January 2020.

This policy committee deadline is not only the first time that bills are considered by committees, but also provides the public with their first opportunity to voice their opposition or support for a bill. As a result, Sacramento hosted a myriad of demonstrators and activists in April expressing their opinions on a variety of topics, including police use of force, vaccination exemptions, homelessness, and housing.

Below is a list of key upcoming deadlines in the Legislature:

May 3 – Last day for policy committees to hear and report non-fiscal bills to the floor

May 14 – Governor to release May Revision of the State Budget

May 17 – Last day for fiscal committees to refer bills to the floor

May 31 – Last day for bills to be passed out of their house of origin

Sponsored Legislation

TPA is working with the City of Brea and Assemblymember Chen to sponsor AB 1437. This legislation will allow the City to access the full amount of the paramedic tax that is being remitted and will allow the City to allocate that funding for the purposes approved by the voters, hiring specially trained personnel who can provide lifesaving care so long as the tax revenues are not needed to pay debt service on outstanding redevelopment obligations. In April, the bill passed out

of the Assembly Housing and Community Development Committee and the Assembly Local Government Committee. The bill is now in the Senate Appropriations Committee and must pass out by May 17 to move to the Assembly Floor.

Police Use of Force Legislation

Two competing bills on police use of force procedures sparked significant debate over the last month. SB 230 (Caballero), initially backed by the police chiefs and unions, would overhaul police training regarding appropriate use of force by emphasizing de-escalation techniques and other use of force alternatives. The bill would also require local agencies to make their use of force policies accessible to the public.

After taking significant amendments in the Senate Public Safety Committee, SB 230 is now legislatively linked to AB 392 (Weber), a bill that would limit the circumstances where police use of deadly force is legal. AB 392 is supported by advocates that are opposed to police use of deadly force, whereas those opposed to the bill have argued that it would make it easier to prosecute police officers for applying deadly force and exposes them to criminal liability.

SB 230 was amended to exclude language pertaining to standards for justified use of deadly force and add provisions that makes SB 230 contingent on the passage of AB 392. In other words, SB 230 does not become law unless AB 392 also becomes law. SB 230 would still make specific changes to police training while AB 392 would make changes to the statewide use of force standards.

According to the Chair of the Public Safety Committee, Nancy Skinner (D-Berkeley), this approach allows for the legislative solution to move forward in both chambers. SB 230 passed the Senate Committee on Public Safety and has now been referred to Appropriations, while AB 392 passed the Assembly Committee on Public Safety and has been referred to the Rules Committee for further consideration.

Housing

SB 50 (Wiener), this year's comprehensive housing legislation, passed the Senate Governance and Finance Committee on April 24. It will now be considered in the Senate Appropriations Committee prior to the deadline on May 17. After a last-minute compromise between Senator Weiner and the Chair of the Senate Governance and Finance Committee, Senator Mike McGuire, SB 4 (McGuire), considered to be the competing Senate housing measure, has been held in committee.

SB 50 aims to increase housing in high-density transit hubs throughout the state by requiring up-zoning and density minimums. The bill was substantially amended last week prior to its approval by the Senate Governance and Finance Committee. Below is a summary of the relevant adopted amendments:

Statewide provisions

- Sensitive communities agreement with housing advocates:
 - Prioritize designated high-segregation, poverty stricken, and low-resource areas.
 - Target communities that have been adversely affected by pollution, as defined by the State Office of Environmental Health Hazard Assessment (OEHHA).

- Include federally recognized low-income households as defined by the 2019 Housing and Urban (HUD) development qualified census tracts.
 - COGs will run a process to identify sensitive communities with minimum requirements for outreach to disadvantaged populations.
 - Opt in before July 1, 2025 to planning process based on petition with 20% population in census tract signing and specified outreach requirements.
- Changes to ensure offsite affordable housing is actually built, no certificate of occupancy on market rate without building permit, and must be near transit and within half mile of original project site.
- Commitment to include inclusionary percentages that are worked out with housing advocates and agreeable to the Senate Governance and Finance Committee.
- Creation of fourplexes by right (regardless of jurisdiction population) in residential areas on vacant land and allows conversions of existing structures—but no demolition, as follows:
 - 75% of exterior walls must be intact and no more than +15% increase square footage. Must also abide by all other local regulations (setbacks, lot coverage, FAR, height, etc).
 - Must include SB 35 limitations on eligible parcels.
- Exempt very high fire hazard severity zones.
- Exempt coastal zone in cities with populations less than 50,000.
- Restrict bill to infill parcels in coastal zone regardless of jurisdiction size.

In counties over 600,000 population:

- SB 50 zoning provisions regarding rail, ferry, job rich, and bus stop (as modified below):
 - Exempt contributing parcels in legislatively-adopted historic districts in existence as of 2010, and density bonus language going forward
 - Bus stops: Shorten headways to 10 minutes during peak times to qualify. Clarify that it's each line going in each direction. Must have met the headway standard for the past 5 years.
- SB 50 parking (no parking around rail, 0.5 spaces per unit minimum elsewhere)

As SB 50 moves forward, TPA will continue to advocate for increased flexibility and local control so cities can determine the housing options that are best for their communities.

Sober Living Homes

Debate continues on a variety of sober living home topics in the Legislature. While the majority of bills introduced seek to place additional restrictions on sober living homes, comprehensive reform would require amendments to federal law, including the Federal Americans with Disabilities Act (ADA) and the Federal Fair Housing Act (FFHA). Below is an update on the status of relevant sober living homes legislation:

AB 136 (Quirk-Silva) – Alcoholism and drug programs: residential recovery and treatment ombudsperson: pilot program

Would establish the office of the State Ombudsperson for Substance Abuse Recovery and Treatment as a one-year pilot program. The bill would require this established office to work in concert with counties to collaborate in investigations of complaints received by the counties against alcoholism or drug abuse recovery or treatment facilities and recovery residences. **AB 136 was gut and amended to no longer deal with sober living homes.**

AB 919 (Petrie-Norris) – Alcoholism and drug abuse recovery and treatment programs

Current law prohibits specified persons, programs, or entities, such as an alcoholism or drug abuse treatment facility or a person employed by, or working for, an alcohol or other drug program, from giving or receiving anything of value for the referral of a person who is seeking alcoholism or drug abuse recovery and treatment services. Current law authorizes the State Department of Health Care Services to investigate allegations of violations of those provisions, and authorizes the department to assess various penalties upon a person, program, or entity that is found in violation of those provisions. This bill would require the department to establish an enforcement program focused on the duties to enforce those provisions, and would require staff of the enforcement program to provide the department with analytical support, general oversight and monitoring, and legal guidance regarding those provisions. **AB 919 passed the Assembly Health Committee and has been referred to the Assembly Appropriations Committee.**

AB 920 (Petrie-Norris) - Alcoholism and drug abuse recovery and treatment programs.

Current law requires an alcoholism or drug abuse recovery or treatment facility that serves 6 or fewer persons to be considered a residential use of property and requires that the residents and operators of the facility be considered a family for the purposes of any law or zoning ordinance that relates to the residential use of property. This bill would exempt from those provisions an alcoholism or drug abuse recovery or treatment facility that serves 6 or fewer persons that is engaged in an economic relationship with a treatment provider that owns or operates 2 or more of this type of facility. **AB 920 passed the Assembly Health Committee and is currently on the Senate Floor.**

AB 1779 (Daly) - Recovery residences

AB 1779 would require the California Department of Health Care Services (DHCS) to adopt best practices for operating recovery housing, including suggested minimum standards for operating recovery housing. Currently, the “Best Practices for Operating Recovery Housing (BPORH)” are being developed by United States Department of Health and Human Services. Until the BPORH are distributed, the DHCS will be required to adopt the most recent standards approved by the National Alliance for Recovery Residences (NARR) as the minimum standards necessary for the owners or operators of recovery housing to receive state funding. **AB 1779 passed the Assembly Health Committee and has been referred to the Assembly Appropriations Committee.**

Transportation Corridor Agencies

The Assembly Committee on Local Government heard testimony on AB 1273 (Brough) which would transfer planning authority from the Transportation Corridor Agencies (TCA) to the State by January 1, 2020.

Since 1987, TCA has been the agency responsible for building, maintaining, and improving the toll roads in Orange County. It was formed as a joint powers authority and is governed by a Board of Directors comprised of city and county officials. According to the author, AB 1273 was written to prevent TCA from operating as a planning entity and would make TCA the agency designated for toll road building and maintenance only.

On April 24, the bill was heard in the Assembly Local Government Committee but was not considered for a vote. Assemblymember Brough expressed his willingness to work with TCA and other interested parties on compromise legislation, and Chair Aguiar-Curry (D-Napa) expressed her willingness to reconsider the bill once that happens.

The bill was not voted on, and therefore missed the April 26 committee deadline, which now makes it a two-year bill. TPA will continue to monitor this bill and any related legislative negotiations.

Governor Newsom Signs Sales Tax Legislation

On April 25, Governor Newsom signed AB 147 (Burke) into law. This bill was introduced on the heels of a Supreme Court ruling (South Dakota v. Wayfair) that opened the door for states to require out-of-state retailers to collect sales tax on transactions to in-state residents. The bill requires any retailer that sells more than \$500,000 in goods to register to collect and remit use taxes.

The goal of the legislation is to make tax collection easier for consumers and out-of-state retailers by shifting tax collection responsibilities to the online marketplace. The bill enjoyed unanimous support in both the Assembly and Senate and included an urgency clause which makes the bill effective immediately.

Proposition 68 – Per Capita Program

Proposition 68, passed by voters in June 2018, provided \$185 million for local park rehabilitation, creation, and improvement grants to local governments on a per capita basis. Each city is guaranteed a minimum of \$200,000 to rehabilitate or improve park access in existing parks. The California Department of Parks and Recreation is administering the Per Capita Program and has recently released draft guidelines to help cities navigate the application and award process. All projects require a 20 percent match unless the applicant serves a severely disadvantaged community, defined as having a median household income of less than 60 percent of the statewide average.

TPA is prepared to assist the City with applying for these funds if needed and will continue to keep the City informed as this program continues to develop.

Federal Legislative Update

In April, the House and Senate Appropriations Committees focused on collecting appropriations requests from members of Congress in order to inform line item amounts in upcoming appropriations bills. Starting this week, there will be committee markups on the budget which will continue over the next several weeks, followed by bills moving forward to the floor in the coming months.

As April ends, lawmakers returned from a two-week break. When they returned, the House started to take up legislation focused on addressing climate change and the Senate considered more of President Donald Trump's nominations.

Appropriations Markups

House Democrats released their largest fiscal year 2020 domestic spending bill, the Labor-HHS-Education bill, starting a race to finish as much appropriations work as possible by the end of June.

The Labor-HHS-Education bill was the subject of a subcommittee markup on April 30. Subcommittee Chairwoman Rosa DeLauro (D-CT) pushed for a generous top-line allocation for the bill in fiscal year 2020 which totaled \$177.1 billion in fiscal year 2019. The measure is considered one of the most difficult spending bills to negotiate, and funding for child detention facilities under the HHS Office of Refugee Resettlement has been a particularly contentious issue.

House appropriators also plan subcommittee markups the first week of May for their Military Construction-Veterans Affairs and Legislative Branch bills. House appropriators have yet to agree on top-line allocations for all 12 appropriations bills, which they plan to vote on at the first full committee markup in early May.

Nuclear Energy Storage

In April, Congressman Mike Levin (D-CA) toured the San Onofre Nuclear Power Plant and announced that he planned to introduce legislation that would set priorities for the relocation and storage of spent nuclear fuel.

Although no legislative language is public yet, Congressman Levin's office says that the bill will direct the Department of Energy to consider three factors when it is determining the order in which it will accept spent nuclear fuel for disposal. The agency would need to prioritize fuel from reactors that are: 1. Decommissioned or decommissioning. 2. Located in areas with large populations. 3. Located in areas with the highest hazard of an earthquake, as determined by USGS's earthquake hazard maps. There's no explicit weighting of these three factors.

Congressman Levin plans to introduce his bill in the coming weeks.

Cannabis

In April, Democratic Senator Elizabeth Warren (D-MA) and Republican Senator Cory Gardner (D-NJ) reintroduced a bill that seeks to ensure U.S. states can determine their own best approach to marijuana, according to the lawmakers' joint statement.

This proposal responds to the 2018 Justice Department withdrawal of guidance directing federal authorities away from marijuana law enforcement in states that have legalized cannabis.

The measure would change the Controlled Substances Act so that - as long as states and tribal nations adhere with a "few basic protections" - its provisions wouldn't apply to people who comply with state marijuana laws. The legislation aims to keep states safe from federal overreach when deciding the best approach to marijuana.

Democratic Representative Earl Blumenauer (D-OR) and Republican Representative Dave Joyce (R-OH) have reintroduced a similar bill in the House.

This is one of several cannabis bills that have been introduced in Congress this year. While these bills have more momentum in the House than in past years, they still face hurdles in the Senate where the Republican controlled chamber has been more reluctant to take on marijuana issues.

Homelessness

At the end of March and beginning of April, a group of members of Congress led by Senator Dianne Feinstein (D-CA) and Congressman Ted Lieu (D-CA) introduced a long-awaited bill to fight homelessness.

The bill would:

- Authorize \$750 million annually for five years to fund supportive housing models that provide comprehensive services and intensive case management.
- Require a 25 percent match for services and housing from non-federal funds.
- Allow grants to be used for any combination of operations and capital building costs, as long as housing and services requirements are fulfilled.
- Require grantees to track outcomes and report on housing stability and improvements in health and wellbeing, including education of children.

Grant eligibility and requirements:

- Grants may go to local governmental entities consisting of cities, counties, regional collaboratives and tribal governments.
- Services must address issues including mental health; substance use disorders; disabling or other chronic health conditions; educational and job training/employment outcomes; and life skills classes.
- Intensive case management must be provided with a ratio of no greater than 1 case manager to every 20 people served.
- When serving families with children, services available must also include children's behavioral and mental health services, early childhood education, regular and age-appropriate children's programming and activities, child health and nutrition screening and education and parenting classes and support programs.
- Services must also have in place protocol for staff training and best practices to identify and prevent child trafficking, abuse, and neglect.

This bill has been in the works behind the scenes for nearly a year, as members and staff have worked to get buy-in from over 90 individuals and organizations, including mayors, the Child Welfare League of America, Children's Defense Fund, Corporation for Supportive Housing, Mayors and CEOs for U.S. Housing Investment, National Alliance to End Homelessness, and the National Low-Income Housing Coalition.

The coordinated introduction in the House and Senate, the Republican cosponsors, and the influential place Senator Feinstein has on the appropriations committee make this bill one to watch. Any proposal of new investment is difficult to pass Congress, however it is likely that this bill will continue to move.

Census

Last week, the Supreme Court heard oral arguments on the issue of adding a citizenship question to the 2020 Census. Based on the arguments, it seems likely that the Supreme Court will side with the Trump Administration and allow the Census to include a citizenship question.

The Supreme Court is expected to issue a ruling by June. The Census form will be printed soon after.

An analysis by census officials found that nearly 6 percent of households with at least one noncitizen, or roughly 6.5 million people, would go uncounted with a citizenship question on the 2020 Census. It is also predicted to cost California and other states a seat in Congress.

MEMORANDUM

To: City of Brea

From: Townsend Public Affairs, Inc.

Date: February 7, 2017

Subject: State Efforts to reform the California Public Employee Retirement System

Background

In 2013, Governor Brown signed AB 340, the Public Employees' Pension Reform Act (PEPRA) to change defined benefits for new public employees in the State of California. PEPRA changes the way CalPERS retirement and health benefits are applied, and places compensation limits on members. PEPRA eliminated the ability to purchase nonqualified service credit (air time), eliminated retroactive benefit increases, eliminated pension holidays, limited post-retirement public employment (spiking), and forfeited pension benefits upon felony conviction.

Current Status

In November 2016, the California Supreme Court unanimously granted the petition for review of the Court of Appeal decision in *Marin Ass'n of Public Employees v. Marin County Employees' Retirement Association* (Case No. S237460). The recent decision by the California Supreme Court to hear the Marin County pension reform case will decide whether future public employee pension benefits by current government workers across California can be cut.

Prior to that decision, in August, the California's 1st District Court of Appeal in San Francisco ruled that the California Legislature can trim public employee retirement benefits for workers who are still on the job, stating that public employees are only entitled to a "reasonable" pension, not one providing fixed or definite benefits immune from modification or elimination by the governing body. The appellate court's decision this summer was unanimous, and it was sweeping in its implications for pension reform. It rejected the assumption that benefits cannot be reduced once employees start working. That constraint has hindered attempts statewide, and in charter cities such as in San Jose, to meaningfully stem soaring taxpayer costs for pensions.

Legislative Process

The 2017 deadline to introduce new legislation is February 17, 2017. By that date, we will have a more complete picture of pension reform legislation that is going to be debated this year in Sacramento.

The Assembly Committee on Public Employees, Retirement and Social Security is Chaired by Assemblymember Rodriguez (D-Pomona) and is comprised of seven members, five of which are Democrats. Assembly Member Travis Allen (Vice Chair) and Assembly Member Bill Brough are

State Capitol Office • 925 L Street • Suite 1404 • Sacramento, CA 95814 • Phone (916) 447-4086 • Fax (916) 444-0383
Federal Office • 600 Pennsylvania SE • Suite 207 • Washington, DC 20003 • Phone (202) 546-8696 • Fax (202) 546-4555
Southern California Office • 1401 Dove Street • Suite 330 • Newport Beach, CA 92660 • Phone (949) 399-9050 • Fax (949) 476-8215
Central California Office • 744 P Street • Suite 308 • Fresno, CA 93721 • Phone (949) 399-9050 • Fax (949) 476-8215
Northern California Office • 300 Frank Ogawa Plaza • Suite 204 • Oakland, CA 94612 • Phone (510) 835-9050 • Fax (510) 835-9030

the two Republican members on the committee and they both represent districts in Orange County.

In the Senate, the Senate Committee on Public Employment and Retirement is chaired by Senator Richard Pan (D-Sacramento), which has five members. There are two Republicans on the Senate committee, including Orange County Senator John Moorlach.

These two committees will have jurisdiction over all pension reform legislation that is introduced in this legislative session. The bills will be heard, debated on, and voted on by these two committees.

2017 Pension Reform Legislation (as of 2/2/2017)

SB 32 (Moorlach)	<p>SB 32 is currently in spot bill form. However, the bill will establish the California Public Employees' Pension Reform Act of 2017 (PEPRA II) which continues substantial reform to California's broken public employee pension system began in 2012. It addresses the following:</p> <ul style="list-style-type: none">• Establish a Citizens' Pension Oversight Committee to review pensions year by year, and report to the public on actual pension costs and obligations;• Base final compensation for all public employees on an average of five years of highest years' salary;• Prohibit or "freeze" the ability for cost-of-living adjustments until CalPERS and CalSTRS are 100% funded;• Require pension boards to create a defined benefit/defined contribution hybrid pension plan for new employees who opt-into the system;• Require that any employee who separates from the state pension system for a different job and returns after more than one year be re-classified in that pension system as a "new employee";• Require CalPERS to limit special compensation categories by significantly narrowing their list of special compensation;• Define pensionable pay as "the normal monthly rate of pay or base pay" for all public employees;• Require pension boards to narrow the "safety employees" classification to include only employees who regularly perform their duties at great risk and who are in harm's way;• Require CalSTRS and CalPERS to build/increase funding levels by 10% each year until the systems are 100% funded; and,• Require CalPERS to reduce its unfunded liabilities to 1980 levels; to be achieved by 2030.
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Next Steps: TPA would recommend scheduling meetings with the members of the policy committees listed above that will play a key role in the outcome of pension reform legislation in Sacramento. Initial meetings should focus on Senator Pan, Senator Moorlach, Assembly Member Rodriguez, Assembly Member Brough and Assembly Member Allen.

To: City of Brea
From: Townsend Public Affairs, Inc.
Date: March 28, 2016
Subject: Enhanced Infrastructure Financing Districts

Background

The dissolution of redevelopment agencies left many public agencies with infrastructure funding gaps. In 2014 SB 628 (Beall) was signed into law by Governor Brown, allowing the creation of Enhanced Infrastructure Financing Districts (EIFD). While IFDs already existed, there were largely unused due to the fact that redevelopment agencies were considered superior, and IFDs and redevelopment zones were prohibited from overlapping. EIFDs, created by a city or a county, can fund a variety of public infrastructure projects by combining the property tax increment of the taxing agencies involved in the created Infrastructure Financing Plan. An Infrastructure Financing Plan (IFP) is adopted by a Public Financing Authority (PFA), which is the legislative body in charge of the direction and execution of the EIFD.

In 2015, the Governor signed AB 313 (Atkins), a cleanup bill for SB 628. AB 313 included special districts, with the exception of school districts, in SB 628's definition of "affected taxing entity". An affected taxing entity is defined as any governmental taxing agency which levies or has levied on its behalf a property tax on all or a portion of the property located within the EIFD.

SB 628 also states that a city or a county which created a redevelopment agency may not create or participate in an EIFD until they receive a finding of completion by the Department of Finance. If a city or a county creates an EIFD within an area that was formerly a redevelopment zone, the revenue created from property tax increments within the area must first be used to fund the successor agency's enforceable obligations.

EIFD Eligible Projects

According to SB 628, EIFDs can only finance public capital facilities of communitywide significance that provide benefit to the surrounding community. Eligible projects include but are not limited to:

- Highways, interchanges, bridges, ramps, arterial streets, parking facilities, and transit facilities;
- Sewage treatment plants, water reclamation plants, and interceptor pipes;
- Facilities for the collection and treatment of water for urban uses;
- Flood control levees and dams, retention basins, and drainage channels;
- Child care facilities;
- Libraries;
- Parks, recreational facilities, and open space;

- Facilities for the transfer and disposal of solid waste, including transfer stations and vehicles;
- Brownfield restoration and other environmental mitigation projects;
- Development projects on former military bases;
- The acquisition, construction, or rehabilitation of housing for persons of low and moderate income for rent or purchase;
- Transit priority projects located within a transit priority project area; and
- Projects that implement a sustainable communities strategy

Next Steps/Implementation

If this is something the City of Brea is interested in pursuing, next steps in the process would include:

1. Establishing a Public Financing Authority (PFA). If the City intends to have two or more taxing entities within the EIFD, the membership of the PFA must consist of a majority of members from the legislative bodies of the participating entities, as well as a minimum two members of the public.
2. Adoption of a resolution of intent by the City Council to establish the EIFD. The PFA needs to prepare the Infrastructure Financing Plan (IFP), while conducting a public hearing before the adoption of the EIFD and IFP. Mailing a copy of the IFP to every citizen in the zone is an additional requirement. The IFP must include the boundaries, types of projects to be financed, goals, need, financing tools, etc. The IFP must be adopted by the governing boards of all taxing entities that have agreed to allocate tax increment to the EIFD.
3. 55% of voter approval within the District, before the issuing of bonds to fund projects. The PFA, through the EIFD, may, by majority vote, initiate proceedings to issue bonds.

FACT SHEET AB 1437- COMMUNITY REDEVELOPMENT: PARAMEDIC TAX FUNDS

OFFICE OF ASSEMBLYMAN PHILLIP CHEN

SUMMARY

Assembly Bill 1437 will reallocate the portion of any paramedic tax that is still being captured by the successor agency to the taxing entity to be used for purposes established by the voter-approved local tax measure, so long as the tax revenues are not needed to pay debt service on outstanding redevelopment obligations.

