

# AMENDED AGENDA



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**CITY OF MONTEBELLO**  
**CITY COUNCIL AND PUBLIC FINANCING AUTHORITY JOINT REGULAR**  
**MEETING AGENDA**

**WEDNESDAY, AUGUST 10, 2022 AT 5:00 P.M.**

**CITY HALL COUNCIL CHAMBERS**  
**1600 WEST BEVERLY BOULEVARD**  
**MONTEBELLO, CALIFORNIA**

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**CITY COUNCIL/PUBLIC FINANCING AUTHORITY**

Kimberly A. Cobos-Cawthorne, Mayor/Chairman  
Angie M. Jimenez, Mayor Pro Tem/Vice Chairman  
Scarlet Peralta, Councilmember/Member  
Salvador Melendez, Councilmember/Member  
David N. Torres, Councilmember/Member

**CITY MANAGER/EXECUTIVE**

**DIRECTOR**

René Bobadilla, City Manager

**CITY TREASURER**

Rafael Gutierrez

**CITY ATTORNEY/AUTHORITY**

**COUNSEL**

Arnold M. Alvarez-Glasman

**CITY CLERK/SECRETARY OF AUTHORITY**

Christopher Jimenez

**DEPARTMENT HEADS**

Assistant City Manager

Fire Chief

Police Chief

Director of Finance

Director of Human Resources

Director of Planning/Community Development

Director of Public Works

Director of Recreation and Community Services

Director of Transportation

Arlene Salazar

Fernando Pelaez

Paul Espinosa

Michael Solorza

Nicholas Razo

Joseph Palombi

James Enriquez

David Sosnowski

Lupita Ibarra

## NOTICES

**COVID-19 NOTICE:** The City Council rescinded the Declaration of the Local Emergency and the continuation of teleconferencing open meetings pursuant to AB 361 by adopting Resolution No. 22-21 on Wednesday, April 13, 2022. This City Council Meeting/Public Financing Authority Joint Regular Meeting (“Council”/ “PFA”) will be held in person and will meet at **City Hall – City Council Chambers, 1600 West Beverly Boulevard, Montebello, California.** The meeting will be live streamed and can be watched on the City’s website at: <https://www.cityofmontebello.com/government/live-streaming.html>, and may also be viewed on Spectrum Public Access Channel 3 for all Spectrum cable subscribers.

**AMERICANS WITH DISABILITIES ACT:** In compliance with the Americans with Disabilities Act (ADA) any person with a disability who requires special accommodations in order to participate in a meeting should contact the Administration Office at (323) 887-1437 Monday-Thursday from 7:30 a.m.-5:30 p.m. Please call 48 hours prior to the meeting to ensure that reasonable arrangements can be made to provide accessibility to this meeting (28 CFR 35.102-35.104 ADA Title II 1203). If you require translation services, please contact the City Clerk’s office 72 hours before this meeting. **Si necesita servicios de traducción, comuníquese con la Oficina del Secretario Municipal 72 horas antes de esta reunión. 如果您需要翻译服务，请在会议前 72 小时联系市书记员办公室**

## **RULES OF DECORUM:**

As Established by Ordinance 2443, adopted on October 27, 2021: Signs, placards, banners, horns, noise-making devices, or other similar items shall not be permitted in the audience during a Public Meeting if the presence of such item disturbs, disrupts or otherwise impedes the orderly conduct of the meeting. All persons attending a public meeting shall remain seated in the seats provided, unless addressing the body at the podium or entering or leaving the meeting. No member of the audience shall willfully interrupt the orderly conduct at the meeting, this includes clapping or otherwise speaking from their seats. The presiding officer shall direct the removal of any individual whose willful interruption renders infeasible the orderly conduct of the meeting. In the event the removal of the individual or individuals willfully interrupting the meeting does not restore order, the presiding officer may order the meeting room cleared and continue in session. Speakers shall not engage in willful conduct which interrupts the meeting or interferes with the orderly conduct of the meeting. Any person who becomes boisterous while addressing the Council/PFA or who otherwise disrupts the orderly conduct of the Council/PFA’s business shall be subject to removal from the Chambers after being admonished by the presiding officer.

## **PUBLIC COMMENTS:**

**In-Person:** For those interested in participating during the Public Comment period(s) or public testimony period for Public Hearings of the City Council meetings, you may address the City Council ***in person the day of the meeting.*** Speakers will be required to fill out a speaker card provided at the door and turn it into the Deputy City Clerk prior to each Public Comment announcement period. Staff will number and call each speaker card in the order received. Closed Session begins at 5:00 p.m. and Regular Session begins no later than 6:00 p.m.

**Via Email:** The public may also submit emailed comments via the City’s email address: [ccpubliccomment@cityofmontebello.com](mailto:ccpubliccomment@cityofmontebello.com), up until the day of the meeting, **Wednesday, August 10, 2022 by 3:00 p.m.** These comments will be submitted to all members of the City Council/PFA and may not be read aloud but will be entered into the record of the proceedings to the extent they relate to matters listed on the posted agenda or otherwise address matters/issues within the subject matter jurisdiction of the City Council/PFA. Any requests to provide public comment which is submitted after the deadlines indicated above will not be submitted to the City Council/PFA, with the exception of non-agenda written item comments which will be held over for the next regularly scheduled meeting.

**AGENDA MATERIALS:** The agenda and/or agenda packet are available for public inspection at City’s website at: <https://www.cityofmontebello.com/council-agendas.html>. The agenda cover sheets may also be emailed upon request.

IN CONSIDERATION OF OTHERS, PLEASE TURN OFF, OR MUTE, ALL CELL PHONES AND PAGERS  
THANK YOU FOR YOUR COOPERATION

**OPENING CEREMONIES**

**CALL TO ORDER**

**ROLL CALL**

**PUBLIC COMMENTS FOR CLOSED SESSION ITEMS**

At this time, the general public may address the City Council/PFA on Closed Session Items. Please be aware that the maximum time allotted for members of the public to speak on Closed Session Items shall not exceed three (3) minutes per person. State Law prohibits the City Council/PFA from taking action or entertaining extended discussion on a topic not listed on the agenda. Please show courtesy to others and direct all of your comments to the Mayor.

**CLOSED SESSION – 5:00 P.M.**

The City Attorney shall provide a briefing on the item listed for Closed Session as follows:

**1. THREAT TO PUBLIC SERVICES OR FACILITIES**

Government Code Section 54957

Consultation with City Manager, Police Chief, City Attorney and other related City officials.

**2. CONFERENCE WITH REAL PROPERTY NEGOTIATORS**

**a. Government Code Section 54956.8**

Property: Bus Depot

Agency Negotiator: René Bobadilla, City Manager

Negotiating Party: Pico Rivera

Under Negotiation: Price and Terms

**b. Government Code Section 54956.8**

Property: 701 West Whittier Boulevard, Montebello

Agency Negotiator: René Bobadilla, City Manager

Negotiating Party: Jimmy's Property

Under Negotiation: Price and Terms

**3. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION**

Government Code Section 54956.9(d)(1)

Maria Perez v. City Of Montebello

Los Angeles Superior Court Case No. 19STCV06622

**4. PUBLIC EMPLOYEE PERFORMANCE EVALUATION**

Government Code Section 54957

Title: City Manager René Bobadilla

**REGULAR SESSION – NO LATER THAN 6:00 P.M.**

**CLOSED SESSION REPORT**

**INVOCATION**

**PLEDGE OF ALLEGIANCE**

**CORRECTIONS TO THE AGENDA – CITY MANAGER**

**CEREMONIAL/PRESENTATIONS**

5. RECOGNITION OF CITIZEN OF THE MONTH – MANUEL SANCHEZ
6. RECOGNITION OF ALINA MARTIROSYAN
7. PROCLAMATION CELEBRATING THE 100<sup>TH</sup> YEAR ANNIVERSARY OF THE CITY OF MONTEBELLO FIRE DEPARTMENT
8. RECOGNITION OF NATIONAL WELLNESS MONTH

**PUBLIC COMMENTS ON NON-AGENDA AND AGENDA ITEMS (30 MINUTES)**

At this time, the general public may address the City Council/PFA on both non-agenda *and* agenda items. Please be aware that the maximum time allotted for members of the public to speak shall not exceed three (3) minutes per speaker. State Law prohibits the City Council/PFA from taking action or entertaining extended discussion on a topic not listed on the agenda. Please show courtesy to others and direct all of your comments to the Mayor.

**STAFF COMMUNICATIONS ON ITEMS OF COMMUNITY INTEREST**

**PUBLIC HEARING**

9. **PUBLIC HEARING TO ADOPT RESOLUTION NO. 22-67 APPROVING THE DRAFT FISCAL YEAR 2022-23 COMMUNITY DEVELOPMENT BLOCK GRANT AND HOME INVESTMENT PARTNERSHIPS ANNUAL ACTION PLAN AND THE FY 2022-23 COMMERCIAL FAÇADE PROGRAM**

**RECOMMENDATION: It is recommended that the City Council:**

- 1) Conduct a Public Hearing to consider adopting Resolution 22-67 approving the draft Fiscal Year 2022-23 Community Development Block Grant and Home Investment Partnerships Annual Action Plan and the FY 2022-23 Commercial Façade Program; and
- 2) Take such additional, related action that may be desirable.

**REGULAR BUSINESS**

**10. INTRODUCTION AND FIRST READING OF ORDINANCE NO. 2452 UPDATING MONTEBELLO MUNICIPAL CODE CHAPTER 2.16 – DIRECTOR OF FINANCE**

**RECOMMENDATION: It is recommended that the City Council:**

- 1) Introduce and Conduct First Reading of Ordinance No. 2452 Amending Montebello Municipal Code Chapter 2.16.020 – Director of Finance, Powers and Duties; and
- 2) Take such additional, related action(s) that may be desirable.

**11. CONSIDERATION OF THIRD AMENDMENT TO EMPLOYMENT AGREEMENT FOR RENE BOBADILLA AS CITY MANAGER**

**RECOMMENDATION: It is recommended that the City Council:**

- 1) Approve the attached Third Amendment to the Employment Agreement between the City of Montebello and Rene Bobadilla as City Manager; and
- 2) Authorize the payment of a one-time performance compensation; and
- 3) Take such additional, related, action that may be desirable.

**CONSENT CALENDAR**

All matters listed under the Consent Calendar are considered to be routine. Any items a Councilmember wishes to discuss should be designated at this time. All other items may be approved in a single motion. Such approval will also waive the reading of any ordinance.

**12. AWARD OF CONSTRUCTION CONTRACT NO. 4021 – ANNUAL SLURRY SEAL PROJECT, FISCAL YEAR 2022-2022 (CP. NO. 892)**

**RECOMMENDATION: It is recommended that the City Council:**

- 1) Award a construction contract for the Annual Slurry Seal Project – Fiscal Year 2022-23 (CP 892) in the amount of \$399,920 to Doug Martin Contracting Company, Inc.; and
- 2) Authorize the Director Public Works to review and approve change orders within a 15% contingency of the contract amount as recommended by the City Engineer; and
- 3) Amend the Fiscal Year 2022-23 budget by increasing appropriations by \$300,000 in Account No. 200-99-7116 (Gas Tax, Improvements Other Than Building); and \$100,000 in Account No. 222-99-7116 (Measure M, Improvements Other Than Building); and
- 4) Authorize the City Manager to execute the Contract Agreement, on behalf of the City; and
- 5) Take such additional, related, action that may be desirable.

**13. APPROVE AN AGREEMENT TO PROVIDE SCHOOL RESOURCE OFFICERS (“SRO”) TO THE MONTEBELLO UNIFIED SCHOOL DISTRICT (“MUSD”)**

**RECOMMENDATION:** It is recommended that the City Council:

- 1) Approve an agreement to provide School Resource Officers (“SRO”) to the Montebello Unified School District (“MUSD”); and
- 2) Take such additional, and related, action that may be desirable.

**14. APPROVE RECEIPT OF AN AWARD FROM THE CALIFORNIA DEPARTMENT OF FORESTRY AND FIRE PROTECTION (CAL FIRE) FIRE PREVENTION GRANTS PROGRAM AND APPROPRIATE FUNDS IN FISCAL YEAR 2022-23**

**RECOMMENDATION:** It is recommended that the City Council:

- 1) Approve the appropriation of \$108,997 awarded to the Fire Department by the California Department of Forestry and Fire Protection (CAL FIRE) Fire Prevention Grants Program for Fiscal Year 2022-23; and
- 2) Amend the Fiscal Year 2022-23 budget by increasing appropriations by \$108,997
- 3) in Expense Account No. 265-85-856-6040.10 and Revenue Account No. 265-99-4198.10 (Grants, Fire, Cal Fire Wildfire Prevention, Other Contract Services and Grants, Cal Fire Wildfire Prevention; and
- 4) Take such additional, related, action that may be desirable

**15. APPROVE AMENDMENT NO. 3 TO AGREEMENT NO. 3697 WITH AVAIL TECHNOLOGIES, INC., FOR MAINTENANCE AND SUPPORT OF MONTEBELLO BUS LINES’ INTELLIGENT TRANSPORTATION SYSTEM AND FIXED ROUTE PASSENGER INFORMATION SYSTEM**

**RECOMMENDATION:** It is recommended that the City Council:

- 1) Approve Amendment No. 3 to Agreement No. 3697 with Avail Technologies, Inc. (Avail), in an annual not-to-exceed the amount of \$178,405, to extend software maintenance and support services for a one-year term with Montebello Bus Lines (MBL) for its Intelligent Transportation System (ITS) and Fixed Route Passenger Information System; and
- 2) Authorize the City Manager to execute Amendment No. 3 on behalf of the City; and
- 3) Take such additional, related, action that may be desirable.

**16. APPROVE AMENDMENT NO. 1 TO AGREEMENT NO. 2669 WITH CLEAN ENERGY FUELS CORP. TO PROVIDE MAINTENANCE AND SUPPORT SERVICES FOR MONTEBELLO BUS LINES’ COMPRESSED NATURAL GAS STATION**

**RECOMMENDATION:** It is recommended that the City Council:

- 1) Approve Amendment No. 1 to Agreement No. 2669 with Clean Energy Fuels Corp. (Clean Energy), to provide maintenance and support services for Montebello Bus Lines' compressed natural gas (CNG) station for an additional one-year (1-year) term with the option for renewal of up to two (2) additional one-year (1-year) terms; and
- 2) Authorize the City Manager and/or designee to execute Amendment No. 1 on behalf of the City of Montebello (City); and
- 3) Take such additional, related, action that may be desirable.

**17. ADOPT RESOLUTION NO. 22-61 AUTHORIZING THE CITY MANAGER TO EXECUTE ALL REQUIRED DOCUMENTS TO OBTAIN FUNDS PROVIDED BY SENATE BILL 1 (SB1)**

**RECOMMENDATION: It is recommended that the City Council:**

- 1) Adopt Resolution No. 22-61 authorizing the City Manager to execute all required documents to obtain funds provided by Senate Bill 1 (SB1); and
- 2) Take such additional, related, action that may be desirable.

**18. APPROVE ESTABLISHING SOLE-SOURCE BLANKET PURCHASE ORDERS WITH AMERICAN MOVING PARTS, CUMMINS PACIFIC, INLAND KENWORTH, INTERSTATE BATTERIES, NAPA AUTO PARTS, NFI PARTS, AND WAYNE ELECTRIC COMPANY TO PURCHASE MAINTENANCE-RELATED BUS PARTS AND VEHICLE FLEET PARTS**

**RECOMMENDATION: It is recommended that the City Council:**

- 1) Approve establishing a sole-source blanket purchase order with American Moving Parts, LLC (American Moving Parts), for the total not-to-exceed amount of \$80,000, to purchase maintenance-related bus parts for Montebello Bus Lines (MBL) and vehicle fleet parts for the Montebello Fire Department (MFD) for the Fiscal Year 2022-23; and
- 2) Approve establishing a sole-source blanket purchase order with Cummins Pacific, LLC (Cummins Pacific), for the total not-to-exceed amount of \$80,000, to purchase maintenance-related bus parts for MBL and vehicle fleet parts for the MFD for the Fiscal Year 2022-23; and
- 3) Approve establishing a sole-source blanket purchase order with Inland Kenworth Inc. (Inland Kenworth), for the total not-to-exceed amount of \$75,000, to purchase maintenance-related bus parts for the Fiscal Year 2022-23; and
- 4) Approve establishing a sole-source blanket purchase order with R & M Hansen Enterprises, Inc. (dba Interstate Batteries), for the total not-to-exceed amount of \$75,000, to purchase maintenance-related bus parts for the Fiscal Year 2022-23; and
- 5) Approve establishing a sole-source blanket purchase order with SoCal Auto & Truck Parts, Inc. (dba Napa Auto Parts), for the total not-to-exceed amount of \$85,000, to purchase maintenance-related bus parts for the Fiscal Year 2022-23; and
- 6) Approve establishing a sole-source blanket purchase order with The Aftermarket Parts Company, LLC (dba NFI Parts), for the total not-to-exceed amount of \$200,000, to purchase maintenance-related bus parts for the Fiscal Year 2022-23; and

- 7) Approve establishing a sole-source blanket purchase order with Wayne Harmeier, Inc., (dba Wayne Electric Company), for the total not-to-exceed amount of \$75,000, to purchase maintenance-related bus parts for the Fiscal Year 2022-23; and
- 8) Take such additional, related, action that may be desirable.

**19. APPROVE AGREEMENTS WITH COASTAL OCCUPATIONAL MEDICAL GROUP (AGREEMENT NO. 3996) AND RELIANT IMMEDIATE CARE MEDICAL GROUP (AGREEMENT NO. 3997)**

**RECOMMENDATION: It is recommended that the City Council:**

- 1) Approve the attached agreement with Coastal Occupational Medical Group (Akeso) (Agreement No. 3996); and
- 2) Approve the attached agreement with Reliant Immediate Care Medical Group, Inc.(Reliant) (Agreement No. 3997); and,
- 3) Take such additional, related action(s) that may be desirable.

**20. ADOPTION OF A MONTEBELLO PUBLIC FINANCING AUTHORITY (PFA) RESOLUTION NO. 22-01 ESTABLISHING THE REGULAR MEETING DATES**

**RECOMMENDATION: It is recommended that the City Council and Public Financing Authority:**

- 1) Adopt the Resolution establishing the regular meeting dates and adopting the Debt Management Policy (the "Debt Management Policy") of the City of Montebello as the debt management policy of the Authority.

**21. APPROVE AGREEMENT NO. 4020 WITH JCL TRAFFIC SERVICES**

**RECOMMENDATION: It is recommended that the City Council:**

- 1) Approve the attached agreement with JCL Traffic Services (Agreement No. 4020); and
- 2) Take such additional, related action(s) that may be desirable.

**22. PAYMENT OF BILLS: RESOLUTION NO. 22-65 APPROVING THE CITY WARRANT REGISTER OF DEMANDS DATED AUGUST 10, 2022**

**RECOMMENDATION: Adopt Resolution No. 22-65 approving the Warrant Register dated August 10, 2022.**

**AB 1234 TRAVEL REPORTS**

Members of the City Council will provide a brief report on meetings attended at the expense of the local agency as required by Government Code Section 53232.3(d).

**COUNCIL ORALS**

Council member announcements; requests for future agenda items; conference/meetings reports.

- **Councilmember Torres**
- **Councilmember Melendez**
- **Councilmember Peralta**
  - a. Direction to provide information and outreach on Tenant Protections and Resources to our community.
  - b. Discussion and action regarding District Election Public Outreach Plan and a city website function that allows residents to look up their district through address input.
  - c. Requesting that the Traffic & Safety Commission restarts their monthly meetings to address crucial concerns regarding traffic, parking, and dangerous streets/intersections.
- **Mayor Pro Tem Jimenez**
- **Mayor Cobos-Cawthorne**

**ADJOURNMENT**

The City of Montebello will adjourn to the next **Regular Meeting on Wednesday, August 24, 2022 at 5:00 p.m.** which can be live streamed at [www.cityofmontebello.com](http://www.cityofmontebello.com) (Click on Live Stream).

I, Alicia Fernandez, Senior Deputy City Clerk for the City of Montebello hereby certify that a copy of this agenda has been posted on or before **Sunday, August 7, 2022 5:00 p.m.**

  
\_\_\_\_\_  
Alicia Fernandez, Senior Deputy City Clerk



**CITY OF MONTEBELLO**

**CITY COUNCIL AGENDA STAFF REPORT**

**TO:** Honorable Mayor and City Council Members

**FROM:** René Bobadilla, P.E., City Manager

**BY:** Joseph Palombi, Director of Planning and Community Development

**SUBJECT:** **Adopt Resolution No. 22-67 Approving the Draft Fiscal Year 2022-23 Community Development Block Grant and Home Investment Partnerships Annual Action Plan and the FY 2022-23 Commercial Façade Program**

**DATE:** August 10, 2022

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**RECOMMENDATIONS:**

Staff recommends that the City Council:

- 1) Conduct a Public Hearing to consider adopting Resolution No. 22-67 approving the draft Fiscal Year 2022-23 Community Development Block Grant and Home Investment Partnerships Annual Action Plan and the FY 2022-23 Commercial Façade Program; and
- 2) Take such additional, related action that may be desirable.

**FISCAL IMPACT**

Each year the United States Department of Housing and Urban Development (HUD) provides funding for Housing and Community Development Programs to the City of Montebello (“City”), specifically Community Development Block Grant (CDBG) and Home Investment Partnerships (HOME) Program funds.

For FY 2022-23, the City expects to receive approximately \$670,421 in CDBG funds and approximately \$341,617 in HOME funds. Additionally, \$155,537 in CDBG Program Income and \$665,808 in HOME Program Income is available for programming.

Total funding available for FY 2022-2023 per program (fiscal year award plus program income):

CDBG Funds:                      \$ 825,958

**Adopt Resolution No. 22-67 Approving the Draft Fiscal Year 2022-23 Community Development Block Grant and Home Investment Partnerships Annual Action Plan and the FY 2022-23 Commercial Façade Program**

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HOME Funds:                      \$ 1,007,425

The FY 2022-23 adopted budget includes revenue amounts that were estimates, since the budget was finalized prior to final award amounts being published by HUD. The CDBG program (Fund 255) includes \$1,347,500 in revenue, and the HOME program (Fund 260) includes \$665,800. Adjustments to these budgets will be done with subsequent City Council action, aligning available funds with proposed programmatic and administrative expenditures.

**BACKGROUND**

As required by HUD, the draft Annual Action Plan was publicly noticed and made available for public review and comment on the City’s website from March 25, 2022 to April 27, 2022 at the following link <https://www.cityofmontebello.com/>.

However, the City received a notice from HUD on April 4, 2022 titled Community Planning and Development (“CPD”) Notice 22-05 – Guidance on Submitting Consolidated Plans and Annual Action Plans for Fiscal Year 2022 along with two waiver notifications: 1) Waiver of Community Planning and Development (CPD) Grant Program and Consolidated Plan Requirements to Allow for Virtual Public Hearings in the Preparation of FY 2022 Consolidated Plans and Annual Action Plans; and 2) Availability of Waivers of Community Planning and Development Grant Program Requirements to Facilitate the Ability to Incur Pre-Award Costs in FY 2022.

The City was advised to not submit Annual Action Plans to HUD until we received the CDBG and HOME allocations for FY 2022-23. Therefore, the draft Annual Action Plan was again publicly noticed and made available for public review and comment on the City’s website from July 11, 2022 to August 10, 2022 at the following link: <https://www.cityofmontebello.com/>. In connection with this opportunity for public participation, two separate public comments were received via Survey Monkey. In summary, these comments were in support of opportunities for assistance related to affordable housing.

The Commercial Façade Program will be funded through the allocation of FY 2022-23 CDBG Program Funds in the amount of \$100,199. This Program is administered by the Planning and Community Development Department of the City of Montebello and designed to stimulate building improvements and upgrade the appearance of commercial properties along major commercial areas of the City, located within low and moderate income areas. Under the guidelines of the Program, property owners that are eligible, will receive a grant with an opportunity to enhance and improve their commercial properties.

It is important to note that the increase in HOME funds is a direct result of the discovery of missing program income dating back to 2008 and extending through 2014. It appears that the City received HOME program income totaling \$355,204 during this period (2008-

**Adopt Resolution No. 22-67 Approving the Draft Fiscal Year 2022-23 Community Development Block Grant and Home Investment Partnerships Annual Action Plan and the FY 2022-23 Commercial Façade Program**

2014) which staff is unable to verify due to lack of available records during the specified timeframe. In an effort to provide background, staff assigned to the City’s Planning and Community Development Department/Housing Division have been working closely with the Finance Department to track and try to locate this program income in an effort to resolve this matter and provide a response to HUD. At this time, the City is unable to locate any records related to these transactions. This matter was originally raised by HUD as the City is required to identify and account for this program income (\$355,204) regardless of whether it is able to locate the funds or not; therefore, these funds are being reported as program income at this time with the intent to address these discrepancies. Staff will continue to work to research this matter and communicate with HUD regarding next steps.

**ANALYSIS**

The Annual Action Plan is submitted to HUD on an annual basis and identifies how the City plans to use the Federal money during the next fiscal year to meet the goals and objectives approved by the City Council in the Five-Year Consolidated Plan.

Table 1 below, provides a summary of available funding, separated by source. The totals represent the net amount, less the allowed administrative percentage to be used to manage both the CDBG and HOME programs. Table 2, on the next page, provides details on the amounts of each funding source and specific program to which the funding is proposed.

**Table 1**

<b>CDBG FY 2022-2023</b>	
\$670,421.00	CDBG Allocation
\$155,536.79	Program Income
<hr/>	
\$825,957.79	Total Allocation
(\$165,191.55)	Administration CAP (20% of Allocation)
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\$660,766.24	Total Available for Programming
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<b>HOME FY 2022-2023</b>	
\$341,617.00	HOME Allocation
\$665,808.02	Program Income <sup>1</sup>
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<sup>1</sup> This amount includes the previously referenced HOME Program income from 2008-2014 totaling \$355,204.

**Adopt Resolution No. 22-67 Approving the Draft Fiscal Year 2022-23 Community Development Block Grant and Home Investment Partnerships Annual Action Plan and the FY 2022-23 Commercial Façade Program**

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\$1,007,425.02 Total Allocation

(\$100,742.50) Administration CAP (10% of Allocation)

\$906,682.52 Available for Programming

**Table 2**

<b>Proposed Project Name</b>	<b>Funding</b>	<b>Proposed FY 2022-2023</b>
Housing Rights Center	CDBG Admin	\$20,000
CDBG Program Administration	CDBG Admin	\$145,191.55
Section 108 - Loan Payment	CDBG	\$480,467
Heart of Compassion (HOC)	CDBG	\$30,000
YMCA Montebello/Commerce	CDBG	\$25,000
Commercial Façade Program	CDBG	\$100,199.20
Youth Employment Program (YEP)	CDBG	\$40,000
HOME Program Administration	HOME Admin	\$100,742.50
Housing Rehabilitation and Preservation Program	HOME	\$755,568.77
CHDO - Acquisition and New Construction	HOME	\$151,113.75

\*The \$20,000 for the Housing Rights Center counts towards the 20% allowed administrative expense, hence that is added to the \$145,192 for program administration to equal \$165,192.

**ENVIRONMENTAL**

Pursuant to the California Environmental Quality Act (CEQA), this project is exempt from CEQA under the common sense rule that CEQA applies only to projects which have the

**Adopt Resolution No. 22-67 Approving the Draft Fiscal Year 2022-23 Community Development Block Grant and Home Investment Partnerships Annual Action Plan and the FY 2022-23 Commercial Façade Program**

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potential for causing a significant effect on the environment. Because it can be seen with certainty that there is no possibility that this project will have a significant effect on the environment, the project is not subject to CEQA pursuant to State CEQA Guidelines Section 15061(b)(3).

**NEXT STEPS/RECOMMENDATION**

Following City Council adoption, the Annual Action Plan will be submitted to HUD for approval. Subsequent action to appropriate these funds – as well as carryover funds from prior year unspent amounts – will be presented to the City Council at a future meeting. It is necessary to close out FY 2021-22 to determine the remaining amount of prior year funding, and to re-budget these amounts appropriately. The various programs funded by CDBG and HOME – including the new commercial façade program – will have budget amounts appropriated through this follow-up action.

Following the City Council adoption, the Commercial Façade Program will commence and the Housing Division will begin to promote available grant funds. In addition, the Housing Division would establish a process to receive applications in connection with the available program grant.

**ATTACHMENTS:**

- A. Attachment A – Resolution No. 22-67
- B. Attachment B – Draft Annual Action Plan
- C. Attachment C – Notice of Public Hearing
- D. Attachment D – Commercial Façade Guidelines and Application

**RESOLUTION NO. 22-67**

**A RESOLUTION TO THE CITY COUNCIL OF THE CITY OF MONTEBELLO, APPROVING AND AUTHORIZING THE CITY MANAGER, OR HIS DESIGNEE, TO SUBMIT TO HUD THE CITY'S FISCAL YEAR (FY) 2022-2023 ANNUAL ACTION PLAN AND THE 2022-2023 COMMERCIAL FAÇADE PROGRAM**

**RECITALS**

**WHEREAS**, the City of Montebello ("City") has applied and received Community Development Block Grant (CDBG) and HOME Investment Partnership (HOME) funds from the Government of the United States under Title I of the Housing and Community Development Act of 1974; and

**WHEREAS**, the U.S. Department of Housing and Urban Development (HUD) is the federal agency that promulgates regulations and oversees the administration of the CDBG and HOME program; and

**WHEREAS**, City staff published a public notice announcing the availability of the Fiscal Year (FY) 2022-2023 draft Annual Action Plan in the Daily Journal on July 11, 2022, triggering a 30-day public comment period of the plan; and

**WHEREAS**, on August 10, 2022, the City Council of the City of Montebello ("City Council") held a duly noticed public hearing to consider adoption of the FY 2022-2023 draft Annual Action Plan.

**WHEREAS**, The Commercial Façade Program has been established with 2022-2023 CDBG Program funds in the amount of \$100,199.20.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MONTEBELLO DOES HEREBY RESOLVE AS FOLLOWS:**

**SECTION 1:** The above recitals are true and correct and incorporated herein by reference.

**SECTION 2:** The City Council approves and ratifies the FY 2022-2023 Annual Action Plan.

**SECTION 3:** The City Council approves the 2022-2023 Commercial Façade Program.

**SECTION 3:** The City Manager is hereby authorized to make all conforming modifications and edits and to execute all implementing documents required by HUD to receive and reallocate funding identified under the approved annual Action Plan.

**SECTION 4:** The City Manager is hereby authorized to enter into agreements with eligible sub-recipients.

**RESOLUTION NO. 22-67**

Page 2 of 2

**SECTION 5:** That the City Clerk shall certify to the passage and approval of this resolution and it shall thereupon be in full force and effect.

**APPROVED, AND ADOPTED** this 10th day of August 2022.

\_\_\_\_\_  
Kimberly Ann Cobos-Cawthorne, Mayor

**ATTEST:**

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Christopher Jimenez, City Clerk

\_\_\_\_\_  
Arnold M. Alvarez-Glasman, City Attorney

STATE OF CALIFORNIA        )  
COUNTY OF LOS ANGELES    )     SS:  
CITY OF MONTEBELLO         )

I, Christopher Jimenez, City Clerk of the City of Montebello, County of Los Angeles, State of California, hereby certify that the foregoing Resolution No. 22-67 was passed and adopted by the City Council of the City of Montebello, signed by the Mayor and attested by the City Clerk at a regular meeting of said Council held on the 10<sup>th</sup> day of August 2022 and that said Resolution was adopted by the following vote, to-wit:

- AYES:**
- NOES:**
- ABSTAIN:**
- ABSENT:**

The undersigned, City Clerk of the City of Montebello, does hereby attest and certify that the foregoing Resolution is a true, full and correct copy of a resolution duly adopted at a meeting of said City which was duly convened and held on the date stated thereon, and that said document has not been amended, modified, repealed or rescinded since its date of adoption and is in full force and effect as of the date hereof.

DATE: \_\_\_\_\_

\_\_\_\_\_  
Christopher Jimenez, City Clerk



# City of Montebello

Los Angeles County, California

## 2022-2023 Annual Action Plan



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# 2022-2023 Annual Action Plan

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## **1. Introduction**

As a recipient of Federal funds from the U.S. Department of Housing and Urban Development (HUD), the City of Montebello (City) is required to prepare and submit a Consolidated Plan every five years. The City's current Consolidated Plan covers the five-year period from 2020 through 2025 and applies to the following Federal grant programs:

- Community Development Block Grant (CDBG)
- HOME Investment Partnerships Grant (HOME)

## **2. Summarize the objectives and outcomes identified in the Plan**

This could be a restatement of items or a table listed elsewhere in the plan or a reference to another location. It may also contain any essential items from the housing and homeless needs assessment, the housing market analysis or the strategic plan.

The Consolidated Plan is a multifaceted document developed through a collaborative process whereby Montebello stakeholders have helped identify community improvements needs and priorities to address with Federal grant funds and other available resources. To ensure the maximum participation of the community's residents and to comply with the City's HUD-approved Citizen Participation Plan, the City implemented a survey and public hearing. Through this process, the residents of Montebello had an opportunity to shape the priorities of the Consolidated Plan.

The Annual Action Plan for Fiscal Year (FY) 2022-2023 includes activities the City will undertake to address its priority needs and objectives as outlined in the 2020-2025 Consolidated Plan. These activities will be undertaken with CDBG and HOME program funds in the amounts of approximately \$825,957.79 and \$1,007,425.02 respectively. The City's Activities proposed for FY 2022-2023 will each meet one of the following three (3) national objectives:

- Activities which benefit low- and moderate-income persons
- Activities which aid in the prevention or elimination of slums or blight
- Activities that are designated as having a particular urgency

The City has established the following objectives to address the community needs identified in the Consolidated Plan:

- Increase affordable housing opportunities
- Maintain decent and energy efficient housing stock
- Expand fair housing choice and access
- Provide vital public services
- Expand Economic Opportunities

- Increase the earning capacity for LMI families
- Planning and Administration

The City has established various community development objectives that promote activities and programs that benefit low-moderate –income households.

### **3. Evaluation of past performance**

This is an evaluation of past performance that helped lead the grantee to choose its goals or projects.

The City prepares the Consolidated Annual Performance and Evaluation Report (CAPER), which outlines how the City met the needs and objectives outlined in the prior 2020-2025 Consolidated Plan and Annual Action Plan. The City’s most recent 2021-2022 CAPER reports on the first year of the Consolidated Plan. The City’s key accomplishments over the 2021-2022 Annual Action Plan period included the following:

- Provided fair housing services to residents to prevent discrimination, provide referrals, investigations, case management, and litigation, and resolve landlord tenant disputes to approximately 158 households.
- Provided public services to 336 individuals.

The loss of low-moderate-income housing funds as a result of the dissolution of statewide redevelopment agencies has impacted the City’s ability to currently implement its previous goals for affordable rental housing unit development and affordable purchase units. Despite these challenges, the City and its partners are working to achieve the objectives established in the Consolidated Plan.

### **4. Summary of Citizen Participation Process and consultation process**

A Notice of Funding Availability and Request for Proposals was published in the Daily Journal on January 26, 2022. The Notice of Funding Availability also included a link for City residents to complete a Survey to provide input for the Annual Action Plan. The City received five (5) applications for Public Services.

The FY 2022-2023 Annual Action Plan was released for citizen review and comment on July 11 to August 10. The draft Annual Action Plan was made available to City residents on the City’s website.

### **5. Summary of public comments**

This could be a brief narrative summary or reference an attached document from the Citizen Participation section of the Con Plan.

As required by Federal regulations and the City's Citizen Participation Plan, the City advertised notices inviting interested parties to be a part of the public hearings to provide A Notice of Funding Availability and Request for Proposals was published in the Daily Journal on January 26, 2022. In the Notice of Funding Availability the City provided a link to Survey Monkey in order for citizens to participate in a Community Needs Survey. The City received two (2) response.

On July 11, 2022 the City published a notice of a public hearing and comment period for the draft Annual Action Plan on the Daily Journal and Daily News. The notice advised the public that a copy of the FY 2022-2023 Annual Action Plan was made available on the City's website. The 30 day comment period began on July 11 to August 10, 2022.

**6. Summary of comments or views not accepted and the reasons for not accepting them**

All comments received from the public during the Public Hearing will be addressed in the Annual Action Plan.

**7. Summary**

All comments received from the public during the Public Hearing will be addressed in the Annual Action Plan.

**1. Agency/entity responsible for preparing/administering the Consolidated Plan**

Describe the agency/entity responsible for preparing the Consolidated Plan and those responsible for administration of each grant program and funding source.

Agency Role	Name	Department/Agency
CDBG Administrator	Montebello	Planning & Community Development Department
HOME Administrator	Montebello	Planning & Community Development Department

**TABLE 1 – RESPONSIBLE AGENCIES**

**Narrative (optional)**

The Planning and Community Development Department is responsible for overseeing the administration of the City’s CDBG and HOME programs, including administration of the grants, preparation of required reports, and implementation of grant-funded programs. The Housing Manager in the Planning and Community Development Department oversees the day-to-day administration of the CDBG and HOME programs with the assistance of program consultants, as needed.

**Consolidated Plan Public Contact Information**

City of Montebello  
 Planning and Community Development Department  
 1600 West Beverly Blvd  
 Montebello, CA 90640  
 Phone: (323)887-1200 Ext. 598  
 Attn: Joseph Palombi, Director

## **1. Introduction**

**Provide a concise summary of the jurisdiction’s activities to enhance coordination between public and assisted housing providers and private and governmental health, mental health and service agencies (91.215(l))**

During the preparation of the Annual Action Plan, the City consulted with a variety of agencies including local and regional social services agencies, Los Angeles Homeless Services Authority (LAHSA), and the Los Angeles County Development Authority (LACDA). The goal of the consultation was to gather data on priority needs of the City of Montebello and to identify opportunities to improve availability and access to services.

**Describe coordination with the Continuum of Care and efforts to address the needs of homeless persons (particularly chronically homeless individuals and families, families with children, veterans, and unaccompanied youth) and persons at risk of homelessness. Describe consultation with the Continuum(s) of Care that serves the jurisdiction's area in determining how to allocate ESG funds, develop performance standards for and evaluate outcomes of projects and activities assisted by ESG funds, and develop funding, policies and procedures for the operation and administration of HMIS**

The City consulted with other grantees and surrounding jurisdiction to discuss the CDBG and HOME regulations and to plan for the portion of the FY 2022-2023 allocation for public service agencies and affordable housing developers.

The City will continue to coordinate with surrounding jurisdictions and local grantees to develop coordinated and consistent performance standards and outcome measurements to assist the neediest populations.

Consultation efforts are made throughout the year through telephone conferences, written communication with the Los Angeles County Development Authority, and community-based organizations to identify mutual problem areas and explore potential solutions.

The City is also making progress on a General Plan update that includes extensive community outreach to discuss and consider the City’s affordable housing needs.

**2. Describe Agencies, groups, organizations and others who participated in the process and describe the jurisdiction’s consultations with housing, social service agencies and other entities**

<b>1</b>	<b>Agency/Group/Organization</b>	<b>Los Angeles County Development Authority (LACDA)</b>
	<b>Agency/Group/Organization Type</b>	Housing PHA Services - Housing
	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment Public Housing Needs Market Analysis
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	Through meetings and conversations, information was gathered on the affordable housing resources of LACDA and the agency was identified as a valuable partner with the City in meeting the needs for publicly assisted housing.
<b>2</b>	<b>Agency/Group/Organization</b>	<b>Montebello Community Assistance Program (MCAP)</b>
	<b>Agency/Group/Organization Type</b>	Provide access to Homeless resources and Emergency Housing
	<b>What section of the Plan was addressed by Consultation?</b>	Homeless
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	Through several meetings and consultations. MCAP staff met with program management staff to discuss homeless service programs available to the most vulnerable population. Coordination will continue to identify the best use of funds to remediate homelessness in the City.
<b>3</b>	<b>Agency/Group/Organization</b>	<b>Montebello Code Enforcement</b>
	<b>Agency/Group/Organization Type</b>	Housing Services - Housing
	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	Program management staff met with representatives of the City department to discuss operation of the code enforcement program need for these services in the city, and the condition of housing and neighborhoods.
<b>4</b>	<b>Agency/Group/Organization</b>	<b>Heart of Compassion (HOC)</b>
	<b>Agency/Group/Organization Type</b>	Services – Food Insecurity Services - Homeless

	<b>What section of the Plan was addressed by Consultation?</b>	Vital Public Services
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	Through the application process, program management staff participated in multiple discussions with HOC staff to identify the best use of funds to help families and individuals in the City facing food insecurity.
<b>5</b>	<b>Agency/Group/Organization</b>	<b>YMCA</b>
	<b>Agency/Group/Organization Type</b>	Services – Senior Services & Food Insecurity Services – At Risk Youth Recreation & Preschool Services
	<b>What section of the Plan was addressed by Consultation?</b>	Vital Public Services
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	Through the application process, program management staff participated in multiple discussions with YMCA staff to identify the best use of funds to help families in the City facing food insecurity.
<b>6</b>	<b>Agency/Group/Organization</b>	<b>Youth Employment Program (YEP)</b>
	<b>Agency/Group/Organization Type</b>	Services – Employment
	<b>What section of the Plan was addressed by Consultation?</b>	Employment
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	Through the application process, HUD program management staff participated in multiple discussions with Recreation and Community Services Department to identify the best use of funds to help LMI families in the City.

**TABLE 2 – AGENCIES, GROUPS, ORGANIZATIONS WHO PARTICIPATED**

**Identify any Agency Types not consulted and provide rationale for not consulting**

The City consulted with a variety of agencies serving Montebello residents and the region. No agency types were specifically left out of the consultation process.

**Other local/regional/state/federal planning efforts considered when preparing the Plan**

Name of Plan	Lead Organization	How do the goals of your Strategic Plan overlap with the goals of each plan?
Continuum of Care (CoC)	Los Angeles Homeless Services Authority (LAHSA)	Both address issues concerning homelessness and special needs housing.

**TABLE 3 – OTHER LOCAL / REGIONAL / FEDERAL PLANNING EFFORTS**

**Narrative (optional)**

*AP-12 Participation – 91.105, 91.200(c)*

**1. Summary of citizen participation process/Efforts made to broaden citizen participation  
Summarize citizen participation process and how it impacted goal-setting**

In developing this Annual Action Plan, the City of Montebello followed its approved Citizen Participation Plan, which meets HUD's Federal requirements for citizen participation.

The City of Montebello offered opportunities for participation and comment for the Annual Action Plan. There was a public hearing and 30 day review and comment period of the Annual Action Plan from July 11 to August 10, 2022.