Legislation was previously adopted as part of the dissolution of redevelopment that addresses this voter-approved tax issue specific to pension programs and funding for capital projects and programs related to the State Water project. This bill will add paramedic programs to those voter-approved local taxes that shall be allocated to the taxing entity.

EXISTING LAW

Several taxing entities, including local jurisdictions and special districts, have passed voter-approved local taxes to fund the paramedic programs that are run through their Fire Departments.

In 2012 redevelopment agencies were dissolved and successor agencies were established to pay off the remaining obligations. In all California taxing entities that had a redevelopment agency and that agency did not include a provision that voter-approved special taxes be allocated to the taxing entity, the property taxes, including all voter-approved taxes except those levied on or after January 1, 1989 for the purpose of making annual debt-service payments that are collected through property tax are allocated to pay down the debt service for the redevelopment bonds and other obligations that were issued.

As the taxing entities continue to pay down their bond obligations within the redevelopment agency project areas, all revenues, including voter-approved local taxes, that were previously directed to the successor agency to pay off the remaining obligations, are now starting to come back to the taxing entity to be used for their intended purposes.

BACKGROUND

In 1978, the City of Brea approved a paramedic tax by 80% of the voters to establish and fund a paramedic program, hiring specially trained personnel who can provide lifesaving care. Brea property owners pay a tax for the Mobile Intensive Care Paramedic Program. The

paramedic tax rate today is the same as it was in 1981 which is \$0.045 per \$100 of valuation.

In 2012, when redevelopment agencies were dissolved, Brea's incremental property taxes, including a substantial portion of the paramedic tax, was allocated to pay down the debt service bonds and other obligations of the former Brea Redevelopment Agency. As those bonds and other obligations are paid down, a percentage of the paramedic tax is reverting back to the City. Once the redevelopment bonds and other obligations are completely paid in 2036, all of the paramedic tax now directed to the Brea Redevelopment Successor Agency, will come back to the City.

While property owners that are paying the paramedic tax still benefit from the paramedic program, that program is currently being subsidized by general fund revenues instead of the revenues generated by the paramedic tax due to the fact that a portion of the paramedic taxes are being allocated to pay debt service on redevelopment agency bonds and other obligations.

SOLUTION

This legislation will allow the City to access the full amount of the paramedic tax that is being remitted and will allow the City to allocate that funding for the purposes approved by the voters, hiring specially trained personnel who can provide lifesaving care so long as the tax revenues are not needed to pay debt service on outstanding redevelopment obligations. The City has determined that debt service on outstanding redevelopment obligations can be paid from other available tax increment revenue resources, and that the paramedic tax is not needed for that purpose. Therefore, the paramedic tax can be allocated for the purpose intended by the voters, a paramedic program.

SUPPORT

City of Brea

CONTACT

Staff:

Lauren Aguilar
Capitol Director
(916) 319-2055

Lauren.Aguilar@asm.ca.gov



City of Brea Pension Reform Fact Sheet

Background

- **City of Brea** - Centrally located in the northeast corner of Orange County and is home to 43,330 residents with an average household income of \$93,576. The City draws in more than 100,000 people each day to work, shop, and be entertained.
- **Full Service City** – The City has a General Fund of about \$55 million and 289 full-time employees and 121 part-time employees.

Brea Pension Specifics

- **Employee Numbers** - Since 2013, Brea has hired 73 PEPRA employees of which 21 are sworn public safety personnel.
- **2nd Tier for Public Safety – 2% @ 50.** In 2011, Brea negotiated a 2nd tier for public safety. Brea's Classic formulas are 3% @ 50 for Safety and 2% @ 55 for Miscellaneous employees.
- **Pension Stabilization Trust Fund.** In 2016, Brea established a Section 115 Trust account with PARS to address increases to our unfunded liability.
 - Initial investment was \$6 million and that has grown to a market value of \$7.1 million to date with an average earned interest of 11.74%.

Challenges

- **Rising Pension Costs Increase Deficit** - Brea is facing a \$1.5 million General Fund deficit in FY 2018-19 largely driven by increased CalPERS costs and staff projects that the deficit will grow to \$5.2 million in FY 2021-22.
 - This represents about 8% of the City's General Fund Budget.
- **Rising PERS Costs**– In 2015 Brea PERS contributions were \$1,957,360 for Miscellaneous and in 2018 the cost will be \$3,041,983. For Safety employees, in 2015 we paid \$3,635,010 and by 2018 that will nearly double to \$6,211,541.

Impacts

- **Significant Reductions in Service.** The City is currently evaluating budget solutions including but not limited to revenues measures, service level reductions, and/or employee concessions.

Lambert/57 Interchange Project



- What It Is:
 - Construction of a "loop" ramp allowing eastbound motorists on Lambert Road to enter the northbound State Route 57 Freeway via a right turn rather than the current left turn movement.
 - Total project cost: \$100,000,000.
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- Environmental Benefits:
 - Eliminates vehicle queuing and reduces congestion, resulting in less air pollution and energy consumption.
- Mobility Benefits:
 - Increases mobility by eliminating vehicle queuing and congestion currently caused by the heavy volume of eastbound left turns.
- Regional Significance
 - The SR 57 freeway is one of only two freeways that connect Orange County to the San Gabriel/Pomona Valleys in Los Angeles County and to the Inland Empire in San Bernardino and Riverside Counties.
 - With employment centers in Orange County and lower cost housing in the other counties, the daily traffic demands continue to grow.
 - Lambert Road is the first arterial street where drivers entering Orange County from the north can travel east or west.
- Overlaps with Trump Administration Goals:
 - Lines up with tenants of infrastructure reform
 - Self-sufficiency emphasized: partial funding obtained, need help to finish
 - Job creation/connection
- Obtained Funding
 - \$65 million from the California Transportation Commission Trade Corridor Enhancement Program
 - \$15 million from City of Brea
 - \$20 million from the Orange County Transportation Authority
- Status
 - CalTrans had project out to bid
 - Bid opening and award of contract in February
 - Groundbreaking in Summer 2019





**City of Brea
Washington, DC Trip
March 12, 2018**

Townsend Public Affairs Contacts:

Cori Williams (949) 632-2565

Laura Kroeger (916) 316-8001

10:45 – 11:45 AM

White House Office of Intergovernmental Affairs

Morgan Bedan, Associate Director of Intergovernmental Affairs

Zachery Michael, Special Advisor

Eisenhower Office Building, Room 178

Background and Context:

- The President's budget request is typically released on the first Monday of February and serves as the unofficial launch of a lengthy debate over federal funding levels.
 - However, due to the 35-day partial government shutdown in December and January, it is expected that the Trump Administration will not submit its FY 2020 request until at least the week of March 11 (this week).
 - This will kick off the FY 2020 funding cycle, meaning that this is a key time frame to discuss funding priorities.
- The White House has not taken a position on the FCC wireless infrastructure rules.

Talking Points:

- Federal funding has been critical in making many of the City's important projects a reality.
- The city has leveraged funding through the Land and Water Conservation Fund to transform railroad rights-of-way into the Tracks at Brea, a 4-mile sustainable active transportation route.
- The City is also currently using federal funding allocated through the State of California's Trade Corridor Enhancement Program, along with support from the Orange County Transportation Authority, to upgrade the State Route 57-Lambert Road Interchange, which will reduce congestion and improve connectivity between Orange County and the rest of the Southern California region.
- These projects are models for how federal, state and local partners can unite to achieve results for our constituents. We hope that a comprehensive infrastructure package will facilitate further opportunities to collaborate with the federal government to reshape our region's infrastructure.

Tracks at Brea Trail:

- The Tracks at Brea project has leveraged federal funding to transform railroad rights-of-way into a 4-mile beautiful and sustainable active transportation route.
 - The Class 1 bikeway includes a separate pedestrian path.
 - The project closes a critical gap in the OC Loop countywide trail.
 - Project benefits:
 - clean transportation
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 - recreational opportunities
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- We have received federal assistance for this project in the past, including Safe Routes to Schools, Active Transportation Program, Recreational Trails Program, CMAQ, and others.
- We want to continue our great relationships with the Department and be a good candidate for continued funding for the project, so we wanted to touch base with you ahead of changes coming up for federal transportation and infrastructure funding.

Lambert/57 interchange project

- What It Is: Construction of a "loop" ramp allowing eastbound motorists on Lambert Road to enter the northbound State Route 57 Freeway via a right turn rather than the current left turn movement.
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 - Job creation/connection

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 - \$65 million from Trade Corridor Enhancement Program
 - \$15 million in Local Brea Match
 - \$20 million from OCTA
- Status
 - CalTrans had project out to bid
 - Bid opening and award of contract in February
 - Groundbreaking in Summer 2019
- We welcome continued support you and your office can provide to ensure successful completion for this crucial regional infrastructure project.

FCC wireless infrastructure rules

- We also wanted to discuss how recent FCC actions are about to have a major impact on the City of Brea and municipalities across the country.
- On September 26, 2018, the FCC approved a proposal to accelerate wireline broadband deployment by “removing barriers” to infrastructure investment. Those barriers are local procedures and protocol that govern how, when, and why we lease publicly-owned property, and went into effect on January 14, 2019.
 - This is designed specifically to allow for the expansion of 5G technology, which utilizes “small cells” – a reference to the distance between units, which can be as short as three city blocks, compared to large 4G cell towers that provide service to a larger area.
- While every municipality approaches the issue differently, these local laws are generally designed to protect taxpayer-funded city and town property.
- The new regulations invade local authority in order to expedite corporate expansion.
- Specifically, the new regulations will:
 - Compel local governments to permit access to publicly owned infrastructure.
 - Hinder reasonable local environmental and design review.
 - Leave municipalities vulnerable to lawsuits if they experience delays or otherwise cannot meet the FCC’s arbitrary time limits on permit application review.
 - For example, municipalities are required to accept “batched” applications, in which the time limit for hundreds of applications is the same as the time limit for one.
 - Limit municipalities’ ability to negotiate fair leases or public benefits for the installation of “small cell” wireless equipment on taxpayer-funded property.
 - Limiting fees and rates to direct and actual costs strips cities of the ability to analyze and identify the cost-benefit of this technology to its residents.
 - Cities regularly negotiate with providers to ensure appropriate compensation to taxpayers for private, profit-generating use of public property and to incentivize development that benefits community residents.
 - Local governments should not be beholden to corporations’ bottom lines in setting local fees, or be forced to subsidize private development at the cost of other critical local services such as road maintenance and public safety.

- The State of California considered similar legislation (SB 649) two years ago. The bill received widespread opposition from local jurisdictions, and though the bill passed both houses, Governor Brown vetoed the bill.
- We share the FCC's goal of ensuring efficient, safe, and appropriate deployment of new broadband technology, but co-opting local infrastructure without local permission is the wrong solution.
- We are interested in any relief that can be provided, since this challenges our local authority, our budget, and our resources.
- This includes President Trump signing H.R. 530, a bill recently introduced by Rep. Anna Eshoo that would nullify the two FCC rules.
- We would like to keep you updated on the lawsuits' progress and the impacts of the order on our City, and urge you to prioritize local authority as you help craft federal policy.

White House Questions:

- We understand that much is still to be determined on the shape of an infrastructure package, but based on your perspective, do you see there being a path forward for Brea's priorities in any upcoming infrastructure bill?
- Are Brea's projects good candidates for current transportation grants, and would Brea be a better candidate for potential future grant programs?
- What can Brea do to be more competitive for current and future federal grant programs?
- Are there other programs that would provide funding for what we're trying to do in Brea?
- How can Brea be helpful to President Trump's goals?
 - Regional coalition?
 - Public statements?
 - Partnerships/councils/etc?
 - Brea would love a seat at the table
- Can you point us towards any other people or offices that might be helpful?

2:00 – 2:30 PM

Office of Congresswoman Anna Eshoo
Asad Ramzanali, Legislative Assistant
202 Cannon House Office Building

Background and Context:

- Congresswoman Anna Eshoo (D-CA) introduced H.R. 530, which would nullify the FCC actions to restrict local control of wireless infrastructure.
- Congresswoman Anna Eshoo's district includes Silicon Valley, and she is considered a leader on tech issues in the House of Representatives.

Talking Points:

FCC wireless infrastructure rules

- We primarily wanted the opportunity to express how grateful we are to Congresswoman Eshoo for introducing H.R. 530.
- The FCC actions that H.R. 530 would nullify are having a major impact on the City of Brea and municipalities across the country.
- While every municipality approaches the issue differently, local laws are generally designed to protect taxpayer-funded city and town property.
- The new regulations invade local authority in order to expedite corporate expansion.
- Specifically, the new regulations will:
 - Compel local governments to permit access to publicly owned infrastructure.
 - Hinder reasonable local environmental and design review.
 - Leave municipalities vulnerable to lawsuits if they experience delays or otherwise cannot meet the FCC's arbitrary time limits on permit application review.
 - For example, municipalities are required to accept "batched" applications, in which the time limit for hundreds of applications is the same as the time limit for one.
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 - Local governments should not be beholden to corporations' bottom lines in setting local fees, or be forced to subsidize private development at the cost of other critical local services such as road maintenance and public safety.
- As you know, the State of California considered similar legislation (SB 649) two years ago. The bill received widespread opposition from local jurisdictions, and though the bill passed both houses, Governor Brown vetoed the bill.

- We share the FCC's goal of ensuring efficient, safe, and appropriate deployment of new broadband technology, but co-opting local infrastructure without local permission is the wrong solution.
- We are interested in any relief that can be provided, since this challenges our local authority, our budget, and our resources.

Questions:

- What can we do to be helpful in passage?
- Can you give us an update on whether Feinstein is likely to introduce a companion bill in the Senate?
- What has been the main barrier to obtaining a Republican cosponsor(s)?

3:00 – 3:30 PM

Congressman Gil Cisneros
431 Cannon House Office Building

Background and Context:

- Congressman Gil Cisneros was elected in 2018 to fill Congressman Ed Royce's seat, who retired.
- Congressman Royce was helping the City with the LWCF issue, but it was not resolved before the end of his term. Congressman Cisneros promised to pick up where his predecessor left off, and facilitate a meeting between LWCF and the City of Brea.

Talking Points:

- **Federal funding has been critical in making many of the City's important projects a reality.**
- **The city has leveraged funding through the Land and Water Conservation Fund to transform railroad rights-of-way into the Tracks at Brea, a 4-mile sustainable active transportation route.**
- **The City is also currently using federal funding allocated through the State of California's Trade Corridor Enhancement Program, along with support from the Orange County Transportation Authority, to upgrade the State Route 57-Lambert Road Interchange, which will reduce congestion and improve connectivity between Orange County and the rest of the Southern California region.**
- **These projects are models for how federal, state and local partners can unite to achieve results for our constituents. We hope that a comprehensive infrastructure package will facilitate further opportunities to collaborate with the federal government to reshape our region's infrastructure.**

Tracks at Brea Trail:

- The Tracks at Brea project has leveraged federal funding to transform railroad rights-of-way into a 4-mile beautiful and sustainable active transportation route.
 - The Class 1 bikeway includes a separate pedestrian path.
 - The project closes a critical gap in the OC Loop countywide trail.
 - Project benefits:
 - clean transportation
 - public health
 - recreational opportunities
 - community identity
- We have received federal assistance for this project in the past, including Safe Routes to Schools, Active Transportation Program, Recreational Trails Program, CMAQ, and others.

- We want to continue our great relationships with the Department and be a good candidate for continued funding for the project, so we wanted to touch base with you ahead of changes coming up for federal transportation and infrastructure funding.
- **LWCF issue**
 - As you know, we have an ongoing misunderstanding with the Land and Water Conservation Fund (LWCF).
 - The Tracks at Brea Project is broken out into six segments.
 - This has allowed the City to strategically allocate City funds as well as pursue local, state and federal grant opportunities to fund the various trail segments.
 - Segment 2, the segment that received the LWCF Grant and the 2014 Active Transportation Program (ATP) grant, was completed in December 2017. The City used State Proposition 84 funds as the LWCF match.
 - We need help communicating to the LWCF program staff that ATP funds were not used as matching funds for the LWCF grant nor were ATP funds used for the scope of work funded by the LWCF grant.
 - This \$500,000 LWCF grant is critical to funding the cost of the design and construction for this portion of the trail.
 - Withdrawing the \$500,000 LWCF grant creates a significant fiscal crisis for the City.
 - Congressman Royce supported the project, and when he left office, was helping us clear up the misunderstanding with LWCF.
 - It has now been 8 months since LWCF received a letter from Caltrans clarifying the City's compliance with LWCF program restrictions – LWCF has not responded.
 - After years of this, we are desperate for a resolution so we can move forward from a budgetary perspective. We need your help to facilitate this conversation with LWCF program staff to ensure a resolution is reached quickly.
 - We are eager to remain engaged on this issue. We look forward to any assurances or clarification on next steps you can help us obtain from LWCF.

Lambert/57 interchange project

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 - The SR 57 freeway is one of only two freeways that connect Orange County to the San Gabriel/Pomona Valleys in Los Angeles County and to the Inland Empire in San Bernardino and Riverside Counties.
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 - Lambert Road is the first arterial street where drivers entering Orange County from the north can travel east or west.
- Overlaps with Trump Administration goals:
 - Lines up with tenants of infrastructure reform
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FCC wireless infrastructure rules

- We also wanted to discuss how recent FCC actions are having a major impact on the City of Brea and municipalities across the country, **and thank you for cosponsoring H.R. 530, which would nullify the two FCC rules, to combat this issue.**
- As you know, on September 26, 2018, the FCC approved a proposal to accelerate wireline broadband deployment by “removing barriers” to infrastructure investment. Those barriers are local procedures and protocol that govern how, when, and why we lease publicly-owned property, and went into effect on January 14, 2019.
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- Current Status:
 - The regulations are in effect, and impacts are just beginning to be felt.
 - Litigation from multiple municipalities, including San Jose, is currently pending.
 - They have requested a stay from courts, but the courts have not issued one yet.
- The State of California considered similar legislation (SB 649) two years ago. The bill received widespread opposition from local jurisdictions, and though the bill passed both houses, Governor Brown vetoed the bill.
- We share the FCC's goal of ensuring efficient, safe, and appropriate deployment of new broadband technology, but co-opting local infrastructure without local permission is the wrong solution.
- We are interested in any relief that can be provided, since this challenges our local authority, our budget, and our resources.
- This includes passage of H.R. 530 – we are glad you recognize its significance.
- We would like to keep you updated on the lawsuits' progress and the impacts of the order on our City.

Transportation Project Questions:

- We understand that much is still to be determined on the shape of an infrastructure package, but based on your conversations in the House, do you see there being a path forward for Brea's priorities in any upcoming infrastructure bill?
- Are Brea's projects good candidates for current transportation grants, and would Brea be a better candidate for potential future grant programs?
- What can Brea do to be more competitive for current and future federal grant programs?
- Are there other programs that would provide funding for what we're trying to do in Brea?

4:00 – 4:30 PM

Office of Senator Kamala Harris
Catherine Pomposi, Legislative Fellow
112 Hart Senate Office Building

Background and Context:

- While Senator Harris sits on the Budget Committee (which discusses top-line amounts but does not fund the government), she is not on the Appropriations Committee (which funds the government).
 - Her staff will not likely have answers to specific questions on funding and appropriations.
 - However, they may be able to discuss which way the wind is blowing in general terms concerning funding for cities.
- Senator Harris has announced that she is running for president.

Talking Points:

- **Federal funding has been critical in making many of the City's important projects a reality.**
- **The city has leveraged funding through the Land and Water Conservation Fund to transform railroad rights-of-way into the Tracks at Brea, a 4-mile sustainable active transportation route.**
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FCC wireless infrastructure rules

- We also wanted to discuss how recent FCC actions are about to have a major impact on the City of Brea and municipalities across the country, and urge you to introduce and/or support a companion bill in the Senate.
- As you may know, on September 26, 2018, the FCC approved a proposal to accelerate wireline broadband deployment by “removing barriers” to infrastructure investment. Those barriers are local procedures and protocol that govern how, when, and why we lease publicly-owned property, and went into effect on January 14, 2019.
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- We are interested in any relief that can be provided, since this challenges our local authority, our budget, and our resources.
- This includes passage of H.R. 530, a bill recently introduced by Rep. Anna Eshoo that would nullify the two FCC rules.
- We would like to keep you updated on the lawsuits' progress and the impacts of the order on our City, and urge you to cosponsor H.R. 530 and other legislation that protects local authority.

Transportation Project Questions:

- Based on your conversations in the Senate, do you see there being a path forward for Brea's priorities in any upcoming infrastructure bill?
- Are Brea's projects good candidates for current transportation grants, and would Brea be a better candidate for potential future grant programs?
- What can Brea do to be more competitive for current and future federal grant programs?
- Are there other programs that would provide funding for what we're trying to do in Brea?

4:30 – 5:00 PM

Office of Senator Dianne Feinstein
Anant Rout, Legislative Counsel
331 Hart Senate Office Building

Background and Context:

- Senator Feinstein (D-CA) sent a letter to the FCC demanding answers for rumors it interfered in the judicial jurisdiction selection for the ongoing litigation.
- Senator Feinstein's staff have indicated that she is exploring introducing a Senate companion bill to H.R. 530, which would dramatically increase its chances of success. They are currently working to secure a Republican cosponsor in the Senate prior to introduction, since bipartisan bills are more likely to be selected for floor consideration by Majority Leader Mitch McConnell (R-KY).

Talking Points:

FCC wireless infrastructure rules

- We wanted to discuss how recent FCC actions are about to have a major impact on the City of Brea and municipalities across the country, and urge the Senator to introduce legislation to reverse these rules.
- As you know, on September 26, 2018, the FCC approved a proposal to accelerate wireline broadband deployment by “removing barriers” to infrastructure investment. Those barriers are local procedures and protocol that govern how, when, and why we lease publicly-owned property, and went into effect on January 14, 2019.
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 - We share the FCC's goal of ensuring efficient, safe, and appropriate deployment of new broadband technology, but co-opting local infrastructure without local permission is the wrong solution.
 - We are interested in any relief that can be provided, since this challenges our local authority, our budget, and our resources.
 - This includes passage of H.R. 530, Rep. Anna Eshoo's bill that would nullify the two FCC rules. We support this legislation and would love to see the Senator introduce a companion bill in the Senate.

Questions:

- Can you give us an update on whether the Senator is likely to introduce a companion bill in the Senate?
- We heard that there have been barriers to obtaining a Republican cosponsor(s) – can you speak a little more on that topic?
- What can we do to be helpful in passage?



H. SIGNED AGREEMENT

**PROFESSIONAL SERVICES
AGREEMENT**

THIS AGREEMENT ("Agreement") is effective on the date on which this Agreement is executed by the City of Brea, ("Effective Date"), and is between Townsend Public Affairs, Inc., ("CONTRACTOR") and the CITY OF BREA, a California municipal corporation ("CITY"). CONTRACTOR and CITY are sometimes referred to herein collectively as the "Parties" and singularly as "Party". The Parties agree as follows:

I. Agreement

- A. This Agreement, together with the following exhibits are incorporated herein by reference, and supersedes all prior agreements and understandings:

Exhibit A – Scope of Services/Specifications

Exhibit B – Compensation

Exhibit C – General Provisions

Exhibit D – Indemnity and Insurance Requirements

- B. This Agreement may be modified by written amendment executed by all parties.

II. Scope of Services Summary

CONTRACTOR shall, during the Term of the Agreement, provide **Legislative Advocacy Services** as further set forth in Exhibit A, all to CITY's reasonable satisfaction (collectively, the "Services").

III. Term of the Agreement

- A. CONTRACTOR shall commence performance of Services on the date ***indicated in the notice to proceed issued by the City Project Manager.***
- B. AGREEMENT shall remain in full force and effect ***for one (1) year*** unless sooner terminated as set forth in the Termination subsection of Exhibit C ("Initial Term").
- C. AGREEMENT may ***be extended for four (4) additional years (each a "Renewal Term"), commencing upon the expiration of the preceding Term. CITY and CONTRACTOR may agree to extend this Agreement in writing, executed before the end of the Initial Term or Renewal Term, as applicable.***

IV. Compensation Summary

- A. CITY shall pay CONTRACTOR for satisfactorily and completely rendered Services according to prices and in the manner set forth in Exhibit B. Parties agree that full and complete payment for all Services shall not exceed \$_____ ***for the Initial Term ("Contract Amount"). The Contract Amount for any exercised Renewal Term may be adjusted as set forth in Exhibit B.*** The CITY shall have no obligation to pay any amount in excess of the foregoing amounts, unless agreed to in writing by the CITY.
- B. CONTRACTOR shall not render any services in excess of the Services described in Exhibit A ("Additional Services") without CITY's prior written approval. Any work performed without CITY's prior written approval shall be deemed to have been performed as part of the Services and included within the not-to-exceed Contract Amount.

V. Insurance Requirements Summary

- A. All insurance shall comply with the specific requirements set forth in Exhibit D.
- B. Exhibit D shall govern in the event of any conflict with the following coverages.
 - 1. **Commercial General Liability (CGL)**
Limits shall be no less than \$2,000,000 per occurrence.
 - 2. **Automobile Liability Insurance (ALI) (any auto)**
Limits shall be no less than \$2,000,000 per occurrence.
 - 3. **Workers' Compensation**
State of California statutory limits
Employer's Liability Insurance
Limits shall be no less than \$1,000,000 per accident for bodily injury or disease.
 - 4. **Professional Liability Insurance (PL)**
Limits shall be no less than \$1,000,000 per claim.

VI. Notices and Designated Representatives

All notices made pursuant to this Agreement shall be in writing and deemed effectively given: (i) upon receipt, when delivered personally; (ii) one business day after deposit with an overnight courier service; or (iii) two business days after having been sent by registered or certified mail, whether or not a signed receipt is received, provided a proof of delivery is obtained. All communications shall be sent to:

CITY – Project Manager:
Liz Pharis
Senior Management Analyst
1 Civic Center Circle
Brea, CA 92821
(714) 990-7706 phone
LizP@CityofBrea.net

CITY – City Clerk (if over \$25,000):
Lillian Harris-Neal, MMC
City Clerk
1 Civic Center Circle
Brea, CA 92821
(714) 990-7757 phone
LillianHN@CityofBrea.net

CONTRACTOR:

Representative's Name	Christopher Townsend
Title	President
Address, Suite#	1401 Dove Street, Suite 330
City, State, Zip	Newport Beach, CA 92660
Phone	(949) 399-9050
Email	ChristopherTownsend@TownsendPA.Com

(SIGNATURES ON FOLLOWING PAGE)

Offer and Acceptance

I. OFFER made by Contractor to the City of Brea:

I, the undersigned, hereby represent and warrant that I am authorized to submit this Offer on behalf of and to bind the principals who I represent to all the requirements of the City of Brea's Terms & Conditions, Specifications, Scope or Work, any attachments, exhibits, amendments; and I offer and agree to those requirements at the prices set forth in Exhibit B-Compensation. Further, I understand that no contract exists unless City accepts this Offer by signing below.

Business Name: Townsend Public Affairs, Inc.

Federal ID# 91-1929265

only for Public Works projects Contractor Lic.#: N/A DIR Reg#: N/A

Business Type ☐ Individual/Sole Proprietor ☐ Partnership ☐ Limited Liability Company
(Contractor select one) ☒ Corporation (requires two signatures) ☐ Other

Address: 1401 Dove Street, Suite 330

City, State, Zip: Newport Beach, CA 92660

Printed Name & Title: Christopher Townsend, President

Phone & Email: (949) 399-9050, Christopher.Townsend@TownsendPA.com

Signature(s): [Signature], President Date: 05/23/2019
(principal)

Signature(s): [Signature], Secretary Date: 05/23/2019
(2nd Signature required if corp)

II. ACCEPTANCE of Offer by the City of Brea:

I, the undersigned, hereby represent and warrant that I am authorized to accept Offer on behalf of and to bind City of Brea and I accept the Offer accordingly. Contractor is now bound to furnish all requirements set forth in Contractor's Offer. Contractor is cautioned not to begin work until a written notice to proceed or purchase order is received from City.

City of Brea, a California Municipal Corporation

Mailing Address: 1 Civic Center Circle

City, State, Zip: Brea California 92821

Printed Name & Title: Christine Marick, Mayor

Authorized Signature: _____ Date _____

III. Attestation (if total contract value exceeds \$25,000 or \$200,000 for Public Works projects)

Printed Name & Title: Lillian Harris-Neal, City Clerk

Authorized Signature: _____ Date _____

ATTACHMENT A: PROPOSED STAFF RESUMES

TEAM TPA

With a team of 12 registered state and federal legislative and funding advocates, TPA has the breadth and depth of experience AND the ability to deploy as many advocates as needed to maximize success for the City while minimizing the burden on City staff.

TPA proposes the following team to work on behalf of the City:

1. Christopher Townsend
President

2. Cori Williams
Southern California Senior Director

*Cori will be the City's primary contact. Cori's contact information is as follows:
CWilliams@TownsendPA.com and (949) 399-9050*

3. Casey Elliott
State Capitol Director

4. Laura Kroeger
Associate

5. Sean McReynolds
Associate

Resumes for each member of the proposed team can be found on the following pages.



Christopher Townsend, President: Christopher founded TPA in 1998 and has over 37 years of experience in public affairs, legislative advocacy, and grant writing. Christopher and TPA have represented 308 clients, including 238 local public agencies, such as cities, counties, transportation agencies, water and sanitation districts, school districts, community college districts, park and recreation districts, and other special districts, as well as nonprofit organizations.

Townsend Public Affairs, Inc.

President

1998-Present

Christopher provides leadership to a team of 16 professionals and manages the development and implementation of strategies for client agendas. Some achievements include:

- Under Christopher's leadership, TPA has shepherded **over 80** legislative and regulatory proposals into law over a wide range of policy areas, including local governance, water and sanitation, transportation, education, housing and economic development, parks and natural resources, historical and cultural resources, and public safety. The bipartisan capabilities of the firm are demonstrated by legislative successes over the tenure of several federal and state administrations, including: President George W. Bush, Barack Obama, Donald Trump, and Governors Pete Wilson, Gray Davis, Arnold Schwarzenegger, Jerry Brown and Gavin Newsom.
- Christopher has developed close working relationships with several key members of Congress with respect to transportation infrastructure policy and funding, natural resources policy and funding, and agriculture policy and funding, including Senators Dianne Feinstein and Kamala Harris, as well as the following representatives: Mike Levin, Alan Lowenthal, John Garamendi, Katie Hill, Eric Swalwell, Paul Cook, Mark DeSaulnier, Gil Cisneros, Katie Porter, Harley Rouda and Grace Napolitano.
- Christopher and his team have secured over **\$1.6 billion** in local, regional, state, and federal government grants as well as private and nonprofit grants for a multitude of legacy projects in the policy sectors of water and sanitation, transportation, education, housing and economic development, parks and natural resources, historical and cultural resources, and public safety.
- Christopher and TPA have participated in the development and implementation of several California bond propositions for the statewide ballot to provide capital funding for major infrastructure projects, including water and sanitation, transportation, education, housing and economic development, parks and natural resources, and historical and cultural resources, including Propositions 1, 1B, 1C, 1D, 1E, 12, 13, 14, 40, 47, 50, 55, 68 and 84. Most recently, Christopher worked closely with the State Legislature and the Governor's office on the drafting of SB 5 (De Leon), which authorized a **\$4 billion** park bond that was approved on the November 2018 statewide ballot as Proposition 68.
- In 2002, Christopher was personally requested by Oakland Mayor Jerry Brown to help him secure funding for three of his priority projects for the City of Oakland: the establishment of the Oakland Military Institute (OMI), the creation of a permanent facility for the Oakland School of the Arts (OSA), and the renovation and restoration of the historic Fox Theater. Under Christopher's leadership, TPA secured over **\$24.5 million** for all three projects.

- In 1997, Christopher was appointed by Assembly Speaker Cruz Bustamante to serve on the California Film Commission.
- In 1999, Christopher was appointed by Assembly Speaker Antonio Villaraigosa to serve on the Speaker's Commission on State and Local Government Finance.

PepsiCo/Taco Bell Corp., Irvine, CA
Senior Director, Government & Community Affairs
1992-1998

Christopher managed and directed government and media relations, crisis management, internal communications, and marketing publicity. Christopher also managed the political action committee for state and federal political races. Additionally, Christopher managed community relations initiatives, corporate philanthropy, and the Taco Bell Foundation.

Stein-Brief Group, Inc., Dana Point, CA
Vice President, Public Affairs
1982-1992

Christopher directed government, community, and media relations at the level, state, and federal levels, including the management of all political, civic, charitable, and cultural activities. Christopher provided land-use planning and entitlement process analysis for domestic and international projects. Christopher also managed activities with numerous state and federal agencies to ensure compliance with all applicable laws and regulations governing land use. Finally, Christopher created and directed a political action committee that supported various local, state, and federal candidates and ballot initiatives.

JFK School of Government, Harvard University, Cambridge, MA
Master of Public Administration
1991
Claremont McKenna College, Claremont, CA
Bachelor of Arts, Political Science, Magna cum Laude, Political Science Honors Prize
1982
Coro Fellow
Southern California
1981
Harry S Truman Scholar
California
1980



Cori Williams, Senior Director: Cori brings 11 years of legislative advocacy and public policy experience to TPA. Cori has extensive experience writing grants for various local, regional, state, and federal opportunities. Cori has expertise in the policy sectors of water resources, infrastructure, sanitation, local governance, transportation, parks and recreation, and economic development.

Townsend Public Affairs, Inc.

Southern California Senior Director

2011-Present

Throughout her tenure at TPA, Cori has been responsible for securing millions in competitive grant funds for local public agency clients. In addition to her expertise on municipal and water infrastructure issues, Cori has a strong network of relationships with State Legislators, key staff, various state agencies, and the County of Orange. Cori's funding and policy experience, as well as her network of relationships, makes her an effective advocate for clients. Some of Cori's accomplishments include the following:

- Leveraging relationships with the State Legislature, Cori secured an earmark in the FY17-18 State Budget in the amount of **\$20 million** to form the North Orange County Public Safety Task Force. This Task Force will serve six TPA clients: the cities of Anaheim, Brea, Buena Park, Fullerton, Placentia, and Stanton. These cities will be able to facilitate regional collaborative efforts to combat homelessness, youth violence, and other critical public safety issues in the region.
- Cori worked with local public agency clients to secure over **\$1 million** in Sustainable Communities Planning Grants from the Strategic Growth Council. Cori worked closely with the Strategic Growth Council staff throughout the development and implementation of the grant program and wrote numerous successful applications for TPA clients.
- Cori worked with the City of Brea to secure over **\$10 million** from local, state, and federal sources for the Tracks at Brea project. The project is a four-mile multi-use rail to trail project that will traverse the City. Funding sources include: the US Environmental Protection Agency, California Natural Resources Agency, Strategic Growth Council, California Transportation Commission, and the Southern California Association of Governments.
- Cori worked with the Fremont Basin, located in the Lahontan Hydrologic region, to draft a Department of Water Resources Regional Acceptance Process Application to be accepted as an Integrated Regional Water Management (IRWM) region. The overriding water management issue for the region was groundwater management and determining a long-term safe yield available to support development of existing lots. There were also prevailing water and sewer infrastructure needs as many developed parcels have inadequate water supply lines or lacking public sewers. The approved acceptance of this region into the IRWM allowed the Fremont Basin to seek funding through the Department of Water Resources.

County of Orange, Board of Supervisors*Policy Advisor for Supervisor John Moorlach*

2010

Cori served as a policy advisor for, then-County of Orange Supervisor (and who is now a Senator in the State Legislature). Cori was responsible for research, analysis, and subsequent recommendations of all policy issues relating to Orange County Public Works as well as state and federal legislation. Cori served as a liaison between the Supervisor and County staff, constituents, and community groups.

Tom Campbell for US Senate Campaign

2010

Cori reported to campaign's Director for Research and Policy. Cori drafted Mr. Campbell's "Statement for Financial Services Reform."

Chapman University, Orange, CA

2014

*Master of Public Administration***Claremont McKenna College, Claremont, CA***Bachelor of Arts Economics and Government with Leadership Sequence*

2011



Casey Elliott, State Capitol Director: Casey brings 18 years of legislative and public policy experience to TPA. Casey develops and implements legislative strategies for local public agency clients throughout California. Casey maintains relationships with key members and staff of the State Legislature, the Administration, and select state agencies. Casey has expertise in the policy sectors of municipal finance, budget, redevelopment, education, local governance, water resources, parks and recreation, and cultural resources.

Townsend Public Affairs, Inc.
State Capitol Director

2006-Present

As State Capitol Director, Casey oversees a team of 11 TPA lobbyists registered with the California Secretary of State. Casey has been responsible for developing and implementing the advocacy strategies that transformed dozens of client-sponsored bills into law. He also provides timely expert analysis of legislative and budget proposals introduced each legislative session for their potential effect on TPA clients. Some of Casey's accomplishments include:

- Casey designed the legislative strategy for the City of Santa Ana to secure a direct funding allocation in the FY 2018-19 State Budget in the amount of **\$4 million** to upgrade water infrastructure within the City. Casey worked with the City's legislative delegation, staff from the Assembly and Senate Budget Committees, and the Department of Finance to ensure funding was included in the State Budget for the City of Santa Ana to install advanced water metering infrastructure in the City. This funding will allow the City's water customers to have real-time access to their water usage, which will help facilitate water conservation and reduce customers' utility bills.
- Casey helped the Newhall County Water District co-sponsor SB 634 (Wilk) which established a new water district to serve as the primary water wholesaler and retailer for the Santa Clarita Valley. Casey coordinated efforts with the other impacted water agencies and stakeholders to develop a coalition of local support for the legislation. The legislation, which contained the enabling act for the new district as well as provisions that allowed for a modified LAFCO process, was approved by the Legislature and signed into law by Governor Brown.
- Through his work with the Department of Finance, the Legislature, and the Office of the Governor, Casey has been able to lessen the impact of RDA dissolution on TPA clients. Specific outcomes include: having over **\$30 million** in projects in Santa Ana, Brea, and Hayward recognized as enforceable obligations; facilitating accelerated transfer of former RDA assets in Buena Park to allow for new development; and the passage of legislation to allow expenditure of certain development agency bond proceeds.
- Casey helped the Orange County Water District sponsor the first legislation in the nation, AB 2022 (Gordon), that would allow for the bottling of treated recycled water. Casey worked with the Legislature throughout the legislative process and gained support for the bill to ensure its successful passage. The bill was signed into law, thus allowing for the limited bottling of highly treated recycled water produced by the District's Groundwater Replenishment System.

- Casey helped the Rancho Santiago Community College District and Coast Community College District secure over **\$68 million** in funding through the State Budget for three capital outlay facilities projects. Casey worked with the districts' legislative delegation, budget committee staff, and the Community College Chancellor's Office to advocate for the priority budget items, including having the projects recommended for funding by the Board of Governors of the California Community Colleges. The funding for these three projects will allow for the design and construction of three new buildings that will provide state of the art learning environments for community college students in Orange County.

Assemblyman Tom Umberg

Legislative Assistant

2006

Casey managed legislation for the Member, including education, workers' compensation, and school facilities measures. Casey staffed the Member on the Assembly Education committee. He also worked closely with legislative staff, committee consultants, state agencies, and interested parties on legislation. In addition, he advised the Member and Chief of Staff on pending legislation.

Secretary of State

Legislative Coordinator

2005-2006

Casey briefed the Secretary of State and senior staff members on legislation affecting the agency. Casey worked with Division Chiefs, senior staff members, and the Secretary of State to develop legislative positions for the agency. Casey also worked with Department of Finance, state agencies, and other interested parties on issues that affected the Secretary of State. In addition, he researched and drafted legislative proposals for the agency.

Secretary of State

Legislative Analyst

2003-2005

Casey assisted in the research and development of legislation. Casey drafted legislative documents/amendments and advocated positions adopted by the Secretary of State. In addition, Casey worked closely with the State Legislature, Governor's Office staff, committee consultants, Department of Finance, state agencies, and other interested parties on issues that affected the Secretary of State. Some of Casey's special projects included staffing various taskforces, assisting in the development of spending plans for legislatively mandated programs, legislative correspondence, and election-night support.

Office of the Governor

Senior Legislative Assistant

2000-2003

Casey chaptered all bills that the Governor signed and he processed all vetoed measures. Casey worked closely with the Secretary of State, Chief Clerk of the Assembly, and the Secretary of the Senate throughout the bill chaptering process. Casey also supervised a staff of 10 personnel during the creation and assembly of up to 1500 bill files presented to the Governor.

University of California, Davis

Bachelor of Arts, Political Science

2000



Laura Kroeger, Associate: Laura brings eight years of federal government affairs and public policy experience. Laura has experience managing legislative activity, including bill analysis and research, particularly for federal funding opportunities. Laura has expertise in several policy sectors including education, water resources, environmental hazards, agriculture, healthcare, defense, foreign affairs, and resources for veterans.

Townsend Public Affairs, Inc.
Associate

2016-Present

Since joining TPA, Laura keeps clients informed of significant actions and pertinent developments in the federal government, and strategizes on ways in which to influence and enact changes in Washington that have concrete results for clients. Some of Laura's accomplishments include:

- Laura has identified new and previously-underutilized federal grants for the benefit of TPA clients. She has leveraged her relationships with key grant officials at various federal agencies to ascertain their specific priorities and buzz words required for successful grant applications. Laura then leverages that information to help TPA federal clients develop and submit more competitive federal grant applications and then provide more effective tailored advocacy to secure funding awards.
- Laura has facilitated numerous Washington DC visits for local governments. Laura ensures that elected officials and key staff can collaborate with Members of the California congressional delegation and key officials in the Administration. For example, Laura secured speaking roles for representatives from the City of Oakland in major events hosted by the President's Administration, such as the US Department of Transportation Summit and White House Tech Conference. Laura has also developed relationships with the new officials at the White House Office of Intergovernmental Affairs.
- Utilizing her knowledge of congressional procedure, Laura has developed and executed federal legislative and funding agendas on behalf of clients, such as the introduction of federal legislation to authorize federal land conveyance on behalf of the City of Tulare and the preservation of vital public safety funding through the Community Oriented Policing Services (COPS) program for the City of Oakland.

US Department of Defense, Office of Warrior Care Policy
Legislative Analyst

2013-2016

Laura advised the Deputy Assistant Secretary of Defense and Directors of Disability Evaluation and Recovery Coordination on legislative strategy and congressional interactions. Informed by congressional experience, Laura conducted extensive research and was consistently aware of Congressional members' attitudes and daily legislative action. Laura oversaw legislative language, proposals, requests, and reports relating to the evaluation and care of wounded, ill, and injured service members. Laura also recommended legislative changes to proposed or enacted legislation. Additionally, Laura prepared the Deputy Assistant Secretary of Defense for Congressional testimony. Laura compiled briefing materials for preparation sessions and independent study. Laura also composed informational papers, letter responses, overviews, PowerPoint slides, committee summaries, talking points, reports, and memoranda.

US Senate, Office of Senator Dianne Feinstein*Legislative Intern, Staff Assistant, Legislative Correspondent**2010-2013*

Laura composed, documented, and tracked office correspondence about agriculture and environment issues. Laura drafted memoranda, reports, and other informational documents for Senator Feinstein and senior staff that informed legislative positions and language. Laura coordinated with California government, local governments, community leaders, and industry experts to address constituent problems. Laura also received and documented messages, queries, and complaints from constituents, and categorized and assigned responses to constituent mail.

City of Sacramento, Office of Mayor Kevin Johnson*Press Intern**2009*

Laura spearheaded the reorganization of the press office computerized filing system, including the construction and implementation of a wiki to serve as an online document database. Laura prepared documents and venues for media-attended events and provided direct support to press secretary in press conferences, interviews, and other media interactions.

US Senate, Senate Commerce, Science & Transportation Committee*Committee Intern**2009*

Laura compiled reports on committee hearings, prepared documents and committee room for hearings and meetings, and arranged daily news briefs for Chairman Rockefeller, committee director, and staff from both committee and personal offices.

University of California, Davis*Bachelor of Arts, International Relations and Film Studies**2011*



Sean McReynolds, Associate: Sean brings over five years of government affairs experience to TPA. Sean has both state and federal legislative experience in areas such as healthcare, foreign affairs, water, natural resources, environment, veterans, budget, education, and agriculture. Sean has a strong network with staff and members of the Orange County Legislative Delegation, cities, and community-based organizations.

Townsend Public Affairs, Inc.
Associate

2019-Present

Since joining TPA, Sean has worked with clients to develop their legislative advocacy agenda at both the state and federal levels. He has also helped to identify state and federal funding opportunities to achieve client objectives.

- Sean has worked to build advocacy tools for clients such as legislative tracking matrices, policy issue summaries, and fact sheets. These tools allow clients to develop a successful advocacy strategy to achieve positive government actions in Sacramento and Washington, D.C.
- Sean helped connect several clients with key federal officials to explore new funding opportunities and develop strategic partnerships to strengthen client relations with Washington, D.C. Sean has also helped many of our clients identify new ways to expand their business locally, nationally, and abroad.
- Sean has provided expert analysis and feedback on a variety of policy issues for our clients. He has written letters and official correspondence to bring client concerns to the attention of decision makers in Sacramento while helping navigate the legislative process.

CalOptima
Senior Policy Analyst

2016-2018

Sean was responsible for helping implement CalOptima's legislative agenda, strengthening relations with elected officials at every level of government, and maintaining the agency's positive image in the community. Sean also worked with trade associations, lawmakers, and government agencies to further the agency's goals and objectives.

U.S. House of Representatives, Congressman Ed Royce
Legislative Assistant/House Foreign Affairs Committee Liaison

2012-2015

Sean worked for Rep. Ed Royce in Washington D.C. for three years and was responsible for managing a legislative portfolio, advising the Congressman on policy recommendations, and coordinating communications between the D.C. and California offices on House Foreign Affairs Committee actions.

California State University, Fullerton
Bachelor of Arts, Political Science

2012

City of Brea

FINANCE COMMITTEE COMMUNICATION

TO: Finance Committee Members
FROM: Bill Gallardo
DATE: 06/11/2019
SUBJECT: Update to City's Local Debt Policy

RECOMMENDATION

Adopt the Resolution updating the City's Local Debt Policy

BACKGROUND/DISCUSSION

The City of Brea has included in its annual operating budget a section for Fiscal Policy Statements which includes both short-term and long-term debt obligations. These debt policies are applicable to the City of Brea incurring obligations solely within its control such as the issuance of bonds or entering into capital lease agreements. Additionally, the City of Brea also has long standing debt management practices, such as bond payment coverage, sufficiency of reserves, records retention, continuing disclosure compliance, etc. In addition, City staff continually monitor bonds for opportunities to refund (refinance) existing bonds to lower future bonds payments.