**Citizen Participation Outreach**

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/ attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
1	Newspaper Ad	Non-targeted – broad community	Newspaper advertisement was published on 1/26/22 notifying interested parties of Funding Availability	Two comments were received and five applications were submitted	All comments were accepted.	
2	Internet Outreach	Non-targeted – broad community	Draft AAP was on City’s website for public review and comment	Pending	Pending	<a href="https://www.cityofmontebello.com/">https://www.cityofmontebello.com/</a>
3	Public Meeting	Non-targeted – broad community	Public Hearing for adoption of AAP	Pending	Pending	

**TABLE 4 – CITIZEN PARTICIPATION OUTREACH**

## Expected Resources

### AP-15 Expected Resources – 91.220(c) (1, 2)

#### Introduction

#### Anticipated Resources

The City anticipates utilizing the resources in Table 5 during FY 2022-2023 to meet Consolidated Plan Goals:

**TABLE 5 - EXPECTED RESOURCES – PRIORITY TABLE**

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
CDBG	Public Federal	Admin and Planning, Public Improvement, Public Services	\$670,421	\$155,536.79	\$0	\$825,957.79	\$1,950,000	The City expects to receive approximately \$1,950,000 over the next 3 years CDBG entitlement Funds; \$650,000 in Year 3.
HOME	Public Federal	Acquisition Homeowner Rehab	\$341,617	\$665,808.02	\$0	\$1,007,425.02	\$900,000	The City expects to receive approximately \$900,000 over the next 3 years HOME entitlement Funds; \$300,000 in Year 3.

**Explain how federal funds will leverage those additional resources (private, state and local funds), including a description of how matching requirements will be satisfied**

The City will continue to use state and local funds to leverage federal entitlement dollars, including but not limited to:

- City General Funds ( Affordable Housing Projects)
- Preserve the City’s existing affordable housing stock for low-to moderate-income households (i.e. State CalHome Fund Owner-Occupied Rehabilitation Loan Program)

Montebello implements the goals, objectives and policies of the AI and ConPlan by using funds to bolster public services that will lead to housing benefits for low-to-moderate income residents.

The City of Montebello is planning on using CDBG funds to fund food insecurity programs throughout the City, including Hearts of Compassion.

The HOME program requires a local match which leverages local funds. The City anticipates assisting 6 low to moderate income homeowners through the owner-occupied Housing Rehabilitation and Preservation Program over the next three years. The program offers housing rehabilitation loans to eligible homeowners using HOME funds.

**If appropriate, describe publically owned land or property located within the jurisdiction that may be used to address the needs identified in the plan**

The City does not currently have any publicly owned land that is being considered for affordable housing. However, the Montebello Housing Development Corporation (MHDC) offers several programs that help families with the purchase of a home.

**Discussion**

See discussion above.

*Annual Goals and Objectives*

*AP-20 Annual Goals and Objectives*

**Goals Summary Information**

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
1	Administration	2022	2023	Administration	Citywide	Planning and Administration	CDBG: \$145,191.55 HOME: \$100,742.50	Other: Program Administration
2	Fair Housing	2022	2023	Administration	Citywide	Ensure Equal access to housing opportunities	CDBG: \$20,000	Other: Promotes Fair Housing
3	Housing	2022	2023	Affordable Housing	Citywide	Increase and Preserve the supply of affordable housing	HOME: \$755,568.77	Homeowner Housing Rehabilitation: 5 households/Housing units
4	Housing	2022	2023	Affordable Housing	Citywide	Increase Affordable Housing Opportunity	HOME: \$151,113.75	CHDO- Acquisition and New Construction: Future Project
5	Economic Development	2022	2023	Non-Housing Community Development	Citywide	Economic Development	CDBG: \$100,199.20	Economic Development: Rehabilitation of community businesses located in targeted area
6	Public Service	2022	2023	Non-Housing Community Development	Citywide	Provide public services for low-income residents	CDBG: \$95,000	Public Service activities other than Low/Moderate Income Housing Benefit: Individuals assisted

**TABLE 6 – GOALS SUMMARY**

## Goal Descriptions

**Goal Name:**

**Goal Description:**

1	<b>Administration</b>	Planning and Administration provides funds for program and project delivery, general operation and administration of CDBG and HOME funds as well as planning and support for CHDO.
2	<b>Fair Housing</b>	The City will continue to collaborate with entities that provide assistance for families and individuals seeking counseling and or legal solutions to fair housing, and discrimination problems.
3	<b>Housing</b>	Provide funding for the development of new affordable housing, homebuyer assistance programs and or utility or rent reduction programs for low and moderate income families. Fund housing solutions that may include: programs that increase homeownership, housing improvements for special needs populations, support integrated housing solutions and plans, and reduce barriers to affordable housing consistent with the City’s Analysis for Impediment to Fair Housing Choice. Provide funding for programs for owner–occupied housing rehabilitation including activities related to home improvements, energy efficiency, structural improvements, and/or other home sustainability projects.
4	<b>Economic Development</b>	Provide funding for projects such as: Commercial Façade Program for economic development. The City will provide economic development opportunities to improve the physical condition of the existing commercial buildings located in the Target Areas. This will help the city to restore economic vitality.
5	<b>Public Service</b>	Provide needed public services that assist individuals and families in the following ways: services for children, youth, senior and special needs services, nutrition and preventative health services, supplemental food/clothing assistance and other vital social services.

**TABLE 7 – GOALS DESCRIPTIONS**

## Projects

### AP-35 Projects – 91.220(d)

#### Introduction

The following projects will be undertaken during the Fiscal year to address priority needs and objectives:

#### Projects

#	Project Name
1	Housing Rights Center (HRC)
2	Section 108 Loan Payment
3.	Youth Employment Program ( YEP)
4.	Planning and Administration CDBG
5.	Housing Rehabilitation and Preservation Program (HRPP)
6.	Planning and Administration HOME
7.	Commercial Façade Program
8.	YMCA Montebello/Commerce
9.	Heart of Compassion (HOC)
10.	CHDO- Acquisition and New Construction

TABLE 8 - PROJECT INFORMATION

#### Describe the reasons for allocation priorities and any obstacles to addressing underserved needs

The City recognizes that special needs populations encounter challenges due to low income and the special conditions that they face. Special needs populations are more likely to become homeless because of these factors. Special needs populations require housing and supportive services. The City considers supportive services and housing for special needs populations a high priority. Supportive services are also considered a high priority in the CoC. In Fiscal Year 2022-2023, the City will continue funding activities that address these needs.

In making project recommendations, consideration was given to a variety of thresholds that projects must meet to comply with CDBG objectives, including meeting one of the national objectives and addressing one of the community priorities set out in the Consolidated Plan. Staff also considered all engagement activities, housing and homeless data, established priority needs, cost reasonableness and effectiveness, activity management and implementation, experience with similar activities, past performance, leveraged funds, and completeness of the application. Project recommendations are for those projects determined most likely to be successful and maintain compliance with CDBG and HOME regulations.

AP-38 Project Summary

Project Summary Information

1.	<b>Project Name</b>	<b>Housing Rights Center (HRC)</b>
	<b>Target Area</b>	Citywide
	<b>Goals Supported</b>	Expand fair housing choice and access
	<b>Needs Addressed</b>	Support land use policies, further affordable and equitable housing opportunities
	<b>Funding</b>	CDBG (Admin): \$20,000
	<b>Description</b>	HRC will provide fair housing services, handle fair housing cases and education.
	<b>Target Date</b>	6/30/2023
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	100 households assisted. Two housing rights workshops provided.
	<b>Location Description</b>	3255 Wilshire Blvd. Los Angeles, CA
	<b>Planned Activities</b>	CDBG funds will be used to provide fair housing services to residents to prevent discrimination, provide referrals, investigations, case management, and litigation, and resolve landlord tenant disputes.

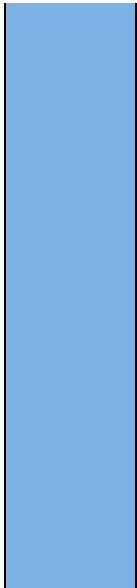
2.	<b>Project Name</b>	<b>Section 108 Loan Payment</b>
	<b>Target Area</b>	Whittier Revitalization Area
	<b>Goals Supported</b>	Expanding economic opportunities
	<b>Needs Addressed</b>	Needed infrastructure improvements
	<b>Funding</b>	CDBG: \$480,467
	<b>Description</b>	Completed improvements include the replacement of sidewalks, curbs and gutter, street irrigation, lighting, water and sewer lines, sidewalk improvements compliant with the Americans with Disabilities Act, landscaping, and street furniture.
	<b>Target Date</b>	6/30/2023
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	Loan repayment - not applicable
	<b>Location Description</b>	1600 West Beverly Blvd., Montebello, CA
	<b>Planned Activities</b>	Section 108 Loan Payment
3.	<b>Project Name</b>	<b>Youth Employment Program (YEP)</b>
	<b>Target Area</b>	Citywide
	<b>Goals Supported</b>	Increase earning capacity for LMI families
	<b>Needs Addressed</b>	Increased employment for LMI families
	<b>Funding</b>	CDBG: \$40,000
	<b>Description</b>	Program will employ 18 low-income youth
	<b>Target Date</b>	6/30/2023
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	18 youth

	<b>Location Description</b>	1600 W. Beverly Blvd, Montebello
	<b>Planned Activities</b>	Employ low income youth for jobs
4.	<b>Project Name</b>	<b>Program Administration CDBG</b>
	<b>Target Area</b>	Citywide
	<b>Goals Supported</b>	Planning and Administration
	<b>Needs Addressed</b>	Planning and Administration
	<b>Funding</b>	CDBG: \$145,191.55
	<b>Description</b>	The City will continue to provide planning and administration services required to manage and operate the City's CDBG program. Such funds will assist in managing community development, housing, and economic development programs.
	<b>Target Date</b>	6/30/2023
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	Planning and Administration
	<b>Location Description</b>	1600 West Beverly Blvd., Montebello, CA
	<b>Planned Activities</b>	Program administration
5.	<b>Project Name</b>	<b>Housing Rehabilitation and Preservation Program (HRPP)</b>
	<b>Target Area</b>	Citywide
	<b>Goals Supported</b>	Maintain decent and energy efficient housing stock
	<b>Needs Addressed</b>	Homeowner rehabilitation program
	<b>Funding</b>	HOME: \$906,682.52
	<b>Description</b>	Rehabilitation and preservation
	<b>Target Date</b>	6/30/2023

	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	5 Families/households
	<b>Location Description</b>	Citywide
	<b>Planned Activities</b>	Eligible home repairs
6.	<b>Project Name</b>	<b>Program Administration HOME</b>
	<b>Target Area</b>	Citywide
	<b>Goals Supported</b>	Planning and Administration
	<b>Needs Addressed</b>	Planning and Administration
	<b>Funding</b>	HOME: \$100,742.50
	<b>Description</b>	The City will continue to provide planning and administration services required to manage and operate the City's HOME program. Such funds will assist in managing community development, housing, and economic development programs.
	<b>Target Date</b>	6/30/2023
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	Planning and Administration
	<b>Location Description</b>	1600 West Beverly Blvd., Montebello, CA
	<b>Planned Activities</b>	Planning and Administration
7.	<b>Project Name</b>	<b>Commercial Façade Program</b>
	<b>Target Area</b>	Citywide
	<b>Goals Supported</b>	Create Sustainable Neighborhoods
	<b>Needs Addressed</b>	Economic Opportunities
	<b>Funding</b>	CDBG: \$100,199.20

	<b>Description</b>	Revitalization of targeted commercial areas
	<b>Target Date</b>	6/30/2023
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	10 businesses
	<b>Location Description</b>	1600 West Beverly Blvd., Montebello, CA
	<b>Planned Activities</b>	The City will provide economic development opportunities to improve the physical condition of the existing commercial buildings located in the City's Target Areas. This will help the city to restore economic vitality.
8.	<b>Project Name</b>	<b>YMCA Montebello/Commerce</b>
	<b>Target Area</b>	Citywide
	<b>Goals Supported</b>	Vital Public Service
	<b>Needs Addressed</b>	Community Outreach
	<b>Funding</b>	CDBG: \$ 25,000
	<b>Description</b>	Supportive Services for Families, Seniors, Youth and Children in target area.
	<b>Target Date</b>	6/30/2023
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	50 families
	<b>Location Description</b>	200 West Beverly Blvd., Montebello, CA
	<b>Planned Activities</b>	Services include scholarships for preschool, youth at risk programming including: residence camp, swim programs, youth sports, youth fitness, and

		youth and government programming; Services for Elderly; Food Distribution.
9.	<b>Project Name</b>	<b>Heart of Compassion (HOC)</b>
	<b>Target Area</b>	Citywide
	<b>Goals Supported</b>	Vital Public Service
	<b>Needs Addressed</b>	Homeless/Special need populations
	<b>Funding</b>	CDBG: \$ 30,000
	<b>Description</b>	Food Distribution for targeted community
	<b>Target Date</b>	6/30/2023
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	400 Households
	<b>Location Description</b>	600 S. Maple Ave, Montebello, CA
	<b>Planned Activities</b>	Food Distribution
10.	<b>Project Name</b>	<b>CHDO- Acquisition &amp; New Construction</b>
	<b>Target Area</b>	Citywide
	<b>Goals Supported</b>	Increase affordable housing opportunities
	<b>Needs Addressed</b>	Affordable Housing
	<b>Funding</b>	HOME: \$151,113.75
	<b>Description</b>	Acquisition/rehabilitation of property for low income housing
	<b>Target Date</b>	6/30/2023
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	Future Project
	<b>Location Description</b>	Citywide
	<b>Planned Activities</b>	At least 15 percent of HOME Investment Partnerships Program



(HOME) funds must be set aside for specific activities to be undertaken by a special type of nonprofit called a Community Housing Development Organization (CHDO). A CHDO is a private nonprofit, Community-based organization that has staff with the capacity to develop affordable housing for the community it serves. To qualify for designation as a CHDO, the organization must meet certain requirements pertaining to their legal status, organizational structure, and capacity and experience

**TABLE 9 – PROJECT SUMMARY**

DRAFT

*AP-50 Geographic Distribution – 91.220(f)*

**Description of the geographic areas of the entitlement (including areas of low-income and minority concentration) where assistance will be directed**

The City anticipates spending at least 100 percent of its entitlement funds in target areas, including areas that have low- and moderate-income concentrations or minority concentrations. HUD’s funded activities are limited to the city’s low- and moderate-income areas, which encompass the majority of the city’s residential areas. Areas of the city outside of the CDBG target areas will benefit from activities that are limited clientele in nature, i.e., a person/household can benefit from a federally assisted program provided they meet the program’s eligibility criteria. Eligibility is typically established by household income and household size. CDBG program funds will be expended based on program criteria. For example, public services are available on a citywide basis for qualified beneficiaries; fair housing and program administration activities will also be carried out on a citywide basis. Community development projects (e.g., commercial façade program) will be carried out in the city’s low- and moderate- income areas, i.e., areas where most residents meet HUD’s low-and moderate-income definition.

**Geographic Distribution**

Target Area	Percentage of Funds
City Wide	100%

**TABLE 10 – GEOGRAPHIC DISTRIBUTION**

**Rationale for the priorities for allocating investments geographically**

The City generally does not allocate funds on a geographic basis. On an annual basis, the City prioritizes the use of its CDBG funding for citywide housing and community development activities including housing, public services, fair housing, and public facilities. Activities identified under the public services category and targeted to special needs populations are offered on a citywide basis and/or where resources can be coordinated with existing facilities or services. Public improvements and public facilities are qualified as benefitting low- and moderate-income persons.

**Discussion**

See above discussion.

## Affordable Housing

### *AP-55 Affordable Housing – 91.220(g)*

#### Introduction

See discussion below regarding the City's programs that address the affordable housing needs.

<b>One Year Goals for the Number of Households to be Supported</b>	
Homeless (HOC)	200
Non-Homeless (HOC & HRC)	300
Special-Needs (Youth & YMCA)	68
Total	568

**TABLE 11 - ONE YEAR GOALS FOR AFFORDABLE HOUSING BY SUPPORT REQUIREMENT**

<b>One Year Goals for the Number of Households Supported Through</b>	
Rental Assistance	0
The Production of New Units	0
Rehab of Existing Units	5
Acquisition of Existing Units	0
Total	5

**TABLE 12 - ONE YEAR GOALS FOR AFFORDABLE HOUSING BY SUPPORT TYPE**

#### Discussion

The City's strategies relating to affordable housing efforts include maintaining the affordable housing stock through the Housing Rehabilitation and Preservation Program; acquisition of property for low income housing; and support for rental assistance programs through the County, such as the Section 8 Housing Choice Voucher. The valued services help prevent homelessness and aim to assist at-risk youth and teenagers. The City's AI recommended amending portions of the City's zoning code to better support affordable housing. Once the General Plan is updated, this will allow the City to develop policies that promote local and regional goals, including goals related to housing accessibility and affordability. In addition, the updates will ensure that our City policies and standards are consistent with State and regional housing requirements.

The City's housing policies support a Rental Rehabilitation Program by providing loans to investor owned properties to assist in the ability to improve the City's rental housing stock in need of rehabilitation, to provide safe, decent, and sanitary housing for lower income families. The City also puts funding toward the preservation of existing at-risk affordable housing for

technical assistance to property owners and by monitoring Section 8 legislation. To facilitate the development of affordable units, the City uses the State’s density bonus law by offering a density bonus of between 35 and 50%.

The City has HOME activities in progress, funded with prior year funds. These prior year activities include HOME funded loans for homeowner residential rehabilitation and funds Allocated for future acquisition or new construction for affordable housing units. HUD regulations and HOME Final Program Rule, require each grantee to set aside a minimum of 15% of the annual HOME allocation for projects and activities carried out by Community Housing Development Organizations (CHDOs). The City of Montebello has set aside funds to acquire or build new affordable housing units within the City.

Typically, the City uses its HOME funds for low income housing development and rehabilitation of owner-occupied single-family properties. The City must use the HOME affordable homeownership limits provided by HUD when setting price limits for affordable home sales and when using HOME funds for home rehabilitation. Also, the use of funds for HOME assisted activities requires that the value of the property after rehabilitation must not exceed 95% of the median purchase price for the area. The HOME Final Rule offers two options for determining the 95% of median purchase price limit for owner-occupied single-family housing, as noted below:

1. HUD will provide limits for affordable housing based on 95 percent of the median purchase price for the area; OR
2. Perform a local market survey to determine the 95 percent of median purchase price limit.

After review of the published 2022 HOME affordable homeownership limits provided by HUD, for Los Angeles County for determining 95 percent of the median purchase price limit, it was determined that the median price for Montebello homes is \$510,000. Based on FHA standard practice, the following multipliers are used for 2-, 3-, and 4-unit properties: 1.28, 1.55, and 1.92 times the 1-unit limit respectively. Based on a comparison of local housing market listing prices and sales information, it was determined that the FHA limits do not accurately reflect current actual home purchase prices for the area. Therefore, a local market survey was conducted for Montebello home sales for a three-month period using HDL data. This survey shows a median price of \$735,000 in the City of Montebello and a 95% median value price of \$698,250 (*see home sales data table below*).

FHA – Market Median Price	\$510,000.00
Montebello Local Market Survey Median Price	\$735,000.00
<b>95% of Montebello Local Market Survey Median Price</b>	<b>\$698,250.00</b>

**TABLE 13 – HOME AFFORDABLE HOME OWNERSHIP UNITS**

As a result of this conclusion, it is our recommendation that the City of Montebello use the local market survey price as the determinant of the 95 percent median purchase price limit as it is higher than the FHA- Market Median Price.

<b>3-Month Home Sales Data, Montebello, CA</b>				
<b>October 2021 to December 2021</b>				
<b>1</b>	12/20/2021	714 S. Greenwood Ave	\$	310,000.00
<b>2</b>	11/1/2021	513 Hornby St	\$	430,000.00
<b>3</b>	11/29/2021	1613 W. Los Angeles Ave	\$	450,000.00
<b>4</b>	12/01/2021	2616 W. Via Corona	\$	500,000.00
<b>5</b>	11/23/2021	508 Thynne St	\$	530,000.00
<b>6</b>	11/30/2021	841 W. Mines Ave	\$	540,000.00
<b>7</b>	10/15/2021	140 N. Spruce St	\$	580,000.00
<b>8</b>	10/1/2021	219 S. 10Th St	\$	595,000.00
<b>9</b>	12/22/2021	825 Palm Pl	\$	605,000.00
<b>10</b>	12/17/2021	649 S. 4Th St	\$	625,000.00
<b>11</b>	10/4/2021	601 Jacmar Dr	\$	630,000.00
<b>12</b>	12/01/2021	741 Carmelita Pl	\$	630,000.00
<b>13</b>	10/1/2021	2933 Via San Delarro	\$	650,000.00
<b>14</b>	10/27/2021	760 Findlay Ave	\$	650,000.00
<b>15</b>	10/28/2021	432 Via Miramonte	\$	650,000.00
<b>16</b>	12/15/2021	712 E. Ave De La Merced	\$	650,000.00
<b>17</b>	12/23/2021	717 S. 6Th St	\$	660,000.00
<b>18</b>	12/08/2021	412 E. Oakmont Dr	\$	663,000.00
<b>19</b>	11/8/2021	349 N. 3Rd St	\$	670,000.00
<b>20</b>	11/30/2021	516 Morris Pl	\$	681,000.00
<b>21</b>	10/1/2021	2421 W. Via Nina	\$	700,000.00
<b>22</b>	10/26/2021	805 Hay St	\$	700,000.00
<b>23</b>	10/28/2021	448 Via Vista	\$	700,000.00
<b>24</b>	10/26/2021	125 N. Spruce St	\$	705,000.00
<b>25</b>	11/18/2021	604 N. 21St St	\$	717,000.00
<b>*26</b>	10/14/2021	324 N. 7Th St	\$	735,000.00
<b>27</b>	12/23/2021	2228 Northside Dr	\$	735,000.00
<b>28</b>	10/20/2021	3025 Via Breve	\$	740,000.00
<b>29</b>	10/19/2021	2501 W. Via Acosta	\$	742,500.00

30	11/18/2021	633 N. 7Th St	\$ 748,500.00
31	12/08/2021	2213 W. Lincoln Ave	\$ 750,000.00
32	12/22/2021	2528 W. Via Corona	\$ 750,000.00
33	10/4/2021	825 Date St	\$ 775,000.00
34	12/29/2021	704 Leonard St	\$ 775,000.00
35	10/22/2021	708 N. Lincoln Ave	\$ 780,000.00
36	11/22/2021	604 N. 21St St	\$ 780,000.00
37	10/13/2021	860 Ladywood Pl	\$ 800,000.00
38	10/1/2021	204 N. Vail Ave	\$ 820,000.00
39	12/17/2021	108 E. Eula Dr	\$ 825,000.00
40	11/17/2021	811 S. 3Rd St	\$ 850,000.00
41	11/8/2021	609 N. Poplar Ave	\$ 865,000.00
42	12/30/2021	200 N. Taylor Ave	\$ 870,000.00
43	12/20/2021	1820 W. Madison Ave	\$ 880,000.00
44	12/20/2021	704 N. Taylor Ave	\$ 890,000.00
45	12/21/2021	2510 Plz Libre	\$ 897,000.00
46	11/30/2021	1722 Loma Rd	\$ 900,000.00
47	12/17/2021	809 Perry Ave	\$ 915,000.00
48	12/01/2021	1404 Westmoreland Dr	\$ 930,000.00
49	12/08/2021	1003 N. Iguala St	\$ 978,500.00
50	10/26/2021	627 N. 19Th St	\$ 990,000.00
51	10/4/2021	1412 Via Camille	\$ 1,000,000.00
52	12/17/2021	1124 N. Iguala St	\$ 1,100,000.00

**TABLE 14 – 3 MONTH HOME SALES DATA**

*AP-60 Public Housing – 91.220(h)*

**Introduction**

The City of Montebello does not own or manage public housing. Actions planned during the next year to address the needs to public housing. The City of Montebello does not own or manage public housing. Actions to encourage public housing residents to become more involved in management and participate in homeownership Los Angeles County Development Authority (LACDA) offers the Family Self-Sufficiency Program to assist residents toward greater independence and homeownership opportunities. If the PHA is designated as troubled,

describe the manner in which financial assistance will be provided or other assistance  
Los Angeles County Development Authority is not designated as troubled.

**Actions planned during the next year to address the needs to public housing**

The City supports the efforts of LACDA in making rental assistance available to low-income households through the Section 8 program, but the City has no direct involvement in the ownership or management of public housing.

**Actions to encourage public housing residents to become more involved in management and participate in homeownership**

Not Applicable- The City is not a Public Housing Agency.

**If the PHA is designated as troubled, describe the manner in which financial assistance will be provided or other assistance**

Not Applicable.

**Discussion**

None.

## **Introduction**

To address the needs of homeless individuals and families, the City continues its efforts to identify efficient and effective means to distribute limited resources for homeless needs. The City has designated emergency and transitional housing as high priorities for addressing homelessness. Other efforts undertaken by the City are identified below:

### **1. Homeless Shelters:**

To accommodate its share of the region's homeless, the City utilized numerous nonprofit organizations to offer shelter and services to homeless persons. The City has established a homeless program, known as Montebello Community Assistance Program (MCAP), to help the homeless population in the City with emergency motel and food vouchers. The City also participates in the Los Angeles County Continuum of Care Community Forum. The City works within this collaborative to help identify needs and gaps in the housing/service needs of the region's homeless.

### **2. Transitional and Supportive Housing:**

Supportive housing, as defined by Section 50675.14 of the California Health and Safety Code, is housing with no limit on the length of stay and that is occupied by a target population. The target population for supportive housing includes low-income persons having one or more disabilities. These disabilities may include mental illness, HIV or AIDS, substance abuse, or other chronic health conditions. Such housing is also linked to on-site or off-site services that assist residents in retaining their housing, improving their health status, and maximizing their ability to live and, when possible, work in the community. On- and off- site services may include, but are not limited to, tutoring, childcare, and career counseling.

Transitional housing, as defined by Section 50675.2 of the California Health and Safety Code, is housing configured as rental housing developments, which may include multi-family housing, single-family housing, or group homes. Such housing is operated under state or Federal program requirements that call for termination of assistance and recirculation of the housing unit to another eligible program recipient at some predetermined future point in time, which shall be no less than six months. Additional services that help individuals gain necessary life skills that support independent living are also allowed but not mandated.

State law allows a distinction in the permitting requirements for certain residential uses in single-family homes based on whether there are six or fewer, or seven or more, people served by the housing type. This size distinction currently exists in the City's Zoning Code for residential and group care facilities. Residential and group care facilities provide 24-hour per day residential living accommodations in exchange for the payment of money or other

consideration, where the duration of tenancy is determined, in whole or in part, by the individual resident's participation in group or individual activities, such as counseling, recovery planning, or medical or therapeutic assistance. Residential or group care facilities include, but are not limited to, residential care facilities for persons with chronic, life-threatening illnesses, and alcoholism or drug abuse recovery or treatment facilities. Residential care facilities provide living accommodations for six or fewer persons and group care facilities provide living accommodations for seven or more persons.

**Describe the jurisdictions one-year goals and actions for reducing and ending homelessness including**

The City has established a homeless outreach program to help the homeless population in the City with emergency motel vouchers and linkage to permanent housing. The City of Montebello also contracts with local service providers to assist in reducing homelessness.

**Reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs**

Los Angeles County is divided into eight Service Planning Areas (SPAs), 1 through 8. The division of the County makes it easier for the Department of Public Health to target and track the needs of each area. Montebello is located in SPA 7.

Every year, the Los Angeles Continuum of Care coordinates a Shelter/Housing Inventory Count (HIC), which is a point-in-time (PIT) inventory of service projects, and a record of utilization of services. HIC records how many beds and units are dedicated to serving people experiencing homelessness (e.g., emergency shelter, transitional housing, and safe haven) or people who have experienced homelessness and are now in permanent housing. The City will fund projects within Montebello in the 2022-2023 program year such as Heart of Compassion (HOC).

The CoC offers housing and supportive services to address the needs of homeless persons.

Within SPA 7:

Emergency Shelter:

- 541 beds serving individuals and families with children Transitional Housing
- 615 beds serving individuals with families with children Permanent Supportive housing
- 615 beds serving individuals with families with children

Several programs, detailed below, offered in SPA 7 target different homeless client groups. The program presented below focuses on assessing the individual needs of homeless persons:

Coordinated Entry System (CES) – The CES is a framework that unites regional providers working collaboratively to house chronically homeless individuals. Using a common assessment tool, individuals are prioritized into the most appropriate housing based on their needs. The CES also coordinates County and Federal resources from agencies such as the Department of Mental Health, the Department of Health Services, housing authorities, and the U.S.

Department of Veterans Affairs.

### **Addressing the emergency shelter and transitional housing needs of homeless persons**

SPA 7 offers a variety of homeless housing facilities serving different client groups, and includes emergency shelters, transitional housing and permanent supportive housing (See above information).

**Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again.**

The City has the goal of assisting homeless persons, especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth, make the transition to permanent housing and independent living include shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again.

Homeless Family Solutions System – This Program is a network of family homeless service providers that address the needs of homeless families or those at imminent risk of losing their housing. It works cooperatively with system partners to help family's complete housing and service plans.

First 5 LA Supportive Housing Program (First 5 LA) – This Program is a needs-based assistance program aimed at serving homeless or at-risk families with children from birth to age 5, some with current or past involvement with the County Department of Children and Family Services.

Supportive Services for Veteran Families (SSVF) – This Program is a community-based, competitive grant program that rapidly rehuses homeless veteran families and prevents homelessness for those at imminent risk due to a housing crisis. The program's objective is to achieve housing stability through a short-term, focused intervention. The SSVF employs a housing-first model, which focuses on helping individuals and families access and sustain permanent rental housing as quickly as possible and without precondition, while facilitating access to those services that will help the veteran's family keep their housing.

HUD-VASH Vouchers (VASH) – The HUD-VASH Program combines Housing Choice Voucher rental assistance for homeless veterans with case management and clinical services provided by the US Department of Veterans Affairs. The Department provides these services for participating veterans at Veterans Affairs medical centers and community-based outreach

clinics.

Unaccompanied Youth – Several programs serve this target group, including 1736 Family Crisis Center, Hathaway-Sycamores: Independent Living Program, Divinity Prophet: Independent Living Program, and Richstone Family Center: Transitional Housing Program and Transitional Living.

**Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families and those who are: being discharged from publicly funded institutions and systems of care (such as health care facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions); or, receiving assistance from public or private agencies that address housing, health, social services, employment, education, or youth needs.**

Agencies involved with persons discharged from institutions and systems of care, including the Los Angeles County Department of Children and Family Services (DCFS), Department of Health Services (DHS), Department of Mental Health (DMH), and Los Angeles County Sheriff's Department (LASD), all have requirements stipulated by state law or county regulations requiring effective discharge planning and a specific transition plan to ensure that individuals and families are not discharged into homelessness.

In addition, the City of Montebello has established a homeless outreach program known as MCAP. The program focuses on engaging the City's homeless population to support with emergency motel vouchers, food, and hygiene kits, as well as help with accessing social service needs and permanent housing.

## **Discussion**

The programs identified above, which address the needs of homeless persons and subpopulations of homeless, indicate that serving the homeless is a complex issue requiring a network of agencies, departments, and nonprofit community services agencies. It is fortunate that the City can utilize this network of agencies to provide housing and supportive services in addition to using limited CDBG funding.

**Introduction:**

City staff, stakeholders and the community at-large identified and prioritized fair housing issues and contributing factors to fair housing. Barriers to affordable housing as well as other housing information can be found in the City’s 2020-2025 AI. A summary of the high priority barriers to affordable housing include:

- High cost of housing
- Housing values are increasing faster than household incomes
- Low number of affordable homes vs. market rate or higher cost homes
- Low number of housing opportunities for larger families
- Low ability to become a homeowner
- Lack of household financial stability
- Lack of funds to subsidize economic development projects
- Undereducated residents
- Aging housing and infrastructure
- Homeless prevention services
- Current land use policies do not support the development of affordable housing

**Actions it planned to remove or ameliorate the negative effects of public policies that serve as barriers to affordable housing such as land use controls, tax policies affecting land, zoning ordinances, building codes, fees and charges, growth limitations, and policies affecting the return on residential investment**

The AI provided goals and action steps developed as a result of specific data captured and existing programs and policies. Agency consultation, community outreach activities data review and analysis process were needed to develop the plan’s goals and associated action steps. (Refer to the AI, Table):

Goal 1: Increase affordable housing opportunities.

Goal 2: Increase home ownership.

Goal 3: Create public awareness of fair housing laws and affordable housing advocacy.

Goal 4: Increase training, education and employment opportunities.

Table 56 in the AI presents the Goals and Action Steps which further fair housing and affordable housing. As part of the engagement process, ideas and recommended action steps were documented to help provide clearer direction for Council, City staff and partnering agencies.

In the 2022-2023 AAP, the projects and programs that reduce the barriers to affordable housing

include:

- Acquisition for Affordable Housing
- Housing Rehabilitation Grants/Loans
- Fair Housing (HRC)

To remove or improve the barriers to affordable housing, the City has adopted the following goals in the 2021-2029 Housing Element:

- Conserve and improve the condition of the existing affordable housing stock
- Identify and address the housing needs, including housing goals, policies, and programs
- Identify and address constraints to housing maintenance, improvement, and development
- Promote equal housing opportunities for all resident

Lastly, the City is currently in the process of updating our General Plan. The General Plan is a long-range planning document that establishes goals and policies that will shape the City for the next 20 years. This update will allow us to develop City policies that promote local and regional goals, including goals related to housing accessibility and affordability. In addition, this update will ensure that our City policies and standards are consistent with State and regional housing requirements.

**Discussion:**

See discussion above.

**Introduction:**

One of the primary constraints to meeting the needs of low-income residents is a lack of funding to fully address all the needs. Economic challenges and cuts in grant funding have resulted in budgetary constraints not only with the City but with nonprofit service providers as well.

**Actions planned to address obstacles to meeting underserved needs**

The City of Montebello recognizes that special needs populations encounter challenges due to low income and the special conditions that they face. Special needs populations are more likely to become homeless as a result of these challenges. Special needs populations require housing and supportive services. The City considers supportive services and housing for special needs populations a high priority. Supportive services are also considered a high priority in the Continuum of Care.

**Actions planned to foster and maintain affordable housing**

The City's strategies relating to CDBG-funded affordable housing efforts include maintaining the affordable housing stock through the Housing Rehabilitation and Preservation Program and maintaining rental assistance programs such as the Section 8 Housing Voucher program. The City will utilize a combination of Federal and non-Federal funds to maintain existing affordable housing units and foster the creation of new affordable housing opportunities. The City's efforts include creating clear and precise development standards in conformance with the General Plan vision that offer predictable outcomes and a streamlined development review process. Review current housing regulations for (ADU's, mixed-use, transitional and supportive housing, SRO's, emergency shelters) and revise zoning standards to ensure conformance with State housing law.

**Actions planned to reduce lead-based paint hazards**

The City's HOME-funded Housing Rehabilitation and Preservation Program follows the requirements of Lead Safe Housing Regulation 24 CFR Part 35 effective September 15, 2000, and the subsequent September 2000 HUD transition assistance policy. The City will use, when required, state of California-certified lead-based paint inspectors/risk assessors to test for lead paint and perform risk assessments on houses testing positive, and certified lead-based paint contractors to remove and/or abate lead paint.

**Actions planned to reduce the number of poverty-level families**

The City of Montebello continues to look for ways to expand economic activities to include all

people and provide programs to those people who are less fortunate. The City has focused on the creation of jobs for low- and moderate-income persons through youth employment programs, capital improvement projects, Section 108 loan funds. Programs related to housing improvement, homeless shelters, supporting the County's rental assistance program, and funding affordable housing creation have resulted in housing the homeless and improving the living conditions of the elderly and low-income families.

Many factors can contribute to persons living at or below the poverty level. Lack of higher education opportunities, lack of marketable skills, unemployment or underemployment, lack of affordable childcare, lack of effective transportation, and lack of affordable housing all contribute to homelessness or persons living in poverty. These factors must be addressed to reduce the number of persons living in poverty.

While the City has no control over most of these factors, the City regularly provides referrals to those living below the poverty line. The City also provides a listing of public services agencies and homeless resources, and links to social service agencies. In addition, the City supports other government agencies, private developers, and nonprofit agencies that are involved in creating affordable housing and economic opportunities for low- and moderate-income residents. The City will continue to support a City youth employment program that offers employment benefitting low-income youth households.

### **Actions planned to develop institutional structure**

CDBG funds received by the City are administered by the Finance Department and Planning and Community Development Department. The City relies on a number of governmental departments and agencies, for-profit developers, and private, nonprofit organizations to carry out homelessness programs, affordable housing projects, seniors, at-risk youth, and other community development programs.

- The City's Planning and Community Development Department's functions directly impact and facilitate the development of housing.
- The Public Works Department is responsible for the design, construction, maintenance, and operation of public facilities as well as for administering infrastructure projects.
- LACDA administers the HUD Section 8 Housing Choice Voucher Program and public housing, which benefits the city's low-income population with publicly assisted rental housing.
- The City will provide emergency motel vouchers and services to the homeless population and to low- and moderate-income households through MCAP.
- Housing developers are an important partner and essential for the development of market-rate and affordable housing. Private developers are unable to build affordable units without government or other subsidies because of the high cost of land in the city.
- The City is undergoing a General Plan update that will create clear and precise

development standards in conformance with the General Plan vision that offer predictable outcomes and a streamlined development review process. Review current housing regulations for ADU's, mixed-use, transitional and supportive housing, SRO's emergency shelters, and revise zoning standards to ensure conformance with State housing law.

Gaps or weaknesses in the institutional structure may exist including: the loss of a redevelopment program is a significant challenge to fund future affordable housing projects. The primary funding source for affordable housing and its administrative costs is HOME. Also, CDBG funding reductions over the years has reduced funding that went to other community development programs. Essentially, these cutbacks resulted in staff and budgets reductions.

**Actions planned to enhance coordination between public and private housing and social service agencies**

The City's Planning and Community Development Department maintains primary management and coordination of the various organizations involved in these processes. The staff within the Department works closely with other City departments and the community to develop programs and activities that improve low-and-moderate-income neighborhoods throughout Montebello. The administration of the program activities includes housing, public facility and infrastructure improvements, public and social service activities, and economic development activities. The City collaborates with public agencies, for-profit agencies, and non-profit organizations in order to provide the aforementioned programming and services. The City has developed a centralized location within the Fire Department to implement homeless services through the Montebello Community Assistance Program (MCAP). MCAP will continue to partner with private and public social service agencies to better serve the needs of the community.

**Discussion:**

See above.

Program Specific Requirements

**AP-90 Program Specific Requirements – 91.220(l) (1, 2, 4)**

**Introduction:**

The following reflect Program Specific Requirements:

**Community Development Block Grant Program (CDBG)  
Reference 24 CFR 91.220(l) (1)**

Projects planned with all CDBG funds expected to be available during the year are identified in the Projects Table. The following identifies program income that is available for use that is included in projects to be carried out.

1. The total amount of program income that will have been received before the start of the next program year and that has not yet been reprogrammed	\$155,536.79
2. The amount of proceeds from section 108 loan guarantees that will be used during the year to address the priority needs and specific objectives identified in the grantee's strategic plan	\$0
3. The amount of surplus funds from urban renewal settlements	\$0
4. The amount of any grant funds returned to the line of credit for which the planned use has not been included in a prior statement or plan.	\$0
5. The amount of income from float-funded activities	\$0
Total Program Income	\$155,536.79

**Other CDBG Requirements**

1. The amount of urgent need activities	\$0
2. The estimated percentage of CDBG funds that will be used for activities that benefit persons of low and moderate income. Overall Benefit - A consecutive period of one, two or three years may be used to determine that a minimum overall benefit of 70% of CDBG funds is used to benefit persons of low and moderate income. Specify the years covered that include this Annual Action Plan.	100%

**HOME Investment Partnership Program (HOME)**  
**Reference 24 CFR 91.220 (I) (2)**

1. A description of other forms of investment being used beyond those identified in Section 92.205 is as follows:

The City does not receive any atypical loans, grant instruments, nonconforming loan guarantees, or other forms of investments.

2. A description of the guidelines that will be used for resale or recapture of HOME funds when used for homebuyer activities as required in 92.254, is as follows:

The City has general recapture and resale provisions in its HOME program guidelines which apply only to CHDOs. The City will impose HOME recapture provisions on any property sold by a CHDO to a homebuyer when the City provides a direct subsidy for down payment and or closing costs to the homebuyer.

3. A description of the guidelines for resale or recapture that ensures the affordability of units acquired with HOME funds? See 24 CFR 92.254(a)(4) are as follows:

In instances where the homebuyer's home is sold to a qualified low-income buyer at an affordable price, the HOME loan balance shall be transferred to the subsequent qualified buyer and the affordability period shall remain in force. The resale provision shall remain in force from that date the legal documents are executed at loan closing until the expiration of the affordability period.

4. Plans for using HOME funds to refinance existing debt secured by multifamily housing that is rehabilitated with HOME funds along with a description of the refinancing guidelines required that will be used under 24 CFR 92.206(b), are as follows:

The City has no current plans to use HOME funds to refinance existing debt secured by multifamily housing that is rehabilitated with HOME funds.

**Discussion**

The City relies on its HOME Policies and Procedures Manual to follow compliance requirements of the HOME program.

# APPENDIX

# Appendix A – Public Notifications

(When required)

RECORDING REQUESTED BY AND MAIL TO:

**LOS ANGELES DAILY JOURNAL**  
~ SINCE 1888 ~

915 E FIRST ST, LOS ANGELES, CA 90012  
Mailing Address: P.O. Box 54026, Los Angeles, California 90054-0026  
Telephone (213) 229-5300 / Fax (213) 229-5481

This space for filing stamp only

Rosemary Perich  
CITY OF MONTEBELLO/CITY CLERK (LEAD)  
1600 W. BEVERLY BLVD  
MONTEBELLO, CA - 90640

DJ#: 3549777

**PUBLIC NOTICE**  
**CITY OF MONTEBELLO**  
**Community Development Block Grant**  
**Program**  
**Announcement of Citizen Participation**  
**Notice of Fund Availability**  
**Request for Proposals**

**TO ALL INTERESTED PARTIES:**

NOTICE IS HEREBY GIVEN that the City of Montebello ("City") is initiating its citizen participation and application process for the **2022-2023 Community Development Block Grant (CDBG) funded program.** The City is an entitlement community and is expected to receive Community Development Block Grant (CDBG) funds from the U.S. Department of Housing and Urban Development (HUD) for Fiscal Year 2022-2023. A maximum of fifteen percent (15%) may fund Public Service activities. Funding will be contingent on availability from HUD. The City anticipates receiving approximately \$687,187.23 from HUD which will be allocated to various eligible projects and programs. CDBG funds may be used for a variety of community development and housing activities, including public services, social services, public facility and infrastructure improvements, and residential code enforcement and housing improvement projects.