On June 6, 2017, the City Council adopted the City's Local Debt Policy. The Local Debt Policy incorporated the City's current fiscal policies and practices to comply with Government Code Section 8855 (i), which became effective January 1, 2017. The City's Local Debt Policy did not change any of the City's existing policies and practices and preserves the flexibility for the City in managing its debt. The adoption of City's Local Debt Policy was required prior to City issuing any new debt obligations on or after January 1, 2017. It is also noted that the City's Local Debt Policy does not pertain to pension and any employee benefit obligations.

The proposed updating of the City's Local Debt Policy is to incorporate compliance procedures in connection with the City's undertaking of continuing disclosure obligations pursuant to Rule 15c2-12 (Municipal Securities Disclosure Rule) promulgated by the U. S. Securities and Exchange Commission under the Securities Exchange Act of 1934, including amendments to the Municipal Securities Disclosure Rule which became effective on February 27, 2019.

SUMMARY/FISCAL IMPACT

There is no fiscal impact with the adoption of updating of City's Local Debt Policy.

RESPECTFULLY SUBMITTED

William Gallardo, City Manager

Prepared by: Lee Squire, Financial Services Manager

Concurrence: Cindy Russell, Administrative Services Director

Attachments

Resolution

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BREA, ADOPTING AN UPDATED LOCAL DEBT POLICY AND CONTINUING DISCLOSURE COMPLIANCE PROCEDURES AND TAKING RELATED ACTIONS

A. RECITALS:

(i) The City of Brea and its related entities (such as the Successor Agency to the Brea Redevelopment Agency, the Brea Public Financing Authority, the Brea Community Benefit Financing Authority and City-formed community facilities districts) (collectively, the “**City**”) have issued or may issue bonds or other financing obligations (“**Local Debt**”) that are subject to requirements for the filing of reports to the California Debt and Investment Advisory Commission (“**CDIAC**”) pursuant to California Government Code Section 8855 (“**Section 8855**”);

(ii) Under Section 8855, a municipal issuer of Local Debt must file a report (the “**Report of Proposed Debt Issuance**”) at least 30 days before the sale of any Local Debt issue;

(iii) Section 8855, as amended in 2017, requires the Report of Proposed Debt Issuance to include a certification that the municipal issuer has adopted a local debt policy and the contemplated Local Debt issuance is consistent with such local debt policy;

(iv) Section 8855(i)(1) requires that the local debt policy must include the following elements:

- (a) The purposes for which the debt proceeds may be used;
- (b) The types of debt that may be issued;
- (c) The relationship of the debt to, and integration with, the issuer's capital improvement program or budget, if applicable;

(d) Policy goals related to the issuer's planning goals and objectives;
and

(e) The internal control procedures that the issuer has implemented, or will implement, to ensure that the proceeds of the proposed debt issuance will be directed to the intended use;

(v) In connection with Section 8855(i)(1), the City previously adopted a Local Debt Policy (the “**Policy**”) pursuant to Resolution No. 2017-046, adopted by the City Council on June 6, 2017;

(vi) The City desires to update the Policy to, among other things, incorporate compliance procedures in connection with the City’s undertaking of continuing disclosure obligations pursuant to Rule 15c2-12 (the “**Municipal Securities Disclosure Rule**”) promulgated by the U.S. Securities and Exchange Commission under the Securities Exchange Act of 1934, including amendments to the Municipal Securities Disclosure Rule which became effective on February 27, 2019;

B. RESOLUTION:

NOW, THEREFORE, be it found, determined and resolved by the City Council of the City of Brea, as follows:

1. The above recitals are true and correct and are a substantive part of this Resolution.

2. The Policy is hereby updated to be as set forth in Exhibit A. The Policy, as so updated, shall be applicable to Local Debt issued by or on behalf of the City (including its related entities such as, but not limited to, the Successor Agency to the Brea Redevelopment Agency, the Brea Public Financing Authority, the Brea Community

Benefit Financing Authority and City-formed community facilities districts). The Policy, as so updated, shall supersede any prior debt policy covering the same matters previously adopted by the City.

3. The City Council hereby determines and finds that the Policy, as updated, complies with the requirements of Section 8855(i)(1).

4. The City Manager, the Administrative Services Director and all other officers of the City are hereby authorized and directed, jointly and severally, to do any and all things to effectuate the purposes of this Resolution and to implement the Policy, as updated, and any such actions previously taken by such officers are hereby ratified and confirmed.

5. This Resolution will become effective upon adoption.

APPROVED AND ADOPTED this _____, 2019.

Mayor

ATTEST: _____
City Clerk

I, Lillian Harris-Neal, City Clerk of the City of Brea, do hereby certify that the foregoing Resolution was adopted at a regular meeting of the City Council of the City of Brea, held on the ____ day of _____, 2019, by the following vote:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

DATE:: _____

City Clerk

EXHIBIT A

Updated Local Debt Policy

(attached)

**CITY OF BREA
LOCAL DEBT POLICY**

Updated as of _____, 2019
(Resolution No. _____)

A. PURPOSE

The purpose of this Local Debt Policy (this “Policy”) is to establish guidelines and parameters for the effective governance, management and administration of debt and other financing obligations issued by the City of Brea and its related entities (such as the Brea Community Benefit Financing Authority, the Brea Public Financing Authority and the Successor Agency to the Brea Redevelopment Agency and City-formed community facilities districts).

As used in this Policy, “City” shall mean the City and/or its related entities, as the context may require. As used in this Policy, “debt” shall be interpreted broadly to mean bonds, notes, certificates of participation, financing leases, or other financing obligations, but the use of such term in this Policy shall be solely for convenience and shall not be interpreted to characterize any such obligation as an indebtedness or debt within the meaning of any statutory or constitutional debt limitation where the substance and terms of the obligation fall within exceptions to such limitation. This Policy shall apply to all debt issued or sold to third party lenders or investors and does not pertain to City internal interfund borrowings or any employee benefit obligations.

B. BACKGROUND

The City and its related entities are committed to fiscal sustainability by employing long-term financial planning efforts, maintaining appropriate reserves levels and employing prudent practices in governance, management, budget administration and financial reporting.

Debt levels and their related annual costs are important long-term obligations that must be managed within available resources. A disciplined thoughtful approach to debt management includes policies that provide guidelines for the City and its related entities to manage their collective debt program in line with those resources. Therefore, the objective of this policy is to provide written guidelines and restrictions concerning the amount and type of debt and other financing obligations issued by the City and its related entities and the ongoing management of the debt portfolio.

This Policy is intended to improve the quality of decisions, assist with the determination of the structure of debt issuance, identify policy goals, and demonstrate a commitment to long-term financial planning, including a multi-year capital plan. Adherence to a local debt policy signals to rating agencies and the capital markets that a government is well managed and should meet its obligations in a timely manner.

C. CONDITIONS AND PURPOSES OF DEBT ISSUANCE

1. Acceptable Conditions for the Use of Debt

The City believes that prudent amounts of debt can be an equitable and cost-effective means of financing infrastructure, and capital asset and project needs of the City. Debt will be considered to finance such projects if:

- a)** The project has been, or will be, included in the City's capital improvement plan or has otherwise been coordinated with the City's planning goals and objectives.
- b)** The project can be financed with debt not exceeding the term specified in Section E.1 of this Policy, to assure that long-term debt is not issued to finance projects with a short useful life.
- c)** It is the most cost-effective funding means available to the City, taking into account cash flow needs and other funding alternatives.
- d)** It is fiscally prudent and meets the guidelines of this Policy. Any consideration of debt financing shall consider financial alternatives, including pay-as-you-go funding, proceeds derived from development or redevelopment of existing land and capital assets owned by the City, and use of existing or future cash reserves, or combinations thereof.

2. Acceptable Uses of Debt and Proceeds of Debt

The primary purpose of debt is to finance one of the following:

- a)** The City will consider long-term financing for the acquisition, substantial refurbishment, replacement, or expansion of capital assets (including but not limited to land improvements, infrastructure projects, equipment and water rights) for the following purposes:
 - i.** Acquisition and or improvement of land, right-of-way or long-term easements.
 - ii.** Acquisition of a capital asset with a useful life of three or more years.
 - iii.** Construction or reconstruction of a facility.
 - iv.** Although not the primary purpose of the financing effort, project reimbursables that include project planning design, engineering and other preconstruction efforts; project-associated furniture fixtures and equipment; capitalized interest (prefunded interest), original issue discount, underwriter's discount, and other costs of issuance.

- b) Refunding, refinancing, or restructuring debt (including without limitation the refinancing or advance funding of City pension obligations), subject to refunding objectives and parameters discussed in Section G.

3. Short-Term Debt

- a) In the event of temporary shortfalls in cash flow for City operation costs due to timing of receipt of revenues and the lack of cash on hand to cover the temporary deficit, the City may consider interim or cash flow financing, such as anticipation notes. In compliance with applicable state law, any such notes shall be payable either: (i) not later than the last day of the fiscal year in which it is issued, or (ii) during the fiscal year succeeding the fiscal year in which issued, but in no event later than 15 months after the date of issue, and only if such note is payable only from revenue received or accrued during the fiscal year in which it was issued.
- b) Short-term debt may also be used to finance short-lived capital projects, such as lease-purchase financing or equipment.
- c) Prior to issuance of any short-term debt, a reliable revenue source shall be identified for repayment of the debt.

4. Internal Control Procedures Concerning Use of Proceeds of Debt

One of the City's priorities in the management of debt is to assure that the proceeds of the debt will be directed to the intended use for which the debt has been issued. In furtherance of this priority, the following procedures shall apply:

- a) The Administrative Services Director shall retain, for the applicable period specified in Section H.4. of this Policy, a copy of each annual report filed with the California Debt and Investment Advisory Commission ("CDIAC") pursuant to Section 8855(k) of the California Government Code concerning (1) debt authorized during the applicable reporting period (whether issued or not), (2) debt outstanding during the reporting period, and (3) the use during the reporting period of proceeds of issued debt.
- b) In connection with the preparation of each annual report to be filed with CDIAC pursuant to Section 8855(k) of the California Government Code, the Administrative Services Director or the designee of the Administrative Services Director shall keep a record of the original intended use for which the debt has been issued, and indicate whether the proceeds spent during the applicable one-year reporting period for such annual report comport with the intended use (at the time of original issuance or as modified pursuant to the following sentence). If a change in intended use has been authorized subsequent to the original issuance of the debt, the Administrative Services Director or the designee of the Administrative Services Director shall indicate in the record when the change in use was authorized and whether the City Council, City Manager, or another City official has authorized the change in intended use. The Administrative Services Director shall report

apparent deviations from the intended use in debt proceeds to the City Manager for further discussion, and if the City Manager determines appropriate in consultation with legal counsel (which may be bond counsel, if applicable, or the City Attorney), to the City Council.

- c) If the debt has been issued to finance a capital project and the project timeline or scope of project has changed in a way that all or a portion of the debt proceeds cannot be expended on the original project, the Administrative Services Director shall consult with the City Manager and legal counsel (which may be bond counsel, if applicable, or the City Attorney) as to available alternatives for the expenditure of the remaining debt proceeds (including prepayment of the debt).

D. TYPES OF FINANCING INSTRUMENTS; AFFORDABILITY AND PLANNING POLICIES

The City recognizes that there are numerous types of financing structures and funding sources available, each with specific benefits, risks, and costs. All potential funding sources are reviewed by management within the context of this Policy and the overall portfolio to ensure that any financial product or structure is consistent with the City's objectives. Regardless of what financing structure(s) is utilized, due diligence review must be performed for each transaction, including the quantification of potential risks and benefits, and analysis of the impact on City creditworthiness and debt affordability and capacity.

Prior to the issuance of debt or other financing obligations to finance a project, the City will carefully consider the overall long-term affordability of the proposed debt issuance. The City shall not assume more debt or other financing obligations without conducting an objective analysis of the City's ability to assume and support additional debt service payments. The City will consider its long-term revenue and expenditure trends, the impact on operational flexibility and the overall debt burden on the taxpayers. The evaluation process shall include a review of generally accepted measures of affordability and will strive to achieve and or maintain debt levels consistent with its current operating and capital needs.

1. **General Fund-Supported Debt** – General Fund Supported Debt generally include Certificates of Participation (“COPs”) and Lease Revenue Bonds (“LRBs”) which are lease obligations that are secured by a lease-back arrangement between the City and another public entity. Typically, the City appropriates available General Fund moneys to pay the lease payments to the other public entity and, in turn, the public entity uses such lease payments received to pay debt service on the bonds or Certificates of Participation.

General Fund Supported Debt may also include bonds issued to refund obligations imposed by law, such as judgments (judgment obligation bonds (“JOBs”)) or unfunded accrued actuarial liabilities for pension plans (pension obligation bonds (“POBs”)).

Without limiting the foregoing, the City may also enter into operating leases and lease-purchase agreements on an as-needed basis.

These obligations do not constitute indebtedness under the state constitutional debt limitation and, therefore, are not subject to voter approval.

Payments to be made under valid leases are payable only in the year in which use and occupancy of the leased property is available, and lease payments may not be accelerated as a default remedy. Lease financing requires the fair market rental value of the leased property to be equal to or greater than the required debt service or lease payments. The lessee (the City) is obligated to include in its Annual Budget and appropriate the rental payments that are due and payable during each fiscal year the lessee has use of the leased property.

The City should strive to maintain its net General Fund-backed annual debt service at or less than 8% of available annually budgeted revenue. This ratio is defined as the City's annual debt service requirements on General Fund Supported Debt (including, but not limited to, COPs, LRBs, JOBs, and POBs) compared to total General Fund Revenues net interfund transfers.

2. **Revenue Bonds** – Long-term obligations payable solely from specific special fund sources, in general, are not subject to a debt limitation. Examples of such long-term obligations include those which are payable from a special fund consisting of restricted revenues or user fees (e.g., enterprise revenues) and revenues derived from the system of which the project being funded is a part.

In determining the affordability of proposed revenue bonds, the City will perform an analysis comparing projected annual net revenues (exclusive of depreciation which is a non-cash related expense) to estimated annual debt service. The City should strive to maintain an annual coverage ratio of 110% (or such higher coverage ratio included in the City's existing financing documents), using historical and/or projected net revenues to cover annual debt service for bonds. To the extent necessary, the City shall undertake proceedings for a rate increase to cover both operations and debt service costs, and create debt service reserve funds to maintain the required coverage ratio.

3. **Special Districts Financing** – The City's special districts primarily consist of Community Facilities Districts ("CFDs") and 1913/1915 Act Assessment Districts ("Assessment Districts"). The City will consider requests for special district formation and debt issuance when such requests address a public need or provide a public benefit. Each application will be considered on a case by case basis, and the Finance Department may not recommend a financing if it is determined that the financing could be detrimental to the debt position or the best interests of the City.
4. **General Obligation Bonds** – Notwithstanding their name, General Obligation Bonds are not general obligations of the City, but instead they are payable from and secured by a dedicated, voter-approved property tax override rate (*i.e.*, a property tax in excess of the 1% basic *ad valorem* property tax rate which has received the approving two-thirds vote of the City's electorate). While the dedicated revenue stream to repay the debt makes General Obligation Bonds an attractive option, additional considerations for this financing mechanism include the time and expense of an election, the possibility that the electorate will not approve the ballot

measure, and the legal bonding capacity limit of the assessed value of all taxable property within the City. (At the time of the adoption of this Policy, the legal bonding capacity limit for a California general law city is 3.75% of the assessed value of all taxable property within the City.)

5. **Tax Increment Financing** – Tax increment financing is a financing method whereby a portion of *ad valorem* property taxes (commonly called the “tax increment”) that are allocated to an entity, such as a successor agency to redevelopment agency (Successor Agency), an enhanced infrastructure financing district (“EIFD”), a community revitalization and investment authority (“CRIA”) or an infrastructure and revitalization financing district (“IRFD”), and the entity is permitted to incur debt payable from and secured by the tax increment revenues. While tax increment debt for redevelopment agencies and Successor Agencies is entitled to the benefits of Article XVI, Section 16, of the California Constitution, no similar provision exists for EIFDs, CRIAs and IRFDs at the time of adoption of this Policy. Therefore, when considering EIFD, CRIA or IRFD financing, or other types of tax increment financing which may be permitted by law in the future, debt limit concerns should be analyzed with respect to the proposed structure and taken into account in determining the practical viability of the proposed financing.
6. **Conduit Debt** – Conduit financing provides for the issuance of securities by a government agency to finance a project of a third party, such as a non-profit organization or other private entity. The City may sponsor conduit financings for those activities that have a general public purpose and are consistent with the City’s overall service and policy objectives. Unless a compelling public policy rationale exists, such conduit financings will not in any way pledge the City’s faith and credit.

E. STRUCTURE OF DEBT

1. **Term of Debt** – In keeping with Internal Revenue Service regulations for tax-exempt financing obligations, the weighted average maturity of the debt should not exceed 120% of the weighted average useful life of the facilities or projects to be financed, unless specific circumstances exist that would mitigate the extension of time to repay the debt and it would not cause the City to violate any covenants to maintain the tax-exempt status of such debt, if applicable.
2. **Rapidity of Debt Payment; Level Payment** – To the extent practical, bonds will be amortized on a level repayment basis, and revenue bonds will be amortized on a level repayment basis considering the forecasted available pledged revenues to achieve the lowest rates possible. Bond repayments (which may take into account all bonds to be repaid from the same source of funds) should not increase on an annual basis in excess of 2% without a dedicated and supporting revenue funding stream.

Accelerated repayment schedules reduce debt burden faster and reduce total borrowing costs. The Finance Department will amortize debt through the most financially advantageous debt structure and to the extent possible, match the City’s

projected cash flow to the anticipated debt service payments. “Backloading” of debt service will be considered only when one or more of the following occur:

- a) Natural disasters or extraordinary or unanticipated external factors make payments on the debt in early years prohibitive.
 - b) The benefits derived from the debt issuance can clearly be demonstrated to be greater in the future than in the present.
 - c) Such structuring is beneficial to the City’s aggregate overall debt payment schedule or achieves measurable interest savings.
 - d) Such structuring will allow debt service to more closely match projected revenues, whether due to lower project revenues during the early years of the project’s operation, inflation escalators in the enterprise user rates, or other quantifiable reasons.
3. **Serial Bonds, Term Bonds, and Capital Appreciation Bonds** – For each issuance, the City will select serial bonds or term bonds, or both. On the occasions where circumstances warrant, Capital Appreciation Bonds (CABs) may be used. The decision to use term bonds, serial bonds, or CABs is driven based on market conditions.
4. **Reserve Funds** – To the extent that the use of available City moneys to fund a reserve fund provides an economic benefit that offsets the cost of financing the reserve fund from bond proceeds (as determined by the Administrative Services Director in consultation with the City’s municipal advisor and, if applicable, the underwriter for the bonds), the City may use legally permitted moneys to fund a reserve fund (in cash or through the purchase of a debt service reserve surety bond or insurance policy) for the proposed bonds, up to the maximum amount permitted by applicable law or regulation. Typically, this amount is equal to the least of: (i) maximum annual debt service on the bonds, (ii) 10% of the principal amount of the bonds (or 10% of the sale proceeds of the bonds, within the meaning of Section 148 of the federal Internal Revenue Code), or (iii) 125% of average annual debt service on the bonds.

F. USE OF ALTERNATIVE DEBT INSTRUMENTS

Alternative debt instruments and financing structures sometimes can provide a lower cost of borrowing in the short run, but may involve greater medium-term or long-term risk. Due diligence review must be performed for each transaction, including the quantification of potential risks and benefits, analysis of the impact on City creditworthiness and debt affordability and capacity, and an evaluation of the ability of the City to withstand the medium-term or long-term risk attendant to alternative debt instruments, including the feasibility of exit strategies.

G. REFUNDING GUIDELINES

The Administrative Services Director shall monitor all outstanding City debt obligations for potential refinancing opportunities. The City will consider refinancing of outstanding debt to achieve annual savings or to refinance a bullet payment or spike in debt service. Except for instances in which a bullet payment or spike in debt service is being refinanced, absent a compelling reason or financial benefit to the City, any refinancing should not result in an increase to the weighted average life of the refinanced debt.

Except for instances in which a bullet payment or spike in debt service is being refinanced or another City policy objective is being accomplished, the City will generally seek to achieve debt service savings which, on a net present value basis, are at least 3% of the debt being refinanced. The net present value assessment shall factor in all costs, including issuance, escrow, and foregone interest earnings of any contributed funds on hand. Any potential refinancing shall additionally consider whether an alternative refinancing opportunity with higher savings is reasonably expected in the future. Refundings which produce a net present value savings of less than 3% will be considered on a case-by-case basis. Notwithstanding the foregoing, a refunding of Successor Agency bonds shall be determined based on the requirements of Health and Safety Code Section 34177.5.

H. MARKET COMMUNICATION, ADMINISTRATION, AND REPORTING

- 1. Rating Agency Relations and Annual or Ongoing Surveillance** – The Administrative Services Director shall be responsible for maintaining the City's relationships with the major rating agencies that rate the City's bond issues (such as S&P Global Ratings, Fitch Ratings and Moody's Investors Service). These agencies' rating criteria often change and the City cannot control the decisions made by any rating agency. However, for each debt issue that the City will seek a rating assignment, the City will strive to obtain and maintain the highest possible underlying, uninsured rating. In addition to general communication, the Administrative Services Director shall:
 - a) Ensure the rating agencies are provided updated financial statements of the City as they become publically available.
 - b) Communicate with credit analysts at each agency as may be requested by the agencies.
 - c) Prior to each proposed new debt issuance, schedule meetings or conference calls with agency analysts and provide a thorough update on the City's financial position, including the impacts of the proposed debt issuance.
- 2. Council Communication** – The Administrative Services Director should report feedback from rating agencies, when and if available, regarding the City's financial strengths and weaknesses and areas of concern relating to weaknesses as they pertain to maintaining the City's existing credit ratings.
- 3. Continuing Disclosure Compliance** – The City shall remain in compliance with Rule 15c2-12, promulgated by the Securities and Exchange Commission under the

Securities Exchange Act of 1934, by filing (to the extent required by the applicable continuing disclosure undertaking). To that end, the “Continuing Disclosure Compliance Procedures,” attached as Appendix I, is incorporated as part of this Policy.

4. **Debt Issue Record-Keeping** – A copy of all debt-related records shall be retained at the City’s offices. At minimum, these records shall include all official statements, bond legal documents/transcripts, resolutions, trustee statements, leases, and title reports for each City financing (to the extent available).

Such records shall be retained while any bonds of an issue are outstanding and during the six-year period following the final maturity or redemption of the bond issue or, if later, while any bonds that refund bonds of that original issue are outstanding and for the six year period following the final maturity or redemption date of the latest refunding bond issue.

5. **Arbitrage Rebate** – The use of bond proceeds and their investments must be monitored to ensure compliance with all arbitrage rebate requirements of the Internal Revenue Code and related Internal Revenue Service regulations, in keeping with the covenants of the City and/or related entity in the tax certificate for any federally tax-exempt financing. The Administrative Services Director shall ensure that all bond proceeds and investments are tracked in a manner which facilitates accurate calculation; and, if a rebate payment is due, such payment is made in a timely manner.

I. CREDIT RATINGS

The City will consider published ratings agency guidelines regarding best financial practices and guidelines for structuring its capital funding and debt strategies to maintain the highest possible credit ratings consistent with its current operating and capital needs.