CDBG applications are available now. Applications must be received by the City of Montebello no later than **5:00 pm on Monday, February 18, 2022.** Please send completed applications to: the Montebello City Clerk's office located at: **1600 West Beverly Blvd, Montebello, CA 90640 Attention: Rosemary Perich, Housing Manager.** Late applications will not be accepted.

The City will provide a Technical Workshop for those organizations interested in applying for CDBG funds, via Zoom, on Tuesday, February 10, 2022. While community residents are not eligible to apply and/or receive direct CDBG funding, residents are invited to complete an online community survey by visiting the following link: <https://www.surveymonkey.com/r/3YDYG>. The surveys are used to prioritize the use of CDBG funding and assist the City in making future grant allocations.

Those organizations desiring an application and/or wanting to participate in the Technical Workshop should contact: Contact: Rosemary Perich, Housing Manager  
Phone: (323) 887-1200 Ext. 454  
Email: [rperich@cityofmontebello.com](mailto:rperich@cityofmontebello.com)  
The City will evaluate proposals for CDBG eligibility. After the proposals are evaluated, staff will make recommendations for the total amount of CDBG funds which should be allocated. The City Council will hold a public hearing regarding the funding allocation recommendations. The Montebello City Council approves final CDBG allocations.  
1/26/22

DJ-3549777#

**PROOF OF PUBLICATION**

(2015.5 C.C.P.)

State of California )  
County of Los Angeles ) ss

Notice Type: HRG - NOTICE OF HEARING

Ad Description:

Notice of Fund Availability Request for Proposals

I am a citizen of the United States and a resident of the State of California; I am over the age of eighteen years, and not a party to or interested in the above entitled matter. I am the principal clerk of the printer and publisher of the LOS ANGELES DAILY JOURNAL, a newspaper published in the English language in the city of LOS ANGELES, county of LOS ANGELES, and adjudged a newspaper of general circulation as defined by the laws of the State of California by the Superior Court of the County of LOS ANGELES, State of California, under date 04/26/1954, Case No. 599,382. That the notice, of which the annexed is a printed copy, has been published in each regular and entire issue of said newspaper and not in any supplement thereof on the following dates, to-wit:

01/26/2022

Executed on: 01/27/2022  
At Los Angeles, California

I certify (or declare) under penalty of perjury that the foregoing is true and correct.

Signature



Email \* A 0 0 0 0 0 5 9 2 8 2 0 6 \*



**NOTICE OF PUBLIC HEARING  
CITY OF MONTEBELLO CITY COUNCIL**

**NOTICE TO RECEIVE THE DRAFT ANNUAL ACTION PLAN**

**NOTICE IS HEREBY GIVEN** that the City Council (“City Council”) of the City of Montebello (“City”) will conduct a public hearing to receive the draft 2022-2023 Annual Action Plan for the allocation of Community Development Block Grant (CDBG) and HOME Investment Partnership (HOME) program funds.

It is noticed that from July 11, 2022 to August 10, 2022 the draft 2022-2023 Annual Action Plan may be reviewed at the following location.

City of Montebello Website – Homepage  
<https://www.cityofmontebello.com>

**PUBLIC HEARING INFORMATION:**

**Date:** Wednesday, August 10, 2022

**Time:** 6:30 p.m. or as soon thereafter as the matter may be heard

**Place:** City Hall Council Chambers, 1600 W. Beverly Blvd., Montebello, CA 90640

**PROJECT DESCRIPTION:** The City of Montebello is a recipient of Community Development Block Grant (CDBG) and Home Investment Partnership Program (HOME) funds. These funds are awarded to the City by the United States Department of Housing and Urban Development (HUD).

The CDBG Program provides federal funds for local improvements projects and programs. Activities assisted with CDBG funds must meet one of the three national objectives: (1) principally benefit low- and moderate-income persons, (2) aid in the prevention or elimination of slums and blight, or (3) meet other community development needs having particular urgency. The HOME Program provides formula grants – often in partnership with local nonprofit groups – to fund a wide range of activities including building buying and/or rehabilitating affordable housing. HOME is the largest Federal block grant to state and local governments designed exclusively to create affordable housing for low-income households.

The Annual Action Plan is submitted to HUD on an annual basis and identifies how the City plans to use the federal money during the next fiscal year to meet the goals and objectives

approved by the City Council in the Five-Year Consolidated Plan known as the “Five-Year ConPlan.”

For Fiscal Year (FY) 2022-2023, the City expects to receive approximately \$670,421.00 in CDBG funds and approximately \$341,617.00 in HOME funds. Additionally, \$155,536.79 in CDBG Program Income and \$665,808.02 in HOME Program Income is available.

Total Funding available for FY 2022-2023:

CDBG Funds: \$825,957.79

HOME Funds: \$1,007,425.02

**Public Review and Comment Period:** The draft 2022-2023 Annual Action Plan will be available for public review and comment beginning on July 11, 2022 and ending on August 10, 2022. This document will be available for public review on the City of Montebello’s website at <https://www.cityofmontebello.com>.

During the comment period, comments and/or questions may be submitted to:

Planning and Community Development Department  
Attn: Rosemary Perich, Housing Manager  
1600 W. Beverly Boulevard, Montebello, CA 90640  
Office telephone: (323) 887-1200 Ext. 454  
Monday through Thursday, 7:30 A.M. to 5:30 P.M.

**GENERAL INFORMATION:** As authorized by the Governor’s Executive Order No. N- 29-20, those interested in making public comments at the City Council meeting, may call prior to the start of the Public Comments period on **Wednesday, August 10, 2022** at (323) 887-1200 Ext 454. Staff will complete public comment cards, and the public will be called during the City Council meeting – Closed Session begins at 5:00 p.m. and Regular Session begins no later than 6:00 p.m. The exact call-back time is not predictable due to the nature of the City Council agenda. As a result, you must be available until the end of the meeting to receive a live call from staff during the meeting. In addition, the City has created an email address, [ccpubliccomment@cityofmontebello.com](mailto:ccpubliccomment@cityofmontebello.com), where the public can submit public comments prior to the start of the Public Comments period on Wednesday, August 10, 2022. These comments will be read out loud and submitted for the record. Any requests to provide public comment which is submitted after the deadlines indicated above will not be addressed at the council meeting, with the exception of non-agenda item comments which will be held over to the next regularly scheduled meeting. This notice is provided in accordance with Government Code Sections 65867, 65090 and 65091.

Published: July 11, 2022

# CITY OF MONTEBELLO



# COMMERCIAL FAÇADE PROGRAM PROGRAM GUIDELINES & APPLICATION (August 2022)

Planning and Community Development Department  
1600 W. Beverly Blvd.  
Montebello, CA 90640  
(323)887-1200 Ext. 454

## **SECTION I - OVERVIEW OF PROGRAM**

### **A. Purpose, Goal and Objective of Program**

The purpose of the Commercial Façade Program (the “Program”) is to enhance economic opportunities in the City of Montebello (“City”). The Program will provide financial assistance in the form of a grant to commercial property and/or business owners to make facade improvements to commercial buildings located on Whittier Blvd, within Low to moderate income areas, within the boundaries identified in the downtown Specific Plan in the City.

The goals and objectives of the Program are as follows:

- Facilitate commercial revitalization and enhance the character in the targeted area
- Preserve and beautify the Low to Moderate Income (LMI) Areas in the City
- Create a pleasant walkable environment through improvements to the visual aesthetics of commercial building facades.

The underlying objective of the Program is to assist in restoring, substantially beautifying, and/or enhancing the entire façade of a commercial building.

### **B. Source of Funds**

Funding for the Program will derive from the Community Development Block Grant (CDBG). The funding allocation for this Program is based on annual allocations provided by the U.S. Department of Housing and Urban Development (“HUD”). The Program is intended to support and provide opportunity to eligible property owners for improvements to the appearance of existing commercial buildings with grant funding up to a maximum amount of \$10,000 per establishment.

The Program will only fund projects that significantly improve the visual appearance of the whole façade of the property from the street. Design and permit fees associated with the construction are also eligible projects costs.

### **C. Grant Matching Assistance**

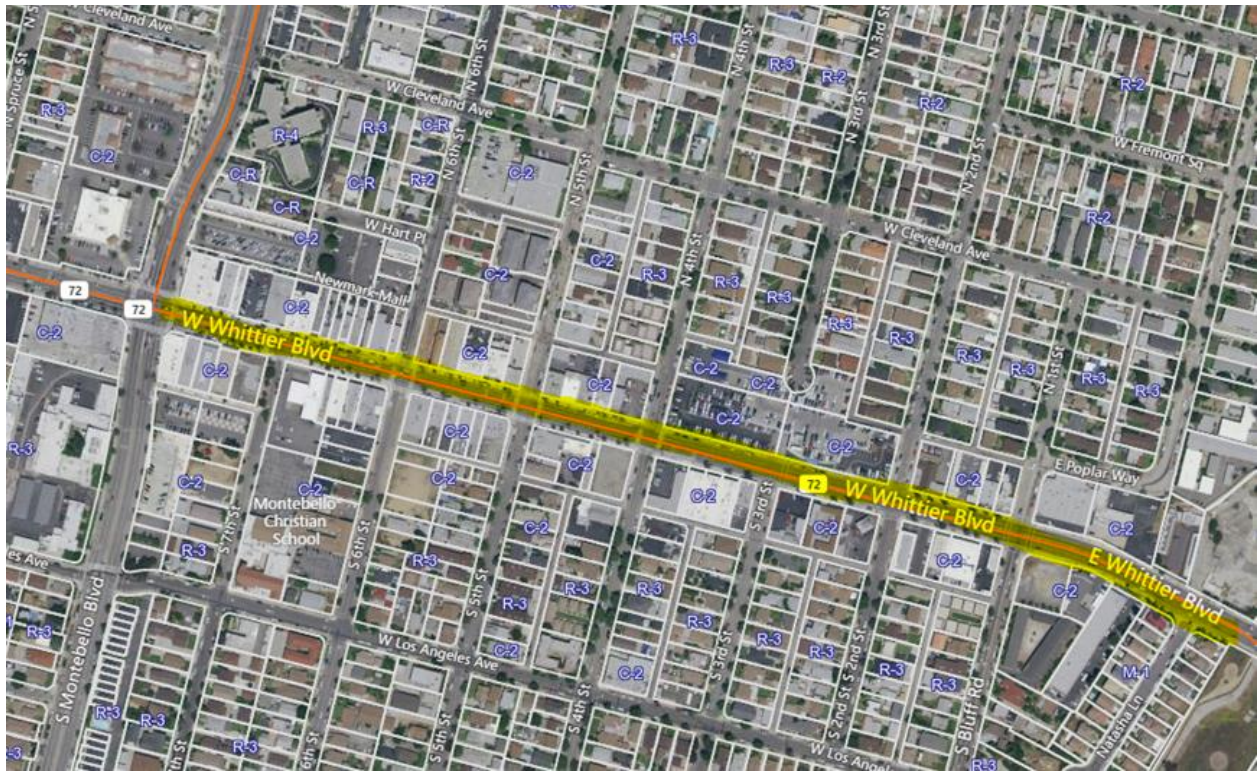
Funding assistance shall be available to eligible commercial property and/or business owners who meet the requirements for section I and II. The maximum grant award that will be awarded is \$10,000. The applicant will be required to contribute 30 percent of personal funds towards the approved improvements of the building.

Grant funds may be used to pay for improvements of rehab work for the facade of a business. If the applicant withdraws his/her application for assistance or fails to implement the rehabilitation within 180 days after funds are used for payment of rehab services, the applicant shall be required to reimburse the City for all funds paid.

### **D. Program Requirements**

**Only properties located on Whittier Blvd. (with frontage along Whittier Blvd.), as shown below, are eligible to apply to the Program.**

## City of Montebello- Whittier Blvd. Commercial Façade Program Boundary



## SECTION II – APPLICANT ELIGIBILITY REQUIREMENTS

### **A. Property Ownership**

The applicant(s) must be either the current property owner(s) or the current business owner(s) (i.e. existing tenant) to be rehabilitated in order to be eligible for Program assistance. Business owner must obtain consent from current property owner. Individuals, partnerships, corporations, and other legal entities may apply for assistance. The existing grant deed must list all current owners of the property. Property owner(s) shall be construed to be any person(s) or legal entity that holds title to the subject property. In the case of multiple ownership, the signature of each titleholder is required on all appropriate documents. The City will verify property ownership and require all persons currently on title to give written consent to all work proposed to be performed on the property prior to initiating such work.

If both the property owner and business owner (tenant) apply for participation in the Commercial Façade Improvement Program, the owner of the property will have priority over the business owner.

### **B. Program Limitations**

If a building is occupied by one tenant occupant, the maximum number of applications is one per commercial façade.

**C. Program Exclusions**

The following businesses are not eligible to receive Program assistance: residential, residential rental buildings (apartments), unless connected to a mixed use building, home-based businesses, structures not facing the public right-of-way, banks, churches and other religious institutions.

**D. Capacity**

Property owners or current business owners must be of legal age and must have the capacity to enter into legal binding contracts.

**E. Conflicts of Interest**

No member of the City Council and any employee, official, or consultant who exercises any policy decision-making function about the program is eligible for program assistance.

**SECTION III – PROPERTY ELIGIBILITY REQUIREMENTS**

**A. Eligible Commercial Properties**

**To be eligible for the Program assistance, the property to be rehabilitated must be located ON Whittier Blvd. in Montebello, within the Low to Moderate Income level Area, and meet the following requirements:**

- Commercial building must be dilapidated or blighted
- Business must be located in a CDBG eligible census tract
- Business must serve low to moderate income clientele
- Storefront must be visible from the street
- Located on Whittier Blvd within Low to moderate area

**B. Minimum Property Rehabilitation Standards**

All work performed under the provisions of this Program shall meet all applicable standards contained in the City's adopted zoning ordinance, local building and safety codes. The City's Municipal Code can be viewed on the City's web site at: <http://www.cityofmontebello.com>

**C. Eligible Property Improvements**

The City has determined that the program assistance may only be used for exterior rehabilitation items.

Such exterior improvements may include, but are not limited to:

- Exterior façade treatments (stucco, brick veneer, paint removal, etc.)
- Awning, canopy, or other shade solution install
- Exterior painting of buildings visible from public right-of-way
- Facade/brick cleaning
- Signage repair or replacement

- Exterior doors
- Window replacement
- Exterior lighting
- Landscaping related to exterior features
- Permanent exterior signage

The following improvements are ineligible under this program:

- Any improvements not visible from the public right-of-way or publicly owned space
- Parking Lot resurfacing
- Nonvisible mechanical equipment screening
- Interior improvements/remodeling
- Temporary, portable, or non-permanent improvements
- New construction
- Business operations-related costs
- Property acquisition, debt refinancing, expansion of building area, or conversion of building use
- Normal maintenance and repair
- HVAC repair/improvements
- Plumbing repairs/improvements

#### **E. Design Restrictions**

Only improvements made to the street-facing portion of the building are eligible. Improvements are not eligible if they are simply maintenance of the current façade.

Program assistance can also be used for Building and Health Code violations, seismic upgrades, and American with Disabilities Act (ADA) compliance requirements as identified by the City. Additionally, to participate in the Commercial Facade Improvement Program, all signage on the property to be rehabilitated must be brought up to conformance and maintained in conformance with the Sign Ordinance of the City.

## **SECTION IV - PROGRAM PROCEDURES**

### **A. Applicant Intake and Eligibility**

#### **1. Application and Required Documents**

Applications are available at the Montebello City Hall or online at [www.cityofmontebello.com](http://www.cityofmontebello.com). Each application must be completed in its entirety, signed and submitted with all required documents as listed in the application, including a grant deed, signed proof of ownership or lease agreement. Applications will be reviewed in the order in which they were received. The City will maintain a waiting list for all prospective participants. Incomplete applications will not be processed.

#### **2. Review of application**

All complete applications will be date stamped when received and processed in that order. Applications will be subject to review by the Director of Planning & Community Development and the Housing Manager. Application may be subject to additional review when applicable. The City Staff will evaluate

the applications based on program's scoring criteria. Incomplete applications will not be processed until all requested information is submitted.

A notification letter will be sent to applicants concerning the approval or denial of the Application. Eligible applicants will be contacted to enter into an agreement with the City and schedule a property inspection.

### **3. Matching Funds**

The applicant will be required to submit a certified check payable to the City of Montebello to cover his/her contribution. The check will be deposited in an account for the project.

## **B. Property Inspection**

### **1. Initial Inspection:**

A site visit will be arranged between the Planning & Community Development Department and the property owner and/or business owner to undertake an inspection of the building and to develop specifications for the Program. Staff will inspect the property to ensure that the building meets code requirements for the exterior of the building.

### **2. Follow-Up Inspection:**

If City Staff finds code violations during the initial inspection, the property owner and/or applicant will be required to correct those violations before continuing in the Program process. A follow-up inspection will be arranged between City Staff and the property owner and/or business owner to ensure the property is up to code.

## **C. Contractor Selection**

### **1. Procurement:**

The City shall maintain a list of qualified contractors who have expressed interest in bidding on rehabilitation work and have been cleared by the State Contractors License Board and are not listed on the debarred, suspended or ineligible contractors list as per 24 CFR part 5. The City will coordinate with the property owner or business owner to obtain at least three (3) estimates from qualified contractors for each rehabilitation project. The property owner(s) or business owners shall be responsible for obtaining estimates for improvements. Estimates shall be submitted to the City in the prescribed form.

### **2. Selection**

The applicant will make the final contractor selection from among three (3) qualified contractors who submit construction estimates. As required by HUD, the award of the contract will be awarded to the lowest responsive and responsible bidder. In case where the applicant desires to award the construction contract to an approved contractor other than the lowest responsible bidder, the City may set the amount of the award equal to the amount of the bid of the lowest responsible bidder. The applicant shall be responsible for any difference in the cost of construction.

### **3. Minimum limits of Insurance for Contractor**

The Contractor shall, at its own expense, procure and maintain during the term of the contract each of the following:

**General Liability**

\$1,000,000 per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.

**Automobile Liability**

\$1,000,000 per accident for bodily injury and property damage.

Each policy of insurance shall:

- Be issued by a financially responsible insurance company or companies admitted and authorized to do business in the State of California or which is approved in writing by the City.
- Name and list as additional insured the City, its officers and employees.
- Specify that such insurance acts as primary insurance.
- Contain a clause substantially in the following words: "It is hereby understood and agreed that this policy shall not be canceled nor materially changed except upon thirty (30) days prior written notice to the City of Montebello such cancellation or material change."

**4. Labor Compliance- Davis Bacon Requirements**

In accordance with CDBG Program Entitlement Grant Regulations, Davis-Bacon requirements apply to the rehabilitation of all commercial buildings and structures. All participating contractors must follow the requirements below:

- The Contractor must comply with the prevailing wage rates as determined by the State of California. Pursuant to the provisions of Section 1–3 of the Labor Code of the State of California, the City has obtained the general prevailing rate of per diem wages and the general prevailing rate for holiday and overtime work in this locality for each craft, classification or type of workman needed to execute this contract. These rates are available upon request. Contractor shall post a copy of such wage rates at the job site, and shall pay the adopted prevailing wage rates. The provisions of Section 1810 to 1815 of the Labor Code will be compiled with.
- All mechanics and laborers employed or working upon the site of the work in the construction or development of the project, will be paid unconditionally and not less often than once a week, and without subsequent deduction or rebate on any account (except such payroll deductions as are permitted by regulations under Copeland Act 29 CFR Part 3), the full amount due at time of payment computed as wage rates not less than those contained in the above determination, regarding of any contractual relationship which may be alleged to exist between the contractor and such laborers and mechanics. For the purpose of this clause, contributions made or cost reasonably

anticipated under section 1 (b) (2) of the Davis-Bacon Act on behalf of laborers or mechanics are considered wages paid to such laborers or mechanics, subjected to the provisions of 29 CFR 5.5. (a) (1) (iv). Also for the purpose of this clause, regular contributions made or cost incurred for more than a weekly period under plans, funds, or programs, but covering the particular weekly period, are deemed to be constructively made or incurred during such weekly period.

- The Contractor shall not require nor permit any laborer or mechanic in any work week in which he is employed on such work to work in excess of eight (8) hours in any calendar day or in excess of forty (40) hours in such work week unless such laborer or mechanic compensation at a rate not less than one and one-half ( 1 ½) times basic rate of pay for all hours worked in excess of eight (8) hours in any calendar day or in excess of forty (40) hours in such week, as the case may be.
- The Contractor shall submit weekly a copy of all certified payroll to the City. The copy shall be accompanied by a statement signed by the employer and his agent indication that the payroll are corrected and completed, that the wage rates contained therein are not less than those determined by the Director of the Department of Industrial Relationship and that the classification set forth for each laborer or merchant conforms with the work he performed. The prime contractor shall be responsible for the submission of copies of payroll of all subcontractors. The Contractor will make the records required under labor standards clauses of the Contractor available for inspection by authorized representatives of the City and Department of Labor, and will permit such representative to review employees during working hours on the job. Contractors employing apprentices or trainees under approved programs shall include a notation on the first weekly certificate payroll submitted to the contracting agencies that their employment is pursuant to an approved program and shall identify the program. Payroll and basic records relationship thereto will be maintained by the Contractor during the course of the work and preserved for a period of three (3) years thereafter for all laborers and mechanics working at the site of the work in the construction or development of the project.
- The Contractor shall insert in any subcontracts the required of this section and also clause required any subcontractor to include these requirements in any lower tier subcontracts into which they may in turn be made.

## **5. Contractor Insurance/ License File**

The City shall maintain a file for each contractor performing work pursuant to the terms and conditions of this program. The file shall include the following information:

- Copies of the contractor's current liability and workers compensation insurance policies;
- Copies of the contractor's current California Contractor's License;
- All required Davis-Bacon information and certifications; and
- Copy of contractor's City Business License.

Any contractor with an expired General Liability and/or Workers Compensation insurance or a valid state contractor's license shall be removed from the job until he/she is able to provide proof of current insurance and/or license. All contractors shall be required to obtain a City Business License prior to the issuance of a building permit.

#### **6. Ineligible Contractors:**

- In accordance with CDBG guidelines, the City and the applicant(s) shall agree not to award any contract for rehabilitation work, to be paid for in whole or in part with proceeds from the Program, to any contractor who does not have a valid state contractor's license, who cannot produce sufficient evidence of current Worker's Compensation and Liability Insurance coverage, or who is on the federal Housing and Urban Development's (HUD's) Debarred Contractor list.
- All owner/builders, or any member of the applicant's family or extended family, are considered ineligible, regardless of credentials or license. Any ineligible contractor found working at the job site will be removed immediately, without compensation.

### **D. Award of Grant**

#### **1. Notification:**

The City shall notify the selected contractor of the award of the grant award and shall establish date, time and place for the pre-construction conference. The pre-construction conference will include City Staff, property/business owner(s) and contractor.

#### **2. Agreement:**

The contract, for the approved rehabilitation work shall be prepared by the City and shall be entered into between the property owner and the selected contractor.

#### **3. Private Arrangements:**

The City cautions the property/business owner and the contractor not to enter "side deals" for additional work or deviations from the approved scope of work.

#### **4. Pre-Construction Meeting:**

Prior to construction, the City will arrange a pre-construction meeting which shall be attended by the contractor, the property/business owner(s), and representative City staff. The purpose of this meeting is to explain all applicable HUD requirements, explain all Program requirements and procedures, coordinate and schedule the work start date, and answer questions related to contract documents.

#### **5. Start of Construction:**

No work shall commence until a "Notice to Proceed" has been issued to the contractor, signed by the property/business owner(s) and the City. In addition, no work shall commence until all required permits have been issued by the City's Building and Safety Division.

- The contractor shall contact the Planning & Community Development Department to obtain all requirements for plan submittal to obtain building permits for the City's Building and Safety

Division. Plans will be reviewed by the City's Building and Safety and Planning divisions. The contact information for the Development Services Department is as follows:

Planning and Community Development Department  
1600 W. Beverly Blvd.  
Montebello, CA 92870  
Phone: (323)887-1200 Ext 454  
Hours: Monday – Thursday, 7:30 a.m. – 5:30 p.m.

## **E. Contractor Payments:**

### **1. Inspections**

To ensure the integrity of the authorized work, the Housing Manager and or designated staff shall conduct site inspections prior to the issuance of progress payments and prepare detailed inspection reports which identify any deficiencies in a contractor's materials or workmanship. Only one (1) progress payment and the final payment will be processed. The Housing Manager shall make regular and/or unannounced inspections of work-in-progress to identify the quality of the work and assess owner satisfaction.

### **2. Payment Request Packages**

The Contractor shall submit a progress payment request package to the City in the prescribed format:

- All requests shall be signed by the contractor, property/business owner(s), and the Housing Manager, certifying that the work has been satisfactorily completed.
- All pertinent invoices, releases, certifications, list of subcontractors and material men, and copies of applicable permits shall be attached to the payment request.
- Final payment request shall also include the property owner's certification of acceptance, Building and Safety Department sign-off, and a Notice of Completion.
- Only one (1) progress payment request package shall be submitted to the City for approval. Progress payments will be paid for 90% of the job costs.
- The final payment for the 10% retention shall be paid 30 days after the Notice of Completion has been recorded.

## **F. Applicant Complaint Resolution Process**

Complaints concerning the Program should first be made to the Program Administrator (Housing Manager). If unresolved to the satisfaction of the applicant, an appeal may be made, in writing, to the Assistant Director of Community Development Department, 1600 W. Beverly Blvd. Montebello, CA 90640.

The City will contact the property owner and attempt to resolve the problem. A written response will be made within ten (10) working days. If the problem cannot be resolved, it will be presented to the Director of Community Development Department for review and consideration. The decision of the Director shall be final.

## **G. Applicant Responsibilities:**

### **1. Property Maintenance**

The property/business owner(s) is/are responsible for property maintenance during the rehabilitation work (contractor is responsible for keeping the property clean of all construction material). The property/business owner(s) is/are responsible for insuring that the rehabilitation work is not impeded because of their actions or the actions of their tenant(s). The City shall encourage the contractor and his/her employees to provide adequate pedestrian and property protection at the construction site.

### **2. Property Tax Bills**

Current property tax bills for the subject property must be current. The property owner(s) is/are responsible for insuring that the property taxes are current. The City will verify that the property taxes for the property are current. If the property's tax statement indicates a delinquency, at the time of the Program application, the City shall not proceed with grant processing until it is supplied with a Certificate of Redemption from the Los Angeles County Tax Assessor's Office or other appropriate documentation of proof of payment.

### **3. Notice of Completion**

The property/business owner(s) is/are responsible for scheduling a final job completed inspection with the City's Building and Safety Division. The City will verify that the project received a passing final inspection. After all requirements have been met, the City will issue a Notice of Completion to the property/business owner(s).

## **SECTION VI: ADDITIONAL REQUIREMENTS**

### **A. City of Montebello Business License**

Applicants must have a current City of Montebello Business License to be eligible to apply for funding.

### **B. Fire and Flood Insurance Requirements**

Applicants are obligated to carry sufficient fire insurance coverage on the subject property to be rehabilitated under the provisions of this Program. Prior to any grant assistance, minimum fire insurance coverage shall be provided in an amount which is equivalent to the value of the subject building or structure including the proposed rehabilitation improvements. Uninsured applicants must obtain coverage in the required amount prior to receiving grant assistance. Applicants in a "Flood Hazard Area" will be required to purchase flood hazard insurance.

### **C. Substitution of Contractor**

In the event that the selected contractor shall fail or refuse to complete the work, in a professional and workman like manner, as set forth in the Rehabilitation Construction Contract, including its General Conditions and Standard Specifications, or fails to use due diligence in performing the required work, the applicant may terminate the Rehabilitation Construction Contract, upon providing a written notice to the City and Contractor. The City shall assist the applicant in completing the necessary termination document(s) as needed. No further rehabilitation is to commence until an agreement releasing the

original contractor from his/her contractual obligations, is on file with the City, and a new contract is signed between the substitute contractor and the property owner(s).

**D. Non-commencement by Original Contractor**

The applicant shall notify the City in writing that the original selected contractor has failed to perform the rehabilitation work and the reason(s) why a substitution of contractor has been requested. The applicant(s) shall obtain additional bids from contractors willing to perform the rehabilitation work. A new Rehabilitation Construction Contract, Notice to proceed, and Waiver and Hold Harmless Agreement shall be prepared by the City and appropriately signed. The City shall inspect the job site and compile a list of incomplete or unacceptable items to determine the extent of work to be completed by the substitute contractor. A meeting shall be held between the City, the applicant(s) and the original contractor to establish an amount and method of payment for any work which has been completed in accordance with the agreement. Funds withheld from the original contractor shall be identified. Lien releases and invoices from the original contractor and subcontractor(s) shall be provided. The City shall prepare a revised work write-up, based upon the inspection findings, which shall contain only those items necessary to complete the job. The applicant(s) shall obtain bids from contractors willing to perform such work, and to the extent possible, assure that the new contract does not exceed available grant funding. A new Rehabilitation Agreement and Notice to Proceed shall be prepared by the City and appropriately signed.

**E. Maintenance Requirements**

By accepting grant funds, the applicant (s)' commits to properly maintain all improvements and to keep storefronts, as well as sides and back of buildings, clean and free of graffiti for a minimum of twenty (20) years at the property/business owner(s)'s expense. Any damage to the facade is to be repaired immediately by the applicant so that the building remains in good condition and positively contributes to the business area. On an ongoing basis, the applicant is required to touch-up painted areas and perform any other repairs needed to maintain building appearance including the annual cleaning of awnings (if applicable) at the property/business owner(s)'s expense .

**SECTION VII – AMENDMENTS**

Amendments to these guidelines may be made from time to time by the City. Vested authority shall be granted to the Director of Planning and Community Development Department or his/her designee to grant a minor waiver or make minor amendments to these guidelines, with the exception of Federal regulations.



**CITY OF MONTEBELLO**

**CITY COUNCIL AGENDA STAFF REPORT**

**TO:** Honorable Mayor and Members of the City Council

**FROM:** René Bobadilla, City Manager

**BY:** Michael A. Solorza, Director of Finance

**SUBJECT:** Introduction and First Reading of Ordinance No. 2452 Updating Montebello Municipal Code Chapter 2.16 – Director of Finance

**DATE:** August 10, 2022

---

**RECOMMENDATIONS:**

It is recommended that City Council take the following actions:

- 1) Introduce and Conduct First Reading of Ordinance No. 2452 Amending Montebello Municipal Code Chapter 2.16.020 – Director of Finance, Powers and Duties; and
- 2) Take such additional, related action(s) that may be desirable.

**FISCAL IMPACT**

There is no fiscal impact to this action updating the City's Municipal Code. The Department of Finance, through the City Manager provides regular budget, financial and treasury reports to the City Council and the public. The quantity and quality of these and other reports are sufficient to provide a clear and transparent picture of the City's financial standing.

**DISCUSSION**

The City's Municipal Code contains a chapter which creates the office and describes the duties of the "Director of Finance." As the head of the Finance Department, the Municipal Code (Chapter 2.16 et al) spells out various duties, responsibilities and reports which fall under the purview of the Director of Finance. (Chapter 2 of the Montebello Municipal Code [MMC], among other things, lays out the duties and responsibilities of the City Manager, City Council, code enforcement and various departments).

Recently, there have been changes and improvements to the language used to describe the duties of the Director of Finance, as evidenced by other municipalities' similar code sections. Staff conducted research of more than a dozen other cities' Director of Finance

**Introduction and First Reading of Ordinance No. 2452 Updating Montebello Municipal Code Chapter 2.16 – Director of Finance**

Page 2 of 2

code sections. Large and small cities' municipal codes were studied (e.g., Alhambra, Newport Beach, Irvine, Paramount, La Palma, etc.) to determine how this position was described and what specific tasks, duties and reports were assigned to it for each city.

Currently, Montebello's Chapter 2.16 includes only a brief description of the types of reports to be prepared and submitted for City Manager and City Council review (Chapter 2.16.020(E)):

*Submit to the city council through the city manager a monthly statement of all receipts and disbursements in sufficient detail to show the exact financial condition of the city; and, as of the end of each fiscal year, submit a complete financial statement and report;*

The proposed ordinance amendment updates the types and scope of reports to better represent the actual reports currently being prepared for management and City Council review. Specifically, Chapter 2.16.020(E) would require monthly disbursement and payment reports (i.e., warrant register), monthly treasury reports, quarterly budget projections/reports, an annual financial statement (i.e., ACFR) that shows the exact financial condition at the close of the fiscal year, and other reports as requested by the City Manager (Attachment A).

Currently, the City Council receives a warrant register at each regular meeting (twice per month) which details disbursements/payments, and monthly and quarterly treasury reports as required by Government Code. In addition, quarterly budget reports are produced and presented at regular City Council meetings. Most importantly, the Finance Department produces an Annual Comprehensive Financial Report (ACFR) that fairly and accurately presents the City's exact financial condition as of year-end (i.e., June 30). It should be noted that – due to the nature of municipal finances – the exact financial condition of a public agency can only be determined at the close of the fiscal year, when the financial statements are audited and an ACFR is produced within six months of fiscal year end.

This municipal code amendment will help clarify the types of reports produced by the Director of Finance to better reflect current practice – both locally in Montebello and reflecting what other cities in Los Angeles and Orange County prepare and produce.

**SUMMARY**

That the City Council adopt an ordinance amending Municipal Code Chapter 2.16 – Director of Finance to update the duties, responsibilities and reports produced to reflect current practice and best practice as determined by research into other cities' municipal codes.

**ATTACHMENT**

A. Attachment A – Ordinance No. 2452

**ORDINANCE NO. 2452**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MONTEBELLO, CALIFORNIA, AMENDING SECTION 2.16.020 OF CHAPTER 2.16 TO TITLE 2 OF THE MONTEBELLO MUNICIPAL CODE UPDATING THE DUTY OF DIRECTOR OF FINANCE TO PREPARE CERTAIN FINANCIAL REPORTS**

**RECITALS**

**WHEREAS**, the City of Montebello is a general law city under California Government Code Section 34102; and

**WHEREAS**, Article XI, Section 7 of the California Constitution provides that the City of Montebello (“City”) may make and enforce within its limits all local, police, sanitary, and other ordinances and regulations not in conflict with general laws; and

**WHEREAS**, the Finance Department is responsible for a broad range of activities, including management of revenue operations of the City, as well as accounting for the City’s major revenue streams, such as sales tax and property tax; and

**WHEREAS**, the Finance Department is responsible for the overall administration of the City’s Accounts Payable, Payroll, Accounts Receivable, Information Technology and Purchasing Divisions; and

**WHEREAS**, the duties of the Director of Finance include, but are not limited to, compiling the budget expense and income estimates for the City Manager, maintaining a general accounting system for the City government and each of its officers, departments and agencies, supervise the keeping of current inventories of all City property and to supervise and be responsible for the disbursement of all moneys and audit of all expenditures; and

**WHEREAS**, the Director of Finance also has a duty to prepare and present to the City Council through the City Manager certain financial reports; and

**WHEREAS**, the City Council desires to amend the Montebello Municipal Code to establish a general schedule for, and to specify the types of, financial reports to be prepared by the Director of Finance and presented to the City Council through the City Manager.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MONTEBELLO, CALIFORNIA DOES HEREBY ORDAIN AS FOLLOWS:**

**SECTION 1.** The City Council for the City of Montebello finds and declares the foregoing are true and correct, and incorporates said recitals fully into this Ordinance as substantive findings.

**ORDINANCE NO. 2452**

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**SECTION 2.** Section 2.16.020 "Powers and Duties" of Chapter 2.16 "Director of Finance" is hereby amended to read as follows (deletions in strikethrough and additions in double underline)::

**Chapter 2.16 – DIRECTOR OF FINANCE**

**2.16.010            Office Established**  
**2.16.020            Powers and Duties**

**2.16.010            Office Established**

There is created and established the office of director of finance, sometimes referred to in this code as "finance officer." The office of director of finance may be combined with any other office or position not inconsistent therewith.

**2.16.020            Powers and Duties**

The director of finance shall be the head of the finance department of the city, and shall have the power and shall be required to:

- A. Have charge of the administration of the financial affairs of the city under the direction of the city manager;
- B. Compile the budget expense and income estimates for the city manager;
- C. Maintain a general accounting system for the city government and each of its officers, departments and agencies;
- D. Supervise and be responsible for the disbursement of all moneys and audit of all expenditures to insure that budget appropriations are not exceeded; audit all purchase orders before issuance; to insure that sufficient funds are appropriated and available; audit and approve before payment all bills, invoices, payrolls, demands or charges against the city government and with the advice of the city attorney, when necessary determine the regularity, legality and correctness of such claims, demands or charges; prepare and submit to the city council periodically a register of audited demands with his/her affidavit attached thereto as provided in Section 37202 of the Government Code;
- E. Submit to the city council through the city manager the following reports: a monthly statement of all receipts and disbursements in sufficient detail to show the exact financial condition of the city; and, as of the end of each fiscal year, submit a complete financial statement and report;
  - i.        Monthly reports of disbursements and payments (i.e., warrant register) and required Treasury reports of the city; and
  - ii.       Quarterly budget projections; and
  - iii.      One annual comprehensive financial statement and report of the exact financial condition of the city at the close of the fiscal year; and

**ORDINANCE NO. 2452**

Page 3 of 4

iv. Such other financial reports as may be requested by the city manager or required by law.

- F. Supervise the keeping of current inventories of all property of the city by all city departments, offices and agencies;
- G. Perform all the financial and accounting duties heretofore imposed upon the city clerk, and the city clerk shall be relieved of such duties including all such duties imposed upon the city clerk by Section 40802 through 40805 of the Government Code of the state.
- H. Perform such other duties as may be imposed upon him/her by law or by this code.

**SECTION 4.** If any part of this Ordinance, or its application to any individual, entity, or circumstance, is held to be invalid, the remainder of the Ordinance, including the application of provisions to other persons or circumstances, shall not be affected and shall continue in full force and effect. To this end, the provisions of this Ordinance are severable.

**SECTION 5.** This Ordinance shall become effective thirty (30) days after adoption.

**SECTION 6.** The City Clerk shall certify to the adoption of this Ordinance causing it to be posted as required by law.

**APPROVED AND ADOPTED** 24<sup>th</sup> day of August 2022.

\_\_\_\_\_  
Kimberly A. Cobos-Cawthorne, Mayor

**ATTEST:**

\_\_\_\_\_  
Christopher Jimenez, City Clerk

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Arnold M. Alvarez-Glasman, City Attorney

**ORDINANCE NO. 2452**

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I HEREBY CERTIFY that the foregoing Ordinance was introduced at the regular meeting of the City Council on the 10<sup>th</sup> day of August 2022, and was adopted by the City Council of the City of Montebello at its meeting held on the 24<sup>th</sup> day of August 2022 by the following vote:

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAIN:**

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Christopher Jimenez, City Clerk



**CITY OF MONTEBELLO**

**CITY COUNCIL AGENDA STAFF REPORT**

**TO:** Honorable Mayor and City Council Members

**FROM:** Arnold M. Alvarez-Glasman, City Attorney

**SUBJECT:** **Consideration of Third Amendment to Employment Agreement for René Bobadilla as City Manager**

**DATE:** August 10, 2022

---

**RECOMMENDATIONS:**

It is recommended that the City Council:

- 1) Approve the attached Third Amendment to the Employment Agreement between the City of Montebello and René Bobadilla as City Manager; and
- 2) Authorize the payment of a one-time performance compensation; and
- 3) Take such additional, related, action that may be desirable.

**FISCAL IMPACT**

The action taken by the City Council will result in a one-time payment from the City to Mr. Bobadilla.

**BACKGROUND**

On July 29, 2019, the City of Montebello hired René Bobadilla to serve as City Manager. In addition to the terms expressed in the original Employment Agreement, the City Council approved amendment to those terms as approved in the First and Second Amendment. This Third Amendment will clarify the terms of employment for Mr. Bobadilla.

**DISCUSSION**

With the addition of two council members to the City Council, for a temporary basis, it is necessary to clarify the number of votes for purposes of termination during the 2-year temporary period. During the period of time when there are seven (7) members serving

**Consideration of Third Amendment to Employment Agreement for René Bobadilla as City Manager**

Page 2 of 2

on the City Council, it will require six (6) affirmative votes of the 7 members of the City Council (abstentions will not be counted as an affirmative vote for termination and if there less than 7 members then seated on the City Council, it will require an unanimous vote to terminate). When there are five (5) members serving on the City Council, it will require an affirmative vote of 4 members of the City Council (abstentions will not be counted as an affirmative vote for termination and if there less than 5 members then seated on the City Council, it will require an unanimous vote to terminate). This language has been added to the Third Amendment.

In addition, certain commitments are included to establish the operational norms for the City Council and City Manager.

Lastly, the term of the Agreement will remain at five (5) years commencing August 10, 2022.

**SUMMARY**

It is recommended the City Council approve the Third Amendment and further approve a one-time performance compensation in the amount of \$10,000.

**ATTACHMENTS:**

- A. Attachment A – Third Amendment to Employment Agreement

**AGREEMENT NO. 3627**

**THIRD AMENDMENT TO EMPLOYMENT AGREEMENT BETWEEN  
RENÉ BOBADILLA AND THE CITY OF MONTEBELLO**

This THIRD AMENDMENT TO EMPLOYMENT AGREEMENT BETWEEN RENÉ BOBADILLA AND THE CITY OF MONTEBELLO (“Third Amendment”) is entered into on the 10th day of August, 2022, by and between the CITY OF MONTEBELLO, a Municipal Corporation, hereinafter referred to as “City” and RENÉ BOBADILLA, hereinafter referred to as “Bobadilla,” amending certain terms of employment as provided in the EMPLOYMENT AGREEMENT BETWEEN RENÉ BOBADILLA AND THE CITY OF MONTEBELLO (“Agreement”) effective July 29, 2019, as amended by the FIRST AMENDMENT (“First Amendment”), effective June 24, 2020 and SECOND AMENDMENT (“Second Amendment”), effective June 9, 2021.

**I. RECITALS**

- A. Effective July 29, 2019, City and Bobadilla entered into an Employment Agreement whereby Bobadilla was appointed to the position of City Manager and to exercise the powers and duties set forth in Chapter 2.04 of the Montebello Municipal Code. The Agreement was amended by the First Amendment, effective June 24, 2020, and the Second Amendment, effective June 9, 2021.
- B. Effective August 10, 2022, City and Bobadilla agree to the terms of this Third Amendment to the Agreement which modifies essential terms of employment.
- C. All terms and conditions of employment contained in the Agreement, the First Amendment and Second Amendment, not specifically amended by this Third Amendment shall remain in full force and effect.

NOW, THEREFORE, City and Bobadilla agree as follows:

## II. AMENDMENTS TO AGREEMENT

The following Sections to the Agreement are amended to read as follows:

(a) Section I of the Agreement is amended as follows:

I. Term of this Agreement

This Third Agreement provides for the continued relationship of the City and Bobadilla for a term consisting of a five (5) year period (“Term”), beginning August 10, 2022, and continuing to August 9, 2027, unless Bobadilla earlier resigns his position as set forth in Section IV or is terminated as set forth in Sections V and VI. Nothing contained in this Agreement shall limit the Parties from extending the Term for additional periods (“Extended Term”), subject to terms and conditions negotiated and approved in writing by and between the Parties. The Term and any Extended Term shall be collectively be referred to as the “Term” of this Agreement.

[All other language from Section I from Agreement remains unchanged.]

(b) Section VI of the Agreement is amended as follows:

VI. At-Will Employment and Severance

Bobadilla acknowledges and accepts that he may be terminated without cause at any time and he serves as an at-will employee. Notwithstanding the language contained in Montebello Municipal Code Section 2.04.060, City agrees that in order to terminate Bobadilla pursuant to this Section VI of this Agreement. During the period of time when there are seven (7) members serving on the City Council, it will require six (6) affirmative vote of the 7 members of the City Council (abstentions will not be counted as an affirmative vote for termination and if there less than 7 members then seated on the City Council, it will require an unanimous vote to terminate). When there are five (5) members serving on the City Council, it will require an affirmative vote of 4 members of the City Council (abstentions will not be counted as an affirmative vote for termination and if there less than 5 members then seated on the City Council, it will require an unanimous vote to terminate). In the event Bobadilla is terminated from his position by City Council before expiration of the Initial Term or if extended, the Extended Term, and he is willing and able to continue performing his duties as City Manager, then City agrees to pay Bobadilla as severance his Base Salary, including benefits, which Bobadilla is receiving as of the date of such termination, (“Severance Benefit”) for a period as defined as follows:

A. If terminated as set forth in this Section VI, Bobadilla shall receive the sum equal to the Severance Benefit times eighteen (18) months.

[All other language from Section VI from Agreement remains unchanged.]

(c) Section XVI of the Agreement is amended to add paragraph D as follows:

D. In addition to such other operational terms and conditions of employment or other ordinances or resolutions adopted by the City, the parties agree to adhere the commitments defined in Attachment "A" to the Third Amendment. Such operational commitments are incorporated herein as other terms and conditions of employment to this Agreement.

IN WITNESS WHEREOF, the City of Montebello (CITY) has caused this Third Amendment to be signed and executed on its behalf by its Mayor and duly attested by its City Clerk, and René Bobadilla (BOBADILLA) has signed and executed this THIRD AMENDMENT TO EMPLOYMENT AGREEMENT BETWEEN RENÉ BOBADILLA AND THE CITY OF MONTEBELLO, in triplicate, the day and year first written above.

RENÉ BOBADILLA

CITY OF MONTEBELLO

\_\_\_\_\_  
René Bobadilla

\_\_\_\_\_  
Kimberly Cobos-Cawthorne, Mayor

ATTEST

APPROVED AS TO FORM

\_\_\_\_\_  
Christopher Jimenez, City Clerk

\_\_\_\_\_  
Arnold M. Alvarez-Glasman, City Attorney

## **CITY COUNCIL AND CITY MANAGER COMMITMENTS**

### **City Council Commitments**

1. The City Council sets policy for the governance and administration of the City, and it implements its policies through the City Manager.
2. Except for the purpose of inquiry, the City Council and its members shall deal with all subordinate City employees and officers solely through the City Manager or the City Manager's designee, and neither the City Council nor any member thereof shall give orders to any subordinate of the City Manager, either publicly or privately.
3. Except for the purpose of inquiry, the City Council and its members shall deal with all contractors and consultants solely through the City Manager or the City Manager's designee, and neither the City Council nor any member thereof shall give orders to any contracted third party of the City, either publicly or privately.
4. The City Council agrees none of its individual members will order the appointment or removal of any person to any office or employment under the supervision and control of the City Manager.
5. The City Council agrees to proactively create and maintain a respectful, safe and comfortable workplace, free of harassment, retaliation or discrimination, where individual differences are welcomed and valued.
6. The City Council agrees that any criticism of a City staff member, including the City Manager, shall not be done publicly through any communication medium, both virtually and physically, but shall be done privately through the City Manager.
7. The City Council agrees that all communication, both written and oral, with the City Manager and all subordinate employees, shall be done with respect and dignity to promote an environment of civility and professionalism.
8. Neither the City Council nor any of its members shall interfere with the execution of the powers and duties of the City Manager. The City Manager shall take orders and instructions from the City Council in accordance with the Montebello Municipal Code 2.04.

### **Mutual Commitments**

1. ICMA Code of Ethics
  - a. The Parties acknowledge that the City Manager is committed to the ideals of the International City/County Management Association ("ICMA"). The

Parties mutually desire that the City Manager be subject to and comply with the ICMA Code of Ethics.

- b. The City Manager commits to comply with the ICMA Code of Ethics.
- c. The City and the City Council agree that neither the City Council nor any of its members will give the City Manager any order, direction, or request that would require the City Manager to violate the ICMA Code of Ethics.



**CITY OF MONTEBELLO**  
**CITY COUNCIL AGENDA STAFF REPORT**

**TO:** Honorable Mayor and City Council Members

**FROM:** René Bobadilla, P.E., City Manager

**BY:** James Enriquez, Director of Public Works / City Engineer

**SUBJECT:** **Award of Construction Contract No. 4021 – Annual Slurry Seal Project, Fiscal Year 2022-23 (C.P. No. 892)**

**DATE:** August 10, 2022

---

**RECOMMENDATIONS:**

It is recommended that the City Council:

- 1) Award a construction contract for the Annual Slurry Seal Project – Fiscal Year 2022-23 (CP 892) in the amount of \$399,920 to Doug Martin Contracting Company, Inc.; and
- 2) Authorize the Director of Public Works to review and approve change orders within a 15% contingency of the contract amount as recommended by the City Engineer; and
- 3) Amend the Fiscal Year 2022-23 budget by increasing appropriations by \$300,000 in Account No. 200-99-7116 (Gas Tax, Improvements Other Than Building); and \$100,000 in Account No.222-99-7116 (Measure M, Improvements Other Than Building); and
- 4) Authorize the City Manager to execute the Contract Agreement, on behalf of the City; and
- 5) Take such additional, related, action that may be desirable.

**FISCAL IMPACTS**

The recommended actions will make the necessary budgetary adjustments so that the Fiscal Year 2022-23 Capital Improvement Project (CIP) Budget includes a total of \$810,000 in appropriations for this project, with the following amounts in the following funds: 1) \$300,000 carryover of Gas Tax appropriations from FY 2021-22 (CP 892); 2) \$100,000 carryover of Measure M appropriations from FY 2021-22 (CP 892); 3) \$250,000 Measure M (new

**Award of Construction Contract No. 4021 – Annual Slurry Seal Project, Fiscal Year 2022-23 (C.P. No. 892)**

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appropriations) from FY 2022-23 (CP 904); and 4) \$160,000 Measure R (new appropriations) from FY 2022-23 (CP 904).

The carryover of unspent appropriations from Fiscal Year 2021-22 requires amending the FY 2022-23 budget by increasing Gas Tax by \$300,000 (Account No. 200-99-7116) and Measure M by \$100,000 (Account No. 222-99-7116). It is common with CIP budgets that appropriations made in prior years may not be utilized due to project timing. In this case CP 892 has unspent budget totaling \$400,000 from FY 2021-22.

In addition, CP 904 was approved as part of the FY 2022-23 adopted CIP budget. In order to pull together sufficient funding, the \$410,000 in approved funding from CP 904 will be combined with the \$400,000 from CP 892 to provide a total funding appropriation of \$810,000 available for this slurry seal project. Staff will make the necessary adjustments to project budgets to account for the total amount of funding in one single CIP (i.e., CP 892).

The Total Project Budget is estimated at \$560,000, including soft costs and 15% construction contingency. Should there be unspent budgeted funds once the project is completed, they will be re-programmed for use by other capital projects.

**BACKGROUND**

The project consists of the application of asphalt emulsion slurry seal type II on various streets (See Location Map, Attachment C), a maintenance treatment that prolongs the life of the asphalt, including crack sealing. Also, the project includes repairing localized damaged areas of street pavement prior to slurry application by removing and grinding 2" AC pavement, and at other locations removing and replacing full depth AC plus 1", and restoration of traffic striping markings, pavement markings, and curb painting.

On June 22, 2022, the City Council approved the plans and specifications and authorized the Public Works Department to advertise the project for public bidding.

The Notice Inviting Bids was published on June 30, 2022, in the local newspaper and the Green Sheet. The notice, plans and specifications will be posted on Planet Bids thru the City of Montebello's Website.

On July 28, 2022 at 11:00 AM, five (5) bids were received and opened publicly, as follows:

Doug Martin Contracting Company	\$399,920
Pavement Coating Co.	\$474,505
Roy Allan Slurry Seal, Inc.	\$483,185
American Asphalt South, Inc.	\$487,481
All American Asphalt	\$590,125

**Award of Construction Contract No. 4021 – Annual Slurry Seal Project, Fiscal Year 2022-23 (C.P. No. 892)**

Page 3 of 3

The bids were analyzed and it was determined that Doug Martin Contracting Company was the lowest responsive and responsible bidder. Award of a construction contract to Doug Martin Contracting Company in the amount of \$399,920 is recommended.

The anticipated project schedule is as follows:

- Award of Contract August 10, 2022
- Start Construction September 2022
- Complete Construction November 2022

Construction management and inspection will be performed by City Engineering staff.

**ANALYSIS**

The total amount allocated for this project utilizing Fiscal Year 2021-22 and 2022-23 CIP Budgets is \$810,000. A Summary of the projected cost is as follows:

\$ 399,920	Construction Low Bid
\$ 59,988	Contingency (15%)
<b>\$ 459,908</b>	<b>Total</b>

Once the project is completed, any remaining unspent appropriations will be available for programming for other CIP projects.

**ENVIRONMENTAL**

On June 22, 2022, the City Council found the project categorically exempt under Class 1(c) for existing facilities pursuant to the State Guidelines for Implementation of the California Environmental Quality Act (CEQA) and approved the filling of the Notice of Exemption.

**SUMMARY**

Upon approval of the recommended actions, staff will execute the contract agreement with Doug Martin Contracting Company and coordinate the completion of the Project. In addition, the recommended actions will amend the FY 2022-23 budget by increasing appropriations by \$300,000 in Account No. 200-99-7116 (Gas Tax, Improvements Other Than Building); and \$100,000 in Account No.222-99-7116 (Measure M, Improvements Other Than Building), with Staff completing the necessary budget adjustments to place all available funding on the proper CIP project account.

**ATTACHMENTS:**

- A. Attachment A – Bid Summary
- B. Attachment B – Construction Contract Agreement No. 4021
- C. Attachment C – Location Map

**BID SUMMARY**  
**SLURRY SEAL PROJECT**  
 FY2022/2023  
 C.P. NO. 892  
 August 01, 2022

 City of Montebello Department of Public Works 1600 W. Beverly Boulevard Montebello, CA 90640				Bidder No1		Bidder No.2		Bidder No.3		Bidder No.4		Bidder No.5	
				Doug Martin Contracting Company, Inc		Pavement Coating Co.		Roy Allan Slurry Seal, Inc.		American Asphalt South, Inc		All American Asphalt	
ITEM No.	BID ITEM	QTY	UNITS	BID PRICE	TOTAL AMT	BID PRICE	TOTAL AMT	BID PRICE	TOTAL AMT	BID PRICE	TOTAL AMT	BID PRICE	TOTAL AMT
1	Mobilization/Demobilization (Not to exceed 5% of total of all other prime Contract Bid items)	LS	1	\$11,850.00	\$11,850.00	\$23,000.00	\$23,000.00	\$20,000.00	\$20,000.00	\$10,000.00	\$10,000.00	\$29,000.00	\$29,000.00
2	Traffic Control	LS	1	\$33,165.00	\$33,165.00	\$23,000.00	\$23,000.00	\$34,000.00	\$34,000.00	\$15,000.00	\$15,000.00	\$25,000.00	\$25,000.00
3	Construction Quick Set Emulsion Aggregate Slurry Type II (Cationic) with 2 1/2 percent Latex Additive.	ELT	755	\$254.63	\$192,245.65	\$291.00	\$219,705.00	\$367.94	\$277,794.70	\$353.75	\$267,081.25	\$375.00	\$283,125.00
4	Install Crack Seal	LS	1	\$40,580.00	\$40,580.00	\$92,000.00	\$92,000.00	\$32,688.00	\$32,688.00	\$69,000.00	\$69,000.00	\$105,000.00	\$105,000.00
5	Repair Damaged Areas of Street Pavement on Various Locations (remove or grid 2" Cold Mill/2" AC Fill).	SF	2000	\$8.11	\$16,220.00	\$8.80	\$17,600.00	\$8.80	\$17,600.00	\$6.00	\$12,000.00	\$9.00	\$18,000.00
6	Sawcut, Remove and Replace AC Pavement on Various Locations full depth plus 1" C2-PG64-10	TON	200	\$366.00	\$73,200.00	\$396.00	\$79,200.00	\$400.00	\$80,000.00	\$402.00	\$80,400.00	\$400.00	\$80,000.00
7	Traffic Striping, Marking and Curb Painting	LS	1	\$32,659.00	\$32,659.00	\$20,000.00	\$20,000.00	\$21,102.00	\$21,102.00	\$34,000.00	\$34,000.00	\$50,000.00	\$50,000.00
<b>TOTAL BASE BID</b>					<b>\$399,919.65</b>		<b>\$474,505.00</b>		<b>\$483,184.70</b>		<b>\$487,481.25</b>		<b>\$590,125.00</b>

**CITY OF MONTEBELLO  
STANDARD PUBLIC WORKS AGREEMENT NO. 4021**

THIS STANDARD PUBLIC WORKS AGREEMENT (“AGREEMENT”) is made and entered into on August 10, 2022 (“Effective Date”) by and between the CITY OF MONTEBELLO, a California municipal corporation (the “CITY”) and DOUG MARTIN CONTRACTING COMPANY, a California corporation (“CONTRACTOR”). The CITY and CONTRACTOR are sometimes referred to herein individual as the “Party,” and jointly as the “Parties.”

**RECITALS**

**WHEREAS**, the CITY desires to retain a qualified professional contractor to provide work consisting of the Annual Slurry Seal Project Fiscal Year 2022-23 to the CITY (C.P. #892) (“PROJECT”); and

**WHEREAS**, on August 10, 2022, the City Council accepted the bid of CONTRACTOR as the lowest responsible, responsive bid received and directed that a written contract be entered into with CONTRACTOR for the PROJECT; and

**WHEREAS**, CONTRACTOR represents that it is fully qualified to perform such services by virtue of its experience and the training, education and expertise of its principals and employees.

**NOW, THEREFORE**, in consideration of the promises and the mutual covenants and agreements herein contained, the parties do hereby agree as follows:

**SECTION 1. INCORPORATION OF RECITALS AND CONTRACT DOCUMENTS**

a. The above-referenced Recitals constitute a material part hereof and shall hereby be incorporated by reference. Moreover, the CONTRACT DOCUMENTS for the PROJECT shall consist of the Notice Inviting Sealed Bids, the Instructions to Bidders, Bidders Proposal, Addendums, CONTRACTOR’S Bid for the PROJECT, Scope of Work, general specifications and all referenced specifications, details, standard drawings, and appendices, together with this Agreement and all required bonds, and insurance certificates. All of the “Agreement Documents” are intended to complement the other documents so that any work called for in one, and not mentioned in the others, or vice versa, is to be executed the same as if mentioned in all of said documents. The CONTRACT DOCUMENTS are incorporated herein by this reference and made part hereof as though they were fully set forth herein.

b. In case any of the CONTRACT DOCUMENTS conflict with each other, the order of preference for the CONTRACT DOCUMENTS is:

1. This AGREEMENT and its Exhibits and or Attachments, including any and all addenda or supplemental agreements.
2. CONTRACTOR’S August 1, 2022 electronic bid

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3. Standard drawings
4. Details
5. Special provisions, if any
7. General specifications and all referenced specifications

### **SECTION 2. THE WORK**

For and in consideration of the payments and agreements to be made and performed by the CITY, CONTRACTOR agrees to furnish all materials and perform all work required for the PROJECT and to fulfill all other obligations as set forth in the CONTRACT DOCUMENTS.

### **SECTION 3. TERM; AND TIME FOR COMPLETION**

a. The work shall commence upon issuance of a written "Notice to Proceed" (as further defined below) by the CITY. Work for the PROJECT shall be completed within thirty-five (35) working days from the issuance of the Notice to Proceed. This Agreement shall expire six (6) months from the Effective Date, unless terminated earlier as hereinafter provided. This Agreement may be extended for a maximum additional six (6) months upon such terms and conditions mutually agreed upon by the Parties in writing.

b. Notice to Proceed. Any work or service contemplated under this Agreement shall not commence until the CITY has issued a written Notice to Proceed issued by the CITY's applicable, department head.

### **SECTION 4. COMPENSATION**

CONTRACTOR hereby agrees to receive and accept the total amount of **Two Million Three Hundred Ninety-nine Thousand Nine Hundred Twenty Dollars (\$399,920)**, which is based on performing all of the work shown on Bidders Proposal as full compensation for furnishing all materials, performing all work, and fulfilling all obligations hereunder. Said compensation shall cover all expenses, losses, damages, and consequences arising out of the nature of the work during its progress or prior to its acceptance including those for well and faithfully completing the work and the whole thereof in the manner and time specified in the CONTRACT DOCUMENTS, and also including those arising from actions of the elements, unforeseen difficulties or obstructions encountered in the prosecution of the work, suspension or discontinuance of the work, and all other unknowns or risks of any description connected with the work. CITY shall herein retain five percent (5%) of said price until said time as the provisions of SEC. 18 herein have been met.

#### **4.1. Progress Payments**

Progress Payments shall be made in accordance with section the General Provisions and the provisions of this Section 4.1. Upon receipt of a properly presented payment request, the CITY shall process the payment request in accordance with Public Contract Code Section 20104.50. The CITY shall review the payment request as soon as possible. If the CITY rejects the payment request, it shall be returned to the CONTRACTOR within

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seven (7) days of its receipt by the CITY with an explanation for the reasons of its rejection. If the payment request is approved in writing by the CITY, payment shall be made in thirty (30) days of receipt of an undisputed and properly presented payment request. Late payments shall bear interest at the legal rate of interest in accordance with Code of Civil Procedure 685.010. The CITY shall pay CONTRACTOR a sum based upon ninety five percent (95%) of the Agreement price apportionment of the labor and materials incorporated into the work under the Agreement during the period covered by said statement. The remaining five percent (5%) thereof shall be retained as performance security. Refer to Section 4.2 of this Agreement for retention of funds.

### **4.2. Retention of Funds**

Progress payments shall be made in accordance with the provisions of Section 4.1 of this Agreement. In accordance with said section, the CITY shall pay CONTRACTOR a sum based upon ninety five percent (95%) of the Agreement price in proportion to the labor and materials incorporated into the work under the Agreement during the month covered by said statement. The remaining five percent (5%) thereof shall be retained as performance security to be paid to the CONTRACTOR within sixty (60) days after final acceptance of the work by the City Council of the CITY ("City Council"), after CONTRACTOR shall have furnished the CITY with a release of all undisputed Agreement amounts, if required by the CITY. In the event there are any claims specifically excluded by CONTRACTOR from the operation of the release, the CITY may retain proceeds (per Public Contract Code 7107) of up to 150% of the amount in dispute. CITY's failure to deduct or withhold shall not affect CONTRACTOR's obligations hereunder.

### **4.3. Substitution of Securities**

Pursuant to Public Contract Code Sec. 22300, CONTRACTOR shall be allowed to substitute securities for any moneys withheld by the CITY to ensure performance under an Agreement, unless, federal regulations or policies, or both, do not allow the substitution of securities. At the request and expense of CONTRACTOR, securities equivalent to the amount withheld shall be deposited with the CITY, or with a state or federally chartered bank in this state as the escrow agent, who shall then pay those moneys to CONTRACTOR. Upon satisfactory completion of the Agreement, the securities shall be returned to CONTRACTOR.

## **SECTION 5. UNDOCUMENTED WORKERS**

CONTRACTOR hereby promises and agrees to comply with all of the provisions of Federal and/or State law as the same shall apply to this PROJECT pertaining to the employment of unauthorized aliens as defined therein. Should CONTRACTOR so employ unauthorized aliens for the performance of work and/or services covered by this Agreement, and should the Federal Government impose sanctions against the CITY for use of unauthorized aliens, CONTRACTOR hereby agrees to, and shall, hold harmless, indemnify and defend CITY for the cost of all such sanctions imposed, together with any and all costs, including attorneys' fees, incurred by the CITY in connection therewith.

## **SECTION 6. NOTICE TO PROCEED**

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CONTRACTOR shall commence work on the date specified in the Notice to Proceed to be issued in writing to CONTRACTOR by the CITY and shall complete work on the PROJECT within **30** Working Days from the commencement thereof.

### **SECTION 7. DISCOVERY OF HAZARDOUS OR LATENT CONDITIONS**

- a. CONTRACTOR shall, without disturbing the condition, notify the CITY in writing as soon as CONTRACTOR, or any SUB-CONTRACTOR, agent or employees have knowledge and reporting is possible, of the discovery of any of the following conditions:
  1. The presence of any material that the CONTRACTOR believes is hazardous waste, as defined in Section 25117 of the Health and Safety Code;
  2. Subsurface or latent physical conditions at the site differing from those indicated in the specifications; or,
  3. Unknown physical conditions at the site of any unusual nature, different materially from those ordinarily encountered and generally recognized as inherent in work of the character provided for in this Agreement.
- b. Pending a determination by the CITY of appropriate action to be taken, CONTRACTOR shall provide security measures (e.g., fences) adequate to prevent the hazardous waste or physical conditions from causing bodily injury to any person.
- c. The CITY shall promptly investigate the reported conditions. If the CITY, through the City Engineer or his/her designee, and in the exercise of its sole discretion, determines that the conditions do materially differ, or do involve hazardous waste, and will cause a decrease or increase in CONTRACTOR's cost of or time required for performance of any part of the work, then the CITY shall issue a change order.
- d. In the event of a dispute between the CITY and CONTRACTOR as to whether the conditions materially differ or involve hazardous waste or cause a decrease or increase in CONTRACTOR's cost of, or time required for performance of any part of the work, CONTRACTOR shall not be excused from any schedule completion date, and shall proceed with all work to be performed under the Agreement. CONTRACTOR shall retain any and all rights which pertain to the resolution of disputes and protests between the parties.

### **SECTION 8. MISCELLANEOUS STATUTORY REQUIREMENTS**

#### **8.1. CONTRACTOR License.**

CONTRACTOR shall possess a california CONTRACTOR's license type Class A or Class C-12 for the performance of the Project.

#### **8.2. Ineligible CONTRACTOR Prohibited.**

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Any CONTRACTOR or SUB-CONTRACTOR who is ineligible to perform work on a public works project pursuant to Section 1777.1 or 1777.7 of the Labor Code is prohibited from performing work under this Agreement.

### **8.3. Compliance with SB 854 Registration.**

This PROJECT is subject to compliance monitoring and enforcement by the Department of Industrial Relations. No prime CONTRACTOR or SUBCONTRACTOR may be awarded an Agreement for public work on a public works project (awarded on or after April 1, 2015) unless registered with the Department of Industrial Relations pursuant to Labor Code section 1725.5. CONTRACTOR will be required to post job site notices as described in 8 California Code of Regulation section 16451(d).

### **8.4. Trench and Pipeline Safety.**

If this Agreement is for more than \$25,000 and involves excavation of any trench five feet or more in depth, CONTRACTOR shall submit a detailed plan of shoring, bracing, sloping or other provisions to be made for worker protection in accordance with Labor Code Section 6705. Such plan shall be approved by a qualified representative of the CITY.

### **8.5. Utility Relocation.**

The CITY is responsible for removal, relocation, or protection of existing main or trunkline utilities to the extent such utilities were not identified in the invitation for bids or specifications. The CITY shall reimburse CONTRACTOR for any costs incurred in locating, repairing damage not caused by CONTRACTOR and removing or relocating such unidentified utility facilities, including equipment idled during such work. CONTRACTOR shall not be assessed liquidated damages for delay arising from the removal or relocation of such unidentified utility facilities.

### **8.6. Third Party Claims Notification.**

The CITY shall timely notify CONTRACTOR in writing of any third party claims relating to the Agreement.

### **8.7. Unfair Business Practices Claims.**

The CONTRACTOR or SUB-CONTRACTOR offers and agrees to assign to the CITY all rights, title, and interest in and to all causes of action it may have under Section 4 of the Clayton Act (15 U.S.C. Section 15) or under the Cartwright Act (Chapter 2, (commencing with Section 16700) of Part 2 of Division 7 of the Business and Professions Code), arising from purchases of goods, services or materials pursuant to the public works Agreement or the sub-Agreement. This assignment shall be made and become effective at the time the CITY renders final payment to CONTRACTOR without further acknowledgment by the parties. (Section 7103.5, California Public Contract Code.).

### **8.8. Day's Work.**

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CONTRACTOR acknowledges that under California Labor Code sections 1810 and following, eight (8) hours of labor constitutes a legal day's work. CONTRACTOR will forfeit as a penalty to CITY the sum of \$25.00 for each worker employed in the execution of this Agreement by CONTRACTOR or any SUB-CONTRACTOR for each calendar day during which such worker is required or permitted to work more than eight (8) hours in any one calendar day and 40 hours in any one calendar week in violation of the provisions of Labor Code section 1810. (Labor Code § 1813).

### **8.9. Payroll Records.**

CONTRACTOR shall maintain the certified payroll records required by Labor Codes Sec. 1776 and shall report such records directly to the California Labor Commissioner as required by Labor Code Sec. 1771.4. CONTRACTOR shall inform the CITY of the location of the records enumerated under Labor Code Sec. 1776, including the street address, city, and county, and shall, within five working days, provide a notice of a change of location and address.

### **8.10. Employment of Apprentices.**

Nothing in this Agreement prevents CONTRACTOR or any SUB-CONTRACTOR from employing properly registered apprentices in the execution of the Agreement. CONTRACTOR is responsible for compliance with Labor Code section 1777.5 for all apprenticeable occupations. This statute requires that CONTRACTORS and SUBCONTRACTORS must submit Agreement award information to the applicable joint apprenticeship committee, must employ apprentices in apprenticeable occupations in a ratio of not less than one hour of apprentice's work for every five hours of labor performed by a journeyman (unless an exception is granted under §1777.5), must contribute to the fund or funds in each craft or trade or a like amount to the California Apprenticeship Council, and that CONTRACTORS and SUB-CONTRACTORS must not discriminate among otherwise qualified employees as apprentices solely on the ground of sex, race, religion, creed, national origin, ancestry or color. Only apprentices defined in Labor Code section 3077, who are in training under apprenticeship standards and who have written apprentice Agreements, may be employed on public works in apprenticeable occupations.

### **8.11. Records Audit**

In accordance with Government Code, Section 8546.7, records of both the CITY and CONTRACTOR shall be subject to examination and audit by the Auditor General for a period of three (3) years after final payment.

## **SECTION 9. PREVAILING WAGES**

a. CONTRACTOR shall pay prevailing Wage rates for this Project in accordance with the "General Wage Determination Made by the Director of Industrial Relations ("DIR") Pursuant To California Labor Code, Part 7, Chapter 1, Article 2, Sections 1770, 1773 and 1773.1", for Los Angeles County. Wage rates shall conform with those posted at the DIR website and the Project site.

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b. The following Labor Code sections are hereby referenced and made a part of this Agreement:

1. Section 1775 - Penalty for Failure to Comply with Prevailing Wage Rates.
2. Section 1777.4 - Apprenticeship Requirements.
3. Section 1777.5 - Apprenticeship Requirements.
4. Section 1813 - Penalty for Failure to Pay Overtime.
5. Sections 1810 and 1811 - Working Hour Restrictions.
6. Section 1775 - Payroll Records.
7. Section 1773.8 - Travel and Subsistence Pay.

### **SECTION 10. INDEMNITY, DEFENSE AND HOLD HARMLESS**

a. CONTRACTOR shall indemnify, defend with legal counsel approved by the CITY, and hold harmless the CITY, its officers, officials, employees and volunteers from and against all liability, loss, damage, expense, cost (including without limitation reasonable legal counsel fees, expert fees and all other costs and fees of litigation) of every nature arising out of or in connection with CONTRACTOR's negligence, recklessness or willful misconduct in the performance of work hereunder or its failure to comply with any of its obligations contained in this Agreement, except such loss or damage which is caused by the sole or active negligence or willful misconduct of the CITY. Should conflict of interest principles preclude a single legal counsel from representing both the CITY and CONTRACTOR, or should the CITY otherwise find CONTRACTOR's legal counsel unacceptable, then CONTRACTOR shall reimburse the CITY its costs of defense, including without limitation reasonable legal counsel fees, expert fees and all other costs and fees of litigation. CONTRACTOR shall promptly pay any final judgment rendered against the CITY (and its officers, officials, employees and volunteers) with respect to claims determined by a trier of fact to have been the result of CONTRACTOR's negligent, reckless or wrongful performance. It is expressly understood and agreed that the foregoing provisions are intended to be as broad and inclusive as is permitted by the law of the State of California and will survive termination of this Agreement.

b. CONTRACTOR obligations under this section apply regardless of whether such claim, charge, damage, demand, action, proceeding, loss, stop notice, cost, expense, judgment, civil fine or penalty, or liability was caused in part or contributed to by an Indemnitee. However, without affecting the rights of the CITY under any provision of this agreement, CONTRACTOR shall not be required to indemnify and hold harmless the CITY for liability attributable to the active negligence of CITY, provided such active negligence is determined by agreement between the parties or by the findings of a court of competent jurisdiction. In instances where the CITY is shown to have been actively negligent and where the CITY'S active negligence accounts for only a percentage of the liability involved, the obligation of CONTRACTOR will be for that entire portion or percentage of liability not attributable to the active negligence of the CITY.

### **SECTION 11. BONDS**

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a. CONTRACTOR, before commencing said PROJECT, shall furnish and file with the CITY, a Performance Bond, or bonds in the sum of one hundred percent (100%) of the Agreement price thereof conditioned upon the faithful performance of this Agreement in the form attached hereto as Exhibit "B."

b. CONTRACTOR, before commencing said PROJECT, shall furnish and file with CITY, a Payment Bond in the sum of 100% of the Agreement price, conditioned upon the payment of all labor and materials furnished in connection with this Agreement in the form attached hereto as Exhibit "C."

c. CONTRACTOR, before commencing said PROJECT, shall furnish and file with CITY, a Warranty Bond in the amount of 50% of the Agreement price, conditioned upon the guaranty and warranty of the work and labor and materials in connection with the work performed on the Project pursuant to this Agreement in the form attached hereto as Exhibit "D."

### **SECTION 12. INSURANCE REQUIREMENTS**

a. Prior to commencing work hereunder, CONTRACTOR shall provide the CITY with proof of insurance naming the CITY and each of its directors, officers, agents, and employees as additional-named insureds on a policy or policies of insurance providing and maintaining the coverages set forth in the Insurance Schedule attached hereto as Exhibit A. The CITY shall have the right to hold the policies and policy renewals, and CONTRACTOR shall promptly furnish to CITY all renewal notices and all receipts of paid premiums. CITY may make proof of loss if not made promptly by CONTRACTOR.

b. Evidence of Insurance prior to commencement. CONTRACTOR shall provide to the CITY Certificate(s) of Insurance evidencing such coverage together with copies of the required policy endorsements no later than five (5) business days prior to commencement of service and at least fifteen (15) business days prior to the expiration of any policy. Unreasonable failure to provide such evidence may be cause for termination of the Agreement as provided herein or delay the services' commencement date. The evidence of insurance shall be U.S. mail or email to:

City of Montebello  
Attn: Risk Manager  
1600 West Beverly Boulevard  
Montebello, CA 90640  
Email: GSkibar@cityofmontebello.com

### **SECTION 13. LIQUIDATED DAMAGES**

In addition, pursuant to the authority of California Public Contract Code Section 7102, the CITY and CONTRACTOR agree that the determination of actual damages for any unreasonable delay in performance of this Agreement caused by CITY would be extremely difficult or impractical to determine in the event of a breach of this Agreement by the CITY. Therefore, if the CITY is determined to be liable for such unreasonable delays, the CITY and

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its sureties shall be liable to the CONTRACTOR for the sum of two hundred and fifty dollars \$250.00 as liquidated damages for each working day of delay in the performance of any service required hereunder.

### **SECTION 14. DISPUTE RESOLUTION**

#### **14.1. Claims of \$375,000 or Less**

a. A claim by the CONTRACTOR for a time extension, for money damages for work, or a payment disputed by the CITY must be submitted to a resolution process in accordance with Public Contract Code Sections 20104-20104.4. A summary of Sections 20104-20104.4 are as follows:

- (1) Informal negotiation between the CITY and CONTRACTOR.
- (2) Mediation with CONTRACTOR.
- (3) Court mandated Arbitration.
- (4) Court trial. If the party requesting the court trial does not prevail, then that party must pay all court costs and attorney's fees.

#### **14.2 Public Contract Code 9204 Claims**

CONTRACTOR shall comply with the procedure set forth in Public Contract Code section 9204 for any claim, as that term is defined therein, for one or more of the following: 1) a time extension, including, without limitation, for relief from damages or penalties for delay, 2) payment of money or damages arising from work done pursuant to this Agreement, and/or 3) payment of an amount disputed by the CITY under this Agreement. A summary of the provisions of Public Contract Code Section 9204 is as follows:

1. CONTRACTOR must send a claim to the CITY for a time extension, payment for work not in the Agreement, or payments disputed by the CITY by registered mail or certified mail with return receipt requested.
2. The CITY must respond within 45 days as to which claims are disputed and undisputed.
3. If claim remains in dispute, CONTRACTOR may request informal meet and confer meeting with the CITY.
4. After meet and confer, a disputed claim remaining shall be submitted to non-binding mediation.
5. All undisputed claims shall be paid within 60 days.

### **SECTION 15. TERMINATION.**

#### **15.1. Termination for Convenience.**

The CITY may terminate this Agreement, in whole or in part, with thirty (30) days' written notice to CONTRACTOR when it is in the CITY's best interest. CONTRACTOR shall be paid its costs, including Agreement close-out costs, and profit on work performed up to the time of termination. CONTRACTOR shall promptly submit its termination claim to the

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CITY to be paid the CONTRACTOR. If CONTRACTOR has any property in its possession belonging to the CITY, CONTRACTOR will account for the same, and dispose of it in the manner the CITY directs. CONTRACTOR may terminate this Agreement, in whole, with ninety (90) days' written notice to the CITY.

### **15.2 Termination for Default.**

If at any time CONTRACTOR is determined to be in material breach of the Agreement, a Notice of Potential Breach of Agreement shall be prepared by the CITY, and will be served upon CONTRACTOR and its sureties. If CONTRACTOR continues to neglect or refuses to comply with the Agreement or with the Notice of Potential Breach of Agreement to the satisfaction of the CITY within the time specified in such Notice, the CITY shall have the authority to terminate the Agreement for this Project.

### **15.3 Waiver of Remedies for any Breach.**

In the event that the CITY elects to waive its remedies for any breach by CONTRACTOR of any covenant, term or condition of this Agreement, such waiver by the CITY shall not limit the CITY's remedies for any succeeding breach of that or of any other term, covenant, or condition of the Agreement.

## **SECTION 16. CONTRACTOR'S FAILURE TO PROCURE COMPLETION OF PROJECT**

In the event CONTRACTOR fails to furnish tools, equipment, or labor in the necessary quantity or quality, or fails to prosecute the work or any part thereof contemplated by this Agreement in a diligent and workmanlike manner, and if CONTRACTOR for a period of three (3) calendar days after receipt of written demand from the CITY or its designated representative to do so, fails to furnish tools, equipment, or labor in the necessary quantity or quality, and to prosecute its work and all parts thereof in a diligent and workmanlike manner, or after commencing to do so within said three (3) calendar days, fails to continue to do so; then the CITY may exclude CONTRACTOR from the premises, or any portion thereof, and take possession of said premises or any portion thereof, together with all material and equipment thereon, and may complete the work contemplated by this Agreement or any portion of said work, either by furnishing the tools, equipment, labor or material necessary, or by letting the unfinished portion of said work, or the portion taken over by the CITY to another contractor or by a combination of such methods. In any event, the procuring of the completion of said work, or the portion thereof taken over by the CITY, shall be a charge against CONTRACTOR, and may be deducted from any money due or becoming due to CONTRACTOR from the CITY, or CONTRACTOR shall pay the CITY the amount of said charge, or the portion thereof unsatisfied. The sureties provided for under this Agreement shall become liable for payment should CONTRACTOR fail to pay in full any said cost incurred by the CITY.

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### **SECTION 17. COMPLIANCE WITH APPLICABLE LAWS**

CONTRACTOR hereby promises and agrees to comply with all provisions of all applicable state and federal laws in connection with the performance of its obligations under this Agreement.

### **SECTION 18. NOTICE OF COMPLETION**

Upon completion of the PROJECT and acceptance of same by the City Council, the CITY shall have cause to be recorded a Notice of Completion with the office of the Los Angeles County Recorder; and, after thirty-five (35) days from the date said Notice of Completion is recorded, the Director of Finance of CITY shall release the funds retained pursuant to SEC. 4 hereof; provided there have been no mechanics' liens or stop notices filed against said work which have not been paid, withdrawn or eliminated as liens against said work.

### **SECTION 19. AUTHORITY**

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

### **SECTION 20. ENTIRE AGREEMENT**

This Agreement, including the Agreement Documents and any other documents incorporated herein by specific reference, represents the entire and integrated Agreement between the CITY and the CONTRACTOR. This Agreement supersedes all prior oral or written negotiations, representations or agreements. This Agreement may not be modified or amended, nor any provision or breach waived, except in a writing signed by both parties that expressly refers to this Agreement.

### **SECTION 21. ATTORNEY'S FEES AND COSTS**

If either party to this Agreement is required to initiate or defend or made a party to any action or proceeding in any way connected with this Agreement, the prevailing party in such action or proceeding, in addition to any other relief which may be granted, whether legal or equitable, shall be entitled to reasonable attorney's fees. Attorney's fees shall include attorney's fees on any appeal, and in addition a party entitled to attorney's fees shall be entitled to all other reasonable costs for investigating such action, taking depositions and discovery and all other necessary costs the court allows which are incurred in such litigation. All such fees shall be deemed to have accrued on commencement of such action and shall be enforceable whether or not such action is prosecuted to judgment.

### **SECTION 22. INDEPENDENT CONTRACTOR**

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CONTRACTOR is and shall at all times remain as to the CITY, a wholly independent CONTRACTOR. Neither the CITY, nor any of its officers, employees or agents shall have control over the conduct of CONTRACTOR or any of CONTRACTOR'S officers, employees or agents, except as herein set forth. CONTRACTOR shall not at any time or in any manner represent that it or any of its officers, employees or agents are in any manner officers, employees or agents of the CITY, nor shall the CITY officers, employees or agents be deemed the officers, employees, or agents of CONTRACTOR as a result of this Agreement.

**SECTION 23. NOTICE**

All notices, demands, requests or approvals to be given under this Agreement shall be given in writing and conclusively shall be deemed served when delivered via e-mail (an "Electronic Notice" as further defined below), personally or on the second (2nd) business day after the deposit thereof in the United States mail, postage prepaid, registered or certified, addressed as hereinafter provided. All notices, demands, requests, or approvals hereunder shall be given to the following addresses or such other addresses as the Parties may designate by written notice:

To the CITY: City of Montebello  
Attn: René Bobadilla, City Manager  
1600 West Beverly Boulevard  
Montebello, CA 90640  
(323) 887-1200  
Email: [rbobadilla@cityofmontebello.com](mailto:rbobadilla@cityofmontebello.com)

With copy to: City of Montebello – Department of Public Works  
Attn: James Enriquez, P.E., Director/City Engineer  
1600 West Beverly Boulevard  
Montebello, CA 90640  
(323) 887-1462  
Email: [jenriquez@cityofmontebello.com](mailto:jenriquez@cityofmontebello.com)

To CONTRACTOR: Dan Martin Contracting Company  
Attn: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

An electronic communication ("Electronic Notice") shall be deemed written notice for purposes of this section if sent to the electronic mail address specified above. Electronic Notice shall be deemed received at the time the party sending Electronic Notice receives verification of receipt by the receiving party. Any party receiving Electronic Notice may request and shall be entitled to receive the notice on paper, in a nonelectronic form.

**SECTION 24. PROHIBITION AGAINST ASSIGNMENT**

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The experience, knowledge, capability and reputation of CONTRACTOR, its principals and employees were a substantial inducement for the CITY to enter into this Agreement. Neither this Agreement nor any interest herein may be transferred, assigned, conveyed, hypothecated or encumbered voluntarily or by operation of law, whether for the benefit of creditors or otherwise, without the prior written approval of the CITY. Transfers restricted hereunder shall include the transfer to any person or group of persons acting in concert of more than twenty five percent (25%) of the present ownership and/or control of CONTRACTOR, taking all transfers into account on a cumulative basis. In the event of any such unapproved transfer, including any bankruptcy proceeding, this Agreement shall be void. No approved transfer shall release CONTRACTOR or any surety of CONTRACTOR of any liability hereunder without the express consent of the CITY.

**SECTION 25. CUMULATIVE REMEDIES**

The provisions of this Agreement are cumulative and in addition to and not in limitation of any rights or remedies available to the CITY.

**SECTION 26. COUNTERPARTS**

This Agreement may be executed in counterpart originals, duplicate originals, or both, each of which is deemed to be an original for all purposes.

**[SIGNATURE PAGE TO FOLLOW]**

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IN WITNESS WHEREOF the parties hereto have caused this Agreement to be executed on the date next to their respective officers duly authorized signatures in that behalf.

**CITY OF MONTEBELLO**  
("CITY")

**DAN MARTIN CONTRACTING**  
**COMPANY**  
("CONTRACTOR")

By: \_\_\_\_\_  
René Bobadilla, City Manager

By: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

ATTEST:

\_\_\_\_\_  
Christopher Jimenez, City Clerk

APPROVED AS TO FORM

\_\_\_\_\_  
Arnold M. Alvarez-Glasman, City Attorney

EXHIBITS:

- Exhibit A – Insurance Requirements
- Exhibit B – Performance Bond
- Exhibit C – Labor and Materials Payment Bond
- Exhibit D – Warranty Bond

**EXHIBIT "A"  
INSURANCE REQUIREMENTS**

On or before beginning any of the work called for by any term of this Agreement, CONTRACTOR, at its own cost and expense, shall carry, maintain for the duration of this Agreement, and provide proof thereof that is acceptable to the CITY of its procurement of the insurance specified below from insurers and under forms of insurance satisfactory in all respects to the CITY. Such insurance shall not be in derogation of CONTRACTOR's obligations to provide indemnity under this Agreement.