J. CREDIT ENHANCEMENT

Credit enhancement may be used to improve or establish a credit rating on a City debt obligation. Types of credit enhancement include letters of credit, bond insurance and surety policies. The City, in consultation with the City municipal advisor, may determine the use of a credit enhancement, for any debt issue, if it reduces the overall cost of the proposed financing or if the use of such credit enhancement furthers the City’s overall financing objectives.

K. SB 1029 COMPLIANCE

Senate Bill 1029, signed by the State Governor on September 12, 2016, and enacted as Chapter 307, Statutes of 2016, requires issuers to adopt debt policies addressing each of the five items below:

- i. *The purposes for which the debt proceeds may be used.*

Section C.2 (Acceptable Uses of Debt and Proceeds of Debt) and Section C.3 (Short-Term Debt) address the purposes for which debt proceeds may be used.

- ii. *The types of debt that may be issued.*

Section C.3 (Short-Term Debt), Section D (Types of Financing Instruments; Affordable and Planning Policies), Section E (Structure of Debt) and Section F (Use of Alternative Debt Instruments) are among the provisions that provide information regarding the types of debt that may be issued.

- iii. *The relationship of the debt to, and integration with, the issuer's capital improvement program or budget, if applicable.*

Section C.1 (Acceptable Conditions for the Use of Debt) provides information regarding the relationship between the City's debt and Capital Improvement Program.

- iv. *Policy goals related to the issuer's planning goals and objectives.*

As described in Section B (Background), Section D (Types of Financing; Affordability and Planning Policies) and other sections, this Policy has been adopted to assist with the City's goal of maintaining fiscal sustainability and financial prudence.

- v. *The internal control procedures that the issuer has implemented, or will implement, to ensure that the proceeds of the proposed debt issuance will be directed to the intended use.*

Section C.4 (Internal Control Procedures Concerning Use of Proceeds of Debt) provides information regarding the City's internal control procedures designed to ensure that the proceeds of its debt issues are spent as intended.

ATTACHMENT I

CONTINUING DISCLOSURE COMPLIANCE PROCEDURES

1. BACKGROUND AND TRAINING

Rule 15c2-12, promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, requires certain information be disclosed to the municipal bond marketplace. The SEC has stated that it has a mandate “to adopt rules reasonably designed to prevent fraudulent, deceptive or manipulative acts or practices in the market for municipal securities.” The SEC has taken the position that material non-compliance by an issuer with past continuing disclosure obligations may warrant, without corrective actions, an underwriter being prohibited from underwriting the issuer’s bonds, and thus prevent the issuer from accessing the municipal bond marketplace.

The following procedures will help ensure compliance by the City of Brea and its related public entities with Rule 15c2-12 and its continuing disclosure obligations under continuing disclosure agreements or similar instruments executed in connection with its municipal bond offerings. Certain capitalized terms herein will have the meanings ascribed to them in the respective continuing disclosure agreements or similar instruments.

2. DESIGNATION OF RESPONSIBLE OFFICER

The Responsible Officer will be the officer or other employee responsible for compiling and filing Annual Reports (as defined in the continuing disclosure agreements) and notices regarding enumerated events (“Event Notices”), if required to be filed pursuant to the continuing disclosure agreements or similar instruments. The initial Responsible Officer shall be the City’s Administrative Services Director. From time to time, the City Manager may designate a different person to serve as the Responsible Officer.

3. RESPONSIBLE OFFICER TO BECOME FAMILIAR WITH “EMMA” AND FILING REQUIREMENTS UNDER CONTINUING DISCLOSURE AGREEMENTS

- A. The Responsible Officer will take such action as may be necessary or appropriate to become familiar with the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access (“EMMA”) website. The Responsible Officer should understand how to locate on EMMA the filings made by the City in connection with bonds issued by the City. If the City is serving as its own Dissemination Agent, the Responsible Officer will establish a user identification and password for EMMA and become familiar with uploading documents onto EMMA.
- B. For each separate issue of the City’s outstanding bonds, the Responsible Officer will read the related continuing disclosure agreement or similar instrument and identify the following:
 - (i) The date by which the Annual Report must be filed;
 - (ii) The contents needed to be included in the Annual Report;

- (iii) The Event Notices that must be filed; and
 - (iv) When Event Notices are required to be filed.
- C. The Responsible Officer should be aware of the types of events (the “Listed Events”) that would require the filing of an Event Notice. If clarification is required regarding what is meant by a Listed Event, the City’s bond counsel or disclosure counsel should be contacted to seek such clarification.

4. **PREPARATION AND FILING OF ANNUAL REPORTS AND EVENT NOTICES**

- A. The City will strive to begin the process of completing its audited financial statements as soon as practicable after the close of each Fiscal Year. Such audited financial statements should be completed in time to be submitted to the City Council (or other governing board) before the date that the Annual Report must be filed.
- B. The Responsible Officer will identify any information that is required to be included in the Annual Report but is not part of the City’s audited financial statements, and contact the sources necessary to compile such information as soon as possible after the close of each Fiscal Year. The Responsible Officer will consider adding any information required by its continuing disclosure agreements or similar instrument not already included in its audited financial statements into a supplementary information section of audited financial statements.
- C. Following the compilation of the information that is to be included in the Annual Report, the Responsible Officer will (or will cause the Dissemination Agent to) submit the Annual Report to EMMA on or before the date on which the Annual Report must be filed.
- D. Each year, by no later than the date that the Annual Report is required to be filed on EMMA, the Responsible Officer will review the EMMA website to confirm that the Annual Report has been posted with respect to all applicable securities. If the Annual Report has not been posted, the dissemination agent will be notified, or the Responsible Officer will file the Annual Report, as applicable.
- E. The Responsible Officer will identify, or with the assistance of consultants engaged to monitor compliance will identify, the occurrence of a Listed Event and prepare, or have prepared, the appropriate Event Disclosure. The Responsible Officer will file (or will cause the dissemination agent to file) Event Notices on EMMA in a timely manner, when so required by the continuing disclosure agreements or similar instrument. The Responsible Officer will contact the City’s bond counsel or disclosure counsel if there are any questions regarding whether an event constitutes a Listed Event, and whether such occurrence will require the filing of an Event Notice.
- F. In connection with amendments to Rule 15c2-12 adopted in 2018, for any new continuing disclosure agreement executed on or after February 27, 2019 with respect to a debt issue (the “Debt”), the Responsible Officer shall, before the Debt

issuance date, review the City's financial records and create a list of the City's existing financial obligations (as such term is defined by Rule 15c2-12) (the "Financial Obligations List"). The Financial Obligations List shall be continuously updated by the Responsible Officer. Whenever the City prepares to enter into a new financial obligation or modify the terms of an existing financial obligation, the Responsible Officer shall determine whether the incurrence of such financial obligation or modification of terms would require an Event Notice under the continuing disclosure agreement. If a determination is made that an Event Notice would be required, the Responsible Officer, in consultation with legal counsel, shall cause the Event Notice to be filed on a timely basis, when so required by the continuing disclosure agreements or similar instrument.

G. Certain Listed Events are qualified by a materiality standard. Materiality is determined according to SEC guidance available at the time. If clarification is required regarding materiality on any potential Listed Event, The Responsible Officer shall contact the City's bond counsel or disclosure counsel to seek clarification. The Responsible Officer's determination of materiality will depend on the facts and circumstances surrounding the event and will take into consideration many factors including, but not limited to, the following:

- Source of security pledged for repayment of the financial obligation,
- Rights associated with such a pledge (e.g., senior versus subordinate),
- Principal amount or notional amount (in the case of a derivative instrument or guarantee of a derivative instrument),
- Covenants,
- Events of default,
- Remedies,
- Other similar terms that affect security holders to which the issuer agreed at the time of incurrence,
- Size of the overall balance sheet,
- Size of existing obligations, and
- Size of the overall bond portfolio.

5. **RETENTION OF RECORDS**

A. The documents identified below should be retained for a period of at least six years following the termination of the City's obligations (*i.e.*, the legal defeasance, prior redemption or payment in full of the related issue of municipal securities) under a continuing disclosure agreement or similar instrument.

- B. The City will retain, in its records, the transcripts containing the documents related to each issue of bonds or other obligations of the City.
- C. The City will retain copies, in paper or electronic form, of each Listed Event Notice submitted to EMMA.
- D. The City will retain copies, in paper or electronic form, of each Annual Report submitted to EMMA.
- E. To the extent that the content of an Annual Report is based on source materials created or obtained by the City, the City will retain in its records, such source materials created or obtained by the City.

City of Brea

FINANCE COMMITTEE COMMUNICATION

TO: Finance Committee Members

FROM: Bill Gallardo

DATE: 06/11/2019

SUBJECT: Custodial Services

RECOMMENDATION

1. Approve the Agreement with Guaranteed Janitorial Service, Inc. to provide the City with custodial services in the amount not-to-exceed \$416,026.00; and
2. Authorize the City Manager to issue up to six one-year extensions exclusive of any cost increases

BACKGROUND/DISCUSSION

The City has utilized a custodial services company to provide cleaning for the Civic & Cultural Center, Brea Community Center, Brea Senior Center, Pioneer Hall, City Yard, Brea Plunge and the Downtown areas. These services include detailed cleaning on a daily, weekly, monthly, quarterly schedule to be performed during the specific hours and days of the week to provide a clean and attractive environment for City employees and the public visiting our facilities.

Since the current agreement will be expiring on June 30, 2019 and there are no remaining optional renewals, a new request for proposals (RFP) was issued. The Public Works Department revised the scope of services requirements and the Purchasing Division solicited competitive proposals. Eleven companies responded by the 5:00 pm, May 1, 2019 deadline and staff began evaluations immediately thereafter.

Based on competitive pricing, demonstrated competence and qualifications, staff ranked the proposals determining that Guaranteed Janitorial Service offered the best value to the City. Located in Chino, California, they were founded in 1977 and have over 40 years of experience in the industry. They serve the counties of Orange, Riverside, San Bernardino, and Los Angeles.

Rank	Contractor Name	1st Year Price
1	Guaranteed Janitorial Services	\$416,026.00
2	Priority Building Services, LLC	\$446,125.00
3	US Metro Group	\$434,451.72
4	Trinity Building Services	\$455,153.70
5	Merchants Building Maintenance, LLC	\$465,537.20
6	Commercial Cleaning Systems	\$487,314.91
7	Haynes	\$522,928.89

8	Santa Fe Building Maintenance	\$527,768.55
9	Customized Custodial Services	\$704,466.72
10	Ultimate Maintenance Services, Inc.	\$711,671.00
11	Building Maintenance Services, Inc.	\$760,208.91

The Agreement has a one-year base period with up to six one-year optional renewals that will permit the continuance of these services based on mutual agreement of the parties. The pricing for the first year is fixed and includes the change in minimum wage effective January 2020. The subsequent years pricing will adjust according to changes in the consumer price index for labor and materials and will allow for government-mandated changes in minimum wage. Any proposed price or rate adjustments shall be reviewed and approved by the City Council.

SUMMARY/FISCAL IMPACT

Funds are available in the Public Works, Building Maintenance account (490-51-5151-4263) for Fiscal Year 2019-20.

RESPECTFULLY SUBMITTED

William Gallardo, City Manager

Prepared by: Verenice Ramirez, Buyer II; and Neil Groom, Procurement and Contracts Administrator

Concurrence: Eric Aulls, Maintenance Supervisor; Tony Olmos, Director of Public Works;
and Cindy Russell, Administrative Services Director

Attachments

Agreement

**CUSTODIAL SERVICES
AGREEMENT**

THIS AGREEMENT ("Agreement") is effective on the date on which this Agreement is executed by the City of Brea ("Effective Date"), and is between Guaranteed Janitorial Service, Inc., ("CONTRACTOR") and the CITY OF BREA, a California municipal corporation ("CITY"). CONTRACTOR and CITY are sometimes referred to herein collectively as the "Parties" and singularly as "Party". The Parties agree as follows:

I. Agreement

- A. This Agreement, together with the following exhibits are incorporated herein by reference, and supersedes all prior agreements and understandings:
 - 1. Exhibit A – Scope of Services/Specifications
 - 2. Exhibit B – Compensation
 - 3. Exhibit C – General Provisions
 - 4. Exhibit D – Indemnity, Insurance, Bonding Requirements
 - 5. Exhibit E – Labor Code Requirements
- B. This Agreement may be modified by written amendment executed by all parties.

II. Scope of Services Summary

CONTRACTOR shall, during the Term of the Agreement, provide **Custodial Services** as further set forth in Exhibit A, all to CITY's reasonable satisfaction (collectively, the "Services").

III. Term of the Agreement

- A. CONTRACTOR shall commence performance of Services on **July 1, 2019 OR the date indicated in the notice to proceed issued by the City Project Manager.**
- B. AGREEMENT shall remain in full force and effect **for one (1) year** unless sooner terminated as set forth in the Termination subsection of Exhibit C ("Term").
- C. AGREEMENT may **be extended for one or more additional terms not to exceed six years (each a "Renewal Term"), commencing upon the expiration of the preceding Term.** Renewals exclusive of any cost increases may be executed by the City Manager. Renewals inclusive of any cost increases may be executed only with prior City Council authorization.

IV. Compensation Summary

- A. CITY shall pay CONTRACTOR for satisfactorily and completely rendered Services according to prices and in the manner set forth in Exhibit B. Parties agree that full and complete payment for all Services shall not exceed **\$416,026.00** ("Contract Amount"). The CITY shall have no obligation to pay any amount in excess of the foregoing amount, without prior approval by City Council.
- B. CONTRACTOR shall not render any services in excess of the Services described in Exhibit A ("Additional Services") without CITY's prior written approval. Any work performed without CITY's prior written approval shall be deemed to have been performed as part of the Services and included within the not-to-exceed Contract Amount.

V. Insurance and Bonds Requirements Summary

- A. Exhibit D contains the specific requirements which shall govern in the event of any conflict with the following summarized coverages.
- B. Insurance
 - 1. **Commercial General Liability (CGL)**
Limits shall be no less than \$2,000,000 per occurrence.
 - 2. **Automobile Liability Insurance (ALI) (any auto)**
Limits shall be no less than \$2,000,000 per occurrence.
 - 3. **Workers' Compensation**
State of California statutory limits
Employer's Liability Insurance
Limits shall be no less than \$1,000,000 per accident for bodily injury or disease.
- C. Bonds
 - 1. **Performance Bond**
Fifty percent (50% of the amount of this Agreement.
 - 2. **Janitorial Services Bond (fidelity/honesty)**
\$25,000.

VI. Notices and Designated Representatives

All notices made pursuant to this Agreement shall be in writing and deemed effectively given: (i) upon receipt, when delivered personally; (ii) one business day after deposit with an overnight courier service; or (iii) two business days after having been sent by registered or certified mail, whether or not a signed receipt is received, provided a proof of delivery is obtained. All communications shall be sent to:

CITY – Project Manager:

Eric Aulls
Maintenance Services Supervisor
1 Civic Center Circle
Brea, CA 92821
(714) 990-7789 phone
EricA@CityofBrea.net

CITY – City Clerk (if over \$25,000):

Lillian Harris-Neal, MMC
City Clerk
1 Civic Center Circle
Brea, CA 92821
(714) 990-7757 phone
LillianHN@CityofBrea.net

CONTRACTOR:

Representative's Name	Monique Ochoa
Title	Quality Control/ Sales
Address, Suite#	13039 Eleventh St
City, State, Zip	Chino, Ca. 91710
Phone	(909) 465-5542
Email	gjs.mjochoa@verizon.net

(SIGNATURES ON FOLLOWING PAGE)

Offer and Acceptance

I. OFFER made by Contractor to the City of Brea:

I, the undersigned, hereby represent and warrant that I am authorized to submit this Offer on behalf of and to bind the principles who I represent to all the requirements of the City of Brea's Terms & Conditions, Specifications, Scope or Work, any attachments, exhibits, amendments; and I offer and agree to those requirements at the prices set forth in Exhibit B-Compensation. Further, I understand that no contract exists unless City accepts this Offer by signing below.

Business Name: Guaranteed Janitorial Services, Inc.

Federal ID# 33-445084

only for Public Works Contractor Lic.#: 15428 DIR Reg#: JS-LR-000028603

Business Type ☐ Individual/Sole Proprietor ☐ Partnership ☐ Limited Liability Company
(Contractor select one) ☒ Corporation (requires two signatures) ☐ Other

Address: 13039 Eleventh St

City, State, Zip: Chino, Ca. 91710

Printed Name & Title: Mary W. Ochoa- CEO Elias Ochoa- President

Phone & Email: (909) 465-5542 gjs.miochoa@verizon.net

Signature(s):
(2nd Signature needed if corp)

Date: 5/1/2019

II. ACCEPTANCE of Offer by the City of Brea:

I, the undersigned, hereby represent and warrant that I am authorized to accept Offer on behalf of and to bind City of Brea and I accept the Offer accordingly. Contractor is now bound to furnish all requirements set forth in Contractor's Offer. Contractor is cautioned not to begin work until a written notice to proceed or purchase order is received from City.

City of Brea, a California Municipal Corporation

Mailing Address: 1 Civic Center Circle

City, State, Zip: Brea, California 92821

Printed Name & Title: Christine Marick, Mayor

Authorized Signature: _____

Date: _____

ATTEST (if over \$25,000.00 or over \$200,000 for Public Works projects)

Printed Name: Lillian Harris-Neal

Title: City Clerk

Signature: _____

Date: _____

**EXHIBIT A
SCOPE OF SERVICES**

I. Time of Performance

- A. **Commencement and Completion of Work.** The Services to be performed pursuant to this Agreement shall commence upon receipt of written notice to proceed from the City, but no later than ***July 1, 2019 OR the date indicated in the notice to proceed issued by the City Project Manager.*** Failure to commence work in a timely manner and/or diligently pursue work to completion may be deemed to be a breach, resulting in termination of this Agreement.
- B. **Schedule.** After commencement of performance pursuant to paragraph A, above, the Services must be provided according to the requirements herein.
- C. **Excusable Delays.** Neither party shall be responsible for delays or lack of performance resulting from acts beyond the reasonable control of the party or parties. Such acts shall include, but not be limited to, acts of God, fire, strikes, material shortages, compliance with laws or regulations enacted after the Effective Date, riots, acts of war, or any other conditions beyond the reasonable control of a party.

II. Additional Services

- A. Additional Services are those services related to the scope of services of CONTRACTOR set forth in this Exhibit A but not anticipated at the time of execution of this Agreement. Additional Services shall be provided only when an Addendum to this Agreement authorizing the Additional Services is approved by CITY in accordance with CITY's purchasing procedures. CITY reserves the right to perform any work that would otherwise constitute Additional Services with its own staff or to retain other contractors to perform the Additional Services.

III. City Provisions

City will provide items as detailed below in this Exhibit.

IV. Scope of Work

- A. CONTRACTOR shall furnish all labor, materials and equipment necessary to provide the Services.
- B. Extra Work/Project Cleaning
 - 1. Work not considered to be routine, not done on a regular schedule, or not considered under this specification/contract shall be considered extra work. This type of work may only be done at the request of CITY representative. Extra work shall be performed at the rates indicated in the Price Sheet or as agreed-upon by Parties. CITY and CONTRACTOR will determine the number of hours and the schedule required to accomplish the requested task(s).
 - 2. The following are examples of the type of work which may be considered extra:
 - a) Cleaning areas not defined within this contract
 - b) Increasing frequency of cleaning
 - c) Special projects

Cleaning Schedule Specifications

I. Schedule I Services

- A. Daily Services - General Building and Office Areas (All Areas)
1. Sweep all vinyl composition tile floors
 2. Sweep all outside entrances for trash
 3. Dust for cobwebs in all areas of the building
 4. Remove debris from ceilings, walls, and floors
 5. Vacuum rugs and carpeting
 6. Clean corners and remove cobwebs and dirt
 7. Dust accessible desktops
 8. Dust chairs, tables, telephones, filing cabinets and other office furniture
 9. Clean luncheon tables and clean and position chairs
 10. Dust windowsills, ledges, chair rails, partition trim and low moldings
 11. Empty all wastebaskets and other waste containers. Carry trash to designated area. Replace liners with new liners.
 12. Clean and service smoking stands where applicable
 13. Spot clean partitions, doors, grab bars, panic hardware, doorknobs, handles, door frames and around wall switches
 14. Clean and polish drinking fountains
 15. Maintain janitor's closet in clean and orderly manner
 16. Spot clean office partition glass and interior lower level glass
 17. Clean all glass entry doors thoroughly
 18. Spot mop resilient floors for spillage, dirt, etc.
 19. Spot clean carpet for spillage, stains, etc.
 20. Vacuum or sweep elevator cabs where applicable
 21. Wipe clean all elevator doors and control panel to remove finger marks
 22. Clean all stairwells and landings twice weekly, vacuum if carpeted (remove cobwebs)
 23. Dust bookshelves, minor signage
 24. Spray buff all main aisles and corridors as needed to ensure a slip resistant high gloss finish
 25. Report broken or missing items to City of Brea representative
 26. Establish a lost and found box at each building location
 27. Damp mop with treated terrycloth towels all wood floors
 28. Damp mop all concrete, rubber, tile and vinyl flooring

- A. Weekly Services - General Building and Office (All Areas)
 - 1. Sweep inside and outside stairways (twice per week)
 - 2. Dust banisters and handrails
 - 3. Damp mop and buff all tile floors to ensure a slip resistant high gloss finish
 - 4. Spot clean woodwork for finger marks and stains
 - 5. Dust ledges, partition tops and moldings
 - 6. Low dust all chair rungs and office furniture
 - 7. Dust pictures, clocks and major signage
 - 8. Damp mop with treated terrycloth towels all wood floors
- B. Monthly Services - General Building and Office Areas (All Areas)
 - 1. High dust moldings, doors and window casings
 - 2. Brush down wall and ceiling vents
 - 3. Clean wax and machine polish all tile and vinyl floors to ensure a slip resistant high shine surface
 - 4. Machine-scrub only the BCC locker room and restroom floors; do not wax
 - 5. Clean and wipe down baseboards
 - 6. Vacuum draperies or blinds
 - 7. Wash handrails
 - 8. Wash and disinfect wastebaskets on a rotation basis
 - 9. Detail carpet edges under and around furniture and behind doors
 - 10. Vacuum Upholstered Furniture
 - 11. Machine scrub and extract all rubberized flooring
- C. Quarterly Services - General Building and Office Areas (All Areas)
 - 1. Clean all refrigerators
 - 2. Deep clean all lockers

II. Schedule II Services

- A. Daily Services - Restrooms
 - 1. Empty and disinfect all waste paper containers, replace liners with new.
 - 2. Clean and polish mirrors.
 - 3. Clean and disinfect all toilet tissue, towel, trash and sanitary containers
 - 4. Clean and disinfect toilets, urinals and sinks (inside and out) removing scale and all other organic material.
 - 5. Clean and disinfect both sides of toilet seats.
 - 6. Clean and disinfect handles, knobs, and other touched areas.
 - 7. Clean all splash marks from wall over sinks.