**1. Comprehensive General Liability and Automobile Liability Insurance Coverage.**

CONTRACTOR shall carry and maintain Comprehensive General Liability and Automobile Liability Insurance which provides the following:

Minimum coverage: Bodily injury limits of \$2,000,000 for each person and \$2,000,000 for each occurrence; property damage limits of \$2,000,000 for each occurrence, \$5,000,000 aggregate.

Products/Completed Operations Hazard Insurance in an amount of not less than FIVE MILLION DOLLARS (\$5,000,000);

A combined single limit policy with aggregate limits in an amount of not less than Five MILLION DOLLARS (\$5,000,000) shall be considered equivalent to the said required minimum limits set forth herein above.

If a Commercial General Liability Insurance form or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to the work to be performed under this Agreement or the general aggregate limit shall be at least twice the required occurrence limit. Such coverage shall include but shall not be limited to, protection against claims arising from bodily and personal injury, including death resulting therefrom, and damage to property resulting from activities contemplated under this Agreement, including the use of owned and non-owned real property and automobiles. Insurance coverage shall not be subject to any type of pollution exclusion or owned property exclusions.

**2. Automobile Liability.**

CONTRACTOR shall carry and maintain Automobile Liability Insurance which provides a minimum coverage of at least \$5,000,000 per accident for bodily injury and property damage.

**3. Worker's Compensation.**

CONTRACTOR shall carry and maintain worker's compensation in the amount of \$1,000,000 as required by the California Labor Code for all persons employed directly or indirectly in connection with this Agreement by CONTRACTOR. To the extent that

CONTRACTOR utilizes any SUB-CONTRACTOR for the performance of any part of the work under this Agreement, CONTRACTOR shall require and assure that such SUB-CONTRACTOR also carry and maintain worker's compensation as required by the California Labor Code for all persons directly or indirectly in connection with this Agreement.

**4. Additional Insureds.**

The CITY, its officers, agents and employees must be named as additional insureds or as additional loss payees in all insurance policies required by this Agreement. An endorsement to this effect shall be delivered to the CITY prior to the commencement of any work. Satisfaction of any deductible requirement shall be the responsibility of CONTRACTOR. Such insurance shall be primary and noncontributory with any other insurance maintained by the CITY.

**5. Notice of Cancellation.**

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

**6. Severability Clause.**

Each of the policies of insurance shall contain a clause substantially as follows:

The insurance afforded by this policy applies separately to each insured against whom a claim or suit is made or suit is brought, except with respect to the limit of the insurer's liability.

**7. Qualifications of Insurer.**

All policies of insurance shall be issued by an insurance company acceptable to the CITY and authorized to issue said policy in the State of California.

**8. Approval of Insurer.**

The insurance carrier providing the insurance shall be chosen by CONTRACTOR subject to approval by the CITY, provided that such approval shall not be unreasonably withheld.

**9. Payment of Premiums.**

All premiums on insurance policies shall be paid by CONTRACTOR making payment, when due, directly to the insurance carrier, or in a manner agreed to by the CITY.

**10. Evidence of Insurance and Claims.**

CONTRACTOR shall provide certificates of insurance to the CITY as evidence of

insurance coverage required herein, along with a waiver of subrogation endorsement for workers' compensation. The CITY's Risk Manager must approve insurance certificates and endorsements prior to commencement of performance. Current certification of insurance shall be kept on file with the CITY at all times during the term of this Agreement. The CITY reserves the right to require complete, certified copies of all required insurance policies, at any time.

(Use of City Bond Form is Required)

EXHIBIT "B"

**PERFORMANCE BOND  
PUBLIC WORK  
(CALIFORNIA)**

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, the Principal and the City of Montebello ("Obligee") have entered into a written Agreement, hereinafter called the Agreement, a copy of which is or may be attached hereto, dated the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ referred to and made a part hereof for \_\_\_\_\_ and all appurtenant work in accordance with Project No. \_\_\_\_\_, which agreement requires the Principal to provide Obligee with this bond.

NOW THEREFORE, we, \_\_\_\_\_, as Principal, and \_\_\_\_\_, a corporation organized under the laws of \_\_\_\_\_, and duly authorized to transact business in the State of California, as Surety, are held firmly bound unto the City of \_\_\_\_\_, as Obligee, in the sum of \_\_\_\_\_ Dollars (\$\_\_\_\_\_), lawful money of the United States of America, for the payment whereof well and truly to be made the Principal and Surety bind themselves, their heirs, executors, administrators, successors, and assigns, jointly and severally, firmly by these presents.

The address at which the Surety may be served with notices, papers and other documents is:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

The address at which the Principal may be served with notices, papers and other documents is:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

The condition of the foregoing obligation is such that if the Principal, his or its heirs, executors, administrators, successors or assigns, and each of his or its SUB-CONTRACTORS shall well and truly perform and fulfill all the undertakings, covenants, terms, conditions, and agreements of said Agreement, and during the life of any guaranty required under the Agreement, and shall also well and truly perform and fulfill all the undertakings, covenants, terms, conditions, and agreements of any and all duly authorized modifications of said Agreement that may hereafter be made, then this obligation shall be void; otherwise it shall be and remain in full force and effect.

As part of the obligation secured hereby and in addition to the face amount specified therefor, there shall be included costs and reasonable expenses and fees, including reasonable attorney's fees, incurred by the obligee in successfully enforcing such obligation, all to be taxed as costs and included in any judgment rendered.

The Surety hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of the agreement or to the work to be performed thereunder or the

specifications accompanying the same shall in any way affect its obligations on this bond, and it does hereby waive notice of any such change, extension of time, alteration or addition to the terms of the agreement or to the work or to the specifications.

This document is signed by the respective parties on the dates next to their names.

Principal

By: \_\_\_\_\_ Date: \_\_\_\_\_

Title: \_\_\_\_\_

Surety

By: \_\_\_\_\_ Date: \_\_\_\_\_

Title: \_\_\_\_\_

I declare under penalty of perjury under the laws of the State of California that the contents of the above Faithful Performance Bond are true and correct, and that I have been duly authorized to sign this Faithful Performance Bond on behalf of Surety. This Declaration is signed on \_\_\_\_\_, in the City of \_\_\_\_\_, State of California.

--OR--

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document

State of California )  
County of \_\_\_\_\_ )

On \_\_\_\_\_ before me, \_\_\_\_\_ (here insert name and title of the officer), personally appeared \_\_\_\_\_,

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature \_\_\_\_\_ (Seal)

-- AND --

(Proof of signature authorization or power of attorney must be attached)

APPROVED AS TO FORM:

---

City Attorney

(Use of City Bond Form is Required)

**EXHIBIT "C"**  
**Labor and Materials Payment Bond**  
**PUBLIC WORK (CALIFORNIA)**

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, \_\_\_\_\_, as Principal, has entered into an Agreement dated \_\_\_\_\_, \_\_\_\_\_, (the "Agreement") with the City of \_\_\_\_\_ (Obligee) referred to and made a part hereof to perform the following work of public improvement, to wit:

\_\_\_\_\_  
\_\_\_\_\_ and \_\_\_\_\_ all appurtenant work in accordance with the plans and specifications for Project No. \_\_\_\_\_, which requires Principal to file this bond to secure claims made under Civil Code Sections 9550-9554..

NOW THEREFORE, we, \_\_\_\_\_, as Principal, and \_\_\_\_\_, a corporation organized under the laws of \_\_\_\_\_ and duly authorized to transact business in the State of California, as Surety, are held firmly bound unto the City of \_\_\_\_\_, as Obligee, and all SUB-CONTRACTORS, laborers, material persons and other persons employed in the performance of the referenced agreement, in the sum of \_\_\_\_\_ Dollars (\$ \_\_\_\_\_), lawful money of the United States of America, which is 100% of the amount of the Agreement, for the payment whereof well and truly to be made the Principal and Surety bind themselves, their heirs, executors, administrators, successors, and assigns, jointly and severally, firmly by these presents.

The address at which the Surety may be served with notices, papers and other documents is:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

The address at which the Principal may be served with notices, papers and other documents is:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

If the above bounden Principal, his or its heirs, executors, administrators, successors, assigns, or any of his or its SUB-CONTRACTORS, fails to pay for any materials, provisions, provender, or other supplies, or teams, implements or machinery, used in, upon, for or about the performance of the work agreed to be done, or for any work or labor to persons named in Section 9100 of the Civil Code, or for amounts due under the Unemployment Insurance Code with respect to such work or labor performed under the Agreement, or for any amounts required to be deducted, withheld and paid over to the Employment Development Department from the wages of employees of the CONTRACTOR and SUB-CONTRACTORS pursuant to Section 13020 of the Unemployment Insurance Code, then the Surety on this bond will pay the same, in an amount not exceeding the sum specified in this bond, and also, in case suit is brought upon this bond, a reasonable attorney's

fee, which shall be awarded by the court to the prevailing party in said suit, said attorney's fee to be taxed as costs in said suit and to be included in the judgment herein rendered.

As part of the obligation secured hereby, the Surety shall not be exonerated or released from the obligation of the bond by any change, alteration, or modification in or of any Agreement, plans, specifications, or agreement pertaining or relating to any scheme or work of improvement or pertaining or relating to the furnishing of labor, materials, or equipment therefor, nor by any change or modification of any terms of payment or extension of the time for any payment pertaining or relating to any scheme of work of improvement, nor by any rescission or attempted rescission of the Agreement, agreement or bond, nor by any conditions precedent or subsequent in the bond attempting to limit the right of recovery of claimants otherwise entitled to recover under any such Agreement or agreement, or under the bond, nor, where the bond is given for the benefit of claimants, by any fraud practiced by any person other than the claimant seeking to recover on the bond.

This bond shall inure to the benefit of any and all persons, companies and corporations named in Civil Code Section 9100 so as to give them a right of action in a suit on this bond.

This bond is executed for the purpose of complying with the laws of the State of California designated as Title 3, Chapter 5, Payment Bond, commencing with Section 9550 of the Civil Code of the State of California and all amendments thereto, and shall inure to the benefit of any of the persons named in Section 9100 of the Civil Code of the State of California.

This document is signed by the respective parties on the dates next to their names.

Principal

By: \_\_\_\_\_ Date: \_\_\_\_\_

Title: \_\_\_\_\_

Surety

By: \_\_\_\_\_ Date: \_\_\_\_\_

Title: \_\_\_\_\_

I declare under penalty of perjury under the laws of the State of California that the contents of the above Labor and Materials Payment Bond are true and correct, and that I have been duly authorized to sign this Labor and Materials Payment Bond on behalf of Surety. This Declaration is signed on \_\_\_\_\_, in the City of \_\_\_\_\_, State of California.

--OR--

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document

State of California )  
 )  
County of \_\_\_\_\_ )

On \_\_\_\_\_ before me, \_\_\_\_\_ (here insert name and title of the officer), personally appeared

\_\_\_\_\_,  
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature \_\_\_\_\_ (Seal)

-- AND --

(Proof of signature authorization or power of attorney must be attached)

APPROVED AS TO FORM:

\_\_\_\_\_  
City Attorney

(Use of City Bond Form is Required)

**EXHIBIT "D"**  
**Warranty Bond**  
**PUBLIC WORKS (CALIFORNIA)**

WHEREAS, the City Council of the City of \_\_\_\_\_, State of California, and \_\_\_\_\_, (hereinafter designated as "Principal") have entered into a written Agreement (the "Agreement") dated \_\_\_\_\_ whereby Principal agrees to install and complete certain designated public improvements, which Agreement is hereby referred to and made a part hereof; and

WHEREAS, said Principal is required under the terms of said Agreement to furnish a bond for the guarantee and warranty of the work for a period of one (1) year following the completion and acceptance thereof against any defective work or labor done or defective materials furnished.

NOW, THEREFORE, we, the Principal and \_\_\_\_\_, a corporation organized under the laws of \_\_\_\_\_, and duly authorized to transact business in the State of California, as Surety, are held and firmly bound unto the City of \_\_\_\_\_, (hereinafter called "City"), in the penal sum \_\_\_\_\_ of \_\_\_\_\_ Dollars, (\$ \_\_\_\_\_) lawful money of the United States, which is 50% of the amount of the Agreement, for the payment of which sum well and truly to be made, we bind ourselves, our heirs, successors, executors and administrators, jointly and severally, firmly by these presents.

The address at which the Surety may be served with notices, papers and other documents is:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

The address at which the Principal may be served with notices, papers and other documents is:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

The condition of this obligation is such that if the above bounded principal, his or its heirs, executors, administrators, successors or assigns, shall in all things stand to and abide by, and well and truly keep and perform the covenants, conditions and provisions in the said Agreement and any alteration thereof made as therein provided, on his or their part, to be kept and performed at the time and in the manner therein specified, and in all respects according to their true intent and meaning, and shall indemnify and save harmless the CITY, its officers, agents and employees, as therein stipulated, then this obligation shall become null and void; otherwise it shall be and remain in full force and effect.

As a part of the obligation secured hereby and in addition to the face amount specified therefor, there shall be included costs and reasonable expenses and fees, including reasonable attorney's fees, incurred by the CITY in successfully enforcing such obligation, all to be taxed as costs and included in any judgment rendered.

The surety hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of the Agreement or to the work to be performed thereunder or the

specifications accompanying the same shall in anywise affect its obligations on this bond, and it does hereby waive notice of any such change, extension of time, alteration or addition to the terms of the Agreement or to the work or to the specifications.

This document is signed by the respective parties on the dates next to their names.

Principal

By: \_\_\_\_\_ Date: \_\_\_\_\_

Title: \_\_\_\_\_

Surety

By: \_\_\_\_\_ Date: \_\_\_\_\_

Title: \_\_\_\_\_

I declare under penalty of perjury under the laws of the State of California that the contents of the above Warranty Bond are true and correct, and that I have been duly authorized to sign this Warranty Bond on behalf of Surety. This Declaration is signed on \_\_\_\_\_, in the City of \_\_\_\_\_, State of California.

--OR--

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document

State of California )  
County of \_\_\_\_\_ )

On \_\_\_\_\_ before me, \_\_\_\_\_ (here insert name and title of the officer), personally appeared \_\_\_\_\_

\_\_\_\_\_, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature \_\_\_\_\_ (Seal)

-- AND --

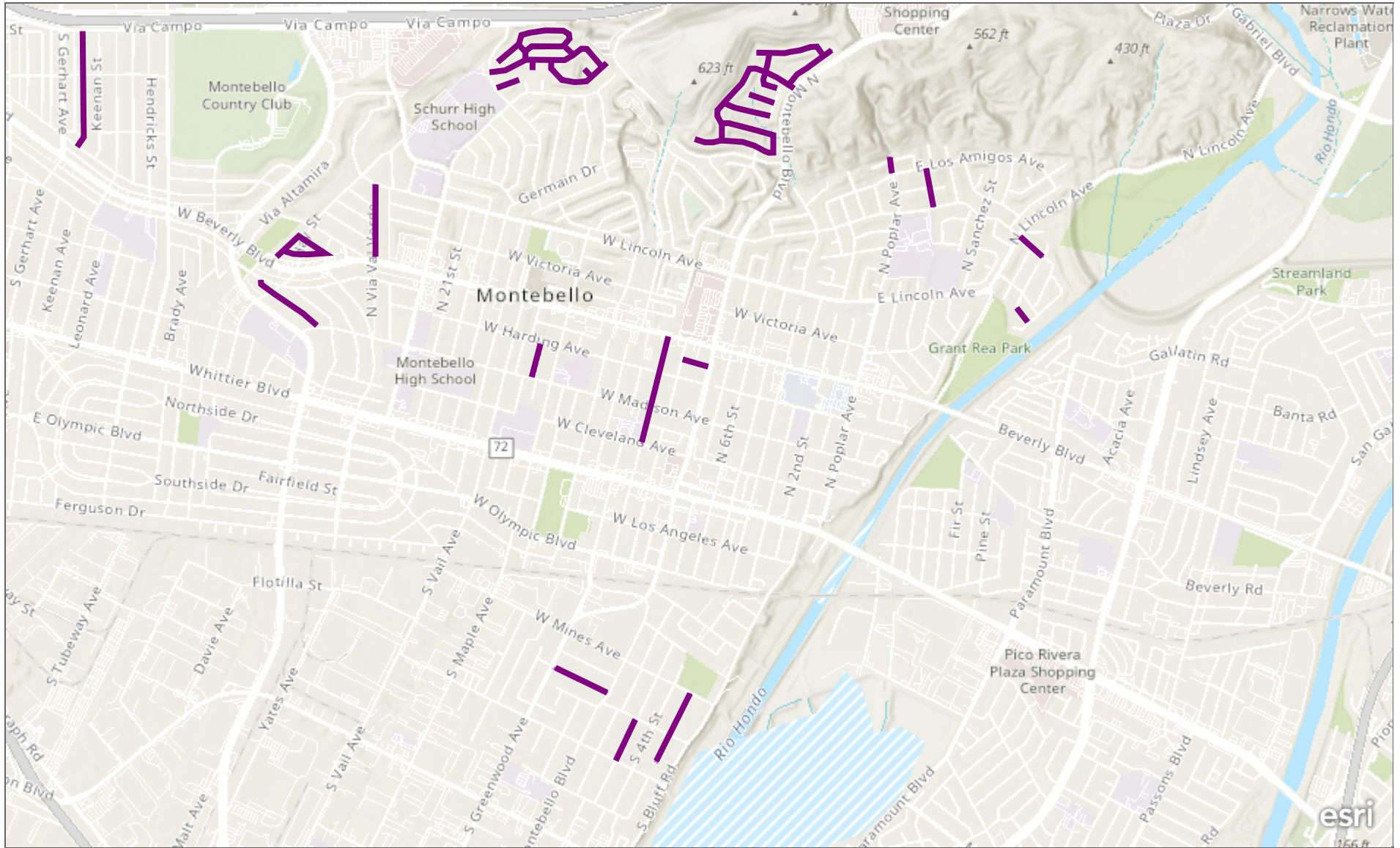
(Proof of signature authorization or power of attorney must be attached)

APPROVED AS TO FORM:

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City Attorney

Slurry Seal



PROJECT LOCATION MAP

## LIST OF PROJECT STREETS

Street Name	From	To	ELT
3rd St	Mines Ave	End	30
5th St	Frankel Av	Washington BLVD	16
Appian Way	N Vail Ave	Via Napoli	17
Appian Way	Via Napoli	Via Napoli	21
Ashiya Rd	Savannah St	End	21
Avenida De La Merced	Lincoln Ave	San Angelo Ave	12
Boston Ave	Villa St	Vera Cruz St	7
Bunker Hill Ave	Madero St	N Iguala St	20
Carmelita Ave	Greenwood Ave	Montebello BLVD	24
S 6th St	Beach St	Mines Ave	35
Las Flores Ave	Los Amigos Ave	Avenida De La Merced	15
Liberty Ave	Villa St	N Montebello Blvd	16
Liberty Ave	N Iguala St	Villa St	6
Loma Rd	End	End	34
Madero St	Yorktown Ave	Bunker Hill Ave	8
Messina	Via Palermo	Via Napoli	4
Milano	Vail Ave	End	7
N 10th St	W BEVERLY BLVD	W Cleveland Av	42
N 16th St	W MADISON AV	Harding Av	14
N Iguala St	Yorktown Ave	W Liberty Ave	32
Orah Ave	End	Plaza Libre	11
Plaza Libre	N Concourse Ave	Plaza Libre N	4
Plaza Libre N	Plaza Libre	Hay St	6
Plaza Libre N	Hay St	Orah Ave	3
Plaza Libre S	Plaza Libre N	Hay St	6
PLZ LIBRE S	N HAY ST	ORAH AV	7
POPLAR AV	W LOS AMIGOS AV	W BURKE DR	5
POPLAR AV	W BURKE DR	END	1
Revere Ave	End	Vera Cruz St	10
Rio Blanco St	W Liberty Ave	End	19
S 5th St	Hughes Av	Beach St	18
S Beverly Ter	N Montebello BLVD	N Spruce St	8
Salerno	Via Roma	End	3
Savannah St	Ashiya Rd	Rio Blanco St	4
SIMMONS AV	VIA SAN DELARRO	DEWAR AV	27
SIMMONS AV	Via Campo	DEWAR AV	16
Tola St	Montebello BLVD	End	9
Torino	Appian Way	End	3
Via La Cienega	San Angelo Ave	Rio Del Sol Ave	8
VIA LUNETO	N HAY ST	VIA CORONA	6
VIA LUNETO	W MADISON AV	N HAY ST	18
Via Napoli	Appian Way	Appian Way	23
Via Palermo	Messina	End	9
Via Palermo	Via Napoli	Messina	25
Via Roma	End	Appian Way	34
VIA VAL VERDE	W BEVERLY BLVD	W LINCOLN AV	29
Villa St	Liberty Ave	Boston Ave	4
Villa St	Liberty Ave	Ashiya Rd	8
W Suffolk Ave	N Iguala St	Vera Cruz St	18
Yorktown Ave	Madero St	End	31



**CITY OF MONTEBELLO**

**CITY COUNCIL AGENDA STAFF REPORT**

**TO:** Honorable Mayor and City Council Members

**FROM:** René Bobadilla, P.E., City Manager

**BY:** Paul Espinosa, Chief of Police

**SUBJECT:** **Approve an Agreement to Provide School Resource Officers (“SRO”) to the Montebello Unified School District (“MUSD”)**

**DATE:** August 10, 2022

---

**RECOMMENDATIONS:**

It is recommended that the City Council:

- 1) Approve an agreement to provide School Resource Officers (“SRO”) to the Montebello Unified School District (“MUSD”); and
- 2) Take such additional, and related, action that may be desirable.

**FISCAL IMPACT**

The City will be fully reimbursed for the provision of two School Resource Officers (SRO) for a total of 180 days, with each work day being nine (9) hours. Based on current salary ranges and benefit loads, and using the overtime calculation of one and a half times the base rate, the total cost for the two SROs would be \$429,203. The agreement between the City and MUSD stipulates that the City will invoice the district monthly for the actual costs incurred, with the District remitting payment within thirty (30) days.

The reimbursement will be recorded as revenue to the General Fund, increasing Fiscal Year 2022-23 forecasted revenue by as much as \$429,203. Staff will monitor overtime expenses in the Police Department budget and make adjustments as necessary. The intent of this Agreement and the not-to-exceed reimbursement amount is intended to be cost neutral to the City.

CITY COUNCIL AGENDA REPORT – MEETING OF AUGUST 10, 2022  
**Approve an Agreement to Provide School Resource Officers (“SRO”) to the Montebello Unified School District (MUSD)**

Page 2 of 2

**BACKGROUND**

The Montebello Unified School District (“MUSD”) is requesting the assistance of the City for their School Resource Officer Program (SRO) on a limited bases. MUSD agrees to contract with the City for services for two (2) School Resource Officers. Services under this agreement shall mean those included in the agreement (Attachment A).

**ANALYSIS**

As full compensation for City’s Services provided under this Agreement, MUSD shall pay a sum not-to-exceed four hundred twenty nine thousand two hundred three dollars (\$429,203) (the “maximum compensation”), based on the overtime rate of the SRO(s) established by City, for the 180 day period, at nine (9) hours per day. The maximum compensation includes all expenses for the services of the SRO’s who will serve the MUSD for the term of this Agreement. The costing was done to include the hourly rate plus benefits, also known as a “fully burdened rate.” Furthermore, given the type of assignment, the costing was done at the overtime rate – one and a half times the hourly rate used.

The proposed program will begin August 14, 2022 and remain in effect until June 30, 2023.

**SUMMARY**

Staff recommends that the City Council approve an agreement with the Montebello Unified School District and the City to establish a SRO program, and direct staff to take such additional and related, action that may be desirable.

**ATTACHMENTS:**

- A. Attachment A – School Resources Officer (“SRO”) Agreement
- B. Attachment B – MUSD 2022-2023 School Calendar

**For MUSD Office Use only**

**Control:** \_\_\_\_\_

**Site:** \_\_\_\_\_

**Program:** \_\_\_\_\_

**Account:** \_\_\_\_\_

**MEMORANDUM OF UNDERSTANDING BETWEEN  
MONTEBELLO UNIFIED SCHOOL DISTRICT  
AND  
THE CITY OF MONTEBELLO**

This Professional Services Memorandum of Understanding (the “Agreement”) is made and entered into by and between the Montebello Unified School District, a local education agency(“District”) and, the City of Montebello, a municipal corporation, hereinafter referred to as the “City.” District and City are also referred to individually as “Party,” and collectively as “Parties.”

**RECITALS**

1. The District is in need of special services and advice in the School Resource Officer Program (“Services”), which are described in Section 2 and provided in detail in Attachment A.
2. The City employs persons who are specially trained, experienced and competent to provide the Services required.
3. Such Services are needed by the District on a limited basis.
4. The City is willing to provide Services to the District on the terms hereinafter provided,
5. All legal prerequisites to the making of this Agreement have occurred.

In consideration of the following terms and conditions, the Parties agree as follows:

**AGREEMENT**

1. **Term:** The District hereby engages the City, commencing August 14, 2022 to perform the Services through June 30, 2023 (180 days) unless terminated on an earlier date pursuant to Section 8 of this Agreement.
2. **Description of Service(s):** District agrees to contract with City for services of a School Resource Officer (“SRO”). Services under this Agreement shall mean those included in Attachment A, Scope of Services, such as activities such as working with District administration to investigate and resolve potential crimes, providing supervision at afternoon activities, visiting classrooms to discuss juvenile and law enforcement issues, ensuring that unauthorized personnel are kept off school grounds, and such other tasks mutually agreed upon by District and City provided that the SRO shall not be required to perform such tasks or activities beyond the authority vested by applicable law. The District, pursuant to the authority set forth in the California Education Code, has the primary duty to address student discipline, issue appropriate consequences, provide appropriate student

## ATTACHMENT A

support, and/or provide referrals to law enforcement/ probation on criminal matters as required by law.

City agrees to assign two (2) full-time SROs to provide Services under this Agreement at the following schools in the District, in the amount indicated:

- One (1) at Montebello High School
- One (1) at Schurr High School

The SRO's provided by the City will be at an appropriate rank as solely determined by the City. Services shall be provided by the City to District as follows: Monday through Friday from 30 minutes prior to the assigned school's instructional day through 30 minutes after the end of the school's instructional day (9 hours total per day), on all student instructional days in accordance with the District Calendar for the academic year 2022-2023 (180 days maximum), attached hereto as Exhibit B.

The District agrees the City will make every effort to provide services as described above. In the event of unforeseen circumstances where an SRO is not able to cover an instructional day(s), the City will make every effort to provide a replacement. The City will notify the District if a replacement is not possible.

2.1 For the purposes of this Agreement, the District Representative shall be the Superintendent of Schools, or the Montebello Schools Chief of Police, or such other person designated in writing by the Superintendent of Schools, or the Montebello Schools Chief of Police (the "District Representative"). For the purposes of this Agreement, the City Representative shall be the City's Chief of Police (the "City Representative").

2.2 Additional Services may be requested by the District. SROs are generally available to assist District administrators with afternoon school events until 30 minutes after student instructional days. The District may request Additional Services of a SRO from the City for evening events such as PTA meetings, Back-to-School night(s), Open House(s), sporting event(s), dance(s), prom(s), or other school-sponsored events, which fall outside of identified student instructional days or during the hours set forth under Section 2 of this Agreement (collectively "Additional Services"). District agrees to provide additional compensation to City at a rate equal to one and one-half (1 ½) times the detail rate of the SRO(s) established by City, for actual hours worked outside of the hours set forth under Section 2 or on days that are not designated student instructional days. Additional Services shall be invoiced together with invoiced Services for the applicable invoice period in accordance with Section 3 of this Agreement.

2.3 City has, or will secure at its own expense, all personnel required to perform the Services under this Agreement. All of the Services required under this Agreement shall be performed by City or under its supervision, and all personnel engaged in the work shall be qualified to perform such Services.

The District shall have the right to demand the City remove an SRO from assignment within the District, temporarily or permanently, at its discretion. The City shall comply with any such request and assign a new SRO to the District to the extent a replacement is reasonably available and as soon

## ATTACHMENT A

as reasonably practical. However, the District will not pay the City for SRO Services during any period in which the City has not reassigned a new SRO to the District following the removal of an SRO from assignment within the District. The District and City shall communicate in good faith following the removal of the SRO to resolve any concerns regarding the SRO. The District may permit the SRO to return to assignment within the District in the future, in its sole discretion.

3. **Compensation:** As full compensation for City's Services provided under this Agreement, District shall pay City a sum not-to-exceed Three Hundred Eighty Eight Thousand Two Hundred Fifty Four Dollars (\$429,199 (the "maximum compensation"), based on the fully burdened overtime rate of the SRO(s) established by City, which includes applicable City administrative overhead. In addition to salary/benefits of the officer, we should have the ability to charge administrative overhead related to the various administrative functions relative to supplying the officers (scheduling, Payroll, invoicing, etc.) The maximum compensation includes all expenses for the services of the SROs who will serve the District for the term of this Agreement. City shall invoice District and detail applicable Services and/or Additional Services, if applicable, on a monthly basis, and payment of each approved invoice shall be made by District within thirty (30) calendar days. Additional Services, as described in Section 2.2, shall be paid at the assigned officer's fully burdened overtime rate established by the City.

#### 4. **Independent Entity:**

- 4.1 The District has not formed an agency, employment or partnership relationship with the City, an independent City. District represents, and City recognizes, that the District does not provide any benefits or rights arising under disability or unemployment insurance, workers' compensation, medical insurance, sick leave or any other employment benefits to City including related employees. City is, and shall at all times remain as to District, a wholly independent entity. City shall have no power to incur any debt, obligation, or liability on behalf of District. Neither District nor any of its agents shall have control over the conduct of City or any of City's employees, except as set forth in this Agreement. City shall not, at any time, or in any manner, represent that it or any of its officers, agents or employees are in any manner employees of District. City shall pay all required taxes on amounts paid to City under this Agreement, and indemnify and hold District harmless from any and all taxes, assessments, penalties, and interest asserted against District by reason of the independent City relationship created by this Agreement. Further, City agrees to provide workers' compensation insurance for related agents and employees and agrees to hold harmless and indemnify the District for any and all claims arising out of any injury, disability or death of any of said employees or agents.
- 4.2 City agrees to advise everyone it assigns or hires to perform any duty under this Agreement that they are not employees of District. Subject to any performance criteria contained in this Agreement, City shall be solely responsible for determining the means and methods of performing the specified services and District shall have no right to control or exercise any supervision over City as to how the Services will be performed. The directions issued by the District to the City only relate to the objectives to be achieved and not the actual means to accomplish such objectives.
- 4.3 Notwithstanding this independent contractor relationship, District shall have the right to monitor and evaluate the performance of City SROs to assure compliance with this

Agreement.

**5. Indemnification and Hold Harmless:**

5.1 To the fullest extent allowed by law, City shall defend, indemnify, save, and hold harmless the District, its officials, officers, employees, designated volunteers, and agents (“District Indemnitees”) from and against any and all demands, debts, liens, claims, losses, damages, liability, costs, expenses (including, but not by way of limitation, attorneys’ fees and costs actually incurred, whether or not litigation has commenced), judgments or obligations, actions, or causes of action whatsoever, for or incident to any alleged acts, omissions or will misconduct of City, its officials, officers, employees, agents, consultants and contractors arising out of or in connection with the performance of the Services or this Agreement, except such injury, damage or loss which was caused by the sole negligence or willful negligence of the District. The provisions of this clause shall not be limited to the availability or collectability of insurance coverage. City’s defense obligations (with counsel approved by District), shall arise immediately upon tender of any District Indemnitee, notwithstanding whether liability is, can be, or has yet been established.

5.2 To the fullest extent allowed by law, District shall defend, indemnify, save, and hold harmless the City, its officials, officers, employees, designated volunteers, and agents (“City Indemnitees”) from and against any and all demands, debts, liens, claims, losses, damages, liability, costs, expenses (including, but not by way of limitation, attorneys’ fees and costs actually incurred, whether or not litigation has commenced), judgments or obligations, actions, or causes of action whatsoever, for or incident to any alleged acts, omissions or will misconduct of District, its officials, officers, employees, agents, consultants and contractors arising out of or in connection with the performance of the Services or this Agreement, except such injury, damage or loss which was caused by the sole negligence or willful negligence of the City. The provisions of this clause shall not be limited to the availability or collectability of insurance coverage. District’s defense obligations (with counsel approved by City), shall arise immediately upon tender of any City Indemnitee, notwithstanding whether liability is, can be, or has yet been established.

6. **Insurance:** The City and the District agree to be individually responsible for providing their own insurance coverage for any and all claims or suits as a result of bodily injury, property damage, errors and omissions or personal injury arising out of the performance of this Agreement. If an actuarial or other study/report indicates that there are insufficient funds and/or assets to properly fund insurance needs of a party, the party will immediately notify the other party in accordance with Section 28.

7. **Assignment:** Neither this Agreement nor any duties or obligations herein may be assigned without the prior written consent of the Parties. Any attempt by a Party to so subcontract, assign or delegate this Agreement or any rights, duties or obligations arising hereunder in violation of this Section 7 shall be void and of no effect.

8. **Termination:** Either Party may, at any time and for any reason or no reason, after giving written notice to the other Party, terminate the Agreement at least thirty (30) calendar days before the termination is to be effective. If District defaults under this Agreement, and if District has not cured

## ATTACHMENT A

the default within thirty (30) calendar days after City has given District notice of the event of default, City may terminate this Agreement for cause after giving written notice to District at least thirty (30) calendar days before the termination is to be effective. City shall cease all work under this Agreement on or before the effective date of termination specified in the notice of termination. The District shall compensate the City only for the Services and Additional Services rendered to the date of termination provided in writing to the City as set forth herein, and City shall deliver all materials, reports, documents, notes or other written materials compiled through the last working day this Agreement is in effect. In no event shall City be entitled to receive more than the compensation that would be paid to City for the full performance of the Services and any Additional Services required by this Agreement. Neither party shall have any other claim against the other party by reason of such termination.

9. **Certificates/Permits/Licenses:** City and all of City's employees or agents shall secure and maintain in force such certificates, permits and licenses as are required by law in connection with the furnishing of the Services. City shall be fully responsible for identifying and obtaining all necessary licenses and permits for the timely prosecution of the Services.
10. **Anti-Discrimination:** It is the policy of the District that in connection with all work performed under contracts there be no discrimination against any employee engaged in the work because of race, color, creed, religion, sex, gender, gender identity, gender expression, marital status, national origin, ancestry, age, physical disability, mental handicap, medical condition, genetic information or sexual orientation, and therefore the City agrees to comply with applicable Federal and California laws including, but not limited to the California Fair Employment and Housing Act beginning with Government Code Section 12900 and District policy.
11. **Merger:** This agreement supersedes any and all agreements, either oral or written, between the parties with respect to the renewing of services by City for the District and contains all of the agreements, covenants and representations. Each Party to this Agreement acknowledges that no representations, inducements, promises or statements, orally or otherwise, have been made by any Party, or anyone acting on behalf of any Party, which are not contained in this Agreement, and that no other agreement, statement or promise not contained herein shall be binding or valid.
12. **Arbitration:** Any controversy or claim arising out of or relating to this Agreement or breach hereof may be settled by arbitration in accordance with applicable rules set forth by the American Arbitration Association as administered by En dispute/JAMS; an arbitrator's award may be confirmed by a court with jurisdiction to enter judgment thereon.
13. **Fingerprinting:** This Agreement is subject to the provisions of Education Code Section 45125.1. City's employees are required to submit fingerprints to the Department of Justice where an employee may come into contact with students at any site. The District shall not be responsible for providing and/or funding the fingerprinting, screenings, or background clearances for the City or any of its/his/her employees. The Department of Justice will ascertain whether the employee has a pending criminal proceeding for a violent or serious felony or has been convicted of a violent or serious felony as they are defined in Penal Code Sections 667.5c and 1192.7c respectively. City shall not permit an employee to come in contact with students until the Department of Justice has ascertained that the employee has not been convicted of a felony as defined in Education Code Section 45122.1. City shall certify in writing to the District that none of its employees who may come in contact with

## ATTACHMENT A

students have been convicted of a felony as defined in Education Code Section 45122.2. District may request the removal of an employee from a site at any time. Failure to comply with this provision may result in termination of the Agreement.

14. **Confidentiality:** City agrees that this Agreement is confidential and the terms of this Agreement shall not be disclosed to third parties except as required by law and as necessary to implement and enforce the Agreement. Only to the extent permitted by law, the District agrees that City shall have access to and the right to examine, audit, excerpt, copy or transcribe any pertinent records pertaining to this Agreement, with approval from the respective Assistant Superintendent authorizing the access, and how such data shall be utilized by the City in accordance with the Agreement. In the event City requires access to student information to in the performance of the Services, such access shall be subject to the attached Exhibit C, Restriction of Use of Confidential Student Information Agreement. The requirement shall extend beyond the effective termination or expiration date of this Agreement.
15. **Modification:** Any alteration, change or modification of this Agreement, in order to become effective, shall be made by written instrument and signed by each Party.
16. **Counterparts:** This Agreement may be signed and delivered in two or more counterparts, each of which, when so signed and delivered, shall be an original, but such counterparts together shall constitute the one instrument that is the Agreement, and the Agreement shall not be binding on any Party until all Parties have signed it. Facsimile signatures shall be deemed for all intents and purposes as binding as original signatures.
17. **Governing Law and Choice of Forum:** This Agreement, and any dispute arising from the relationship between the parties to this Agreement, shall be construed in accordance with, and be governed by, and construed in accordance with the laws of the State of California, and shall be interpreted as if jointly drafted by the Parties to this Agreement. Any dispute that arises under or relates to this Agreement (whether contract, tort or both) shall be resolved in a municipal, superior or federal court with geographic jurisdiction over the Montebello Unified School District.
18. **Severability:** The Parties agree that should any of the provisions of this Agreement be judicially determined to be invalid or unenforceable, the remaining provisions shall continue in full force and effect.
19. **Authorized Signatures:** The individuals signing this Agreement warrant that they are authorized to do so, and further, that they are authorized to make the promises in this Agreement on behalf of the respective Parties. The Parties understand and agree that a breach of this warranty shall constitute a breach of the Agreement and shall entitle the non-breaching party to all appropriate legal and equitable remedies against the breaching party.
20. **Conflict of Interest:** The City represents and warrants that he/she/it presently has no interest, and shall not acquire any interest, direct or indirect, financial or otherwise, which conflicts in any manner or degree with the District or with the performance of the services under this Agreement. The District further represents that it shall not engage any person having such conflict of interest to perform the services set forth in this Agreement. City agrees that if any facts come to its attention which raises any questions as to the applicability of conflict of interest laws, it shall immediately inform the

## ATTACHMENT A

District designated representative and provide all information needed for resolution of this question.

21. **Board Approval:** The Parties acknowledge and agree that in accordance with California Education Code Section 17604, this Agreement is contingent upon approval by the District Board of Education (“Board”). In the event the Board rejects the Agreement, or if the Agreement is not approved, the Agreement shall be void and unenforceable against all the Parties.
22. **Review of the Agreement:** The Parties acknowledge this Agreement is freely and voluntarily executed. They further acknowledge that the Parties, in executing this Agreement, do not rely upon any inducements, promises, or representations, expressed or implied, not reflected in this Agreement. The Parties agree to cooperate fully in the execution of any and all other documents and/or additional actions necessary and/or appropriate to give full force and effect to the terms, provisions, and intent of this Agreement. The Parties represent that they were provided with an opportunity to consult with legal counsel of their own choosing regarding this Agreement and each of its provisions. The Parties further represent that they have, as of the date of execution of this Agreement, the legal capacity to understand, agree to, and sign this Agreement. The Parties further acknowledge that this Agreement contains, and is, the entire integrated agreement and understanding between and among the Parties.
23. **Force Majeure:** In the event that performance under this Agreement is reasonably delayed or suspended by any Party as a result of circumstances beyond the reasonable control and without the fault or negligence of said Party, none of the Parties shall incur any liability to the other Party as a result of such delay or suspension. Circumstances deemed to be beyond the control of the Parties shall include, but not be limited to, acts of God or of the public enemy, school closures, insurrection, acts of the federal government or any unit of state or local government in sovereign capacity, fires, floods, epidemics/pandemics, quarantine restrictions, strikes, freight embargoes or delays in transportation, to the extent that such circumstances are not caused by the Party's willful or negligent acts or omissions, and to the extent that they are beyond the Party's reasonable control.
24. **Impact of COVID-19:** The Parties shall comply with all official orders, guidelines, and practices relating to COVID-19 and the Parties acknowledge that this Agreement shall memorialize the Parties’ collective efforts to ensure compliance with such orders, guidelines and practices in a manner that is consistent with applicable state and federal law. Further, the Parties shall make reasonable efforts and coordinate with each other to proactively anticipate any needed alterations to the traditional arrangements made under this Agreement to address the social distancing and other physical impacts on District school site operations.
25. **Consequential; Special Damages:** IN NO EVENT SHALL EITHER PARTY BE LIABLE FOR ANY INCIDENTAL, CONSEQUENTIAL, EXEMPLARY, SPECIAL OR PUNITIVE DAMAGES OR EXPENSES OR LOST PROFITS (REGARDLESS OF HOW CHARACTERIZED AND EVEN IF SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES) UNDER OR IN CONNECTION WITH THIS AGREEMENT, REGARDLESS OF THE FORM OF ACTION (WHETHER IN CONTRACT, TORT, NEGLIGENCE, STRICT LIABILITY, STATUTORY LIABILITY OR OTHERWISE).
26. **Compliance with All Laws:** The Parties agree to comply with all state and federal laws and regulations, including those governing non-discrimination and civil rights laws. Any state and

## ATTACHMENT A

federal law that takes effect during the Agreement term shall be incorporated into this Agreement to the extent applicable.

26.1 The City shall comply with the Mandated Child Abuse Reporting laws.

27. **Attachments:** Each exhibit to this Agreement is hereby incorporated by reference in this Agreement as if such exhibit was set out in full in the text of this Agreement. In the event of any material discrepancy between the express provisions of this Agreement and the provisions of any exhibit, the provisions of this Agreement shall prevail.
28. **Notice:** All notices to be provided to the Parties shall be in writing. Such notices and their accompanying materials shall be delivered by personal service or by deposit in the U.S. Mail, certified or registered, return receipt requested, and postage prepaid. The Parties may also transmit the written notice by electronic mail to the other Party. Such electronic notice shall be deemed received by the receiving Party upon the date of transmission by electronic mail. All notices shall be submitted/transmitted to the following.

If to City:		If to District:	
City of Montebello 1600 W Beverly Blvd, Montebello, CA 90640		Montebello Unified School District 123 South Montebello Blvd Montebello, CA 90640	
ATTENTION:	City Manager	ATTENTION:	Superintendent of Schools
PHONE	(323) 887-1363	PHONE	(323) 887-7900 Ext. 2206
EMAIL	RBobadilla@cityofmontebello.com	EMAIL	superintendent@montebello.k12.ca.us

[Signatures Appear on the Following Page]

**ATTACHMENT A**

Contract/Proposal/Agreement Review by:

Department Director or Designee

IN WITNESS WHEREOF, the Board of Education of the Montebello Unified School District has authorized this Agreement to be executed by Board authorized signatures.

**Date of Board Meeting:** \_\_\_\_\_ **Page No:** \_\_\_\_\_

\_\_\_\_\_  
City of Montebello\* Title By \_\_\_\_\_  
Superintendent of Schools, or Designated  
Assistant Superintendent/Division Head  
(Funding Division)

\_\_\_\_\_  
Address (if different from above) By \_\_\_\_\_  
Assistant Superintendent/Division Head\*\*

\_\_\_\_\_  
City, State & Zip

\_\_\_\_\_  
Social Security # or Internal Revenue Service #

\_\_\_\_\_  
Telephone Number, including Area Code

\_\_\_\_\_  
Date

**MUSD Contact Person**  
Name: \_\_\_\_\_  
Telephone/Ext: \_\_\_\_\_

-----  
\* **City:** Sign "your name and title."  
\*\* **District:** Second signature of a Division Head is required on all agreements  
\*\*\***Distribution:** Two (2) originals to MUSD Accounts Payable/ copy for Originating Office / copy to Consultant  
\*\*\*\***Exhibit C:** Restriction of Use of Confidential Student Information Agreement  
\*\*\*\*\*City attaches Proposal /Attachment / Scope of Work: YES \_\_\_\_\_; NO \_\_\_\_\_

**Exhibit A**  
**Scope of Work/Services**

1. City's Law Enforcement Roles and Responsibilities:

- a. The SRO shall be an employee of City and shall be subject to the administration, supervision, and control of the City.
- b. The SRO shall be subject to all personnel policies and practices of City except as such policies or practices may be modified by the terms of this Agreement.
- c. The City, in its sole discretion, shall have the power and authority to assign, discharge, and discipline the SRO.
- d. To be a visible, active law enforcement figure on campus addressing law enforcement matters originating on or related to the campus.
- e. To act as the designee of the campus administrator in maintaining the physical plant of the campus to provide a safe learning environment as to law enforcement matters and school policy violations. This includes buildings, grounds, parking lots, lockers, and other public-school property. As to school policy violations, the SRO will refer the student to the principal's office.
- f. To provide a classroom resource for education using approved materials.
- g. To be a resource for students, which will enable them to be associated with a law enforcement figure and role model in the students' environment.
- h. The SRO will be involved in school discipline, when it pertains to preventing a disruption that would, if ignored, place students, faculty and staff at risk of harm, and the SRO will resolve the problem to preserve the school climate. As to school policy violations, the SRO will refer the student to the principal's office.
- i. IN ALL OTHER CASES, disciplining students is a District responsibility, and the SRO will refer students who violate the code of conduct to the principal.
- j. The SRO will perform selected enforcement. This may include enforcing violations of the law. Enforcement methods may include counseling and problem solving with the violators, parents and school administration on a case-by-case basis. Whenever possible, services such as counseling shall be offered in lieu of issuing a criminal citation to a minor.
- k. The SRO maybe used for the disposal of contraband associated with infractions such as having tobacco or marijuana on campus.
- l. The SRO will share information with the administrator about persons and conditions that pertain to campus safety concerns.
- m. The SRO will be familiar with helpful community agencies, such as mental health services, drug treatment centers, etc., that offer assistance to dependency- and delinquency-prone youth and their families. Referrals will be made when necessary.
- n. The SRO will maintain a liaison with other organizations, such as Juvenile Probation, the School Attendance Review Board, diversion programs, and various local counseling

services.

- o. The SRO and the principal(s) will develop plans and strategies to prevent and/ or minimize dangerous situations, which might result in student unrest.
- p. The SRO will coordinate all of his/ her activities with the principal and staff members concerned and will seek permission, guidance, and advice prior to enacting any programs within the school.
- q. The SRO shall be available to be called away from SRO duties in emergency situations as well as for department staffing shortages as directed by the City with notifications to the District Representative as soon as practical.
- r. The SRO will normally wear the City's Police Department approved uniform, however, the SRO may wear other appropriate clothing depending upon the activity in which the SRO is engaged.
- s. Should the employment of either or both of the SROs be terminated during the 2022-2023 school year, the City will provide substitute officers.

**2. District Roles and Responsibilities:**

- a. School officials will ensure that student disciplinary matters remain the responsibility of school staff and not the SRO. Enforcement of the code of conduct is the responsibility of teachers, school staff, and school administrators. The SRO will refrain from being involved in the enforcement of disciplinary rules that do not constitute violations of criminal law, or are criminal violations eligible for diversion.
- b. District may, at its own initiative, and at its own cost, provide training to the SRO on topics that it considers to be beneficial to the relationship the SRO will have with students and staff.
- d. The District, pursuant to the authority set forth in the California Education Code, has the primary duty to address student discipline, issue appropriate consequences, provide appropriate student support, and/or provide referrals to law enforcement/ probation on criminal matters as required by law.
- e. The District shall confer with police officers who respond to and investigate student behaviors that constitute criminal violations that are not eligible for diversion.

**3. Investigations/Search and Seizure**

- a. School officials conduct their own searches of individual students, their individual property, and school property under civil authority.
- b. Police officers conduct searches of same under the criminal standard of probable cause.
- c. School officials, under certain circumstances, may request the SRO (or other officer) to act as their physical safety agent to perform or complete a school search for said official solely for the purpose of eliminating or reducing danger during the search. These circumstances include but are not limited to:
  - i. Possible presence of a weapon.

- ii. Possible presence of an explosive device.
  - iii. Possible presence of a dangerous instrument, i. e., drug needle.
  - iv. A student who may resist a search.
  - v. A student who may flee a search and, by doing so, be a danger to themselves and/ or others.
- d. School officials shall share any information with police officers that is obtained during a student investigation or search if school officials feel that said information may be evidence of a crime.
- e. School officials may consult with the SRO at any time to determine whether said information/ evidence should be shared. The parties shall ensure that the respective individuals assigned to the school campuses and responsible for the implementation of this Agreement are provided with a copy of the Agreement and are informed of the contents of this Agreement and their duty to implement it.

#### 4. Access to Education Records

- a. School officials shall allow the SRO to inspect and copy any public records maintained by the District to the extent permitted by law.
- b. All parties to this Agreement recognize and utilize Title 34 § 99:31 of the Code of Federal Regulations, which allows the oral exchange of information between school and police officials regarding any student when said information is directly related to a potential threat to safety of the school, its staff, or students.
- c. School officials may also share information with police officers that falls within any of the exceptions to the Family Educational Rights and Privacy Act (FERPA) that are covered under state law (W & I § 827. 1; Ed. Code §§ 48902, 49706), which may include but are not limited to:
  - i. Directory information
  - ii. Information within the scope of a police officer's investigation
  - iii. Information requested in response to a subpoena
  - iv. Investigative statements taken of the student - oral or in writing
- d. The City agrees to share with school officials any information that is relevant to school safety, and/ or the school investigation so long as said release of information does not compromise the integrity of the police investigation or place students, witnesses, or victims at further risk.

#### 5. Response to Emergencies

- a. In response to a non-violent criminal incident, the District shall consult with the SRO to develop a contingency plan and response.
- b. Unless the incident involves criminal activity or an emergency where police resources in addition to the SRO are desirable, the District shall make an initial decision regarding the need for a police response based upon knowledge of the incident, the District's policies and

## ATTACHMENT A

resources, and consultation with the SRO, if necessary. If the incident is outside the scope of the District 's resources, or there is a significant threat to human life or property, or the City is made aware of the incident and makes a determination the incident is critical in nature, the District shall relinquish the overall decision-making process to City, who shall then assume the role of the incident commander.

c. The SRO, investigating officer, or incident commander responding to the scene will strive to keep the District informed of decisions and status.

d. Incidents that originate at a school site that extend into the community will be handled by City.

**Exhibit B**

**2022-2023 MUSD Calendar**

**Exhibit C**

**Restriction on Use of Confidential Student Information Agreement**

**SECTION 1 – PARTIES**

This Restriction on Use of Confidential Student Information Agreement (referred to herein as “Agreement”) is entered into by and between: the City of Montebello (“City”) and Montebello Unified School District (the “District”) collectively referred to herein as “Parties”.

**SECTION 2 – RECITALS**

**WHEREAS**, City desires to enter into a contractual relationship with the District to provide certain services that may require accessing personally identifiable student information and/or data from the District from date to date;

**WHEREAS**, the Parties acknowledge that City shall have access to personally identifiable student information and/or data from the District (“Student Records”);

**WHEREAS**, in order for City to provide certain contracted services, City may access, receive or create Student Records that are defined and covered by the Family Educational Rights and Privacy Act (20 U.S.C. § 1232g; 34 C.F.R. Part 99) (referred to herein as "FERPA"), Protection of Pupil Rights Amendment, 20 U.S.C. § 1232h, as well as applicable California laws, including but not limited to, Assembly Bill 1584 and Education Code section 49073.1;

**WHEREAS**, City to the extent applicable by law, shall be considered a school official with legitimate educational interest performing an institutional service or function for which the District would otherwise use employees, allowing the District to disclose Student Records to City without the consent required by applicable federal and state law; and

**WHEREAS**, the Parties wish to enter into this Agreement to ensure that the relationship between City and the District, including the contracted services to be performed by City, conform to all applicable federal and state laws allowing City such access to Student Records upon the terms and conditions set forth below.

**NOW THEREFORE**, in consideration of the following terms and conditions, the Parties agree as follows:

**SECTION 3 – AGREEMENT**

1. Any and all Student Records and personally identifiable student information and/or data as defined by law, including but not limited to name, address, telephone number, classes, grades, files, records, data, letters, notes, lists, reports, tests, working papers, digital media and any other student information of any kind is deemed confidential (“Confidential Information”) and shall not be released or disclosed, either directly or indirectly, in any form or manner, either during the term of this Agreement or at any time thereafter, unless authorized by the

## ATTACHMENT A

District in writing. Confidential Information, whether prepared by City or otherwise, coming into City possession, shall remain confidential, the exclusive property of and under the control of the District.

2. City agrees that any personally identifiable student information and/data and Confidential Information it obtains from the District shall only be used for the purpose of providing the contracted service(s) to the District as set forth and in accordance with this Agreement. City acknowledges that he/she/it is prohibited from using any personally identifiable student information and/or data and Confidential Information for any purpose other than those required by law or specifically permitted by this Agreement.
3. To ensure the continued confidentiality and security of the Student Records processed, stored, or transmitted, City shall comply with all District procedures and systems ensuring that all Student Records are kept and maintained in secured facilities and access to such records in accordance with the law and Agreement.
4. City shall not retain any copies of the Confidential Information from the District data files or any District medium, electronic or otherwise, furnished to City in the performance of the contracted service(s) between the District and City, after termination of the contracted service(s) between the District and City.
5. City shall not use or copy for direct or indirect use any personally identifiable student information and/or data and Confidential Information from the District data files or any District medium, electronic or otherwise, furnished to City after termination of the contracted service(s) between the District and City.
6. Within 30 calendar days of termination, cancellation, expiration, or other conclusion of this Agreement, or within 30 calendar days of a request by the District, City shall immediately return and deliver to the District or if return is not feasible, destroy and not retain any copies of any and all Confidential Information that is in the possession of City and certify in writing that all copies of the Confidential Information in its possession have been destroyed.
7. The obligations of this Agreement shall not apply to any information which (a) is already in the public domain through no breach of this Agreement, including but not limited to information available through District's website(s); or (b) was received by City independently from a person or entity free to lawfully disclose such information in accordance with the law.
8. City is prohibited from using personally identifiable student information and/or data and Confidential Information to engage in targeted advertising.
9. City warrants and represents that he/she/it shall, at all times, comply with the terms of this Agreement and with federal and California law and further agrees not to disclose or re-disclose to any person or entity, for any purpose whatsoever, any personally identifiable student information and/or data and Confidential Information as defined by this Agreement and consistent with the requirements set forth by law.

**ATTACHMENT A**

10. City agrees that the District may, upon request, verify with City as necessary that it is complying with the Agreement and all applicable requirements set forth by law.
11. Any alteration, change or modification of this Agreement, in order to become effective, shall be made by written instrument and signed by each Party
12. The Parties agree that this Agreement is confidential and that the nature and terms of this Agreement shall not be disclosed to third parties except as required by law and as necessary to implement and enforce the Agreement.
13. This Agreement shall be enforceable in a competent court of law under the laws of the state of California. This Agreement may be subject to disclosure in a competent court of law for purposes of enforceability.
14. The individuals signing this Agreement warrant that they are authorized to do so, and further, that they are authorized to make the promises in this Agreement on behalf of the respective Parties. City understands and agrees that a breach of this warranty shall constitute a breach of the Agreement and shall entitle the District to all appropriate legal and equitable remedies against City.

IN WITNESS WHEREOF, the Parties hereto executed this Agreement on the date set forth opposite their respective signatures.

CITY OF MONTEBELLO

Dated: \_\_\_\_\_ By (Name) \_\_\_\_\_

MONTEBELLO UNIFIED SCHOOL DISTRICT

Dated: \_\_\_\_\_ By: \_\_\_\_\_

**MONTEBELLO UNIFIED SCHOOL DISTRICT  
2022-2023 ACADEMIC CALENDAR**

**JULY**

MON	TUES	WED	THUR	FRI
				1
4	5	6	7	8
11	12	13	14	15
18	19	20	21	22
25	26	27	28	29

**AUGUST**

MON	TUES	WED	THUR	FRI
1	2	3	4	5
8	9	10	11	12
* 15	16	17	18	19
22	23	24	25	26
29	30	31		

**SEPTEMBER**

MON	TUES	WED	THUR	FRI
			1	2
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12	13	14	15	16
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**OCTOBER**

MON	TUES	WED	THUR	FRI
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31				

**NOVEMBER**

MON	TUES	WED	THUR	FRI
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14	15	16	17	18
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28	29	30		

**DECEMBER**

MON	TUES	WED	THUR	FRI
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12	13	14	15	16
19	20	21	22	23
26	27	28	29	30

**JANUARY**

MON	TUES	WED	THUR	FRI
2	3	4	5	6
9	** 10	11	12	13
16	17	18	19	20
23	24	25	26	27
30	31			

**FEBRUARY**

MON	TUES	WED	THUR	FRI
		1	2	3
6	7	8	9	10
13	14	15	16	17
20	21	22	23	24
27	28			

**MARCH**

MON	TUES	WED	THUR	FRI
		1	2	3
6	7	8	9	10
13	14	15	16	17
20	21	22	23	24
27	28	29	30	31

**APRIL**

MON	TUES	WED	THUR	FRI
3	4	5	6	7
10	11	12	13	14
17	18	19	20	21
24	25	26	27	28

**MAY**

MON	TUES	WED	THUR	FRI
1	2	3	4	5
8	9	10	11	12
15	16	17	18	19
22	23	24	25	26
29	30	31		

**JUNE**

MON	TUES	WED	THUR	FRI
			1	2
5	6	7	8	*** 9
12	13	14	15	16
19	20	21	22	23
26	27	28	29	30

 HOLIDAY

 NON INSTRUCTIONAL

 RECESS

 NO SCHOOL

Independence Day - July 4

Labor Day - September 5

Veterans Day - November 11

Recess - November 21-25

Thanksgiving Day - November 24

Local Board Holiday - November 25

Winter Recess - December 19-January 6

Local Board Holiday - December 22-23, 26

Local Board Holiday - December 30 and January 2

New Year's Day - January 1

Martin Luther King Jr's Birthday - January 16

Lincoln's Birthday - February 13

Washington's Birthday - February 20

Local Board Holiday - April 7

Spring Recess - April 10-April 14

Memorial Day - May 29

2-7

\* August 15, 2022 - First Day of School for Students

\*\* January 10, 2023 - Beginning of 2nd Semester

\*\*\* June 9, 2023 - Last Day of School for Students



BOE Approval: March 14, 2020



APPROVED BY THE  
BOARD OF  
EDUCATION



**CITY OF MONTEBELLO**

**CITY COUNCIL AGENDA STAFF REPORT**

**TO:** Honorable Mayor and City Council Members

**FROM:** René Bobadilla, P.E., City Manager

**BY:** Fire Chief Fernando Pelaez, Fire Department

**SUBJECT:** **Approve Receipt of an Award from the California Department of Forestry and Fire Protection (CAL FIRE) Fire Prevention Grants Program and Appropriate Funds in Fiscal Year 2022-23**

**DATE:** August 10, 2022

---

**RECOMMENDATIONS:**

It is recommended that the City Council:

- 1) Approve the appropriation of \$108,997 awarded to the Fire Department by the California Department of Forestry and Fire Protection (CAL FIRE) Fire Prevention Grants Program for Fiscal Year 2022-23; and
- 2) Amend the Fiscal Year 2022-23 budget by increasing appropriations by \$108,997 in Expense Account No. 265-85-856-6040.10 and Revenue Account No. 265-99-4198.10 (Grants, Fire, Cal Fire Wildfire Prevention, Other Contract Services and Grants, Cal Fire Wildfire Prevention; and
- 3) Take such additional, related, action that may be desirable.

**FISCAL IMPACT**

The California Department of Forestry and Fire Protection (CAL FIRE) Fire Prevention awarded the Montebello Fire Department \$108,997 for the Montebello Wildfire Fuel Reduction and Public Education Project.

**BACKGROUND**

The California Department of Forestry and Fire Protection (CAL FIRE) Fire Prevention (FP) Grants Program is funded by the State of California General Fund and with Cap-and-Trade auction proceeds appropriated by the California Legislature. Up to \$120 million

**Approve Receipt of an Award from the California Department of Forestry and Fire Protection (CAL FIRE) Fire Prevention Grants Program and Appropriate Funds in Fiscal Year 2022-23**

Page 2 of 2

is being allocated to CAL FIRE's Fire Prevention Grants Program in Fiscal Year 2021-22 from the CCI Greenhouse Gas Reduction Fund (GGRF) and State General Fund.

CAL FIRE's FP Grants Program provides funding for fire prevention projects and activities in and near fire threatened communities that focus on increasing the protection of people, structures, and communities. Funded activities include hazardous fuels reduction, wildfire prevention planning, and wildfire prevention education with an emphasis on improving public health and safety while reducing greenhouse gas emissions.

**DISCUSSION**

The objective of the CAL FIRE Grants Program is to fund fire prevention projects and activities in and near threatened communities that focus on increasing the protection and reducing the threat of wildfires to people, structures, and communities. This grant provides funding for three activities: 1) Hazardous Fuels Reduction, 2) Wildfire Prevention Plan, and 3) Wildfire Prevention Education.

The Montebello Fire Department will aid in the fuel reduction of the Montebello Dam Area by reducing the amount of hazardous and flammable trees. This will help prevent the potential for larger wildfires and will protect structures and property such as Montebello Metro Heights by reducing the fuel load in the area.

With the increase of wildfires, it is imperative that suppression personnel help to mitigate these hazards. This grant will allow certified instructors to train and certify Montebello Fire Department personnel on how to properly perform hazard reduction and remove large trees. Personnel will receive California State recognized certificates and will be eligible to take more classes to be better trained to protect the community of Montebello. The awarded grant will help pay for proper tools and equipment for reducing fuel, certified instructors and state certificates. The grant will also pay for fuel removal and waste after trees have been felled.

**SUMMARY**

That the City Council approve the appropriation of \$108,997 awarded to the Fire Department by the California Department of Forestry and Fire Protection (CAL FIRE) Fire Prevention Grants Program and amend the FY 2022-23 budget by increasing appropriations by \$108,997 in Expense Account No. 265-85-856-6040.10 and Revenue Account No. 265-99-4198.10 (Grants, Fire, Cal Fire Wildfire Prevention, Other Contract Services and Grants, Cal Fire Wildfire Prevention).

**ATTACHMENTS:**

- A. Attachment A – Grant Award Letter
- B. Attachment B – January 26, 2022 City Council Agenda



## DEPARTMENT OF FORESTRY AND FIRE PROTECTION

P.O. Box 944246  
SACRAMENTO, CA 94244-2460  
(916) 653-7772  
Website: [www.fire.ca.gov](http://www.fire.ca.gov)



June 1, 2022

Felix Hussakhon  
City of Montebello Fire Department  
600 N Montebello Blvd.  
Montebello, CA 90640

RE: **PROJECT APPLICATION FOR THE CAL FIRE CALIFORNIA CLIMATE INVESTMENTS (CCI) WILDFIRE PREVENTION (FP) GRANTS**

Dear Applicant:

The Department of Forestry and Fire Protection (CAL FIRE) is pleased to inform you that your application for the grant project entitled **Montebello Wildfire Fuel Reduction and Public Education Project (21-FP-LAC-0188)** has been selected for funding.

You will receive the full agreement with instructions via email within 60 days. All documents must be returned to CAL FIRE no later than **October 31, 2022**. Failure to return documents by this date may result in loss of funding. It is important that you do not start on your grant project until you have received a confirmation that your grant agreement has been fully executed.

Please coordinate with your appropriate region staff to validate the polygons that were previously submitted for your project application. In addition, you may be required to provide information to complete the required emissions calculations for your project per the required Quantification Methodology. You will be contacted if this information is needed.

We look forward to working with you on your grant project. If you have any additional questions, please contact **Trevor Moore** at **(213) 259-4587** or **Trevor.Moore@fire.lacounty.gov**.

Sincerely,

A handwritten signature in blue ink that reads "Natalie B.".

Natalie Burke  
Staff Services Manager I  
Wildfire Prevention Grants Program Manager

**CITY OF MONTEBELLO****CITY COUNCIL AGENDA STAFF REPORT**

**TO:** Honorable Mayor and City Council Members

**FROM:** René Bobadilla, P.E., City Manager

**BY:** Fire Chief Fernando Pelaez, Fire Department

**SUBJECT:** Approval to Submit Application for the California Department of Forestry and Fire Protection (CAL FIRE) Fire Prevention Grants Program

**DATE:** January 26, 2022

---

**RECOMMENDATIONS:**

It is recommended that the City Council:

- 1) Approve the submission of the grant application for the California Department of Forestry and Fire Protection (CAL FIRE) Fire Prevention Grants Program; and
- 2) Take such additional, related, action that may be desirable.

**FISCAL IMPACT**

The California Department of Forestry and Fire Protection (CAL FIRE) Fire Prevention Grants Program currently has a funding opportunity to submit a competitive grant application. Depending on the scope of the project, the City could potentially receive up to \$200,000. This funding opportunity has no local matching funds requirement. If a grant is awarded and once the award amount is determined, staff will return to the City Council with a request to appropriate the funds.

**BACKGROUND**

The California Department of Forestry and Fire Protection (CAL FIRE) Fire Prevention (FP) Grants Program is funded by the State of California General Fund and with Cap-and-Trade auction proceeds appropriated by the California Legislature. Up to \$120 million is being allocated to CAL FIRE's Fire Prevention Grants Program in Fiscal Year 2021-22 from the CCI Greenhouse Gas Reduction Fund (GGRF) and State General Fund. CAL

**Approval to Submit Application for the for the California Department of Forestry and Fire Protection (CAL FIRE) Fire Prevention Grants Program**

Page 2 of 2

FIRE's FP Grants Program provides funding for fire prevention projects and activities in and near fire threatened communities that focus on increasing the protection of people, structures, and communities. Funded activities include hazardous fuels reduction, wildfire prevention planning, and wildfire prevention education with an emphasis on improving public health and safety while reducing greenhouse gas emissions.

**DISCUSSION**

The objective of the CAL FIRE grants program is to fund fire prevention projects and activities in and near threatened communities that focus on increasing the protection and reducing the threat of wildfires to people, structures, and communities. This grant provides funding for three activities: 1) Hazardous Fuels Reduction, 2) Wildfire Prevention Plan, and 3) Wildfire Prevention Education.

The Montebello Fire Department is seeking to submit a grant proposal for funding that will be used towards wildland fire prevention and training skill enhancements for all Montebello Fire Department suppression personnel. Given the City's proximity to wildland areas that frequently burn and require appropriate and specific training in order to properly and safely respond, this grant opportunity would provide much needed funding to provide training to the City's first responders. Once the proposed project is identified, the Department will be applying under the appropriate category based on specific needs (see list of three activities in the paragraph above). The additional funding resources would provide much needed operational infrastructure to support the Fire Department's overall strategic goals in the delivery of fire services to the community.

**SUMMARY**

That the City Council approve the submission of the grant proposal application for the California Department of Forestry and Fire Protection (CAL FIRE) Fire Prevention Grants Program.

**ATTACHMENT:**

- A. Attachment A – CalFire Fire Prevention Grants Program FY 2021-2022



**CITY OF MONTEBELLO**

**CITY COUNCIL AGENDA STAFF REPORT**

**TO:** Honorable Mayor and City Council Members

**FROM:** René Bobadilla, P.E., City Manager

**BY:** Lupita Ibarra, Director of Transportation

**SUBJECT:** **Approve Amendment No. 3 to Agreement No. 3697 with Avail Technologies, Inc., for Maintenance and Support of Montebello Bus Lines' Intelligent Transportation System and Fixed Route Passenger Information System**

**DATE:** August 10, 2022

---

**RECOMMENDATIONS:**

It is recommended that the City Council:

- 1) Approve Amendment No. 3 to Agreement No. 3697 with Avail Technologies, Inc. (Avail), in an annual not-to-exceed the amount of \$178,405, to extend software maintenance and support services for a one-year term with Montebello Bus Lines (MBL) for its Intelligent Transportation System (ITS) and Fixed Route Passenger Information System; and
- 2) Authorize the City Manager to execute Amendment No. 3 on behalf of the City; and
- 3) Take such additional, related, action that may be desirable.

**FISCAL IMPACT**

The total cost for maintenance and support services over a five-year (5) term is for a total not-to-exceed amount of \$884,265. The payment schedule is as follows: Year 1 – \$177,501 (2019); Year 2 – \$171,478 (2020); Year 3 – \$174,907 (2021); Year 4 – \$178,405 (2022); Year 5 – \$181,974 (if exercised, 2023). Through Amendment No. 3, Avail will be compensated an annual not-to-exceed amount of \$178,405 associated with extending services for an additional one-year term (or the third (3rd) of four (4), one-year extensions authorized under the original agreement).

**Approve Amendment No. 3 to Agreement No. 3697 with Avail Technologies, Inc., for Maintenance and Support of Montebello Bus Lines' Intelligent Transportation System and Fixed Route Passenger Information**

Page 2 of 2

Funding for this agreement will be allocated from the Transportation Department's Fiscal Year 2022-23 adopted operating budget: Transit Operations expense Account No. 600-90-910-6040.10 (Contract Services, Outside Contracts). Therefore, a budget amendment is not needed.

**BACKGROUND**

In October 2019, the City Council approved a software maintenance agreement (Agreement No. 3697) with Avail for ongoing maintenance and support services of MBL's ITS and Fixed Route Passenger Information System. The agreement was for an initial one-year term with the option to exercise up to four (4), one-year term contract extensions. In September 2020, Agreement No. 3697 was amended to exercise the first of the four (4), one-year extensions authorized by the Agreement (see Attachment A). Subsequently, the agreement was further amended to exercise the second one-year extension in August 2021 (see Attachment B).

Under the authority of Agreement No. 3697, it is recommended that the City Council consider renewing the contracted service with Avail for ongoing maintenance and support of MBL's ITS and Fixed Route Passenger Information System. Amendment No. 3 will exercise the third (3rd) of four (4), one-year term extension for an annual not-to-exceed amount of \$178,405, extending services from September 1, 2022 to August 31, 2023.

**SUMMARY**

Staff recommends the City Council consider approving Amendment No. 3 (see Attachment C) to Agreement No. 3697 with Avail for ongoing maintenance and support of MBL's ITS and Fixed Route Passenger Information System for an additional one-year term in an annual not-to-exceed the amount of \$178,405; and authorize the City Manager and/or his designee, to execute Amendment No. 3 on behalf of the City. This Amendment represents year four (4) of the initial term that allowed up to four (4), one-year extensions. Should staff recommend, there is one remaining one-year extension per the original term of the agreement.

**ATTACHMENTS:**

- A. Attachment A – Amendment No. 1 to Agreement No. 3697
- B. Attachment B – Amendment No. 2 to Agreement No. 3697
- C. Attachment C – Proposed Amendment No. 3 to Agreement No. 3697

**FIRST AMENDMENT TO AGREEMENT NO. 3697  
BY AND BETWEEN THE CITY OF MONTEBELLO AND  
AVAIL TECHNOLOGIES INC**

This First Amendment to Agreement No. 3697 ("First Amendment") is made and entered into as of the 23<sup>rd</sup> day of September, 2020, by and between the City of Montebello, a municipal corporation duly organized and existing under the law of the State of California ("Agency"), and Avail Technologies, Inc., a Pennsylvania corporation ("Contractor"). Agency and Contractor are sometimes hereinafter referred to collectively as the "Parties."

**RECITALS**

**WHEREAS**, Agency and Contractor are Parties to that certain Agreement No. 3697 for Maintenance and Support of the Montebello Bus Lines Intelligent Transportation System Technology with an "Effective Date" of October 30, 2019 ("Agreement"), pursuant to which Agency contracted with Contractor to provide services as defined in the Agreement; and

**WHEREAS**, Article 22 ("Entire Agreement") of the Agreement allows for amendments to the Agreement by a writing executed by the Parties; and

**WHEREAS**, per Article 4 ("Term") the Agreement commenced on the Effective Date and is valid for an initial one-year (1-year) term, with options to renew for up to four (4), additional, one-year terms; and

**WHEREAS**, the Parties each being mutually satisfied with the other's performance thereof, hereby desire to exercise one of the one-year (1-year) options as authorized by Articles 4 and 22 of the Agreement and as otherwise provided herein; and

**WHEREAS**, to exercise the option to extend the Agreement by an additional year, an amendment to the Term and Compensation (further defined below) is required.

**NOW, THEREFORE**, based upon the foregoing recitals, which the Parties agree are true and correct, and for good and adequate consideration the receipt and adequacy of which is acknowledged by the Parties, the Parties agree as follows:

## AMENDMENTS

**SECTION 1: RECITALS.** The above-referenced Recitals constitute a material part hereof and shall hereby be incorporated by reference.

**SECTION 2: EXTENSION OF TERM.** Through this First Amendment, the Parties hereto agree to extend the term of Agreement from September 1, 2020 to August 31, 2021 ("First Extension"), as authorized under Article 4 of the Agreement.

**SECTION 3: AMENDMENT TO COMPENSATION.** Through this First Amendment, the Parties hereto also agree to amend the compensation due under Article 3 ("Compensation") of the Agreement for the purposes of incorporating costs associated with the First Extension. The agreed-upon compensation for the First Extension shall not exceed **One Hundred Seventy-One Thousand, Four Hundred Seventy-Eight Dollars and No Cents** (\$171,478.00). Such sum shall include all amounts payable to Contractor for its subcontracts, leases, materials, and cost arising from, or due to termination of the Agreement. Agency shall pay Contractor upon thirty (30) day of receipt of invoice(s) and full acceptance of product and services by the Agency. Said compensation of the First Extension shall cover all expenses, losses, damages, and consequences arising out of the nature of work during its progress or prior to its acceptance including those for well and faithfully completing the work and the whole there of in the manner of time specified in the aforesaid Agreement; and also include those arising from actions of the elements, unforeseen difficulties or obstructions encountered in the prosecution of the work, suspension or discontinuance of the work, and all other unknowns or risk of any description connected with the work.

**SECTION 4: INCORPORATION OF REMAINING TERMS.** Other than as expressly modified in this First Amendment with respect to the Term and Compensation of the Agreement, all remaining terms, conditions, and provisions of the Agreement, and the entirety thereof, shall remain in full force and effect, and is incorporated fully herein by this reference.

**SECTION 5. COUNTERPARTS.** This First Amendment may be executed in counterparts all of which shall constitute but one original, and the same agreement.

[SIGNATURES ON NEXT PAGE]

**IN WITNESS WHEREOF**, the Parties have executed this First Amendment to the Contract Agreement No. 3697 as of the day and year first above written.

CITY OF MONTEBELLO  
("AGENCY")

AVAIL TECHNOLOGIES, INC.  
("CONTRACTOR")



René Bobadilla, City Manager

Dorsey E. Houtz, President & CEO

Dated: 9/23/2020

Dated: \_\_\_\_\_

ATTEST:



Irma Barajas, City Clerk

APPROVED AS TO FORM:



Arnold M. Alvarez-Glasman, City Attorney

**CITY OF MONTEBELLO**  
**AMENDMENT NO. 2**  
**TO CONTRACT AGREEMENT NO. 3697**  
**WITH AVAIL TECHNOLOGIES, INC.**

This Amendment No. 2 to Agreement No. 3697 (“**Amendment No. 2**”) is made and entered into this August 11<sup>th</sup>, 2021, by and between the City of Montebello, a municipal corporation duly organized and existing under the law of the State of California (“**Agency**”), and Avail Technologies, Inc., a Pennsylvania corporation registered to do business in California (“**Contractor**”). Agency and Contractor are sometimes hereinafter referred to collectively as the “Parties.”

**RECITALS**

**WHEREAS**, **Agency** and **Contractor** are Parties to that certain Contract Agreement No. 3697 for Maintenance and Support of the Montebello Bus Lines Intelligent Transportation System Technology with an “Effective Date” of October 9<sup>th</sup>, 2019 (“**Agreement**”), pursuant to which **Agency** contracted with **Contractor** to provide services as defined in the **Agreement**; and

**WHEREAS**, Article XXII (“Entire Agreement”) of the Agreement allows for amendments to the Agreement by writing executed by the Parties; and

**WHEREAS**, on or about September 23<sup>rd</sup>, 2020, the Parties executed a “First Amendment” exercising an option to extend the Agreement from September 1, 2020 to August 31, 2021; and

**WHEREAS**, the Parties each being mutually satisfied with the other’s performance thereof, hereby desire to amend the Agreement once more to extend the term of the Agreement for one (1) additional year on the conditions set forth in the Agreement and as otherwise provided herein; and

**WHEREAS**, by exercising the option to extend the Agreement by an additional year, an amendment to Term and Compensation (further defined below) is required.

**NOW, THEREFORE**, based upon the foregoing recitals, which the Parties agree are true and correct, and for good and adequate consideration the receipt and adequacy of which is acknowledged by the Parties, the Parties agree as follows:

**AMENDMENT**

**SECTION 1: RECITALS.** The above-reference Recitals constitute a material part hereof and shall hereby be incorporated by reference.

**SECTION 2: EXTENSION OF TERM.** Through this **Amendment No. 2**, the Parties hereto agree to extend the term of Agreement from September 1, 2021 to August 31, 2022 ("Second Extension"), as authorized under Article IV of the Agreement.

**SECTION 3: AMENDMENT TO COMPENSATION.** Through this **Amendment No. 2**, the Parties hereto agree to amend the compensation for the purposes of incorporating costs associated with this **Second Extension** as follows:

*"The agreed-upon compensation for **Amendment No. 2** shall not exceed **One Hundred Seventy-Four Thousand, Nine Hundred Seven Dollars and 00/100 Cents** (\$174,907.00). Such sum shall include all amounts payable to **Contractor** for its subcontracts, leases, materials, and cost arising from, or due to termination of the Agreement. **Agency** shall pay **Contractor** upon thirty (30) days of receipt of invoice and full acceptance of product and services by the **Agency**. Said compensation of **Amendment No. 2** shall cover all expenses, losses, damages, and consequences arising out of the nature of work during its progress or prior to its acceptance including those for well and faithfully completing the work and the whole thereof in the manner of time specified in the aforesaid Agreement; and also include those arising from actions of the elements, unforeseen difficulties or obstructions encountered in the prosecution of the work, suspension or discontinuance of the work, and all other unknowns or risk of any description connected with the work."*

**SECTION 4: INCORPORATION OF REMAINING TERMS.** Other than as expressly modified in this Amendment No. 2 with respect to the Term and Compensation of the Agreement, all remaining terms, conditions, and provisions of the Agreement, and the entirety thereof, shall remain in full force and effect, and is incorporated fully herein by this reference.

**SECTION 5: COUNTERPARTS.** This Amendment No. 2 may be executed in counterparts all of which shall constitute but one original, and the same agreement.

**[SIGNATURES ON NEXT PAGE]**

**AMENDMENT NO. 2 TO AGREEMENT NO. 3697**

Page 3 of 3

IN WITNESS WHEREOF, the Parties have executed this Amendment No. 2 to the Contract Agreement No. 3697 for Maintenance and Support of the Montebello Bus Lines Intelligent Transportation System Technology as of the day and year first above written.

("AGENCY")

**CITY OF MONTEBELLO**

By:   
René Bobadilla, P.E., City Manager

("CONTRACTOR")


**AVAIL TECHNOLOGIES, INC.**

By:   
Kerry Couch, Chief Financial Officer

**ATTEST:**

By:   
Christopher Jimenez, City Clerk

**APPROVED AS TO FORM:**

By:   
Arnold M. Alvarez-Glasman,  
City Attorney

**CITY OF MONTEBELLO**

**AMENDMENT NO. 3  
TO AGREEMENT NO. 3697  
WITH AVAIL TECHNOLOGIES, INC.**

This Amendment No. 3 to Agreement No. 3697 (“**Amendment No. 3**”) is made and entered into this August 10<sup>th</sup>, 2022, by and between the City of Montebello, a municipal corporation duly organized and existing under the law of the State of California (“**City**”), and Avail Technologies, Inc., a Pennsylvania corporation registered to do business in California (“**Contractor**”). City and Contractor are sometimes hereinafter referred to collectively as the “Parties.”

**RECITALS**

**WHEREAS**, **City** and **Contractor** are Parties to that certain Contract Agreement No. 3697 for Maintenance and Support of the Montebello Bus Lines Intelligent Transportation System Technology with an “Effective Date” of October 9<sup>th</sup>, 2019 (“Agreement”), pursuant to which **City** contracted with **Contractor** to provide services as defined in the Agreement; and

**WHEREAS**, Article XXII (“Entire Agreement”) of the Agreement allows for amendments to the Agreement by writing executed by the Parties; and

**WHEREAS**, on or about September 23<sup>rd</sup>, 2020, the Parties executed a “First Amendment” exercising an option to extend the Agreement from September 1, 2020, to August 31, 2021; and

**WHEREAS**, on or about August 11<sup>th</sup>, 2021, the Parties executed a “Second Amendment” exercising an option to extend the Agreement from September 1, 2021 to August 31, 2022; and

**WHEREAS**, any reference to a “First” or “Second” Amendment shall mean and have the same effect and as an “Amendment No. 1” and “Amendment No. 2,” respectively; and

**WHEREAS**, the Parties each being mutually satisfied with the other’s performance thereof, hereby desire to amend the Agreement once more to extend the term of the Agreement for one (1) additional year on the conditions set forth in the Agreement and as otherwise provided herein; and

**WHEREAS**, by exercising the option to extend the Agreement by an additional year, an amendment to Term and Compensation (further defined below) is required.

## AMENDMENT NO. 3 TO AGREEMENT NO. 3697

Page 2 of 3

**NOW, THEREFORE**, based upon the foregoing recitals, which the Parties agree are true and correct, and for good and adequate consideration the receipt and adequacy of which is acknowledged by the Parties, the Parties agree as follows:

### AMENDMENT

**SECTION 1: RECITALS.** The above-referenced Recitals constitute a material part hereof and shall hereby be incorporated by reference.

**SECTION 2: EXTENSION OF TERM.** Through this **Amendment No. 3**, the Parties hereto agree to extend the term of the Agreement from September 1, 2022 to August 31, 2023; unless such time is further extended in writing by a subsequent amendment and executed by both Parties.

**SECTION 3: AMENDMENT TO COMPENSATION.** Through this **Amendment No. 3**, the Parties hereto agree to amend the compensation for the purposes of incorporating costs associated with this **Third Extension** and incorporated herein by this reference as follows:

*“The agreed-upon compensation for **Amendment No. 3** shall not exceed **One Hundred Seventy-Eight Thousand, Four Hundred Five Dollars and 00/100 Cents** (\$178,405.00). Such sum shall include all amounts payable to **Contractor** for its subcontracts, leases, materials, and cost arising from, or due to termination of the Agreement. **City** shall pay **Contractor** upon thirty (30) days of receipt of invoice and full acceptance of product and services by the **City**. Said compensation of **Amendment No. 3** shall cover all expenses, losses, damages, and consequences arising out of the nature of work during its progress or prior to its acceptance including those for well and faithfully completing the work and the whole thereof in the manner of time specified in the aforesaid Agreement; and also include those arising from actions of the elements, unforeseen difficulties or obstructions encountered in the prosecution of the work, suspension or discontinuance of the work, and all other unknowns or risk of any description connected with the work.”*

**SECTION 4: INCORPORATION OF REMAINING TERMS.** Other than as expressly modified in this Amendment No. 3 with respect to the Term and Compensation of the Agreement, all remaining terms, conditions, and provisions of the Agreement, and the entirety thereof, shall remain in full force and effect, and is incorporated fully herein by this reference.

**SECTION 5: COUNTERPARTS.** This Amendment No. 3 may be executed in counterparts all of which shall constitute but one original, and the same agreement.

**[SIGNATURES ON NEXT PAGE]**

**AMENDMENT NO. 3 TO AGREEMENT NO. 3697**

Page 3 of 3

IN WITNESS WHEREOF, the Parties have executed this Amendment No. 3 to the Contract Agreement No. 3697 for Maintenance and Support of the Montebello Bus Lines Intelligent Transportation System Technology as of the day and year first above written.