8. Wipe down with disinfectant ceramic tile walls, toilet compartments and partitions.
9. Refill soap, towel, tissue, seat cover dispensers and sanitary product dispensers.
10. Clean, disinfect and wipe dry all counter tops.
11. Clean and polish drinking fountains, chrome under sinks, toilets and urinals to keep scale free.
12. Spot clean partitions for smudges and remove graffiti.
13. Wipe clean tops of partitions.
14. Spot clean walls (with disinfectant) for splashes around sinks and urinals.
15. Pour one gallon of water into floor traps to prevent odors.
16. Thoroughly mop floors with disinfectant solution.
17. Thoroughly clean and sanitize shower facilities (as required – site specific)
18. Remove debris from ceilings, walls, and floors
19. Remove cobwebs from all areas of restroom
20. Pick up/clean restroom entrance area for trash and debris
21. Clean the waterless urinals per the manufacturer requirements. Repair any damage due to improper cleaning techniques.
22. Change the urinal replacement cartridges in the waterless urinals per the manufacturer requirements. Repair any damage due to improper replacement techniques.
23. Report any facility issues (repairs needed) to the City of Brea Building Maintenance Division (714) 990-7691

III. Schedule III Service

- A. Daily Services – Brea Police Jail
 1. Check in with watch commander or duty police staff prior to start of work
 2. Empty and disinfect all waste paper containers, replace liners with new
 3. Clean and disinfect metal mirrors
 4. Clean and disinfect all toilet tissue, towel, trash and sanitary containers
 5. Clean and disinfect toilets, urinals and sinks (inside & outside) removing scale and other organic matter
 6. Clean and disinfect both sides of toilet seats
 7. Clean and disinfect handles, knobs, and other touched areas
 8. Wipe down with disinfectant walls, compartments and partitions
 9. Refill soap, towel, tissue and seat cover dispensers
 10. Clean, disinfect and wipe dry all counter tops

11. Spot clean partitions for smudges and remove graffiti
12. Wipe clean tops of partitions
13. Spot clean walls for splashes around sinks and urinals
14. Pour one gallon of water into floor traps to prevent odors
15. Thoroughly mop floors with disinfectant solution
16. Clean and sanitize shower facilities (as needed site specific)
17. Remove debris from ceilings, walls, and floors
18. Clean bench & sitting area with disinfectant
19. Clean light fixtures and air vents as needed
20. Report any facility issues (repairs needed) to the City of Brea Building Maintenance Division (714) 990-7691

B. Daily Services for Police Department Bulletproof Glass (laminated polycarbonate)

1. Dust polycarbonate with a soft cloth or chamois only, wiping gently.
2. Wash polycarbonate with mild soap or detergent and lukewarm water solution.
3. Use a clean soft cloth or natural sponge and as much solution as possible.
4. Rinse well.
5. Dry by blotting with a damp cloth or chamois.
6. Grease and oil are best removed with hexans, kerosene or aliphatic naptha.
7. Do not use any aromatic compounds.
8. Do not use any window cleaning fluids, scouring compounds, gritty cloth, leaded or ethyl gasolines or strong solvents such as alcohol, acetone, carbon tetrachloride, lacquer thinners, Windex and etc.
9. Do not use any paper towels

IV. Facilities

- A. The Facilities, the addresses, square footage, the particular cleaning Schedules, days and hours of service are listed in the Line Details of the eProcurement.

V. Optional Services

- A. **Carpet:** Contractors employees to follow manufacturers recommended carpet cleaning procedures or equivalent (to be approved by City of Brea authorized representative in advance).
- B. **Window Washing/Cleaning:** Windows to be cleaned and streak free including all window hardware.
- C. **Proposal:** A provision is listed as "Optional Bid Items"

- D. **Carpet & Window Cleaning Schedule:** Specific dates to be advised upon execution of contract for "Optional Bid Items".

VI. Supplies and Equipment

- A. **The Contractor shall provide all supplies:** to carry out the cleaning and disinfecting operations within this contract, and shall meet the standards of the Federal Occupational Safety and Health Act and Cal OSHA. The contractor shall submit a written list of all supplies (i.e. cleaners, disinfectants, floor cleaners, and wax) with attached Material Safety Data Sheets (MSDS) intended for use in the buildings for approval by the City of Brea. In addition to cleaning supplies the contractor shall also supply all glass cleaner, floor stripper, furniture polish, stainless steel cleaner etc. Any supplies not on the approved list shall be removed from the premises. Adequate quantities of properly labeled supplies **(minimum of two weeks inventory)** must be on-hand to perform cleaning at all times. Contractor to provide an estimated monthly usage along with an estimated monthly cost of supplies.
- B. **The City of Brea shall furnish the following supplies:**
1. Paper Towels
 2. Toilet Paper
 3. Sanitary Napkins
 4. Tampons
 5. Hand Cleaning Soap
 6. Sanitary Napkin Liners
 7. Plastic Trash Bags (assorted sizes)
 8. Other Items as needed (approval of Facilities Supervisor required)
 9. Toilet Seat Covers
 10. Some Disinfectants / Deodorizers
- C. **The contractor shall provide all equipment:** to carry out cleaning operations. The use of HEPA filter vacuums is a requirement throughout the building to be cleaned. The contractor shall submit a written list of all equipment, by quantity, name brand and model (i.e. six (6) Advance 16" Carpet twin HEPA filter Vacuums – two (2) Rotary buffing machines 18" - two (2) carpet extractors w/ power-head) –. All equipment shall be listed in contractor's proposal to be used for daily cleaning requirements. In case of equipment breakdown, forty eight (48) hours repair or replacement time shall be allowed. ***NOTE* All equipment to be new at commencement of contract.**

VII. Day Porters

- A. In addition to the labor supplied by the contractor to accomplish the tasks defined in the preceding Sections, the contractor shall supply two full-time Day Porters and one part-time Day Porter to perform a variety of similar tasks.
- B. One Day Porter shall work eight hours per day, 8:00am to 5:00pm, 5 days per week, M-F. One Day Porter shall work eight hours per day, 8:00am to 5:00pm, 5 days per week, Th-M. The time of day for the two full-time Day Porters is subject

to change by City's representative. One part time Day Porter shall work four hours per day, 10:00am to 2:00pm, five days a week, M-F.

- C. The contractor shall provide cell phones to full time Porters so City Staff can communicate work requests. The main areas of responsibility and duties of the Day Porters are listed below:
- D. LOCATIONS -- Assigned to the Civic Center and Community Center
 - 1. Brea Police Department is to approve the day porter in advance due to security concerns. Also it is highly important that livescan background checks be completed on all of the contractor employees due to sensitive materials and equipment that is in the areas that will be serviced. This includes the Brea PD, the Brea Fire Department, the Civic Center Building as well as other areas.
- E. Duties may include the following:
 - 1. Open the Staff access doors as needed, turn off alarms and turn on lights (Civic Center).
 - 2. Control of the Flags: flags should not be raised in the rain or excessively windy conditions.
 - 3. Check, clean-sweep breezeway, parking lots and adjacent sidewalks for trash. On rainy days place safety warning signs in areas where a slip hazard exists.
 - 4. Check the meeting schedule for any meetings that might require setup. Set up as needed to ensure proper facilities and administration supplies are ready before the start of the meeting. The meeting schedule is provided every Friday.
 - 5. Check all Restrooms for supplies and inspect to see that they were properly cleaned and disinfected. Correct any problems with supplies as well as cleaning and disinfecting.
 - 6. Operate City Auto Scrubber equipment at the Civic and Community Centers.
 - 7. During the day, the porter will have to provide assistance (respond) to the City of Brea staff needs. Responding to pages, phone calls and verbal notification for assistance (i.e.,- spills, hazardous issues relating to custodial, pest control and setup for meetings)
 - 8. Check in with the City of Brea custodial representative daily to give updates and check to see if any custodial services have been requested.
 - 9. Report any maintenance repairs (i.e. leaking faucets; clogged drains; broken electrical plugs; lights out) needed to the City of Brea Building Maintenance Division.
 - 10. Restrooms and restock supplies.
 - 11. Spot clean carpet
 - 12. Responsible for daily cleaning the Curtis Theater.

- F. Response Time for Porters and Emergencies
1. Response time to City of Brea needs during the normal work schedule shall be two (2) hours.
 2. During off-hours, the response shall be within four (4) hours.
 3. The time allowed to correct non-conformances noted on the Performance Inspections (corrective actions) shall be 48 hours.

VIII. Minimum Quality Standards

The following Quality Standards (cleaning standards) shall be used on a daily basis, and during the Performance Inspection process to assess the quality of the cleaning per the nine (9) major areas identified below.

A. Offices - Minimum Cleaning Standards:

1. **Furniture and Equipment:** Shall be free of dust, cobwebs, dried-soil and soil without causing damage. They shall appear visibly and uniformly clean. This shall include the elimination of cleaner residue, streaks and film.
2. **Telephones:** Shall be free of dust and soil. They shall appear visibly and uniformly clean and polished-dry.
3. **Lamps:** Shall be free of dust, dried-soil and soil without causing damage. Lamp shall appear visibly and uniformly clean. This shall include the elimination of streaks, cleaner residue and film.
4. **Walls and Doors:** Shall be free of dust, cobwebs, dried-soil and soil without causing damage. These surfaces shall appear visibly and uniformly clean. This shall include the elimination of film, streaks, hand prints and cleaner residue.
5. **Waste Containers:** Contents shall be removed from waste containers and can liners replaced, as required. Inside and outside of the container shall be cleaned and disinfected. Containers shall appear visibly and uniformly clean. This shall include the elimination of streaks, food-stuff and the presence of an offensive odor emitting from the container.
6. **Partitions:** Shall be free of dust, cobwebs, soil and graffiti without causing damage. Partitions shall appear visibly and uniformly clean. This shall include the elimination of streaks, film and cleaner residue.
7. **Floors, Carpet and Baseboards:** Shall be free of dust, cobwebs, dried-soil, soil, gum, spots, stains and debris. Hard/resilient floors shall have multiple coats of a slip-resistant seal and finish applied that result in a consistent high-shine. Floors, carpet and cove-bases shall appear visibly and uniformly smooth and clean. This shall include the elimination of dust streaks, lint, standing water, cleaner residue, embedded soil and foreign objects.

B. Restrooms – Minimum Cleaning Standards:

1. **Special Note:** Maintaining a sanitary restroom environment that minimizes the possibility of cross-infection is considered of the highest priority by the City of Brea. An inspection team shall closely monitor sanitation levels.

2. **Dispensers:** Shall be free of dust, dried soil, bacteria and soil without causing damage. These surfaces shall appear visibly and uniformly clean and disinfected. This shall include the elimination of film, streaks, and cleaner residue. Dispensers shall be refilled when required with the proper expendable supply item.
3. **Sanitary Napkin Dispensers/Disposal Canisters:** ***Shall be free of dust, dried soil, bacteria and soil without causing damage. These surfaces shall appear visibly and uniformly clean and be disinfected inside and out. This shall include the elimination of film, streaks, and cleaner residue. Disposal bags are to be replaced with new daily.***
4. **Hardware:** Shall be free of dust, soil, bacteria and scale without causing damage. Brightwork shall appear visibly and uniformly clean, disinfected and polished to a streak-free shine. This shall include the elimination of polish residue.
5. **Sinks:** Shall be free of dust, bacteria, soil, cleaner residue and soap film without causing damage. They shall appear visibly and uniformly clean, and polished-dry. This shall include the elimination of polish residue.
6. **Mirrors:** Shall be free of dust and soil. Mirrors and surrounding metal framework shall appear streak-free, film-free and uniformly clean.
7. **Toilets and Urinals:** Toilets, toilet seats and urinals shall be free of dust, bacteria, soil, organic matter, cleaner residue and scale without causing damage. These fixtures shall appear visibly and uniformly clean, disinfected and polished-dry. This shall include the elimination of streaks, film and water spots. Under rim areas are to be and will be inspected for cleanliness.
8. **Partitions:** Shall be free of dust, cobwebs, soil and graffiti without causing damage. Partitions shall appear visibly and uniformly clean, disinfected and polished-dry. This shall include the elimination of streaks and film.
9. **Waste Containers:** Contents shall be removed from waste containers and can liners replaced with new. Inside and outside of the container shall be cleaned and disinfected. Containers shall appear visibly and uniformly clean. this shall include the elimination of streaks, food-stuff and the presence of an offensive odor emitting from the container.
10. **Walls and Doors:** Shall be free of dust, cobwebs, soil, spots and stains without causing damage. These surfaces shall appear visibly and uniformly clean/disinfected. This shall include the elimination of film, streaks and cleaner residue. Ceramic walls and wainscots; and metal kick plates, handles and push plates on doors shall also be polished-dry.
11. **Floors and Baseboards:** Shall be free of dust, cobwebs, soil, gum, stains and debris. Floors shall have multiple coats of a slip-resistant seal/finish applied that results in a consistent shine. Floors and cove-bases shall appear visibly and uniformly clean and disinfected. This shall include the elimination of dust streaks, lint, standing water, cleaner residue and film.

12. **Air Vents:** Shall be free of dust and soil. This also pertains to air distribution units and exhaust vents. They shall appear visibly and uniformly clean.
 13. **Light Fixtures:** Shall be free of dust and soil without causing damage. Diffusers shall remain in proper position, and appear streak-free and uniformly clean.
- C. Entrances, Patios – Minimum Cleaning Standards:
1. **Mats and Carpet:** Shall be free of spots, stains, gum, dirt and debris without causing damage. They shall appear visibly and uniformly clean. Adjoining walls, doors, and floor surfaces shall also be free of dust, soil, and cleaner residue.
 2. **Glass and Metal Surfaces:** Shall appear streak-free, film-free, and uniformly clean. This shall include the elimination of dust and soil from sills and ledges and heat registers.
 3. **Corners/Thresholds:** Shall be free of dust, cobwebs, dried-soil, crud, finish build-up and debris. These areas shall appear visibly and uniformly clean. This shall include the elimination of cleaner residue.
 4. **Floors and Cove-bases:** Shall be free of dust, cobwebs, dried-soil, gum, spots, stains, and debris. Hard/resilient floors shall have multiple coats of a slip-resistant seal and finish applied that results in a consistent high-shine. Floors shall appear visibly and uniformly smooth and clean. This shall include the elimination of dust streaks, lint, standing water, cleaner residue and film.
 5. **Walls and Fixtures:** Shall be free of dust, cobwebs, dried-soil and soil without causing damage. These surfaces shall appear visibly and uniformly clean. This shall include the elimination of film, streaks, and cleaner residue.
- D. Elevators – Minimum Cleaning Standards:
1. **Tracks:** Shall be free of dirt and debris. Tracks shall appear visibly clean. This shall include the elimination of standing water from wet cleaning procedures.
 2. **Lights:** Shall be free of dust, cobwebs, soil, spots, and stains without causing damage. They shall appear streak-free, film-free and uniformly clean. Bright metal surfaces shall be polished to a high-shine. Bright metal surfaces shall be polished to a high shine. This shall include the elimination of polish residue and/or film.
 3. **Floors, Carpet and Cove-bases:** Shall be free of dust, cobwebs, dried soil, soil, gum, spots, stains, and other debris. Hard/resilient floors shall have multiple coats of a slip resistant seal and finish applied that results in a consistent high-shine. Floors, carpet and Cove-bases shall appear visibly and uniformly smooth and clean. This shall include the elimination of dust streaks, lint, standing water, cleaner residue, embedded soil and foreign objects.

- E. Corridor – Minimum Cleaning Standards:
1. **Floors and Cove-bases:** Shall be free of dust, cobwebs, dried-soil, gum, spots, stains, and debris. Hard/resilient floors shall have multiple coats of a slip-resistant seal and finish applied that results in a consistent high-shine. Floors shall appear visibly and uniformly smooth and clean. This shall include the elimination of dust streaks, lint, standing water, cleaner residue and film.
 2. **Walls and Fixtures:** Shall be free of dust, cobwebs, dried-soil and soil without causing damage. These surfaces shall appear visibly and uniformly clean. This shall include the elimination of film, streaks, and cleaner residue.
 3. **Water Fountains:** Shall be free of dust, soil, scale and water spots without causing damage. Brightwork shall be disinfected and polished to a streak-free shine. Water fountains shall appear visibly and uniformly clean. This shall include the elimination of film and cleaner residue.
- F. Stairwells – Minimum Cleaning Standards:
1. **Rails and Walls:** Shall be free of dust, cobwebs, dried-soil and soil without causing damage. These surfaces shall appear visibly and uniformly clean. This shall include the elimination of film, streaks, lint, standing water, cleaner residue or film.
 2. **Steps and Landings:** Shall be free of dust, cobwebs, dried soil, gum, stains, and debris. This shall include risers and cove-bases. These surfaces shall appear uniformly smooth and clean without leaving dust streaks, lint, standing water, cleaner residue or film.
 3. **Windows & Blinds – Cleaning Standards:** The contractor is responsible for cleaning the interior and exterior of the building windows per the specification. Blinds shall be cleaned by dusting and/or wiping with damp cloth. Windows to be dirt and streak free.
- G. Miscellaneous – Minimum Cleaning Standards:
1. **Air Vents:** Shall be free of dust and soil. This also applies to air distribution units and exhaust vents. They shall appear visibly and uniformly clean.
 2. **Light Fixtures:** Shall be free of dust and soil without causing damage. Diffusers shall remain in proper position, and appear streak-free and uniformly clean.
 3. **Janitor Closets & Storerooms- Minimum Cleaning Standards:**
 4. **Shelves:** Shall be free of dust, cobwebs, dried-soil and soil. They shall appear visibly and uniformly clean. Supplies and equipment shall be stocked, organized, neatly on shelves.
 5. **Janitor Carts:** Shall be free of dust, dried-soil and soil. They shall appear visibly and uniformly clean. Supplies and equipment stored on janitor carts shall also be free of dust and soil, and organized, neatly.

6. **Equipment:** Shall appear visibly clean and organized. All mops will be wrung out and the mop buckets are to be empty and clean when not in use.
 7. **Walls:** Shall be free of dust, cobwebs, dried-soil and soil. They shall appear visibly and uniformly clean. This shall include the elimination of film, streaks, and cleaner residue.
 8. **Utility Sinks:** Shall be free of dust, soil, cleaner residue and soap film. Utility sinks shall appear visibly and uniformly clean. This shall include the elimination of streaks, embedded soil, film and water spots. Brightwork shall be cleaned, de-scaled and polished.
 9. **Floors:** Shall be free of dust, cobwebs, dried-soil, gum, spots, stains and debris. Hard/resilient floors shall have multiple coats of a slip-resistant seal and finish applied that result in a consistent high-shine. Floors shall appear visibly and uniformly smooth and clean. This shall include the elimination of dust streaks, lint, standing water, cleaner residue, and film.
- H. Gym & Locker Room - Minimum Cleaning Standards:
1. **Equipment:** All glassware, mirrors, lockers and equipment to be cleaned. They shall appear visibly and uniformly clean. Equipment shall be clean, including seats, benches grab bars are to clean and disinfected. The gym equipment is to be organized and placed in its proper locations.
 2. **Shelves:** Shall be free of dust, cobwebs, dried-soil and soil. They shall appear visibly and uniformly clean. Supplies and equipment shall be stocked, organized, neatly on shelves.
 3. **Walls:** Shall be free of dust, cobwebs, dried-soil and soil. They shall appear visibly and uniformly clean. This shall include the elimination of film, streaks, and cleaner residue.
 4. **Floors:** Shall be free of dust, cobwebs, dried-soil, gum, spots, stains and debris. Hard/resilient floors shall have multiple coats of a slip-resistant seal and finish applied that result in a consistent high-shine. Floors shall appear visibly and uniformly smooth and clean. This shall include the elimination of dust streaks, lint, standing water, cleaner residue, and film.
 5. **Catering Kitchens:** Shall be cleaned and maintained in accordance with Orange County health and safety standard.

IX. Performance Inspections

The purpose of the Performance Inspections is to ensure a high level of workmanship as well as to ensure the Quality, Health and Cleaning Standards throughout this Scope/Specification are consistently achieved. Attached is an Performance Inspection Sheet that will be used by both the contractor and the City of Brea to monitor performance. The following intervals will be used for these inspections.

- A. Contractor – Weekly
 - B. Contractor – Monthly
 - C. City of Brea – Random
1. The Janitorial Service Company shall perform weekly quality inspections of all sites and submit a written inspection report to the City of Brea. The

contents and format of the inspection report shall be determined by the contactor and the City of Brea at the award of the contract. A Performance Inspection Form will be provided by the City of Brea.

2. The Janitorial Service Company shall perform monthly quality inspections with the City of Brea designated representative. This inspection shall be of all sites covered by this contract with a written inspection report summary submitted by the contractor to the City of Brea.
3. All noted deficiencies shall be corrected within 48 hrs of inspection. Repeated deficiencies of the same nature and site could result in contract termination.

- D. Post Custodial Performance Inspection sheet and Schedules I, II, and III daily at each facility for contract employees to use as reference and City staff to monitor.

X. Specific Terms and Conditions

A. Background/Security

1. All personnel engaged in performance of this work shall be employees of the Contractor and as such shall be warranted to possess sufficient experience and security records to perform this work.
2. Livescan background checks must be completed on all of the contractor employees due to sensitive materials and equipment that is in the areas that will be serviced.

B. Health

1. All personnel shall be in good health and free of contagious diseases. Contractor shall not allow any person(s) under the influence of alcohol or drugs on the premises or in the buildings.
2. Contractor shall not allow the use or presence of alcohol or drugs on the premises or in the building.

C. Conduct

1. No person(s) shall be employed for this work who is found to be incompetent, disorderly, troublesome, under the influence of alcohol or drugs, who fails or otherwise refuses to perform the work properly, or is otherwise objectionable.
2. Any person found to be objectionable shall be discharged immediately and not re-employed for this work.

D. Supervision of Staff

1. Contractor shall provide one supervisor or foreman who shall be present at all times during operations, and who shall be responsible for both conduct and workmanship.
2. The supervisor/foreman shall oversee all services at the Brea facilities. The supervisor or foreman shall be able to communicate effectively in both written and oral English language.

- E. Day Porters
 - 1. All Day Porters shall be fully trained for the type of duties that they will perform and shall be able to communicate effectively in both written and oral English language.
- F. Training
 - 1. Contractor shall have an ongoing training program for all its staff in areas of Safety and Job Duties. Contractor shall provide only personnel that have been fully trained for performance of this work. Supervisors shall have been trained in supervision as well as technical training.
- G. Uniforms and Photo IDs
 - 1. All contractor's employees shall wear uniforms at all times while on duty. Uniforms must have the Contractor's company name.
 - 2. A picture ID is to be worn at all times similar to the current City of Brea name /picture ID cards.
- H. Adequate Safety
 - 1. Warning devices shall be used by the contractor when there is a safety hazard (i.e. rain-slip), waxing or wet mopping floors or as needed to ensure the safety of our employees and residents.
 - 2. The contractor shall be responsible for instructing its employees in all safety measures.
 - 3. All equipment used by the contractor shall be maintained in safe operating condition at all times and be free from defects which would constitute a hazard to any persons.
 - 4. All employees must wear proper personal protective equipment while working on City of Brea premises.
- I. Non-Smoking Facilities
 - 1. All City of Brea buildings are designated as non-smoking facilities.
 - 2. No custodian shall smoke while within twenty (20) feet of said buildings.
- J. Keys
 - 1. Contractor shall establish and implement methods for ensuring that all keys & key cards issued to Contractor by the City of Brea are not lost, misplaced, or used by unauthorized persons.
 - 2. No keys or keycards issued to Contractor by the City shall be duplicated without prior written authorization from the City of Brea.
 - 3. Contractor shall report to the City the occurrences of lost or duplicated key/keycards. In the event keys/keycards are lost, duplicated, or the City of Brea deems it necessary, Contractor will be required upon direction of City, to re-key or replace the affected lock or locks or perform re-keying or keycard replacement at its cost.
 - 4. It is also the responsibility of Contractor to prohibit the opening of locked areas or to permit entrance of unauthorized persons other than

Contractor employees engaged in the performance of assigned work in those areas.