("CITY")

**CITY OF MONTEBELLO**

("CONTRACTOR")

**AVAIL TECHNOLOGIES, INC.**

By: \_\_\_\_\_  
René Bobadilla, P.E., City Manager

By: \_\_\_\_\_  
Kerry Couch, Chief Financial Officer

**ATTEST:**

By: \_\_\_\_\_  
Christopher Jimenez, City Clerk

**APPROVED AS TO FORM:**

By: \_\_\_\_\_  
Arnold M. Alvarez-Glasman, City  
Attorney



**CITY OF MONTEBELLO**  
**CITY COUNCIL AGENDA STAFF REPORT**

**TO:** Honorable Mayor and City Council Members

**FROM:** René Bobadilla, P.E., City Manager

**BY:** Lupita Ibarra, Director of Transportation

**SUBJECT:** **Approve Amendment No. 1 to Agreement No. 2669 with Clean Energy Fuels Corp. to Provide Maintenance and Support Services for Montebello Bus Lines' Compressed Natural Gas Station**

**DATE:** August 10, 2022

---

**RECOMMENDATIONS:**

It is recommended that the City Council:

- 1) Approve Amendment No. 1 to Agreement No. 2669 with Clean Energy Fuels Corp. (Clean Energy), to provide maintenance and support services for Montebello Bus Lines' compressed natural gas (CNG) station for an additional one-year (1-year) term with the option for renewal of up to two (2) additional one-year (1-year) terms; and
- 2) Authorize the City Manager and/or designee to execute Amendment No. 1 on behalf of the City of Montebello (City); and
- 3) Take such additional, related, action that may be desirable.

**FISCAL IMPACT**

The total cost for maintenance and support services annually is for a total not-to-exceed amount of One Hundred Forty Thousand Dollars (\$140,000). Funding for this agreement will be allocated from the Transportation Department's Fiscal Year 2022-23 adopted operating budget: Transit Operations expense Account No. 600-90-915-6040.95 (Contract Services, Other Professional Services). Therefore, a budget amendment is not needed.

**Approve Amendment No. 1 to Agreement No. 2669 with Clean Energy Fuels Corp. to Provide Maintenance and Support Services for Montebello Bus Lines' Compressed Natural Gas Station**

Page 2 of 3

**BACKGROUND**

On September 8, 2010, the City entered into Agreement No. 2669 (see Attachment A) with Clean Energy (together with Clean Energy Construction, a California Corporation and wholly-owned subsidiary of Clean Energy) to design, build, install, operate, and maintain Montebello Bus Lines' (MBL) CNG station. The station provides approximately 400,000 gallons of CNG fuel each year, and it is an essential resource to MBL's operation.

Over the past 10 years, Clean Energy has provided the City with maintenance and support services to ensure MBL operations has the fueling capacity needed to make daily rollout. Clean Energy's team of local, trained technicians provides regular on-site visits to conduct equipment inspection and preventative maintenance. Clean Energy has consistently provided staff with data analytics, monthly and quarterly reports, fuel volume usage, and 24/7 remote monitoring, to avoid disruption of service and improve fuel consumption and cost efficiency.

In accordance with the Agreement, the CNG station was placed into operation on September 1, 2012 (see Attachment B), and the ten-year maintenance and support services term will expire on August 31, 2022. Clean Energy has provided the City with exceptional service performance. As such, the Transportation Department is recommending the City Council approve the proposed Amendment No. 1 to Agreement No. 2669 (see Attachment C). The proposed Amendment No. 1 will extend services from Clean Energy from September 1, 2022, through August 31, 2023, with the option to subsequently renew the agreement up to two (2) additional one-year (1-year) terms.

Since the original scope of work included a design, build and installation, the proposed Amendment No. 1 includes a Revised Scope of Work outlining the operation and maintenance services required under the new term.

**Conformance with Montebello Municipal Code**

Chapters 3.20.050 and 3.21.025 ("Conformance with Bidding Procedures") describe exceptions to the purchase of supplies, equipment or professional services. The amended agreement with Clean Energy to supply maintenance services is considered a "standardization of goods and/or services" (MMC 3.20.050(C)). While there are other maintenance service providers, Clean Energy is the most suitable vendor based on their expertise and years of experience in this field, and in particular their familiarity and experience with the equipment and MBL's operations. Furthermore, Clean Energy's experience with MBL's operation and CNG equipment requires an exception to the five-year maximum term of agreements (MMC 3.20.050(K)).

As the City transitions to a zero-emission bus (ZEB-hydrogen) rollout plan, it is more advantageous to renew the CNG Agreement with Clean Energy for an additional year as

**Approve Amendment No. 1 to Agreement No. 2669 with Clean Energy Fuels Corp. to Provide Maintenance and Support Services for Montebello Bus Lines' Compressed Natural Gas Station**

Page 3 of 3

a temporary solution while conducting further research on the station to accommodate the new fleet. Pursuing a new agreement with a new vendor at this point in time would not enable staff to make necessary fueling modifications as needed.

Within the next year, staff will be better able to assess whether or not the station should be upgraded to facilitate an increase in CNG buses or modified for ZEBs, and further research will be done on whether an alternate vendor would provide a benefit to the City. However, for now, staff recommends City Council approve this amendment, utilizing the standardization of services exception in MMC 3.20.050(C) and approving an agreement with a term exceeding five years (MMC 3.20.050(K)).

**SUMMARY**

Staff recommends the City Council approve Amendment No. 1 to Agreement No. 2669 with Clean Energy to continue providing maintenance and support services for Montebello Bus Lines' compressed natural gas station for an additional one-year (1-year) term with the option for renewal of up to two (2) additional one-year (1-year) terms; and authorize the City Manager and/or his designee, to execute Amendment No. 1 on behalf of the City.

**ATTACHMENTS:**

- A. Attachment A – Agreement No. 2669 with Clean Energy Fuels Corp.
- B. Attachment B – Clean Energy Fuels Commencement Letter
- C. Attachment C – Proposed Amendment No. 1 to Agreement No. 2669 and Revised Scope of Work

**CITY OF MONTEBELLO**

**CONTRACT AGREEMENT NO. 2669**

**FOR**

**COMPRESSED NATURAL GAS (CNG) FUELING STATION PROJECT**

**RFP NO. 10-06**

This Contract Agreement ("Agreement") is made and entered into for the above-stated project this 8th day of September, 2010 by and between the City of Montebello, as "AGENCY," and Clean Energy (together with Clean Energy Construction, a California Corporation and wholly-owned subsidiary of Clean Energy, as the general contractor) as "CONTRACTOR" (collectively referred to herein as the "Parties" and individually as the "Party").

**RECITALS**

- A. AGENCY is a municipal corporation duly organized and validly existing under the laws of the State of California with the power to carry on its business as it is now being conducted under the statutes of the State of California.
- B. CONTRACTOR is a corporation duly organized and doing business in the State of California. CONTRACTOR represents it has the background, knowledge, experience and expertise necessary to provide the AGENCY with the equipment, goods and services set forth in this AGREEMENT.
- C. AGENCY seeks to procure from CONTRACTOR, and CONTRACTOR seeks to provide to the AGENCY, equipment, goods, and services necessary for the design, engineering, permitting, installation, testing and maintenance of a Compressed Natural Gas (CNG) Station Fueling Project (hereinafter "Project" or "Station") as further described in the RFP NO. 10-06.

NOW, THEREFORE, in consideration of the mutual covenants and conditions contained herein, AGENCY and CONTRACTOR agree as follows:

**ARTICLE I. Incorporation of Recitals and other Contract Documents**

The above-referenced Recitals constitute a material part hereof, and shall hereby be incorporated by reference. Moreover, for purposes of this Agreement, the contract documents for the aforesaid Project shall consist of the Notice Inviting Bids, Instructions to Bidders, Price Proposal, General Specifications, Standard Specifications, Special Provisions, General Provisions, Plans, and all referenced specifications, details, standard drawings, and appendices; together with all required bonds, insurance certificates, permits, notices, schedules, forms, certifications and affidavits; and also including any and all addenda or supplemental agreements clarifying, or extending the work contemplated as may be required to insure its completion in acceptable manner (collectively referred herein as the "Contract Documents"). All of the provisions of said Contract Documents constitute a material part hereof, and shall be hereby incorporated by reference as though fully set forth herein.

In the event of an inconsistency among the Contract Documents, the inconsistency shall be resolved by giving precedence in the following order:

1. Applicable Federal and State of California statutes and regulations, and this Agreement;
2. General Terms and Conditions (Part II of the Project Manual);
3. The Request for Proposals, including the Instructions to Proposers (Part I of the Project Manual);
4. CONTRACTOR's Proposal;
5. All other Contract Documents.

#### ARTICLE II. Services to be performed by Contractor

For and in consideration of the payments and agreements to be made and performed by AGENCY, CONTRACTOR agrees to perform the services and furnish all materials necessary to perform all work required for the above-stated Project, and to fulfill all other obligations as set forth in the aforesaid Contract Documents. CONTRACTOR covenants with the AGENCY to furnish its best skill, judgment and efforts and to cooperate with the AGENCY and any other consultants or contractors engaged by the AGENCY in providing the services necessary for the Project. CONTRACTOR covenants to use its best effort to perform its duties and obligation under this Agreement in an efficient, expeditious and economical manner, consistent with the best interests of the AGENCY. Workmanship throughout the performance of this Agreement shall conform to the highest standard of commercially accepted practice of work and shall result in a neat finished appearance to the satisfaction of the AGENCY.

#### ARTICLE III. Compensation

As full compensation for furnishing all materials, performing all services, and fulfilling all obligations set forth in this Agreement, the AGENCY agrees to pay and the CONTRACTOR agrees to receive and accept the prices set forth in the Price Proposal submitted by CONTRACTOR dated May 27, 2010, and Revised Pricing Proposal dated August 13, 2010 ("Compensation"), attached herein as Exhibit "A" and incorporated by this reference. The total amount of the compensation shall not exceed the sum of Two Million, One Hundred Twenty Thousand, One Hundred and Fifty-One dollars (\$2,120,151.00). AGENCY shall pay CONTRACTOR upon thirty (30) days of receipt of invoice and full acceptance of product and services by the AGENCY. Said compensation shall cover all expenses, losses, damages, and consequences arising out of the nature of the work during its progress or prior to its acceptance including those for well and faithfully completing the work and the whole thereof in the manner and time specified in the aforesaid contract documents; and also including those arising from actions of the elements, unforeseen difficulties or obstructions encountered in the prosecution of the work, suspension or discontinuance of the work, and all other unknowns or risks of any description connected with the work.

#### ARTICLE IV. Completion of Work

The work and services set forth in this Agreement will be completed in a timely manner, not to exceed one hundred sixty (160) working days from the time of AGENCY's execution of this Agreement ("Completion Date"). CONTRACTOR shall begin work one (1) week after the Effective Date of this Agreement, as set forth in Article XVII, and in accordance with an agreed-upon work schedule to be determined by the Parties. An extension of the period for completion may be granted by mutual agreement by the Parties herein for reasons outside the control of

the CONTRACTOR, including acts of God. CONTRACTOR shall request an extension by notifying AGENCY in writing at least fifteen (15) days prior to the expected Completion Date.

No extension of time requested or granted hereunder shall entitle CONTRACTOR to additional compensation unless, as a consequence of such extension, additional work must be performed and such additional work is approved in writing. In such event, AGENCY shall in good faith consider any request for additional compensation submitted by CONTRACTOR.

All of the materials and services shall be furnished and performed at the location of the City of Montebello's Transportation Department, commonly known as Montebello Bus Lines ("MBL") in first class condition, complete and ready for service by MBL. To the extent that the services of CONTRACTOR require a license from the California Contractor's State License Board, all such work will be performed by Clean Energy Construction, a California Corporation and wholly-owned subsidiary of Clean Energy, as the general contractor.

CONTRACTOR recognizes and acknowledges that failure on the part of CONTRACTOR to complete the work in a timely manner can cause irreparable harm to AGENCY's operation of MBL and that CONTRACTOR shall be liable for all direct damages to the AGENCY which result from CONTRACTOR's failure to complete the work pursuant to this Agreement. For purposes of this Article, "direct damages" shall include, but not be limited to, the costs incurred by the AGENCY in completing the Project, such as the AGENCY's costs of soliciting, selecting and retaining a new Contractor, and any increased costs of labor and materials. In the event that damages due to the AGENCY resulting from the CONTRACTOR's failure to complete the work herein in a timely manner must be adjudicated in a court of law, CONTRACTOR shall be responsible for AGENCY's reasonable attorneys' fees and other costs and expenses incurred in resolving such dispute.

Notwithstanding anything in this Agreement to the contrary, neither AGENCY nor CONTRACTOR shall have any liability to the other party for special, consequential, or incidental damages, except however that CONTRACTOR may be liable for special, consequential, or incidental damages in connection with a claim made against AGENCY by a third party, provided that such claim arises out of or results from a claim within the scope of the indemnity obligation of CONTRACTOR, under Article VII of this Agreement.

#### ARTICLE V. Force Majeure Event, Agency-Caused Event

CONTRACTOR's timely performance with the agreed-upon work schedule shall be excused to the extent that delays are caused by a Force Majeure Event or an Agency-Caused Event (hereinafter defined). As used in this Agreement, a "Force Majeure Event" includes any circumstances beyond a Party's reasonable control, including, without limitation, fires, floods, strikes and labor disputes, equipment failure, the interruption of utility services, the cessation of providing necessary products or services to CONTRACTOR by any supplier to CONTRACTOR, war, acts of terrorism, or acts of God, and in such event, CONTRACTOR shall be excused from performance during the period of such Force Majeure Event. When measuring a delay leading to a default by either Party and/or the award of liquidated damages, the Parties agree to exclude any time period involving a Force Majeure Event. An "Agency-Caused Event" shall mean any material acceleration or delay in the construction of the Station (including, without limitation, commencement of construction or substantial completion of the work) caused by the AGENCY or any third party under the AGENCY's control, or any material acceleration or delay in the

construction of the Station (including, without limitation, commencement of construction or Substantial Completion of the work) requested in writing by the AGENCY.

The Parties to the Agreement agree that a Force Majeure Event and/or an Agency-Caused Event shall extend the Completion Date committed to by CONTRACTOR in the Agreement. In the event that CONTRACTOR reasonably incurs additional costs ("Additional Costs") in connection with the construction of the Station due to (i) a Force Majeure Event, or (ii) any Agency-Caused Event, Agency shall reimburse Contractor for all such reasonable, direct Additional Costs. CONTRACTOR shall furnish Agency with reasonable written evidence of such Additional Costs. Agency shall pay invoices, in accordance with the Agreement payment terms for the Compensation, for all amounts due pursuant to this paragraph. Payment of Additional Costs shall be in addition to the Compensation. Payment of Additional Costs shall also be in addition to any extensions of the Completion Date occurring as a result of a Force Majeure Event or Agency-Caused Event.

#### ARTICLE VI. Compliance with State and Local Laws

CONTRACTOR acknowledges the provisions of the State Labor Code requiring every employer to be insured against liability for worker's compensation, or to undertake self-insurance in accordance with the provisions of that code, and certifies compliance with such provisions. All services required under this Agreement will be performed by CONTRACTOR, or under its supervision, and all personnel shall possess the qualification, permits, and licenses required by the State and local law to perform such services.

CONTRACTOR shall be solely responsible for the satisfactory work performance of all personnel engaged in performing service required by this Agreement, and compliance with all reasonable performance standards established by AGENCY. CONTRACTOR shall be responsible for payment of all employees' and subcontractor's wages and benefits, and shall comply with all requirements pertaining to employer's liability, workers' compensation, unemployment insurance, and Social Security. CONTRACTOR shall indemnify and hold harmless the AGENCY from any liability, damages, claims, costs and expenses of any nature arising from alleged violations of personnel practices.

At all times AGENCY alone shall be financially and legally responsible for any and all pre-existing underground hazards or soil contaminants at the Project. In the unlikely event that the Project site is deemed unsuitable for the Station due to the pre-existing underground hazard, soil contamination or soil conditions, it shall be considered an Agency-Caused Event and AGENCY, in its sole discretion, may decide to provide an alternative, suitable site for the Project. In the event AGENCY decides to provide such an alternative, suitable site for the Project, AGENCY shall reimburse CONTRACTOR for any and all reasonable, direct Additional Costs related to the Station relocation, pursuant to the procedures for Additional Costs related to Agency-Caused Events, as set forth in Article V, above. In the event that no such alternative, suitable site is available, AGENCY may terminate the Agreement, at its sole discretion and without cause, pursuant to Article X, and shall provide to CONTRACTOR the part of Compensation which would otherwise be payable to CONTRACTOR for services CONTRACTOR had completed as of the date of termination, less the amount of all previous payments made by AGENCY with respect to the Compensation.

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#### ARTICLE VII. Indemnification

CONTRACTOR agrees to protect, indemnify, defend and hold harmless AGENCY and all of its employees, officers, elected and appointed officials, volunteers, agents, and affiliated public agencies (collectively the "AGENCY") from any or all injuries, deaths, losses, damages, claims, suits, liabilities, demands, or causes of action, including reasonable attorneys' fees and related costs and expenses, which may accrue against the AGENCY based on, occurring or arising out of the negligence, recklessness, willful misconduct, or errors or omissions by CONTRACTOR in the performance of its services under this Agreement. In addition, CONTRACTOR shall defend, indemnify, and hold harmless the AGENCY, from and against any and all claims, liabilities and losses whatsoever, including reasonable attorney's fees and related costs and expenses, occurring or resulting from any action attributable to any and all persons, firms, or corporations employed or contracted by CONTRACTOR or its subcontractors or subconsultants in connection with the services under this Agreement, regardless for responsibility for negligence.

CONTRACTOR's obligation to provide indemnification in accordance with the provisions of this Article of the Agreement and elsewhere in the Contract Documents shall not apply to the extent that such damages, claims and/or liabilities arise from the negligence, recklessness, willful misconduct, errors or omissions of AGENCY or AGENCY's employees, agents, contractors or subcontractors or any other third party under the control of AGENCY.

#### ARTICLE VIII. Insurance

In accordance with the terms of the Contract Documents, CONTRACTOR shall furnish AGENCY a policy or certificate of insurance evidencing coverage for Worker's Compensation insurance and comprehensive liability insurance, including automobile, in which the AGENCY, its officers, employees, agents, elected and appointed officials, volunteers and affiliated public agencies (collectively the "AGENCY") shall be named as additional insured with respect to all claims arising out of or in connection with the work to be performed, including any act or omission of employees, agents, sub-contractors, or their employees, whether or not caused by the sole (or contributing) negligence of AGENCY, its officers or employees, and which shall remain in full force and effect until the work or services is accepted herein by AGENCY. The policies shall provide the coverage limits set forth in the Contract Documents. Such comprehensive liability insurance shall be primary and non-contributing with any insurance coverage available to AGENCY, shall contain a severability of interest clause (cross liability) and shall provide that it shall not be canceled or materially reduced without thirty (30) days' prior written notice to AGENCY.

#### ARTICLE IX. Authorization by Contractor

CONTRACTOR affirms that the signatures, titles, and seals set forth hereinafter in execution of this Contract Agreement represent all duly authorized individuals, firm members, partners, joint ventures, and/or corporate officers having principal interest herein.

#### ARTICLE X. Termination

In the event that either Party hereto fails or refuses to perform any of the provisions of this Agreement at the time and in the manner required, the non-defaulting party shall give the defaulting party written notice of the default, the nature of the default, and of the steps necessary to cure the default.

For any breach deemed by the non-defaulting party to constitute a material breach, the defaulting party is required to cure the breach within two (2) calendar days upon receipt of written notice. For any breach deemed by the non-defaulting party to constitute a non-material breach, the defaulting party is obligated to cure such breach within ten (10) calendar days upon receipt of written notice. However, if the nature of the non-material breach requires more than ten (10) days to cure, the defaulting party shall have thirty (30) days to diligently pursue and complete a cure.

In addition to any other available legal or equitable rights or remedies, if the default is not cured within the time periods described above, the non-defaulting party may terminate this Agreement by giving written notice thereof to the defaulting party, setting forth the effective date thereof.

The AGENCY shall have the option, at its sole discretion and without cause, of terminating this Agreement in whole, or in part, by giving ten (10) business days' written notice to CONTRACTOR. Upon the termination of this Agreement as provided herein, the AGENCY shall provide to CONTRACTOR the part of Compensation which would otherwise be payable to CONTRACTOR for services CONTRACTOR had completed as of the date of termination, less the amount of all previous payment with respect to the Compensation.

Upon the expiration or earlier termination of the Agreement, (a) CONTRACTOR shall assign to AGENCY in the manner, at the times, and to the extent directed by AGENCY, all of the rights, title and interest owned by the CONTRACTOR under the orders and subcontracts so terminated and specifically agreed to by the CONTRACTOR under this Agreement; and (b) CONTRACTOR shall transfer the complete right or license of all software owned by CONTRACTOR to AGENCY, and all additional electronic files and programs, equipment manuals, and the entire O/M record database, only with respect to those owned by CONTRACTOR, shall also be transferred to AGENCY.

This Agreement shall expire upon full payment of the Compensation by the AGENCY to CONTRACTOR. Articles V, VI, XI, XII, XIII, XIV and XV of this Agreement shall survive the expiration or termination of this Agreement.

#### ARTICLE XI. Dispute Resolution and Legal Remedies

Disputes regarding the interpretation or application of any provision(s) of this Agreement shall, to the extent reasonably feasible, be resolved through good faith negotiations between the Parties. If any action at law or in equity is brought to enforce this Agreement or because of alleged dispute, breach, default or misrepresentation in connection with the provisions of this Agreement, the prevailing party in such action shall be entitled to reasonable attorney's fees, costs and necessary disbursements incurred in that action or proceeding, in addition to such other relief as may be sought and awarded.

#### ARTICLE XII. Subcontract, Assignment or Delegation

CONTRACTOR shall not subcontract, delegate or assign its duties or rights hereunder, either in whole or in part, without the prior express, written consent of AGENCY, which may be withheld for any reason or no reason. Any proposed subcontract, delegation, or assignment shall provide a description of the services to be covered, identification of the proposed subcontractor, delegee, or assignee, and an explanation of why and how the same was selected, including the degree of competition involved.

Any subcontract, delegation or assignment shall be made in the name of CONTRACTOR and shall not bind or purport to bind AGENCY and shall not release CONTRACTOR from any obligations under this Agreement including, but not limited to, the duty to properly supervise and coordinate the work of employees, assignees, delegees or subcontractors. No such subcontract, delegation or assignment shall result in any increase in the amount of total compensation payable to CONTRACTOR under Article III of this Agreement.

ARTICLE XIII. Notices

All notices, demands, requests or approvals to be given under this Agreement shall be given in writing and conclusively shall be deemed served when delivered personally or on the second business day after the deposit thereof in the United States mail, postage prepaid, registered or certified, addressed as hereinafter provided. All notices, demands, requests, or approvals hereunder shall be given to the following addresses or such other addresses as the Parties may designate by written notice:

To AGENCY:	Montebello Bus Lines 400 S. Taylor Ave. Montebello, CA 90640 Attention: Aurora Jackson Director of Transportation Phone: 323-887-4606 Fax: 323-887-4643
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To CONTRACTOR:	Clean Energy 3020 Old Ranch Road, Suite 400 Seal Beach, CA 90740 Attention: Mr. James Harger, Chief Marketing Officer Phone: 562-493-2804 Fax: 562-493-4532
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ARTICLE XIV. Severability

If any provision of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provision(s) nevertheless will continue in full force and effect without being impaired or invalidated in any way.

ARTICLE XV. Governing Law

This Agreement shall be construed in accordance with and governed by the laws of the State of California. In the event of litigation between the Parties, venue in State trial courts shall lie exclusively in the County of Los Angeles. In the event of litigation in a U.S. District Court, exclusive venue shall lie in the Central District of California.

ARTICLE XVI. Entire Agreement

This Agreement and the Contract Documents aforementioned shall constitute the entire agreement by the Parties, and supersedes all prior proposals, agreements, and understandings between the Parties and may not be modified or terminated orally. No attempted waiver of any

of the provisions herein, nor any change, amendment or modification to this Agreement shall be effective unless in writing and signed by the party against whom the same is sought to be enforced.

**ARTICLE XVII. Effective Date**

Unless otherwise specified herein, this Agreement shall become effective as of the date in which the last of the Parties, whether AGENCY or CONTRACTOR, executes this Agreement. This Agreement may be signed in counterparts, each of which shall constitute an original, and which collectively shall constitute one (1) instrument.

**[SIGNATURE PAGE FOLLOWS]**

IN WITNESS WHEREOF the Parties hereto for themselves, their heirs, executors, administrators, successors, and assigns do hereby agree to the full performance of the covenants herein contained and have caused this Agreement to be executed in triplicate by setting hereunto their names, titles, hands, and seals this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

CITY OF MONTEBELLO  
("AGENCY")

CLEAN ENERGY  
("CONTRACTOR")

  
\_\_\_\_\_  
Art Barajas, Mayor

\_\_\_\_\_  
[Printed Name and Title]

Date: 1/4/11

Date: \_\_\_\_\_

Federal Tax Identification No. \_\_\_\_\_

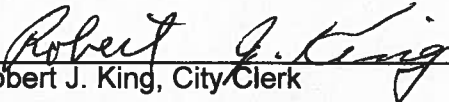
CLEAN ENERGY CONSTRUCTION, a  
California Corporation

By: \_\_\_\_\_

ATTEST:



\_\_\_\_\_  
[Printed Name and Title]

  
\_\_\_\_\_  
Robert J. King, City Clerk

Date: \_\_\_\_\_

Federal Tax Identification No. \_\_\_\_\_

APPROVED AS TO FORM:

  
\_\_\_\_\_  
Arnold M. Alvarez-Glasman, City Attorney

IN WITNESS WHEREOF the Parties hereto for themselves, their heirs, executors, administrators, successors, and assigns do hereby agree to the full performance of the covenants herein contained and have caused this Agreement to be executed in triplicate by setting hereunto their names, titles, hands, and seals this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

CITY OF MONTEBELLO  
("AGENCY")

CLEAN ENERGY  
("CONTRACTOR")

\_\_\_\_\_  
Art Barajas, Mayor

\_\_\_\_\_  
  
James N. Harger, Chief Marketing Officer

Date: \_\_\_\_\_

Date: 12/29/10

Federal Tax Identification No. 95-4603747

CLEAN ENERGY CONSTRUCTION, a  
California Corporation

By: \_\_\_\_\_  
  
James N. Harger, Chief Marketing Officer

ATTEST:

Date: 12/29/10

\_\_\_\_\_  
Robert J. King, City Clerk

Federal Tax Identification No. 73-1716246

APPROVED AS TO FORM:

\_\_\_\_\_  
Arnold M. Alvarez-Glasman, City Attorney

CITY OF MONTEBELLO  
DEPARTMENT OF TRANSPORTATION  
**COMPRESSED NATURAL GAS STATION RFP NO. 10-06**  
**BID SUMMARY**

Item No.	Description	Clean Energy Extended Total
1	Design, including as built drawings, two electronic and hard copies of the design.	\$ 42,735.00
2	Trenching and installation of components, piping and all related equipment:	\$ 317,460
3	Geographical report, on soil and area effected by the construction	\$ 5,495
4	Permits/Fees from all regulatory agencies impacted by this project	\$ 6,105
5	Training: Operational, Compressor and Dryer Systems (32 hrs/10 persons per class)	Included
6	Training: Safety, Gas Detection, emergency including systems and calibrations	Included
7	Training for Fire Department and Montebello Staff (40 individuals)	Included
8	Maintenance repairs and Preventative Maintenance Service Cost (Preventative and safety) of all aspects for 5-years. (Please shown annual costs for each of the five years on a separate form. The individual five years should equal the Extended Total shown on the right.)	\$ 30,000
9	Emergency 24 hour service contract (5 years)	Included in the annual maint costs
10	Web based access of CNG station systems and components (For 5yrs)	\$ 11,100
11	Compressor Skid #1, 500 SCFM, Ariel compressor, Baldor electric drive motor, with SE Sensor Electronics SEC Millennium gas detector, or approved equal. Such as Greenfield provided the same standard warranty & Service as matched to Ariels as well as references.	\$ 819,620
12	Compressor Skid #1, 500 SCFM, Ariel compressor, Baldor electric drive motor, with SE Sensor Electronics SEC Millennium gas detector, or approved equal. Such as Greenfield provided the same standard warranty & Service as matched to Ariels as well as references.	Included on line #11
13	Booster pump to increase line pressure, if necessary.	Included on line #11
14	Coalescent twin filters, with differential pressure gauges on each end of filter, reference Parker Hannifin P/N# J2SD-4CWC11-035, or approved equal.	\$ 11,176
15	CNG storage vessels and or Spheres, CPI Industries or approved equal.	\$ 112,564
16	a. CNG Dryer shall be Xebec-fully automatic twin tower or approved equal. DTRA42NGX-6	\$ 128,803
17	One(1) CNG Transit style fueling dispensers, with Sherex CT-5000 nozzle and liquid filled gauge.	\$ 43,016
a.	One ( 1 ) two hose CNG Transit style fueling dispenser with one ( 1 ) Sherex CT5000, one ( 1 ) Sherex <u>CT1000</u> nozzle, and dual liquid filled gauges.	\$ 46,131
18	CNG detection system, under canopies shall be the same system in the compressor skids, reference SE Sensor Electronics, LCD display shall be in the office located on fuel island.	\$ 67,155
19	Fire Extinguishers	\$ 2,220
20	Safety Signage	\$ 1,160
21	ARRA signage cost, required posting. (MBL already has)	
22	Lighting Fixture on fuel island replacement costs	\$ 18,315
23	Roof ventilation on Fuel Island	\$ 91,575
24	Piping and supplies from Compressor Station to Fuel Island (valve panel and control systems)	\$ 113,553
25	Rod Iron Fencing , hot dip galvanizing fence with walk through and sliding gates, per-spec.	\$ 36,630
26	Bollards to protect Rod Iron fencing from vehicles impact 24" Wide X 43" High, similar to the Bollards MBL is using to protect the emergency generator, which is located across from dispatch. Or suggested protective barriers.	\$ 28,205
27	Service manuals, parts manuals and manufactures name and location and phone numbers shall be provided for all equipment associated with this project	Included
28	Fueling dispenser system shall be fully automated and controlled by a new fuel management system (FMS). The current fuel manager system shall be upgraded with a new fuel manager system and include the addition of a new fuel manager controller head on the south side of the fuel island. Contract information for vendors is shown on Page 55 of the RFP.	\$ 128,613
29	Southern California Gas Company, charges for running 3" Gas Line from center of Olympic Blvd and Park Ave, running pipe underground South on Park Ave. just before the railroad tracks. So.CA. GAS Contact: Michael Bolin (213) 244-5115..	Costs associated with SCG shall be billed direct to MBL.
30	Electric Utility Equipment, Site Work and Connections to new SCE supplied utility pole and power adjacent to CNG station on Park Ave. Any backfeeding to existing panels not included.	\$ 58,520.00
31	Shipping Costs	Included in parts costs \$ -
32	Tax on Equipment	Included in parts costs \$ -
33	<b><u>CNG Station Costs:</u></b>	<b>\$ 2,120,151</b>

## PART II – GENERAL TERMS AND CONDITIONS

NOTE THAT THIS PART CONTAINS PROPOSED GENERAL CONDITIONS THAT WILL BE INCLUDED IN THE AGREEMENT BETWEEN THE CONTRACTOR AND MBL. MBL RESERVES THE RIGHT TO MODIFY THE CONDITIONS STATED HEREIN, AND TO ADD OR DELETE CONDITIONS PRIOR TO CONTRACT EXECUTION.

### 13. Scope of Services and Term

#### 13.1. General Scope of Services

Contractor shall design, build, install, operate and maintain a Compressed Natural Gas ("CNG") Station (hereinafter the "Station") at City of Montebello Transportation Facility located at 400 South Taylor Ave, Montebello, CA 90640-5057 (hereinafter referred to either as the "Property" or the "Facility"). All Contractor furnished equipment shall be new and unused. Contractor shall successfully test the Station upon completion to confirm compliance with all specifications and contractual conditions set forth herein.

#### 13.2. Term

##### 13.2.1. Construction/Installation

Contractor agrees that it will initiate construction/installation of the Station no later than \_\_\_\_\_, and complete construction/installation of the Station no later than \_\_\_\_\_.

##### 13.2.2. Operations/Maintenance

Contractor agrees that it will operate and maintain the Station under the terms of this Agreement for a period of five (5) years commencing on \_\_\_\_\_ and ending on \_\_\_\_\_. MBL may renew this Agreement relative to the Contractor's responsibilities to operate and maintain the Station under the same terms and conditions set forth herein for a consecutive five (5) year term. If MBL exercises its option to renew the Agreement, it will provide Contractor with a sixty (60) day written notice of its intent to renew. If MBL does not exercise its option to renew the Agreement, it will provide Contractor with at least thirty (30) days written notice.

### 14. Fees and Payments

#### 14.1. Construction/Installation-Fixed Price

MBL agrees to pay the Contractor \_\_\_\_\_ for the construction/installation of the Station.

#### 14.2. Monthly Fee – TO BE DETERMINED

3020 Old Ranch Parkway, Suite 400  
Seal Beach, California 90740  
562.936.7187

Charles E. Love Jr.  
Business Development Manager

[www.cleanenergyfuels.com](http://www.cleanenergyfuels.com)



September 7, 2012

Aurora Jackson  
Director of Transportation  
Montebello Bus Lines  
400 South Taylor Avenue  
Montebello, CA 90640

**Re: Notice of CNG Station Operations Commencement**

Dear Mrs. Jackson:

Reference is made to that certain Compressed Natural Gas Vehicle Fueling and CNG Sales Agreement, dated September 8, 2010 by and between Montebello Bus Lines (MBL) and Clean Energy, a California Corporation (the "Agreement").

This letter serves as notification of CNG station construction completion and that the station operations period has begun, effective September 1, 2012. During the station operations period, CE will be fully responsible for all scheduled and unscheduled maintenance pursuant to the Agreement. In the event there is an operational issue, MBL shall notify CE via the toll-free number posted at the station (1-866-278-3674) and CE will dispatch a technician to the site.

Your staff has been trained in CNG fueling, safety, and CE notification protocol. In the event of an emergency such as a fire or other unsafe condition, one of the red emergency shutdown buttons located throughout the station should be pressed. These buttons will disarm all equipment and associated power. When the emergency shutdown button is pressed, CE will automatically be notified; however, please note that CNG fuel will not be available until the station is manually reset (on-site) by CE. If there is a fire, please call 911 and press the emergency shutdown button if safe to do so.

On behalf of Clean Energy, we appreciate your business and look forward to working with the City of Montebello for years to come. Please feel free to contact me at (562) 936-7187 or [clove@cleanenergyfuels.com](mailto:clove@cleanenergyfuels.com), if we can be of any assistance.

Sincerely,

A handwritten signature in blue ink, appearing to read "Charles E. Love Jr.", written over a white background.

Charles E. Love Jr.  
Business Development Manager

**CITY OF MONTEBELLO**

**AMENDMENT NO. 1  
TO AGREEMENT NO. 2669  
WITH CLEAN ENERGY FUELS CORP.**

This Amendment No. 1 to Agreement No. 2669 ("**Amendment No. 1**") is made and entered into as of the 10<sup>th</sup> day of August 2022 ("Effective Date"), by and between the City of Montebello, a California municipal corporation duly organized and existing under the law of the State of California ("**City**"), and Clean Energy Fuels Corp., a corporation duly organized and existing under the law of the State of California, ("**Contractor** "). City and Contractor are sometimes hereinafter referred to collectively as the "Parties".

**RECITALS**

**WHEREAS**, **City** and **Contractor** are Parties to that certain Agreement No. 2669 to provide contracted services, to design, construct, and maintenance and support of the Montebello Bus Lines' Compressed Natural Gas Station with an "Effective Date" of September 8, 2010 ("Agreement"), pursuant to which **City** contracted with **Contractor** to provide services as defined in the Agreement; and

**WHEREAS**, Article XVI ("Entire Agreement") of the Agreement allows for amendments to the Agreement by a writing executed by the Parties; and

**WHEREAS**, the Parties each being mutually satisfied with the other's performance thereof, hereby desire to amend the Agreement to extend services for an additional one (1) year, with an option to extend for two (2) subsequent one-year terms on the conditions set forth in the Agreement and as provided herein; and

**WHEREAS**, the Parties also desire to amend the scope of work of the Agreement given that design and construction component of the original project is no longer a required service (hereinafter, the "Revised Scope of Work"); and

**WHEREAS**, due to the anticipated extension of the term of services and the Revised Scope of Work, an amendment Compensation (as defined below) is also required.

**NOW, THEREFORE**, based upon the foregoing recitals, which the Parties agree are true and correct, and for good and adequate consideration the receipt and adequacy of which is acknowledged by the Parties, the Parties agree as follows:

**AMENDMENT**

**SECTION 1: RECITALS.** The above-referenced Recitals constitute a material part hereof and shall hereby be incorporated by reference.

**SECTION 2: EXTENSION OF TERM.** Through this **Amendment No. 1**, the Parties hereto agree to extend the term of the Agreement from September 1, 2022, to August 31, 2023; unless such time is further extended in writing by a subsequent amendment and executed by both Parties.

**SECTION 3: AMENDMENT TO THE SCOPE OF WORK.** Through this **Amendment No. 1**, the Parties hereto agree to amend the scope of work to the Agreement. The Revised Scope of Work is attached hereto as Exhibit "A" and incorporated herein by this reference.

**SECTION 4: AMENDMENT TO COMPENSATION.** Through this **Amendment No. 1**, the Parties hereto agree to amend the compensation for the purposes of incorporating costs associated with this **Amendment No. 1** and as follows:

*"The agreed-upon compensation for the contract services contemplated in the Agreement and Revised Scope of Work memorialized in **Amendment No. 1** shall not exceed the annual amount of **One Hundred Forty Thousand Dollars (\$140,000)**. Such sum shall include all amounts payable to **Contractor** for its subcontracts, leases, materials, and cost arising from, or due to termination of the Agreement. **City** shall pay **Contractor** upon thirty (30) days of receipt of invoice and full acceptance of product and services by the **City**. Said compensation of the **Amendment No. 1** shall cover all expenses, losses, damages, and consequences arising out of the nature of work during its progress or prior to its acceptance including those for well and faithfully completing the work and the whole thereof in the manner of time specified in the aforesaid Agreement; and also include those arising from actions of the elements, unforeseen difficulties or obstructions encountered in the prosecution of the work, suspension or discontinuance of the work, and all other unknowns or risk of any description connected with the work."*

**SECTION 5: INCORPORATION OF REMAINING TERMS.** Other than as expressly modified in this Amendment No. 1 with respect to the term of the Agreement, all remaining terms, conditions, and provisions of the Agreement, and the entirety thereof, shall remain in full force and effect, and is incorporated fully herein by this reference.

**AMENDMENT NO. 1 TO AGREEMENT NO. 2669**

Page 3 of 3

**IN WITNESS WHEREOF**, the Parties have executed this **Amendment No. 1** to Agreement No. 2669 to provide contracted services, to design, construction, and maintenance and support of the Montebello Bus Lines Compressed Natural Gas Station as of the day and year first above written.

("CITY")

("CONTRACTOR")

**CITY OF MONTEBELLO**

**CLEAN ENERGY FUELS CORP**

By: \_\_\_\_\_  
René Bobadilla, P.E., City Manager

By: \_\_\_\_\_  
Robert Vreeland, CFO

**ATTEST:**

By: \_\_\_\_\_  
Christopher Jimenez, City Clerk

**APPROVED AS TO FORM:**

By: \_\_\_\_\_  
Arnold M. Alvarez-Glasman,  
City Attorney

**EXHIBITS:**

- Exhibit "A" – Revised Scope of Work



July 19, 2022

Ms. Wendy Taing  
Management Analyst  
Montebello Bus Lines  
400 S. Taylor Ave.  
Montebello, CA 90640

Re: CNG Maintenance Contract 1 year Extension

Dear Wendy,

Clean Energy is proud of the fact we have provided the City of Montebello's CNG bus fleet with reliable fueling at your transit facility since we completed design, construction and commenced operations and maintenance services on September 1, 2012. We understand the importance of making rollout with your fleet every day.

Please find below pricing for a 1 year contract extension. The pricing offer is valid for 90 days.

- 1 year contract extension = hold our current pricing until 1-Sep-2023 (no CPI increase) = \$3,072.12 per month + \$0.21479 per DGE.
- The contract can be extended further during this new term, with normal CPI increases resuming on 1-Sep-2023.

The estimated, not-to-exceed value of this 1 year contract extension is \$140,000. This is just an estimate based on the monthly fee, per gallon fee and annual fuel usage. Clean Energy will bill based on actual volumes of fuel used, per the contract.

This pricing is for the following Operation & Maintenance (O&M) scope of service. Please note this is the same scope as our current contract and is re-stated here for convenience.

Clean Energy will continue to maintain the following CNG fueling station equipment that is already installed at your site:

- 2x Ariel CNG compressors
- 2x CNG compressor booster pumps
- Set of 3x high pressure CNG storage bottles
- 1x gas dryer
- 2x CNG fast fill dispensers
- CNG system pressure relief valves (PRVs)

Clean Energy's specific scope of maintenance service on this equipment:

- All routine inspections (see checklist below)
- Preventative maintenance (see checklist below)
- Emergency maintenance
- 24/7 call-outs service response

**Clean Energy**

4675 MacArthur Court, Suite 800  
Newport Beach, CA 92660  
949.437.1000

[CleanEnergyFuels.com](http://CleanEnergyFuels.com)



- Consumables, repair parts, rebuild parts
- Safe fueling training for Montebello Bus Lines staff
- Remote monitoring of station

Clean Energy's Scheduled Maintenance Plan								
Routine Inspection Checklist								
	Weekly	Bi-Weekly	Month	6 Month	12 Month	24 Month	36 Month	48 Month
Check / Record / Monitor 1st, 2nd, 3rd, 4th Stage Press / Temp	X							
Record Compressor Hours	X							
Check / Record / Monitor Inlet Pressure	X							
Check / Record / Monitor Oil Pressure	X							
Inspect all belts for proper tension and alignment	X							
Inspect all hoses and nozzles	X							
Inspect all piping and tubing supports	X							
Inspect compressor relief valves for sign of failures and leakage	X							
Check Area Lighting	X							
Check ESD Function				X				
Clean and lubricate break away couplings		X						
Clean entire site as needed	X							
Clean and wipe down dispensers		X						
Clean fueling nozzle		X						
Check dispenser for damages	X							
Drain scrubbers and filters	X							
Drain storage bottles			X					
Check equipments for unusual noise/vibration		X						
Monitor vehicle fueling cycle for proper operation	X							
Inspect all tubing, piping, and valves for leaks	X							
Monitor lubricator cycle movement indicator for proper operation		X						
Check compressor oil level, Fill to proper level	X							
Monitor primary and secondary packing vents for blowing.	X							
Inspect reds locks are installed on vessel's PRV shut off valves			X					
Inspect all piping, tubing, hoses for leaks		X						
Check fire extinguishers inspection date is current		X						
Preventative Maintenance Schedules								
	Weekly	Bi-weekly	Month	6 month	12 month	24 month	36 month	48 month
Ariel Compressor – PM Schedule 6				X	X	X	X	X
Ariel Compressor – PM Schedule 12					X	X	X	X
Ariel Compressor – PM Schedule 24						X		X
Ariel Compressor – PM Schedule 48								X
Dryer – PM Schedule 6				X	X	X	X	X
Storage – PM Schedule 12					X	X	X	X
Dispenser – PM Schedule 12					X	X	X	X
Site – PM Schedule 12					X	X	X	X

## Clean Energy

4675 MacArthur Court, Suite 800  
Newport Beach, CA 92660  
949.437.1000

CleanEnergyFuels.com



Clean Energy may, in its reasonable judgment, adjust the maintenance services it provides, or the intervals at which it provides such services if such changes are in accordance with the applicable equipment manufacturer's requirements.