K. Maintenance Repairs

1. Report any maintenance repairs needed (i.e. leaking faucets; clogged drains; broken electrical plugs; lights out) to the City of Brea Building Maintenance Division by phone (714)990-7691 or fax 714-671-1493.

L. Standard Forms

1. Listed below are some of the standard forms that will be used to communicate the City of Brea needs and requirements.
 - a) Performance Inspection Form
 - b) Service Request Form
 - c) Service Compliant Form
 - d) General Notes: E-mails; Memos; Verbal Instructions and Voicemails.

M. Contact Information

1. The Contractor shall provide the City of Brea representative the following information:
 - a) 24 hour Contact number
 - b) Emergency Contact name and number
 - c) Custodial Hotline
 - d) E-mail address
 - e) General Manager
 - f) On-site supervisor(s)

N. Damage to City Property

1. Damage or theft of City property resulting from contractor shall be repaired immediately by the Contractor or the City of Brea at the Contractor's expense.
2. If the Contractor fails to remedy such damage or theft, a written report of damage or theft shall be submitted to the City of Brea within 48 hours of occurrence.

O. City of Brea Telephone Usage

1. Telephones (incl. cell phones) shall not be used by the Contractor or its employees for personal reasons with the following exception(s):
 - a) To report need of medical aid, fire or need of law enforcement, use 9-911 number
 - b) Notification to the City of Brea Building Maintenance Supervisor of damage as required in this contract
 - c) Any calls to numbers other than those above shall be considered a violation of this contract and grounds for immediate termination.

P. Building Security

1. The contractor shall keep all exterior doors closed and locked during the performance of work or as otherwise directed and ensure that all doors are locked at the end of the shift unless otherwise advised by the authorized City of Brea representative.
2. Offices with security systems shall have them activated immediately after services are completed in these areas.

Q. Remedy for Failure to Perform Required Service

1. The contractor shall be called back to correct deficiencies in adherence to the specifications at no additional charge to the City of Brea. Response time shall be as soon as possible but not more than two (2) hours from the receipt of the call during normal business (including weekends for Community Services Recreation Buildings) hours.
2. Hours not worked shall be deducted from monthly payments if these hours are persistent or if a quality problem appears. Deduction for hours not worked does not constitute a waiver of the specifications or acceptance of the conditions or performance. Contractor's failure to perform under the terms and frequencies specified herein, may result a reduction in monthly payment due to the contractor and/or termination of services. The types of reductions described below may, at the City's option, be imposed after notification to the contractor of any deficiencies and failure to provide remedies.
3. Immediate response requires the contractor to report to the site to correct deficiencies from the previous shift worked (i.e. night) . The deficiencies shall be of such nature as to warrant immediate correction or if the use and enjoyment of the building will be negatively affected. Deficiencies requiring immediate response are those that adversely affect the buildings' occupants. These can include, but are not limited to, failure to restock dispensers and failure to clean and or disinfect specific areas. If cleaning is not accomplished because of lost keys, the lack of service shall be deducted from payment. Should the contractor fail to respond as required to make corrections, the City of Brea may deduct a portion of payment for one day or multiple days depending on the nature of the infraction.
4. Contractor may be assessed penalties by City up to one hundred percent (100%) of the monthly value of a site for nonperformance and up to sixty percent (60%) of the monthly value of a site for substandard performance. Such penalties shall be assessed at the discretion of the City. Contractor shall be notified of any penalties in accordance with the terms of this Contract.
5. Contractor shall be notified of service failure by delivery of a "Performance Deficiency Notification" form to Contractor by City. Said notice will serve as formal notification that Contractor has incurred a service deficiency sufficiently material that contract termination may result if satisfactory corrective action is not taken by Contractor.

6. The Performance Deficiency Notification will contain the acceptable time period for service correction. Upon Deficiency Notification, the correction will either be accepted or rejected. If accepted, part or all of the penalties may be waived, regardless of whether City has incurred loss as a result of said service failure.
 7. Contractor will be notified of correction acceptance status by delivery of a Performance Deficiency Status Memorandum. Should correction not be accepted, a separate additional Performance Deficiency Notification will be delivered to Contractor, thus increasing the number of Deficiency Notices received by Contractor.
- R. Vehicles Used by the Custodial Contractor
1. Vehicles are to be identified with magnetic door signs (approx 20" x 16") or equivalent with the company name and phone number.
- S. Requirements for Custodians:
1. Each custodian working within City facilities shall be in a Contractor's uniform or an identifying shirt.
 2. Each custodian shall have in his/her possession a company photo identification badge at all times.
 3. All custodial supervisors and at least one (1) person on each custodial crew shall be able to communicate verbally in the English language.
- T. Safety and Security Requirements:
1. All safety warning devices shall be used by the Contractor when waxing or wet mopping floors or any other area.
 2. All City buildings are NON-SMOKING facilities; no custodian is allowed to smoke while in City buildings.
- U. Schedule
1. Contractor shall provide the City of Brea with a comprehensive Monthly Schedule listing all monthly/Quarterly service dates and locations.
- V. Environmental Requirements:
1. The Contractor is required to adhere to the provisions of the Federal Clean Water Act as regulated by the U.S. Environmental Protection Agency in Code 40, Code of Federal Regulations (CFR) Parts 122, 123, 124, the Porter-Cologne Act (California Water Code), the Waste Discharge Requirements for Municipal Storm Water Discharges within the County of Orange and the National Pollution Discharge Elimination System (NPDES). Copies of the suitable Best Management Practices (BMPs) from the California Storm water Quality Association (CASQA), Storm water Best Management Practice Handbook for Construction Activities are available for review at the offices of the City Engineer or can be found at www.cabmphandbooks.com.

End of Exhibit A

**EXHIBIT B
COMPENSATION**

I. Total Compensation

- A. CONTRACTOR agrees to accept the specified compensation as set forth in this Agreement as full payment for satisfactorily performing all work, including furnishing all labor and materials required to fully and satisfactorily complete the Services to CITY's reasonable satisfaction. To the maximum extent permitted by law, CONTRACTOR assumes all risks related to its performance of the Services including risks of unforeseen difficulties or conditions which may arise or be encountered in the performance of the Services. CONTRACTOR shall only be compensated as set forth herein for work satisfactorily performed in accordance with the Scope of Work.
- B. **Contract Amount.** Payment shall not exceed the total all-inclusive amount of \$416,026.00 for the First One-Year Term (base period) including minimum wage increases.
- C. **Price Changes.**
1. Prices in Exhibit B shall not be revised during the term of the Contract (including any extension periods) without prior approval by City Council.
 2. CONTRACTOR must submit a request for any price increases along with supporting documentation at least 60 calendar days before the proposed date of the increase.
 3. Increases in labor costs due to mandated changes by the State of California for minimum wages are only to relieve workers that were below the enacted minimum wage for the corresponding contract year.
 4. Increases in all other costs are based on increases in the most recently available Consumer Price Index for the Los Angeles-Long Beach-Anaheim, CA area <https://data.bls.gov/cgi-bin/surveymost?cw>.

Continued on Next Page

II. Manner of Payment and Accounting Requirements

A. Taxes

1. CONTRACTOR shall pay, when and as due, any and all taxes incurred as a result of CONTRACTOR's compensation hereunder, including estimated taxes, and shall provide CITY with proof of the payment upon request.
2. CONTRACTOR hereby agrees to indemnify CITY for any claims, losses, costs, fees, liabilities, damages or injuries suffered by CITY arising out of CONTRACTOR's breach of this Section.

B. Payment Terms

1. CONTRACTOR shall submit invoices in arrears, after Services have been received. CITY will make payment in net 30 days after receipt of an undisputed invoice in a format acceptable to CITY. Invoices are subject to routine processing requirements. The responsibility for providing an acceptable invoice to CITY for payment rests with CONTRACTOR. Incomplete or incorrect invoices are not acceptable and will be returned to CONTRACTOR for correction.
2. Billing shall cover Services not previously invoiced. CONTRACTOR shall reimburse CITY for any monies paid to the Contractor for services not provided, or when services do not meet the contract requirements.
3. Payments made by the CITY shall not preclude the right of the CITY from thereafter disputing any items involved or billed under this contract and shall not be construed as acceptance of any part of the goods or services.

C. Invoicing Instructions

1. CONTRACTOR will provide an invoice on the CONTRACTOR'S letterhead. Each invoice will have a unique number and must include:
 - a) Contractor's name and address
 - b) Contractor's remittance address, if different from above
 - c) Contractor's Taxpayer ID Number
 - d) Name of City Agency/Department
 - e) Delivery/service address
 - f) Contract number
 - g) Purchase Order (PO) number
 - h) Date of invoice
 - i) Description of Services/Goods
 - j) Sales tax, if applicable
 - k) Freight/delivery charges, if applicable
 - l) Total
2. Invoices and support documentation are to be forwarded to:
 - a) City of Brea
 - b) Accounts Payable
 - c) 1 Civic Center Circle
 - d) Brea CA 92821
3. City does not accept electronic invoices.

D. Accounting Records of CONTRACTOR

1. During performance of this Agreement and for a period of three (3) years after termination or expiration of this Agreement, CONTRACTOR shall maintain all accounting and financial records related to this Agreement, including, but not limited to, records of CONTRACTOR's costs for all Services and Additional Services performed under this Agreement and records of CONTRACTOR's reimbursable expenses, if any, in accordance with generally accepted accounting practices, and shall keep and make the records available for inspection and audit by representatives of the CITY upon reasonable written notice.

End of Exhibit B

Attachment 1 to Exhibit B
insert eProcurement Price Sheets here

A532

ExcelFormat Bid Tabulation By Vendor

Version 1

Bid RFP #20190040401 - Custodial Services

End Date 2019-05-01 05:00 PM PDT

Vendor A532 - GUARANTEED JANITORIAL SERVICES

Item Code	Name	Item Description	Unit Price	Qty	Unit	Total Price
1	Civic Center	3rd floor offices, 25,790 sf 1] Schedule I & Schedule II Service 2] 7:00pm and 6:00am 3] M-F one week/ M-Th following week (excludes holidays) 4] Administrative offices and public service counters 5] 3 restrooms, 5 conference rooms, 4 kitchenettes 6] 95% carpet flooring	1,410.00	12	Mo	16,920.00
2	Civic Center	2nd floor north, 9,000 sf 1] Schedule I & Schedule II Service 2] 7:00pm and 6:00am 3] M-F one week/ M-Th following week (excludes holidays) 4] Administrative offices and 5 conference rooms 5] 2 restrooms / TV studio / 1 lunch room 6] Lawyer's offices M-F (excludes holidays) 7] Conference rooms (refer to rental schedule) 8] 95% carpet flooring	875.00	12	Mo	10,500.00
3	Civic Center	2nd floor south, 9,000 sf 1] Community Rooms A&B/ EOC/2 restrooms, commercial kitchen/ employee break room kitchenette a) Schedule I Service & Schedule II Service b) 6:00pm and 12:00am c) M-Su (refer to rental schedule) d) 95% carpet flooring 2] Administrative offices, Conference room, Kitchenette (community development) a) Schedule I Service & Schedule II Service b) 6:00pm and 12:00am c) M-F one week/ M-Th following week (excludes holidays) d) 95% carpeted	875.00	12	Mo	10,500.00
4	Civic Center	2nd floor Conference and Training Center 3,244 sf 1] Schedule I & Schedule II Service 2] 7:00pm and 6:00am 3] M-Su 4] 5 times per week (refer to rental schedule) 5] 65 seats with tables 6] 2 restrooms 7] 95 % carpet flooring	685.00	12	Mo	8,220.00
5	Civic Center	1st floor Art Gallery 6,256 sf 1] Schedule I Service 2] 10:00pm and thereafter 3] Tu and F 4] Administrative office and exhibit area 5] 95% carpet flooring	265.00	12	Mo	3,180.00
6	Civic Center	1st floor Art Gallery 6,256 sf 95% carpet flooring deep clean, extract carpets, clean windows inside and out 5 times a year (Dates to be determined)	452.00	5	EA	2,260.00

7	Civic Center	1st floor Police Department 4,500 sf 1] Schedule I & Schedule II Service 2] 6:00pm and 2:00am 3] M-Su (includes holidays) 4] Administrative offices and public service counter 5] 2 restrooms 6] 95% carpet flooring	875.00	12 Mo	10,500.00
8	Civic Center	1st floor Council Chambers and Library Lobby 4,200 sf 1] Schedule I & Schedule II Service 2] 9:00pm and 6:00am 3] M-Su (includes holidays) 4] 1 restroom and Library lobby 5] Chambers to be cleaned after rentals (refer to rental schedule) 6] 95% carpet flooring	765.00	12 Mo	9,180.00
9	Civic Center	1st and P-2 floors Curtis Theater 12,500 sf 1] Schedule I & Schedule II Service 2] 4:00pm-2:00am 3] Lobby, administrative office, 199 seating area 4] 4 restrooms, green room, three dressing rooms with showers 5] M-Su cleaning of Theater 6] May need to be cleaned up to 4 x a day 7] Restock supplies in restrooms and remove trash between shows 8] 80% carpet flooring	1,398.00	12 Mo	16,776.00
10	Civic Center	P-2 Police Department, and 911 Dispatch 4,500 sf 1] Schedule I & Schedule II Service 2] 6:00pm and 12:00am 3] M-Su (includes holidays) 4] Administrative offices, 2 restrooms, 2 kitchenettes and 4 locker rooms 5] 90% carpet flooring	803.00	12 Mo	9,636.00
11	Civic Center	P-2 Police Jail 2,500 sf 1] Schedule III Service 2] 6:00pm and 12:00am 3] M-Su (includes holidays) 4] Administrative offices, 1 restroom, 1 shower, 2 booking cells, 5 holding cells and one safety cell 5] 100% concrete floors	615.00	12 Mo	7,380.00
12	Civic Center	P-2 General Services 15,000 sf 1] Schedule I & Schedule II Service 2] 6:00pm and 12:00am 3] M-F one week/ M-Th following week (excludes holidays) 4] Administrative offices, Print shop 1 kitchenette and corridors 5] 50% carpet flooring	1,119.00	12 Mo	13,428.00
13	Civic Center	P-1 & P-2 parking areas 100,507 sf 1] Schedules I, II, and III do not apply 2] 6pm and 12am 3] M-F one week/ M-Th following week (excludes holidays) 4] Police trash, mop up spills, empty trashcans 5] 100% concrete	1,285.00	12 Mo	15,420.00

14	City Yard	CITY YARD, 545 N. Berry Street, Brea, 7,024 sf 1] Administrative offices 2] Schedule I & Schedule II Service 3] 6:00pm and 12:00am 4] M-F one week/ M-Th following week (excludes holidays) 5] 4 restrooms, 2 locker rooms, lunch room, kitchen 6] 90% carpet flooring	1,115.00	12 Mo	13,380.00
15	Pioneer Hall	PIONEER HALL, 304 W. Elm Street, Brea, 4,500 sf A. Schedule I & Schedule II Service B. 6:00pm and 12:00am C. M-F; weekends per rental schedule D. Meeting facility, 2 restrooms, kitchen E. 95% wood flooring	1,028.00	12 Mo	12,336.00
16	Senior Center	SENIOR CENTER, 500 S. Sievers Avenue, Brea, 10,325 sf A. Schedule I & Schedule II Service B. 5:00pm and 12:00am C. M-F; weekends per rental schedule D. Administrative offices, 2 restrooms, 4 conference rooms, lunch room, Catering Kitchen E. 85% carpet flooring	2,355.00	12 Mo	28,260.00
17	Brea Plunge	BREA PLUNGE, 440 S. Walnut Avenue, 1,500 sf A. Schedule I & Schedule II Service B. 6:00pm and 12:00am C. M-Su (includes holidays) (seasonal June 1-August 31) D. Administrative office, 2 locker rooms, exterior benches and tables. E. 95% concrete	615.00	3 Mo	1,845.00
18	Brea Downtown	BREA DOWNTOWN, Birch Street and Brea Blvd. A. Schedule I & Schedule II Service B. 6:00pm-10:00pm C. M-Su (includes Holidays) D. 2 restrooms, police satellite office, sidewalks, trashcans, pick up trash. (pick up litter and empty trash cans on Brea Blvd from Imperial Hwy to Ash St both sides of the street and on Birch St from Orange to Madrona both sides of the street; 22 trashcans on Birch St and 8 trashcans on Brea Blvd)	2,475.00	12 Mo	29,700.00

19	Brea Comm Center	BREA COMMUNITY CENTER, 695 E. Madison Way, 51,000 sf A. Schedule I & Schedule II Service B. Tiny Tots, Kid Watch, Gym, Fitness Area, Aerobics room, Catering Kitchen, Meeting hall, Conference rooms, 5 restrooms, 2 locker rooms. 1] 6:00pm and 6:00am 2] M-Su (includes holidays) C. Administrative offices and Family Resource Center 1] 6pm and 6am 2] M-F D. 30% carpet flooring	3,975.00	12 Mo	47,700.00
20	Day Porters	DAY PORTERS FOR CIVIC CENTER & COMMUNITY CENTER A. (2) Full time day porters B. (1) Part time day porter, 4 hours per day, M-F 10am-2pm. One day porter is 8 hours M-F, Hrs TBD. Second day porter is 8 hours Th-M, Hrs TBD.	8,666.67	12 Mo	104,000.00
21	As-Needed	Window Washing: All Buildings: Inside & Outside (Apr)	10,000.00	1 EA	10,000.00
22	As-Needed	Window Washing: All Buildings: Outside Only (Jul & Oct)	5,000.00	2 EA	10,000.00
23	As-Needed	Carpet Cleaning: All Buildings: All Areas	3,138.00	1 EA	3,138.00
24	As-Needed	Carpet Cleaning: All Buildings: High-Traffic Areas	2,365.00	3 EA	7,095.00
25	As-Needed	Extra Work/Project Cleaning: hourly rate	20.00	40 Hr	800.00
26	Minimum Wage Increase	Minimum Wage Increase from January through June	13,872.00	1 Lot	13,872.00
TOTAL					416,026.00

**EXHIBIT C
GENERAL PROVISIONS**

I. Standard Requirements

A. Assignment and Subcontracting

To assignment of this Agreement or of any part or obligation of performance hereunder shall be made, nor shall any required performance be subcontracted, either in whole or in part, by CONTRACTOR without the prior written consent of CITY.

B. Compliance with Law

CONTRACTOR shall forthwith undertake and complete the Services in accordance with Exhibit "A" attached to this Agreement and all in accordance with Federal, State and CITY statutes, regulations, ordinances and guidelines all to the reasonable satisfaction of CITY.

C. Confidentiality

Any and all information and data provided to CONTRACTOR pursuant to this Agreement shall be forever maintained as confidential by CONTRACTOR, to the maximum extent permitted by law.

D. Customer Care

CONTRACTOR shall provide exceptional Customer Care while fulfilling the terms of this Agreement, is performing as a representative of CITY. Any negative contact with staff, residents/citizens, businesses, visitors or other contractors shall be reported by CONTRACTOR immediately to CITY. CONTRACTOR's management and supervisory personnel shall intercede to resolve or mitigate the negative contact in conjunction with CITY staff. CITY and CONTRACTOR may agree in advance to a single person contact, a representative of either the CITY or CONTRACTOR, for the investigation and response to complaints.

E. Hires

CONTRACTOR shall, at CONTRACTOR's sole cost and expense, secure and hire such other persons as may, in the opinion of CONTRACTOR, be necessary to comply with the terms of this Agreement. In the event any such other persons are retained by CONTRACTOR, CONTRACTOR hereby warrants that such persons shall be fully qualified to perform services required hereunder. CONTRACTOR further agrees that no subcontractor shall be retained by CONTRACTOR except upon the prior written approval of CITY.

F. Independent Contractor

CONTRACTOR is retained by CITY only to the extent set forth in this Agreement, and the CONTRACTOR's relationship to the CITY is that of an independent contractor. CONTRACTOR shall be free to dispose of all portions of CONTRACTOR's time and activities which CONTRACTOR is not obligated to devote to the CITY in such a manner and to such persons, firms, or corporations as the CONTRACTOR sees fit except as expressly provided in this Agreement. Neither the CITY nor any of its agents shall have control over the conduct of the CONTRACTOR or any of the CONTRACTOR's employees, except as set forth in this Agreement. CONTRACTOR shall not have the status of an employee under this Agreement, or be entitled to participate in any insurance, medical care,

vacation, sick leave or other benefits provided for CITY's officers or employees. CONTRACTOR shall have no power to incur any debt, obligation, or liability on behalf of CITY or otherwise act on behalf of the CITY as an agent. CONTRACTOR shall not, at any time, or in any manner, represent that it or any of its agents or employees are in any manner agents or employees of the CITY. CONTRACTOR agrees to pay all required taxes on amounts paid to CONTRACTOR under this Agreement, and to indemnify and hold CITY harmless from any and all taxes, assessments, penalties, and interest asserted against CITY by reason of the independent contractor relationship created by this Agreement. CONTRACTOR shall fully comply with the workers' compensation law regarding CONTRACTOR and CONTRACTOR's employees. CONTRACTOR further agrees to indemnify and hold CITY harmless from any failure of CONTRACTOR to comply with applicable workers' compensation laws. CITY shall have the right to offset against the amount of any fees due to CONTRACTOR under this Agreement any amount due to CITY from CONTRACTOR as a result of CONTRACTOR's failure to promptly pay to CITY any reimbursement or indemnification arising under this Section.

G. Information and Assistance

CITY will provide information and assistance as set forth in Exhibit "A" hereto; photographically reproducible copies of maps and other information, if available, which CONTRACTOR considers necessary in order to complete the Project. Such information as is generally available from CITY files applicable to the Project.

Assistance, if necessary, in obtaining information from other governmental agencies and/or private parties. However, it shall be CONTRACTOR's responsibility to make all initial contact with respect to the gathering of such information.

H. Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the State of California. Venue for any legal action arising out this Agreement shall be the Superior Court of the County of Orange, California.

I. Entire Agreement

This Agreement supersedes any and all other agreements, either oral or in writing, between the parties with respect to the subject matter herein. Each party to this Agreement acknowledges that no representation by any party which is not embodied herein nor any other agreement, statement, or promise not contained in this Agreement shall be valid and binding. Any modification of this Agreement shall be effective only if it is in writing signed by all parties.

J. Precedence of Documents

In the event of any inconsistency or conflict between the Agreement and any of the Exhibits or any other attachments, the Agreement, then this Exhibit C, then the remaining Exhibits and attachments shall govern.

K. Termination

This Agreement may be terminated by CITY for any or no reason upon the giving of a written notice of termination to CONTRACTOR at least fifteen (15) days prior to the date of termination specified in said notice. In the event this Agreement is

so terminated, and provided CONTRACTOR is not then in breach, CONTRACTOR shall be paid on a pro-rata basis with respect to the percentage of the Services satisfactorily completed or goods satisfactorily provided as of the date of termination. In no event, however, shall CONTRACTOR receive more than the Contract Amount. CONTRACTOR shall provide to CITY any and all Work Product including all documents, data, studies, surveys, drawings, maps, models, photographs and reports, whether in draft or final form, prepared by CONTRACTOR as of the date of termination. CONTRACTOR may not terminate this Agreement except for cause.

End of Exhibit C

**EXHIBIT D
INDEMNITY, INSURANCE, and BONDING REQUIREMENTS**

I. Indemnity Requirements

- A. **Indemnitees.** The CITY, its elected officials, officers, attorneys, agents, employees, designated volunteers, successors, assigns and those CITY agents serving as independent contractors in the role of CITY officials are referred to herein collectively as "Indemnitees".
- B. **Damages.** All damages, costs, expenses, liabilities, claims, demands, causes of action, proceedings, judgments, penalties, liens and losses of any nature whatsoever, including fees of accountants, attorneys and other professionals, and all costs associated therewith, and the payment of all consequential damages are referred to herein collectively as "Damages".
- C. **Indemnities.**

To the fullest extent permitted by law, CONTRACTOR shall, at its sole cost and expense, protect, defend, hold harmless and indemnify the Indemnitees from and against any and all Damages, in law or equity, whether actual, alleged or threatened, which arise out of, pertain to, or relate to the acts or omissions of CONTRACTOR, its officers, agents, servants, employees, subcontractors, materialmen, suppliers, or contractors, or their officers, agents, servants or employees (or any entity or individual that CONTRACTOR shall bear the legal liability thereof) in the performance of this Agreement, including the Indemnitees' active or passive negligence, except for Damages arising from the sole negligence or willful misconduct of the Indemnitees, as determined by final arbitration or court decision or by the agreement of the Parties. CONTRACTOR shall defend the Indemnitees in any action or actions filed in connection with any Damages with counsel of the Indemnitees' choice, and shall pay all costs and expenses, including all attorneys' fees and experts' costs actually incurred in connection with such defense. CONTRACTOR shall reimburse the Indemnitees for any and all legal expenses and costs incurred by the Indemnitees in connection therewith.

D. Hazardous Materials Indemnities.

In addition to any other indemnity provisions in this Section, and to the fullest extent permitted by law, CONTRACTOR shall, at its sole cost and expense, protect, defend, hold harmless and indemnify the Indemnitees, from and against any and all Damages, whether actual, alleged or threatened, arising out of, pertaining to, or relating to, in whole or in part, the presence, storage, transportation, discharge, release, escape, remediation, treatment, or disposal of any Hazardous Materials, Pollution, or Contaminants, as defined by all applicable Environmental Laws, that are in care, custody, or control of or due to the negligence, recklessness or willful misconduct of CONTRACTOR, and/or its officers, agents, servants, employees, subcontractors, contractors or their officers, agents, servants or employees (or any entity or individual for that CONTRACTOR shall bear the legal liability thereof) in the performance of Services under this Agreement. CONTRACTOR shall defend the Indemnitees in any action or actions filed in connection with any Damages with counsel of the Indemnitees' choice, and shall pay all costs and expenses, including all attorneys' fees and experts' costs actually incurred in connection with such

defense. CONTRACTOR shall reimburse the Indemnitees for any and all legal expenses and costs incurred by the Indemnitees in connection therewith.

- E. These Indemnification provisions are independent of and shall not in any way be limited by the Insurance Requirements of this Agreement. City approval of the Insurance required by this Agreement does not in any way relieve the Contractor from liability under this Section.

II. Insurance Requirements

A. General

1. City reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances. If the existing policies do not meet the Insurance Requirements set forth herein, Contractor agrees to amend, supplement or endorse the policies to do so.
2. Without limiting the Contractor's indemnity obligations hereunder, Contractor shall procure and maintain in full force and effect for the Term of this Agreement, the following policies of insurance.
3. For all insurance required by this Agreement, if a general aggregate limit applies, either the general aggregate limit shall apply separately to the Services or the general aggregate limit shall be twice the required occurrence limit.
4. If the Contractor maintains broader coverage and/or higher limits than the minimums required herein, City requires and shall be entitled to the broader coverage and/or higher limits maintained by the Contractor.

B. Coverages

1. Commercial General Liability (CGL)

- a) CGL affords coverage at least as broad as Insurance Services Office "occurrence" form CG 00 01, including products and completed operations, property damage, bodily injury, and personal & advertising injury.
- b) Limits shall be no less than \$2,000,000 per occurrence.

2. Products-Completed Operations (PCO)

Contractor shall procure and submit to City evidence of insurance for a period of at least ten (10) years from the time that all work under this Contract is completed.

3. Automobile Liability Insurance (ALI)

- a) ALI with coverage at least as broad as Insurance Services Office Form CA 0001 covering "Any Auto" (Symbol 1) for each accident for bodily injury and property damage with limit no less than \$1,000,000 per occurrence.
- b) If Contractor does not own any vehicles, Contractor may satisfy this requirement by providing the following:
 - (1) A personal automobile liability policy for the contractor's own vehicle, if Contractor is a one-person operation; and

- (2) A non-owned & hired auto liability endorsement to the commercial general liability policy if the contractor may lease, hire, rent, borrow, or use vehicles of others (e.g., employee-owned vehicles).

4. Workers' Compensation (WC)

- a) Workers' Compensation as required by the State of California with statutory limits, and Employer's Liability Insurance with a limit of not less than \$1,000,000 per accident for bodily injury or disease.
- b) Self-Employment Affidavit or Declaration, signed under the penalty of perjury, if Contractor does not have any employees who will be performing work on behalf of City, Contractor must provide the following:
 - (1) A signed Self-Employment Affidavit Letter or a signed Declaration that Contractor is aware of the provisions of Section 3700 of the California Labor Code, which requires every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and that Contractor will comply with such provisions before commencing the performance of the work of this contract; and
 - (2) A certification that Contractor does not employ any individual(s) in the course and scope of business operations.

C. Endorsements

Insurance policies shall not be in compliance if they include any limiting provision or endorsement that has not been submitted to City for approval. The insurance policies shall contain or be endorsed to contain, the following provisions:

1. Commercial General Liability & Contractors Pollution Liability

a) Additional Insured

- (1) City, its elected officials, officers, employees, volunteers, boards, and representatives shall be additional insureds with regard to liability and defense of suits or claims arising out of the work or operations performed by or on behalf of the Contractor including materials, parts or equipment furnished in connection with such work or operations.
- (2) Additional Insured Endorsements shall not:
 - (a) Be limited to "Ongoing Operations"
 - (b) Exclude "Contractual Liability"
 - (c) Restrict coverage to the "Sole" liability of Contractor
 - (d) Exclude "Third-Party-Over Actions"
 - (e) Contain any other exclusion contrary to the Contract

- (3) Additional Insured Endorsements shall be at least as broad as ISO Form(s) CG 20 10 11 85; or CG 2010 and CG 20 37.

b) Primary Insurance

This insurance shall be primary and any other insurance whether primary, excess, umbrella or contingent insurance, including deductible, or self-insurance available to the insureds added by endorsement shall be in excess of and shall not contribute with this insurance. Coverage shall be at least as broad as ISO CG 20 01 04 13.

2. Auto Liability

a) Additional Insured

City, its elected officials, officers, employees, volunteers, boards, agents and representatives) shall be additional insureds with regard to liability and defense of suits or claims arising out of the work or operations performed by or on behalf of the Contractor.

b) Primary Insurance

This insurance shall be primary and any other insurance whether primary, excess, umbrella or contingent insurance, including deductible, or self-insurance available to the insureds added by endorsement shall be in excess of and shall not contribute with this insurance.

3. Workers' Compensation

A waiver of subrogation stating that the insurer waives all rights of subrogation against the indemnified parties.

D. Insurance Obligations of Contractor

The Insurance obligations under this Agreement shall be: (1) all the Insurance coverage and/or limits carried by or available to Contractor; or (2) the minimum Insurance coverage requirements and/or limits shown in this agreement; whichever is greater. Any insurance proceeds in excess of or broader than the minimum required coverage and/or minimum required limits, which are applicable to a given loss, shall be available to City. No representation is made that the minimum Insurance requirements of this agreement are sufficient to cover the obligations of the Contractor under this agreement.

E. Notice of Cancellation

Required insurance policies shall not be cancelled or the coverage reduced until a thirty (30) day written notice of cancellation has been served upon City except ten (10) days shall be allowed for non-payment of premium.

F. Waiver of Subrogation

Required insurance coverages (except professional liability) shall not prohibit Contractor from waiving the right of subrogation prior to a loss. Contractor shall waive all rights of subrogation against the indemnified parties and policies shall contain or be endorsed to contain such a provision. This provision applies

regardless of whether City has received a waiver of subrogation endorsement from the insurer.

G. Evidence of Insurance

All policies, endorsements, certificates, and/or binders shall be subject to approval by City as to form and content. These requirements are subject to amendment or waiver only if so approved in writing by City. City reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time.

The certificates and endorsements for each insurance policy shall be signed by a person authorized by that insurer to bind coverage on its behalf. At least fifteen (15 days) prior to the expiration of any such policy, evidence of insurance showing that such insurance coverage has been renewed or extended shall be filed with City. If such coverage is cancelled or reduced, Contractor shall, within ten (10) days after receipt of written notice of such cancellation or reduction of coverage, file with City evidence of insurance showing that the required insurance has been reinstated or has been provided through another insurance company or companies.

H. Deductible or Self-Insured Retention

Any deductible or self-insured retention must be approved in writing by City and shall protect the indemnified parties in the same manner and to the same extent as they would have been protected had the policy or policies not contained a deductible or self-insured retention. City may require the Contractor to purchase coverage with a lower retention or provide proof of ability to pay losses and related investigations, claim administration and defense expenses within the retention.

I. Contractual Liability

The coverage provided shall apply to the obligations assumed by the Contractor under the indemnity provisions of this Contract.

J. Failure to Maintain Coverage

Contractor agrees to suspend and cease all operations hereunder during such period of time as the required insurance coverage is not in effect and evidence of insurance has not been furnished to City. City shall have the right to withhold any payment due until Contractor has fully complied with the insurance provisions of this Contract.

In the event that the Contractor's operations are suspended for failure to maintain required insurance coverage, the Contractor shall not be entitled to an extension of time for completion of the Work because of production lost during suspension.

K. Acceptability of Insurers

Each such policy shall be from a company or companies with a current A.M. Best's rating of no less than A:VII and authorized to do business in the State of California, or otherwise allowed to place insurance through surplus line brokers under applicable provisions of the California Insurance Code or any federal law. Any other rating must be approved in writing by City.

L. Claims Made Policies

If coverage, including coverage for Construction Defect claims, is written on a claims-made basis, the retroactive date on such insurance and all subsequent insurance shall coincide or precede the effective date of the initial Contractor's Agreement with City and an extended reporting period shall be provided for a period of at least ☐ 2 years ☒ 3 years ☐ 5 years ☐ 10 years from termination or expiration of this Contract.

M. Insurance for Subcontractors

Contractor shall be responsible for causing Subcontractors to purchase the same types and limits of insurance in compliance with the terms of this Contract/Agreement, including adding City as an Additional Insured, providing Primary and Non-Contributory coverage and Waiver of Subrogation to the Subcontractor's policies. The Commercial General Liability Additional Insured Endorsement shall be on a form at least as broad as CG 20 38 04 13.

III. Bonding Requirements

A. General.

Bonds shall contain original notarized signature of an authorized officer of the surety along with a certified and current copy power of attorney. Bonds shall be unconditional and remain in force during the term indicated by the stated bond.

B. Performance Bond.

Contractor shall provide City a performance bond in the sum of fifty percent (50%) of the amount of this Agreement, which secures the faithful performance of this Agreement. The bond shall remain in force during the Initial Term of the Agreement and shall be null and void only if the CONTRACTOR promptly and faithfully performs all terms and conditions of this Agreement. For any Renewal Term, the Purchasing Agent may require the performance bond remain in force.

C. Janitorial Service Industry Bond.

Contractor shall provide City a janitorial service industry (fidelity/honesty) bond in the sum of \$25,000 to protect the City of loss caused by dishonest acts of the Contractor's employees under this Agreement. The bond shall remain in force during the entire term of the Agreement and shall survive Agreement termination.

End of Exhibit D

**EXHIBIT E
LABOR CODE**

I. Displaced Janitor Opportunity

California labor code section 1060-65, Displaced Janitor Opportunity, which states in part "A successor contractor or successor subcontractor shall retain, for a 60-day transition employment period, employees who have been employed by the terminated contractor or its subcontractors, if any, for the preceding four months or longer at the site or sites covered by the successor service contract unless the successor contractor or successor subcontractor has reasonable and substantiated cause not to hire a particular employee based on that employee's performance or conduct while working under the terminated contract."

II. Minimum Wage

Changes in direct labor costs shall not exceed the change in the CPI or the actual amount of any Government-mandated increase in the minimum wage, whichever is greater.

For consideration of price increases due to minimum wage increases, CONTRACTOR must submit a certified payroll of employees who are utilized for work on CITY sites showing the wages paid before the change in minimum wage. CONTRACTOR requests for said CONTRACTOR employees who are being paid at or more than any newly enacted minimum wage will be disallowed.

City of Brea

FINANCE COMMITTEE COMMUNICATION

TO: Finance Committee Members

FROM: Bill Gallardo

DATE: 06/11/2019

SUBJECT: Approval of Fiscal Year 2019-20 Property Tax Rate to Fund the City's Paramedic Program

RECOMMENDATION

Approve resolution.

BACKGROUND/DISCUSSION

At the March 7, 1978, general municipal election, the qualified electors of the City, by and through the City Council, approved the levy of an annual property tax rate to fund the City's Paramedic Program. This annual property tax was not to exceed \$0.20 per \$100 of Assessed Value (25% of market value) per year. Beginning in 1981, the County of Orange implemented a policy change concerning Assessed Value. The tax roll is now reported at "Full Taxable Value" rather than Assessed Value.

For Fiscal Year 1981-82, the property valuation was increased to Full Taxable Value for property tax purposes. Therefore, the tax rate needed to be decreased in order for the actual amount of taxes paid by the property owner to remain unchanged. According to Resolution 81-72, a tax rate of \$0.045 per \$100 of Full Taxable Value is equivalent to a tax rate of \$0.18 per \$100.00 of Assessed Value based on the previous method).

State law prohibits the City Council from increasing the paramedic levy above the voter-authorized level. The tax rate of \$0.045 per \$100 of Full Taxable Value is less than the voter-authorized maximum tax rate. Additionally, it is noted that the passage of Proposition 218 by the voters in November 1996 had no impact on the City's ability to levy the annual Paramedic Tax, as the tax was voter-approved in 1978.

Prior to the beginning of each fiscal year, the City Council adopts a resolution approving the rate of tax upon taxable property within the City of Brea. The adoption of the proposed resolution enables the Orange County Auditor-Controller to apply the rate of taxation to the City of Brea's property tax rolls, and ultimately enables the City to maintain the Paramedic Program.

Since its inception in 1979, the Brea Fire Services Department Paramedic Program has grown considerably from the days when the paramedics responded to calls in an old red van. Currently, the paramedics utilize a modern paramedic engine company configuration. The original program that began in Fiscal Year 1978-79 had a budget of \$200,000 and was fully funded by revenues generated from the paramedic tax. While the actual tax rate has

remained constant over the past 39 years, additional revenue has been generated from increases in the property values. Meanwhile, direct expenditures have increased as the program has been greatly enhanced, as outlined below, and as the City's population and service demands have increased.

About the Paramedic Program

A "Paramedic Engine Company" is considered the most efficient method of Emergency Medical Service (EMS) delivery, and is currently the most common staffing configuration in operation locally and regionally. This configuration provides for Advanced Life Support capability within its fire fighting and emergency response resources without compromising either service. The City's paramedic units, Brea Engine Company #1, Truck Company #2 and Engine Company #3, are complete units that respond to both fires and medical emergencies. In addition, resources necessary to provide functional support, such as extrication of patients and fire protection during traffic emergencies, are available at the scene with the paramedic unit.

The program started in Fiscal Year 1978-79 with seven certified paramedics. The Brea Fire Services Department currently carries a complement of 21 certified paramedics and one Emergency Medical Services Manager. This allocation level meets the staffing requirement of the Orange County EMS Agency while providing for uninterrupted deployment of paramedics during leave, training and emergency conditions. Just as the nature of emergencies has changed, so has the required paramedic skill level. Paramedics are being delegated greater responsibility in the field as emergency room medicine is continually being evaluated and streamlined. Paramedic staff all receive continuous in-service training on a myriad of topics, including: trauma medicine; air and blood-borne pathogens; environmental emergencies; pediatric medicine, including sudden infant death syndrome; swift water rescue and mass casualty management.

Field techniques have improved greatly since the program began with treatment advances in the areas of Adult and Pediatric Intubation (airway management requiring insertion of appliances into the trachea), cervical-spine treatments and neurological protection, improved treatment for burn victims and the AED program (cardiac defibrillation), which is in service on all responding Brea units.

Paramedic Response History

Calendar Year	2014	2015	2016	2017	2018
Total Emergency Medical Calls ⁽¹⁾	3,608	4,052	4,218	4,265	3,948
Total Calls for Service from Fire Dept. (Including false alarm responses) (1)	4,777	5,364	5,413	5,373	4,917
Percent of Total	75.52%	75.54%	77.92%	79.38%	80.29%
(1) Data updated to include all call data reported from the Metro Cities Fire Authority Metro Net Communications Report					

SUMMARY/FISCAL IMPACT

Starting with the FY 2018-19 Budget, the paramedic tax revenue was accounted for in the new Paramedic Services Fund (Fund 174) separate from the City's General Fund. The new fund was established to account for revenues generated from the paramedic tax and other revenues, as well as costs associated with the Brea Paramedic Program. This includes personnel costs for 21 full-time paramedic positions, one EMS Manager position and related costs to operate the program.

The proposed paramedic tax rate is \$0.045 per \$100 of Full Taxable Valuation. Based on an estimated Full Taxable Valuation (secured and unsecured value) of \$10.7 billion, the estimated tax levy is \$4.814 million. The total annual levy also includes a levy on supplemental, public utility and other property values that occur annually which is projected to bring the total levy to \$5.172 million.

The former Brea Redevelopment Agency (RDA), which was established in 1971, impacts the flow of paramedic tax revenues to the City. Property owners within the RDA project area pay the same property rate as if they were outside the RDA project area (non-RDA area properties). Paramedic tax for properties outside the RDA project area are remitted to the County and flow directly back to the City. However, under state law, property tax revenue (including the Paramedic Tax) remitted by property owners within the Redevelopment Project Areas to the county was allocated annually first to the Redevelopment Agency.

In 2012, Redevelopment Agencies were dissolved and Successor Agencies were established to pay off the remaining obligations for the former redevelopment agencies. As in all California cities, Brea's property taxes (including Paramedic Tax) remitted from properties in the project areas, are now allocated to Redevelopment Property Tax Trust Fund (RPTTF) and the portion needed to pay off the obligations for that fiscal year is forwarded to the Successor Agency. The remaining portion of the Paramedic Tax revenues allocated to the RPTTF are passed back to the City.

As the Successor Agency pays down the obligations of the former Redevelopment Agency, the Paramedic Tax revenues that were previously directed to the RDA and now the Successor Agency are slowly, but surely, coming back to the City for paramedic service sooner than they otherwise would have been. For FY 2019-20, it is estimated that 59.4% of paramedic tax revenues (\$1,339 million) allocated to the RPTTF will be passed back to the

City.

The following is a summary of the estimated levy; the amount to be allocated to the Successor Agency and the amount to be passed back to the City:

Property Description	Estimated Levy	Amount to Successor Agency	Amount to City	% to the City
Non-Redevelopment Area Properties	\$2.917		\$2.917	100%
Redevelopment Area Properties	\$2.255	(\$0.916)	\$1.339	59%
Totals	\$5.172	(\$0.916)	\$4.256	

It is estimated the paramedic tax rate of \$0.045 per \$100 of Full Taxable Value will generate \$4,256,000 in paramedic tax revenues to the City of Brea in Fiscal Year 2019-20. The revenue collected will cover approximately 75.7% of the \$5,626,274 of estimated program costs. The difference is to be funded from the City's General Fund in the amount of \$1,033,030 and other revenues sources in the amount of \$337,244. Other revenue sources include pass-thru revenue received for Advanced Life Support (ALS) ambulance transport services, as well as revenue received from the City of Fullerton for Fire Command Staff Sharing of the EMS Manager position. The City of Fullerton reimburses the City of Brea for 59% of the position.

RESPECTFULLY SUBMITTED

William Gallardo, City Manager

Prepared by: Ana Conrique, Senior Accountant

Concurrence: Cindy Russell, Administrative Services Director

Attachments

Resolution

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BREA FIXING THE RATE OF TAX UPON THE TAXABLE PROPERTY WITHIN THE CITY OF BREA FOR THE FISCAL YEAR 2019-20 NECESSARY TO MAINTAIN A MOBILE INTENSIVE CARE PROGRAM KNOWN AS PARAMEDICS WITHIN THE AREA OF THE CITY OF BREA AND CERTIFYING SAID RATE OF TAXATION TO THE ORANGE COUNTY AUDITOR-CONTROLLER

A. RECITALS:

(i) During the General Municipal Election held March 7, 1978, the qualified electors of the City of Brea authorized the City, by and through the Council, to levy a property tax rate not exceed \$0.20 per \$100 of Assessed Valuation in addition to its maximum property tax rate established pursuant to Division 1, Part 4, Chapter 2 of the California Revenue and Taxation Code for the specific purpose of establishing and maintaining a mobile intensive care program known as Paramedics within the area of the City of Brea (said "Paramedic Program" hereafter).

(ii) In Fiscal Year 1981-82, the County of Orange implemented a policy concerning Assessed Value. The tax roll is now reported at "Full Taxable Value" rather than Assessed Value. This change resulted in \$0.045 per \$100 Full Taxable Value as the tax levy for the Paramedic Program in years 1981-82 through 2018-19.

(iii) Information and evidence presented to this Council indicated that it would be necessary to expend a sum of approximately \$5,626,274 during the Fiscal Year 2019-20 in order to maintain the Paramedic Program within the area of the City of Brea.

(iv) The revenue to be generated for Fiscal Year 2019-20 based on the tax levy of \$0.045 per \$100 of Full Taxable Value of the property within the City of Brea, exclusive of the revenue generated from the valuation within the Brea Community Redevelopment Project areas and required to be allocated to the Successor Agency has been estimated to

be \$4,256,000.

(v) All legal prerequisites of the adoption of this resolution have occurred.

B. RESOLUTION:

NOW, THEREFORE, be it is found, determined and resolved by the City Council of the City of Brea as follows:

1. In all respects as set forth in the Recitals, Part A of this Resolution.
2. There is hereby fixed and levied that the total rate of taxation of \$0.045 per \$100 of Full Taxable Value of all taxable property within the City of Brea, said taxation to be utilized to maintain a mobile intensive program known as the Paramedic Program within the area of Brea for the Fiscal Year 2019-20 and this Council hereby certifies said rate of taxation for that specified purpose to the Auditor-Controller of the County of Orange.
3. The City Clerk shall certify to the adoption of this Resolution and file with the Orange County Auditor-Controller, a certified copy hereof, on or before August 1, 2019.

APPROVED AND ADOPTED on this

Mayor

ATTEST: _____
City Clerk

I, Lillian Harris-Neal, City Clerk of the City of Brea, do hereby certify that the foregoing Resolution was adopted at a regular meeting of the City Council of the City of Brea, held on the _____, by the following vote:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

DATED: _____

City Clerk