Sincerely,

*Alphonse Anderson*

Alphonse Anderson  
Account Manager, Western Transit  
alphonse.anderson@cleanenergyfuels.com  
Cell: 949-266-1475

**Clean Energy**

4675 MacArthur Court, Suite 800  
Newport Beach, CA 92660  
949.437.1000

[CleanEnergyFuels.com](http://CleanEnergyFuels.com)



**CITY OF MONTEBELLO**

**CITY COUNCIL AGENDA STAFF REPORT**

**TO:** Honorable Mayor and City Council Members

**FROM:** René Bobadilla, P.E., City Manager

**BY:** Lupita Ibarra, Director of Transportation

**SUBJECT:** **Adopt Resolution No. 22-61 Authorizing the City Manager to Execute All Required Documents to Obtain Funds Provided by Senate Bill 1 (SB1)**

**DATE:** August 10, 2022

---

**RECOMMENDATIONS:**

It is recommended that the City Council:

- 1) Adopt Resolution No. 22-61 authorizing the City Manager to execute all required documents to obtain funds provided by Senate Bill 1 (SB1); and
- 2) Take such additional, related, action that may be desirable.

**FISCAL IMPACT**

The Senate Bill 1–Road Repair and Accountability Act of 2017 (SB1/RMRA) provides funding of approximately \$105 million annually to transit operators in California under the State of Good Repair Program (SGR). These funds are made available for eligible transit maintenance, rehabilitation, and capital projects. The City of Montebello (City) has various transit projects related to facility maintenance, repairs, and upgrades that will utilize the City’s Fiscal Year (FY) 2022-23 allocation of SGR funds of \$450,129.

In addition, an allocation of \$1,001,991 in State Transit Assistance (STA) funds for FY 2022-23 is available for operating and capital purposes. These funds are made possible to transit operators through a statewide excise tax imposed on diesel fuel. These funds are included in the adopted FY 2022-23 budget, in Fund 202 (Transit – State of Good Repairs [STA/SGR]).

**Adopt Resolution No. 22-61 Authorizing the City Manager to Execute All Required Documents to Obtain Funds Provided by Senate Bill 1**

These funds are in addition to the \$1.403 million in SB1/RMRA funds the City receives for non-Transit related projects. This other tranche of SB1/RMRA funds (recorded in Fund 201) is used for various street and road rehabilitation projects. The spending plan for these funds can be found in the FY 2022-23 capital improvement program budget.

**BACKGROUND**

On April 28, 2017, the Governor signed the Road Repair and Accountability Act of 2017, Senate Bill 1 (SB1) (Chapter 5, Statutes of 2017). SB1 provides additional revenue funding, through SGR and STA, to transit operators for eligible transit maintenance, rehabilitation, and capital projects. This funding is in addition to the \$1.403 million the City is forecasted to receive in additional SB 1 revenue earmarked for road repair and maintenance work and related projects.

SB1 named the California Department of Transportation (CalTrans) as the administrative agency responsible for these funds and emphasized the importance of accountability and transparency in the delivery of California’s transportation programs. In order to be eligible for SGR funding, local agencies must comply with various regulations and reporting requirements.

The Los Angeles County Metropolitan Transportation Authority (Metro) is the local planning agency designated to administer the distribution of these funds to transit agencies in the Los Angeles County region. If the City agrees to the conditions and requirements set forth in the Certification and Assurances document and all applicable statutes, regulations, and guidelines, the City becomes eligible to receive STA funding from the SGR Account for transit projects.

On June 23, 2022, Metro adopted the FY 2023 SB1-STA/SGR allocations (Attachment A). To obtain the City’s allocated funds, staff is also required to identify specific projects that will be associated with SGR and STA funds. These projects are as follows:

FY 2022-23 (SGR)	
Funding Available:	Projects:
\$450,129	<ul style="list-style-type: none"><li>• HVAC at Transit Facility</li><li>• Transportation Facility Improvements</li></ul>

In November 2017, SB1 also imposed an additional 20 cent statewide excise tax on diesel fuel which is revenue the City is eligible to receive through the STA. These revenues are programmed through the State’s STA account for FY 2022-23.

**Adopt Resolution No. 22-61 Authorizing the City Manager to Execute All Required Documents to Obtain Funds Provided by Senate Bill 1**

Page 3 of 3

The City proposes to use its share of STA FY 2022-23 funding (\$1,001,991) for capital and operating expenses as follows:

FY 2022-23 (STA)	
Funding Available:	Projects:
\$1,001,991	<ul style="list-style-type: none"><li>Hydrogen Fuel Cell Electric Battery Buses</li></ul>

**ANALYSIS**

The City operates Montebello Bus Lines (MBL) to provide fixed-route service to the cities of Alhambra, Bell Gardens, Commerce, Los Angeles, La Mirada, Montebello, Monterey Park, Pico Rivera, Rosemead, San Marino, South Gate, and Whittier on a yearly basis. Therefore, a consistent need exists to maintain access to available funding opportunities for the continued delivery of transportation services to the City and surrounding communities.

To ensure the City is able to continually access SGR and STA funding, the City previously approved and submitted the Authorized Agents Form and Certifications and Assurances Form (Attachment B) to Caltrans on March 23, 2022. In addition to these forms, the list of projects identified for SGR and STA funding must be approved through a Board (i.e., City Council) Resolution (Attachment C).

**SUMMARY**

Staff is recommending that the City Council adopt a Resolution authorizing the City Manager to execute all required documents to obtain funds provided by Senate Bill 1 (SB1) through the California Department of Transportation State of Good Repair Program and State Transit Assistance accounts.

**ATTACHMENTS:**

- A. Attachment A – FY 2023 SB1 STA & SGR Allocation
- B. Attachment B – Authorized Agent & Certifications and Assurances Forms
- C. Attachment C – Resolution No. 22-61 authorizing the City Manager to Execute Documents to Obtain Funds Provided by Senate Bill 1 (SB1)

**STATE AND LOCAL FUNDS**

Operators	Formula Allocation Procedure				Proposition C 5% Security	Proposition C 40% Discretionary	Measure R		Measure M	Senate Bill 1		Total
	TDA Article 4 + Interest	STA + Interest	Proposition A 95% of 40 % Discretionary	Sub-Total FAP			20% Bus Operations	Clean Fuel & Facilities		STA	State of Good Repair	
<b>Included Operators:</b>												
1 Metro Bus Ops	\$ 370,984,253	\$ 44,361,104	\$ 197,849,638	\$ 613,194,996	\$ 42,121,831	\$ 24,923,334	\$ 158,160,906	\$ -	\$ 157,912,946	\$ 34,506,408	\$ 15,501,469	\$ 1,046,321,890
<b>Municipal Operators:</b>												
2 Arcadia	649,251	50,043	224,140	923,435	3,858	103,344	178,418	-	178,138	38,926	17,487	1,443,606
3 Claremont	146,856	16,460	73,725	237,040	1,541	26,227	58,686	-	58,594	12,804	5,752	400,643
4 Commerce	462,628	46,268	391,840	900,736	24,796	1,244,651	164,959	-	164,700	35,990	16,168	2,551,999
5 Culver City	7,661,136	875,700	3,922,235	12,459,071	366,724	1,837,732	3,122,138	-	3,117,243	681,166	306,003	21,890,078
6 Foothill Transit	35,517,430	4,201,163	18,816,891	58,535,484	1,321,336	8,956,784	14,978,433	-	14,954,950	3,267,887	1,468,047	103,482,922
7 Gardena	7,023,418	803,274	3,597,842	11,424,535	259,483	2,218,482	2,863,918	-	2,859,428	624,829	280,695	20,531,371
8 La Mirada	288,301	12,224	54,753	355,278	2,503	19,478	43,584	-	43,515	9,509	4,272	478,138
9 Long Beach	32,053,804	3,628,053	16,493,649	52,175,505	3,057,135	9,144,335	12,935,117	-	12,914,838	2,822,091	1,267,781	94,316,801
10 Montebello	11,229,362	1,288,149	5,769,584	18,287,095	425,185	3,521,890	4,592,647	-	4,585,446	1,001,991	450,129	32,864,382
11 Norwalk	4,391,066	501,057	2,244,218	7,136,341	151,822	859,288	1,786,420	-	1,783,619	389,748	175,088	12,282,326
12 Redondo Beach	1,028,033	115,801	518,670	1,662,505	35,996	188,837	412,867	-	412,219	90,076	40,465	2,842,965
13 Santa Monica	27,832,582	3,197,272	14,320,490	45,350,345	1,088,936	5,957,484	11,399,253	-	11,381,382	2,487,007	1,117,249	78,781,655
14 Torrance	9,135,072	1,039,677	5,070,845	15,245,594	405,759	3,578,843	3,706,766	-	3,700,954	808,715	363,303	27,809,935
15 Sub-Total	137,418,939	15,775,142	71,498,883	224,692,963	7,145,074	37,657,374	56,243,205	-	56,155,028	12,270,738	5,512,439	399,676,821
<b>Eligible Operators:</b>												
16 Antelope Valley	-	-	5,840,121	5,840,121	198,045	1,785,658	3,577,126	-	3,571,518	780,432	350,597	16,103,496
17 LADOT	-	-	29,876,731	29,876,731	1,854,633	6,467,230	7,645,048	-	7,633,063	1,667,942	749,297	55,893,945
18 Santa Clarita	-	-	5,035,631	5,035,631	319,501	1,377,446	2,991,220	-	2,986,530	652,603	293,172	13,656,102
19 Foothill BSCP	-	-	6,467,657	6,467,657	-	599,534	1,654,985	-	1,652,391	361,073	162,206	10,897,845
20 Sub-Total	-	-	47,220,140	47,220,140	2,372,179	10,229,868	15,868,379	-	15,843,501	3,462,049	1,555,272	96,551,388
<b>Tier 2 Operators:</b>												
21 LADOT Community Dash	-	-	4,841,452	4,841,452	-	-	-	-	-	-	-	4,841,452
22 Glendale	-	-	1,450,906	1,450,906	-	-	-	-	-	-	-	1,450,906
23 Pasadena	-	-	962,342	962,342	-	-	-	-	-	-	-	962,342
24 Burbank	-	-	292,142	292,142	-	-	-	-	-	-	-	292,142
25 Sub-Total	-	-	7,546,842	7,546,842	-	-	-	-	-	-	-	7,546,842
26 Lynwood Trolley	-	-	-	-	-	233,639	-	-	-	-	-	233,639
27 Total Excluding Metro County of Los Angeles	137,418,939	15,775,142	126,265,865	279,459,946	9,517,253	48,120,882	72,111,584	-	71,998,530	15,732,787	7,067,710	504,008,691
28											67,097	67,097
29 <b>Grand Total</b>	<b>\$ 508,403,193</b>	<b>\$ 60,136,246</b>	<b>\$ 324,115,503</b>	<b>\$ 892,654,941</b>	<b>\$ 51,639,084</b>	<b>\$ 73,044,216</b>	<b>\$ 230,272,491</b>	<b>\$ -</b>	<b>\$ 229,911,476</b>	<b>\$ 50,239,195</b>	<b>\$ 22,636,276</b>	<b>\$ 1,550,397,678</b>

## State Transit Assistance State of Good Repair Program

### Recipient Certifications and Assurances

**Recipient:** City of Montebello

**Effective Date:** March 23, 2022

In order to receive State of Good Repair Program (SGR) funds from the California Department of Transportation (Department), recipients must agree to following terms and conditions:

#### A. General

- (1) The recipient agrees to abide by the State of Good Repair Guidelines as may be updated from time to time.
- (2) The potential recipient must submit to the Department a State of Good Repair Program Project List annually, listing all projects proposed to be funded by the SGR program. The project list should include the estimated SGR share assigned to each project along with the total estimated cost of each project..
- (3) The recipient must submit a signed Authorized Agent form designating the representative who can submit documents on behalf of the recipient and a copy of the board resolution authorizing the agent.

#### B. Project Administration

- (1) The recipient certifies that required environmental documentation will be completed prior to expending SGR funds. The recipient assures that each project approved for SGR funding comply with Public Resources Code § 21100 and § 21150.
- (2) The recipient certifies that SGR funds will be used for transit purposes and SGR funded projects will be completed and remain in operation for the estimated useful lives of the assets or improvements.
- (3) The recipient certifies that it has the legal, financial, and technical capacity to deliver the projects, including the safety and security aspects of each project.
- (4) The recipient certifies that there is no pending litigation, dispute, or negative audit findings related to any SGR project at the time an SGR project is submitted in the annual list.

- (5) Recipient agrees to notify the Department immediately if litigation is filed or disputes arise after submission of the annual project list and to notify the Department of any negative audit findings related to any project using SGR funds.
- (6) The recipient must maintain satisfactory continuing control over the use of project equipment and/or facilities and will adequately maintain project equipment and/or facilities for the estimated useful life of each project.
- (7) Any and all interest the recipient earns on SGR funds must be reported to the Department and may only be used on approved SGR projects or returned to the Department.
- (8) The recipient must notify the Department of any proposed changes to an approved project list by submitting an amended project list.
- (9) Funds will be expended in a timely manner.

### **C. Reporting**

- (1) Per Public Utilities Code § 99312.1 (e) and (f), the recipient must submit the following SGR reports:
  - a. Annual Expenditure Reports within six months of the close of the fiscal year (by December 31<sup>st</sup>) of each year.
  - b. The annual audit required under the Transportation Development Act (TDA), to verify receipt and appropriate expenditure of SGR funds. A copy of the audit report must be submitted to the Department within six months of the close of each fiscal year in which SGR funds have been received or expended.

### **D. Cost Principles**

- (1) The recipient agrees to comply with Title 2 of the Code of Federal Regulations Part 200, Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments.
- (2) The recipient agrees, and will assure that its contractors and subcontractors will be obligated to agree, that (a) Contract Cost Principles and Procedures, 48 CFR, Federal Acquisition Regulations System, Chapter 1, Part 31, et seq., shall be used to determine the allowability of individual project cost items and (b) those parties shall comply with Federal administrative procedures in accordance with 2 CFR, Part 200, Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments.

- (3) Any project cost for which the recipient has received payment that are determined by subsequent audit to be unallowable under 2 CFR, Part 200, are subject to repayment by the recipient to the State of California (State). Should the recipient fail to reimburse moneys due to the State within thirty (30) days of demand, or within such other period as may be agreed in writing between the Parties hereto, the State is authorized to intercept and withhold future payments due the recipient from the State or any third-party source, including but not limited to, the State Treasurer and the State Controller.

**E. Record Retention**

- (1) The recipient agrees, and will assure that its contractors and subcontractors shall establish and maintain an accounting system and records that properly accumulate and segregate incurred project costs and matching funds by line item for the project. The accounting system of the recipient, its contractors and all subcontractors shall conform to Generally Accepted Accounting Principles (GAAP), enable the determination of incurred costs at interim points of completion, and provide support for reimbursement payment vouchers or invoices. All accounting records and other supporting papers of the recipient, its contractors and subcontractors connected with SGR funding shall be maintained for a minimum of three (3) years from the date of final payment and shall be held open to inspection, copying, and audit by representatives of the State and the California State Auditor. Copies thereof will be furnished by the recipient, its contractors, and subcontractors upon receipt of any request made by the State or its agents. In conducting an audit of the costs claimed, the State will rely to the maximum extent possible on any prior audit of the recipient pursuant to the provisions of federal and State law. In the absence of such an audit, any acceptable audit work performed by the recipient's external and internal auditors may be relied upon and used by the State when planning and conducting additional audits.
- (2) For the purpose of determining compliance with Title 21, California Code of Regulations, Section 2500 et seq., when applicable, and other matters connected with the performance of the recipient's contracts with third parties pursuant to Government Code § 8546.7, the recipient, its contractors and subcontractors and the Department shall each maintain and make available for inspection all books, documents, papers, accounting records, and other evidence pertaining to the performance of such contracts, including, but not limited to, the costs of administering those various contracts. All of the above referenced parties shall make such materials available at their respective offices at all reasonable times during the entire project period and for three (3) years from the date of final payment. The State, the California State Auditor, or any duly authorized representative of the State, shall each have access to any books, records, and documents that are pertinent to a project for audits, examinations, excerpts, and transactions, and the recipient shall furnish copies thereof if requested.

- (3) The recipient, its contractors and subcontractors will permit access to all records of employment, employment advertisements, employment application forms, and other pertinent data and records by the State Fair Employment Practices and Housing Commission, or any other agency of the State of California designated by the State, for the purpose of any investigation to ascertain compliance with this document.

**F. Special Situations**

- (1) Recipient acknowledges that if a project list is not submitted timely, the recipient forfeits its apportionment for that fiscal year.
- (2) Recipients with delinquent expenditure reports may risk future eligibility for future SGR funding.
- (3) Recipient acknowledges that the Department shall have the right to perform an audit and/or request detailed project information of the recipient's SGR funded projects at the Department's discretion from SGR award through 3 years after the completion and final billing of any SGR funded project.. Recipient agrees to provide any requested project information.

I certify all of these conditions will be met.

**CITY OF MONTEBELLO**

**BY:**



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René Bobadilla, P.E., City Manager



Authorized Agent

The following individual(s) are hereby authorized to execute for and on behalf of the named Regional Entity/Transit Operator, and to take any actions necessary for the purpose of obtaining State Transit Assistance State of Good Repair funds provided by the California Department of Transportation, Division of Rail and Mass Transportation. This form is valid at the beginning of Fiscal Year 2022-2023 until the end of the State of Good Repair Program. If there is a change in the authorized agent, the project sponsor must submit a new form. This form is required even when the authorized agent is the executive authority himself.

René Bobadilla, City Manager OR  
(Name and Title of Authorized Agent)

Arlene Salazar, Assistant City Manager OR  
(Name and Title of Authorized Agent)

Lupita Ibarra, Director of Transportation  
(Name and Title of Authorized Agent)

AS THE City Manager  
(Chief Executive Officer / Director / President / Secretary)

OF THE City of Montebello  
(Name of County/City Organization)

René Bobadilla City Manager  
(Print Name) (Title)

  
(Signature)

Approved this 23rd day of March, 2022

**RESOLUTION NO. 22-61**

**RESOLUTION OF THE CITY OF MONTEBELLO, CALIFORNIA,  
AUTHORIZING THE CITY MANAGER TO EXECUTE ALL REQUIRED  
DOCUMENTS TO OBTAIN FUNDS PROVIDED BY SENATE BILL 1  
(SB1)**

**RECITALS**

**WHEREAS**, the City of Montebello (City) is an eligible project sponsor and MAY RECEIVE State Transit Assistance funding from the State of Good Repair Account (SGR) or sometime in the future for transit projects; and

**WHEREAS**, the statutes related to state-funded transit projects require a local or regional implementing agency to abide by various regulations; and

**WHEREAS**, Senate Bill 1 (2017) named the Department of Transportation (hereinafter the "Department") as the administrative agency for the SGR; and

**WHEREAS**, the Department has developed guidelines for the purpose of administering and distributing SGR funds to eligible project sponsors (local agencies); and

**WHEREAS**, the Montebello City Council has reviewed and approved a list of projects for funding under this program; and

**WHEREAS**, the City agrees to comply with all conditions and requirements set forth in the Certification and Assurances document as identified in Attachment B; and

**WHEREAS**, the City of Montebello wishes to delegate authorization to execute required documents and any amendments thereto the City Manager and appointed Designee.

**NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF MONTEBELLO  
HEREBY RESOLVES, FINDS, AND DECLARES AS FOLLOWS:**

APPROVES THE AUTHORIZATION OF THE CITY MANAGER TO EXECUTE ALL  
REQUIRED DOCUMENTS TO OBTAIN FUNDS PROVIDED BY SENATE BILL 1 (SB1);  
AND

**SECTION 1: Approvals and Certifications.**

1. Certifies that the City Manager and appointed Designee be authorized to execute all required documents of the SGR and any Amendments thereto with the California Department of Transportation; and
2. Agrees to comply with all applicable federal, state, and local laws, ordinances, rules, regulations, and guidelines for all SGR funded transit projects; and

**RESOLUTION NO. 22-61**

Page 2 of 2

**SECTION 2:** That the City Clerk shall certify to the passage and adoption of this Resolution and that the same shall be in full force and effect.

**APPROVED AND ADOPTED** this 10<sup>th</sup> day of August 2022.

\_\_\_\_\_  
Kimberly A. Cobos-Cawthorne, Mayor

**ATTEST:**

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Christopher Jimenez, City Clerk

\_\_\_\_\_  
Arnold M. Alvarez-Glasman, City Attorney

STATE OF CALIFORNIA        )  
COUNTY OF LOS ANGELES    )     SS:  
CITY OF MONTEBELLO         )

I, Christopher Jimenez, City Clerk of the City of Montebello, County of Los Angeles, State of California, hereby certify that the foregoing Resolution No. 22-61 was passed and adopted by the City Council of the City of Montebello, signed by the Mayor and attested by the City Clerk at a regular meeting of said Council held on the 10<sup>th</sup> day of August 2022 and that said Resolution was adopted by the following vote, to-wit:

**AYES:**  
**NOES:**  
**ABSTAIN:**  
**ABSENT:**

The undersigned, City Clerk of the City of Montebello, does hereby attest and certify that the foregoing Resolution is a true, full and correct copy of a resolution duly adopted at a meeting of said City which was duly convened and held on the date stated thereon, and that said document has not been amended, modified, repealed or rescinded since its date of adoption and is in full force and effect as of the date hereof.

DATE: \_\_\_\_\_

\_\_\_\_\_  
Christopher Jimenez, City Clerk



## CITY OF MONTEBELLO

### CITY COUNCIL AGENDA STAFF REPORT

**TO:** Honorable Mayor and City Council Members

**FROM:** René Bobadilla, P.E., City Manager

**BY:** Lupita Ibarra, Director of Transportation

**SUBJECT:** **Approve Establishing Sole-Source Blanket Purchase Orders with American Moving Parts, Cummins Pacific, Inland Kenworth, Interstate Batteries, Napa Auto Parts, NFI Parts, and Wayne Electric Company to Purchase Maintenance-related Bus Parts and Vehicle Fleet Parts**

**DATE:** August 10, 2022

---

#### **RECOMMENDATIONS:**

It is recommended that the City Council:

- 1) Approve establishing a sole-source blanket purchase order with American Moving Parts, LLC (American Moving Parts), for the total not-to-exceed amount of \$80,000, to purchase maintenance-related bus parts for Montebello Bus Lines (MBL) and vehicle fleet parts for the Montebello Fire Department (MFD) for the Fiscal Year 2022-23; and
- 2) Approve establishing a sole-source blanket purchase order with Cummins Pacific, LLC (Cummins Pacific), for the total not-to-exceed amount of \$80,000, to purchase maintenance-related bus parts for MBL and vehicle fleet parts for the MFD for the Fiscal Year 2022-23; and
- 3) Approve establishing a sole-source blanket purchase order with Inland Kenworth Inc. (Inland Kenworth), for the total not-to-exceed amount of \$75,000, to purchase maintenance-related bus parts for the Fiscal Year 2022-23; and
- 4) Approve establishing a sole-source blanket purchase order with R & M Hansen Enterprises, Inc. (dba Interstate Batteries), for the total not-to-exceed amount of \$75,000, to purchase maintenance-related bus parts for the Fiscal Year 2022-23; and

**Approve Establishing Sole-Source Blanket Purchase Orders with American Moving Parts, Cummins Pacific, Inland Kenworth, Interstate Batteries, Napa Auto Parts, NFI Parts, and Wayne Electric Company to Purchase Maintenance-related Bus Parts and Vehicle Fleet Parts**

Page 2 of 6

- 5) Approve establishing a sole-source blanket purchase order with SoCal Auto & Truck Parts, Inc. (dba Napa Auto Parts), for the total not-to-exceed amount of \$85,000, to purchase maintenance-related bus parts for the Fiscal Year 2022-23; and
- 6) Approve establishing a sole-source blanket purchase order with The Aftermarket Parts Company, LLC (dba NFI Parts), for the total not-to-exceed amount of \$200,000, to purchase maintenance-related bus parts for the Fiscal Year 2022-23; and
- 7) Approve establishing a sole-source blanket purchase order with Wayne Harmeier, Inc., (dba Wayne Electric Company), for the total not-to-exceed amount of \$75,000, to purchase maintenance-related bus parts for the Fiscal Year 2022-23; and
- 8) Take such additional, related, action that may be desirable.

**FISCAL IMPACT**

Funds for the blanket purchase order (PO) with American Moving Parts are approved in the City of Montebello’s Fiscal Year 2022-23 operating budget in two Departments: Montebello Fire Department’s (MFD) Account No. 100-85-860-6080.30 (Vehicle Repair and Services) for the amount of \$60,000 and MBL’s Account No. 600-90-915-6080.50 (Bus Parts) for the amount of \$20,000.

<b>Department</b>	<b>Expense Account</b>	<b>Proposed Amount</b>
Fire Department	100-85-860-6080.30	\$60,000
Transportation Department	600-90-915-6080.50	\$20,000
TOTAL		\$80,000

Funds for the blanket PO with Cummins Pacific are approved in the FY 2022-23 adopted budget: MFD’s Account No. 100-85-860-6080.30 (Vehicle Repair and Services) for the amount of \$30,000, MBL’s Account No. 600-90-915-6080.50 (Bus Parts) for the amount of \$35,000; and Federal Transit Administration (FTA) Grant CA 2021-075 Account No. 270-9063-2018-003-6080.50 for the amount of \$15,000.

<b>Department</b>	<b>Expense Account</b>	<b>Proposed Amount</b>
Fire Department	100-85-860-6080.30	\$30,000
Transportation Department	600-90-915-6080.50	\$35,000
Transportation Department	270-9063-2018-003-6080.50	\$15,000
TOTAL		\$80,000

**Approve Establishing Sole-Source Blanket Purchase Orders with American Moving Parts, Cummins Pacific, Inland Kenworth, Interstate Batteries, Napa Auto Parts, NFI Parts, and Wayne Electric Company to Purchase Maintenance-related Bus Parts and Vehicle Fleet Parts**

Page 3 of 6

Funds for the blanket PO with Inland Kenworth are approved in the FY 2022-23 budget: MLB’s operating expense account 600-90-915-6080.50 (Bus Parts) for the amount of \$49,500 and FY17/18 Senate Bill 1/State of Good Repair Grant expense Account No. 202-921-2017-6080.50 for the amount of \$25,500.

<b>Department</b>	<b>Expense Account</b>	<b>Proposed Amount</b>
Transportation Department	600-90-915-6080.50	\$49,500
Transportation Department	202-921-2017-6080.50	\$25,500
	<b>TOTAL</b>	<b>\$75,000</b>

Funds for the blanket PO with NFI Parts are approved in the City FY 2022-23 budget: MLB’s operating expense account 600-90-915-6080.50 (Bus Parts) for the amount of \$180,000 and FTA Grant CA 2021-075 expense Account No. 270-9064-2022-200 for the amount of \$20,000.

<b>Department</b>	<b>Expense Account</b>	<b>Proposed Amount</b>
Transportation Department	600-90-915-6080.50	\$180,000
Transportation Department	270-9064-2022-200	\$20,000
	<b>TOTAL</b>	<b>\$200,000</b>

Funds for the blanket PO with Wayne Electric Company are approved in the City FY 2022-23 budget: MLB’s operating expense account 600-90-915-6080.50 (Bus Parts) for the amount of \$44,000 and FTA Grant CA 2019-033 expense Account No. 270-9063-2018-003 for the amount of \$31,000.

<b>Department</b>	<b>Expense Account</b>	<b>Proposed Amount</b>
Transportation Department	600-90-915-6080.50	\$44,000
Transportation Department	270-9063-2018-003	\$31,000
	<b>TOTAL</b>	<b>\$75,000</b>

Funds for the blanket PO with Interstate Batteries are approved in the City’s FY 2022-23 budget: MBL’s Account No. 600-90-915-6080.50 (Bus Parts) for the amount of \$75,000.

<b>Department</b>	<b>Expense Account</b>	<b>Proposed Amount</b>
Transportation Department	600-90-915-6080.50	\$75,000
	<b>TOTAL</b>	<b>\$75,000</b>

Funds for the blanket PO with Napa Auto Parts are approved in the City’s FY 2022-23 budget: MBL’s operating expense account–600-90-915-6080.50 (Bus Parts) for the amount of \$68,000; 600-90-915-6080.60 (Vehicle Parts) for the amount of \$10,000; 600-90-915-6010.30 (Small Tools) for the amount of \$4,000; and 600-90-915-6000.20 (Non-Durable) for the amount of \$3,000.

**Approve Establishing Sole-Source Blanket Purchase Orders with American Moving Parts, Cummins Pacific, Inland Kenworth, Interstate Batteries, Napa Auto Parts, NFI Parts, and Wayne Electric Company to Purchase Maintenance-related Bus Parts and Vehicle Fleet Parts**

Department	Expense Account	Proposed Amount
Transportation Department	600-90-915-6080.50	\$68,000
Transportation Department	600-90-915-6080.60	\$10,000
Transportation Department	600-90-915-6010.30	\$4,000
Transportation Department	600-90-915-6000.20	\$3,000
	TOTAL	\$85,000

**BACKGROUND**

The City operates MBL with a fleet of sixty-six (66), 35ft-45ft buses (three electric, twenty-six hybrid, and thirty-seven Compressed Natural Gas (CNG)), and one 25ft cutaway shuttle bus that requires regular maintenance to ensure superior transportation service is provided to the City and surrounding communities. The most efficient and cost-effective way to purchase replacement bus parts is to establish blanket POs with the primary companies that supply the maintenance and replacement parts. In addition, the Fire Department utilizes parts from two of these suppliers in addition to Transportation: American Moving Parts and Cummins Pacific for its response and support vehicles and apparatus.

Purchase items may include but are not limited to the following:

- American Moving Parts: Brakes, cables, filters, and sensor replacements.
- Cummins Pacific: Spark plug kit, fan support, electronic control modules, engine wiring harness, and water pumps.
- Inland Kenworth: Valves, engine control modules, engine in-frame kit, coil extension, and cylinder head.
- Interstate Batteries: AGM batteries, electrical cables and clamps, and diagnostic tools.
- Napa Auto Parts: Pressure valves, pressure sensor, brake meter, and thermostat.
- NFI Parts: Headlights, fan control modules, clamps, windshield wipers, coolants, airbags, and thrust washers.
- Wayne Electric Company: EMP alternators, air conditioning compressors, and toggle switches.

The Fire Department operates through the use of engines that are manufactured by the following three companies: Cummins, Detroit Diesel Corporation, and Kovatch Mobile Equipment Corporation (KME). To properly maintain MFD’s vehicle fleet, the parts replacements must come from the original manufacturer due to proprietary rights. American Moving Parts is a major asset to the MFD since American Moving Parts holds

**Approve Establishing Sole-Source Blanket Purchase Orders with American Moving Parts, Cummins Pacific, Inland Kenworth, Interstate Batteries, Napa Auto Parts, NFI Parts, and Wayne Electric Company to Purchase Maintenance-related Bus Parts and Vehicle Fleet Parts**

the right to purchase parts from the manufacturers described above. Sole-sourcing maintenance and repair parts from American Moving Parts results in a 15-20% savings in contrast to contracting with each manufacturer.

The total amount required for each blanket PO for FY 2022-23 to purchase maintenance-related bus parts for MBL and vehicle fleet parts for MFD is as follows:

<b>Vendor</b>	<b>FY 2020-21 Expensed</b>	<b>FY 2021-22 Expensed</b>	<b>FY 2022-23 (Anticipated Total Expenditures)</b>
American Moving Parts	\$45,268	\$59,582	\$80,000
Cummins Pacific	\$16,617	\$ 48,016	\$80,000
Inland Kenworth	\$30,180	\$43,702	\$75,000
Interstate Batteries	\$18,959	\$ 27,954	\$75,000
Napa Auto Parts	\$97,379	\$ 74,008	\$85,000
NFI Parts	\$406,773	\$166,765	\$200,000
Wayne Electric Company	\$77,972	\$69,989	\$75,000
<b>Total Annual Expensed</b>	<b>\$693,148</b>	<b>\$490,016</b>	<b>\$670,000</b>

Conformance with Bidding Procedures

Chapter 3.20.050 of the Montebello Municipal Code (MMC) details exceptions to bidding and procurement procedures. The recommended action would approve sole-source agreements with the various vendors identified above to supply essential vehicle parts to Fire and Transit. Staff has identified that these vendors are suppliers of genuine original equipment manufacturer (OEM) parts that are compatible with Fire and Transit vehicles. In addition, the suppliers are direct or sub-contracted vendors of the particular vehicle manufacturer.

Approving a sole-source purchase of these parts provides staff with the required resources needed to properly service the various vehicles in Fire and Transit. Therefore, staff recommends a sole-source exception, as allowed per MMC 3.20.050(B), which allows for the procurement of parts and equipment from reliable and cost-efficient vendors that allows the City’s Fire and Transit fleet to continue operations.

**Approve Establishing Sole-Source Blanket Purchase Orders with American Moving Parts, Cummins Pacific, Inland Kenworth, Interstate Batteries, Napa Auto Parts, NFI Parts, and Wayne Electric Company to Purchase Maintenance-related Bus Parts and Vehicle Fleet Parts**

Page 6 of 6

**SUMMARY**

Staff is recommending that the City Council approve establishing blanket purchase orders with the following vendors and in the following amounts: American Moving Parts for the total not-to-exceed amount of \$80,000; with Cummins Pacific for the total not-to-exceed amount of \$80,000; with Inland Kenworth for the total not-to-exceed amount of \$75,000; with Interstate Batteries for the total not-to-exceed amount of \$75,000; Napa Auto Parts for the total not-to-exceed amount of \$85,000; with NFI Parts for the total not-to-exceed amount of \$200,000; with Wayne Electric Company for the total not-to-exceed amount of \$75,000, for maintenance-related bus parts and vehicle fleet parts; and direct staff to take such additional related, action that may be desirable.



## CITY OF MONTEBELLO

### CITY COUNCIL AGENDA STAFF REPORT

**TO:** Honorable Mayor and Members of the City Council

**FROM:** René Bobadilla, City Manager

**BY:** Michael A. Solorza, Director of Finance  
Nicholas Razo, Director of Human Resources and Information Technology

**SUBJECT:** **Approve Agreements with Coastal Occupational Medical Group (Agreement No. 3996) and Reliant Immediate Care Medical Group (Agreement No. 3997)**

**DATE:** August 10, 2022

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#### **RECOMMENDATIONS:**

It is recommended that City Council take the following actions:

- 1) Approve the attached agreement with Coastal Occupational Medical Group (Akeso) (Agreement No. 3996); and
- 2) Approve the attached agreement with Reliant Immediate Care Medical Group, Inc.(Reliant) (Agreement No. 3997); and,
- 3) Take such additional, related action(s) that may be desirable.

#### **FISCAL IMPACT**

Agreement No. 3996 with Coastal Occupational Medical Group (Akeso) has a three (3) year term and includes two (2), one (1) year extension options. The initial annual compensation is \$20,000 annually. If needed, the City Manager will have the authority to increase the yearly expenditure amount by up to \$5,000 annually for the duration of the agreement. The total maximum compensation shall not exceed \$125,000 over five (5) years (i.e., up to \$25,000 per year over five (5) years, equals maximum of \$125,000).

Agreement No. 3997 with Reliant also has a three (3) year term and includes two (2), one (1) year extension options. The initial annual compensation is \$75,000 annually. If

**Request to Approve Agreements with Coastal Occupational Medical Group (Agreement No. 3996) and Reliant Immediate Care Medical Group (Agreement No. 3997)**

Page 2 of 3

needed, the City Manager will have the authority to increase the yearly expenditure amount by up to \$25,000 annually for the duration of the agreement. The total maximum compensation shall not exceed \$500,000 over five (5) years (i.e., up to \$100,000 per year over five (5) years for a maximum of \$500,000).

The City must maintain the services of non-emergency medical professionals to conduct various services. These services are primarily used for pre-employment screening, COVID testing and for existing employees who experience minor medical issues while on duty. Funding for these expenses are split between the Human Resources-Information Technology and Transit Departments (i.e., pre-employment screening and on-the-job clinic costs for Transit employees are charged to the Transit Fund, all other non-Transit expenses are recorded in the Human Resources-Information Technology Department). Sufficient funding for these services have been included in the Fiscal Year 2022-23 adopted budget.

**DISCUSSION**

To ensure non-emergency medical services are available, the City has established agreements with various medical offices and professionals. Included on this list are Akeso and Reliant. Both medical offices provide pre-employment health screenings, COVID testing and other non-emergency medical services for employees. Both maintain offices within the City and have consistently offered satisfactory services. For this reason, it is recommended that City Council approve the attached agreements with these medical service providers.

The services associated with the agreements mentioned above are conducted by or under the supervision of certified, licensed medical professionals. For this reason, the services are professional in nature and exempt from the bidding process according to Montebello Municipal Code Chapter 3.20.050(H) – Conformance with Bidding Procedures, which states:

*Purchases of supplies and equipment for city use shall be made and accomplished in conformity with Section 3.20.080 or Section 3.20.090 except:*

*Professional Services - Nothing shall be construed to preclude the City from awarding a written contract for professional type services, as defined by case or statutory law, without complying with the provisions of this article. The term "professional services" means services entailing a high degree of specialized technical or mental skill, in a recognized field of expertise. Such services include attorneys, **physicians**, architects, engineers, appraisers, accountants, collection agency, detective agency, draftsman, mortuary, hospitals, escrow agency, travel agency, insurance broker, employment agency, advertising agency, real estate, chiropractic and optometry.*

**Request to Approve Agreements with Coastal Occupational Medical Group (Agreement No. 3996) and Reliant Immediate Care Medical Group (Agreement No. 3997)**

Page 3 of 3

**SUMMARY**

The City must maintain agreements with medical service providers to conduct various medical screenings to conduct the pre-employment process and other non-emergency medical services for existing employees (i.e., on-the-job injuries, COVID testing, etc.). To ensure these services are accessible, it is recommended that City Council approve the attached agreements with Akeso and Reliant. Sufficient funding is included in the FY 2022-23 adopted budget in both the Human Resources-Information Technology and Transit Departments. The total annual costs for the services provided by both of these medical groups is estimated to be \$95,000.

**ATTACHMENTS:**

- A. Attachment A – Agreement No. 3996 – Akeso
- B. Attachment B – Agreement No. 3997 – Reliant

**CITY OF MONTEBELLO**

**PROFESSIONAL SERVICES AGREEMENT NO. 3996  
WITH COASTAL OCCUPATIONAL MEDICAL GROUP DBA AKESO  
OCCUPATIONAL HEALTH**

THIS PROFESSIONAL SERVICES AGREEMENT (“Agreement”) is made and entered into on **August 10, 2022** (“Effective Date”), by and between the CITY OF MONTEBELLO, a California municipal corporation (the “CITY”) and COASTAL OCCUPATIONAL MEDICAL GROUP DBA AKESO OCCUPATIONAL HEALTH (the “CONSULTANT”). The CITY and the CONSULTANT are sometimes referred to herein individual as the “Party,” and jointly as the “Parties.”

**RECITALS**

**WHEREAS**, the CITY desires to retain a qualified professional pre-employment and employee physicals and employee health services as needed in the CITY; and

**WHEREAS**, the CONSULTANT represents that it is fully qualified to perform such services by virtue of its experience and the training, education and expertise of its principals and employees.

**NOW THEREFORE**, in consideration of performance by the Parties of the covenants and conditions herein contained, the Parties hereto agree as follows:

**SECTION 1. INCORPORATION OF RECITALS AND OTHER CONTRACT DOCUMENTS**

a. The above-referenced Recitals constitute a material part hereof and shall hereby be incorporated by reference. Moreover, this Agreement consists of the following documents, in order of precedence, all of which are incorporated herein and made part of this Agreement, as though fully set forth herein:

1. This Agreement and its Exhibits, including any and all addenda or supplemental agreements.
2. Proposal referenced and Best Final Offer received by the successful proposer.
3. All other documents, including but not limited to all applicable bonds, insurance certificates, permits, notices, schedules, forms, certifications, and affidavits.

b. These documents shall be collectively referred to herein as the “Contract Documents.” In the event of a conflict among the Contract Documents, the order of precedence list above shall apply.

**SECTION 2. SERVICES / COMPENSATION.**

a. All terms, conditions, requirements, and provisions of the Proposal, as such is set forth fully in **Exhibit “A”** hereto, are hereby incorporated fully herein by this reference and shall be binding on the Parties. To the extent of a conflict between the terms of this Agreement and that set forth in any exhibits or attachments hereto, the terms of this Agreement shall govern.

## PROFESSIONAL SERVICES AGREEMENT NO. 3996

Page 2 of 12

b. The CONSULTANT shall provide to the CITY all labor, equipment, materials and incidental necessary to provide pre-employment and employee physicals and employee health services as set forth fully in the Proposal, as such is set forth fully in **Exhibit "A"** hereto and incorporated fully herein by this reference (hereinafter "Professional Services").

c. The CONSULTANT shall be compensated for performance of the Professional Services as set forth in the Schedule of Compensation attached hereto as **Exhibit "B"** and incorporated fully herein by this reference ("Compensation"). The CONSULTANT shall provide an itemized billing statement to the CITY each month for Professional Services performed. The CONSULTANT shall not incur fees or costs which exceed the Compensation without the prior written consent of the CITY.

### **SECTION 3. TERM.**

a. This Agreement shall commence upon issuance of a written "Notice to Proceed" (as further defined below) by the CITY and shall expire on June 30, 2025 from the Effective Date, unless terminated earlier as hereinafter provided. This Agreement may be extended for up to two (2), one (1), one-year extension options upon such terms and conditions mutually agreed upon by the Parties in writing.

b. Notice to Proceed. Any work or service contemplated under this Agreement shall not commence until the CITY has issued a written Notice to Proceed issued by CITY's applicable, department head.

### **SECTION 4. PERFORMANCE.**

a. The CONSULTANT shall at all times, faithfully, competently, and to the best of its ability, experience, and talent, perform all tasks described herein.

b. The CONSULTANT shall employ, at a minimum, generally accepted standards and practices utilized by companies engaged in providing similar services, as are required of Consultant hereunder, in meeting its obligations under this Agreement.

c. The CONSULTANT shall be knowledgeable of and subject to all CITY ordinances, rules and regulations, standard operating procedures, and the supervisory chain of command.

d. The CONSULTANT shall have the right to retain, subject to the CITY's approval, additional individuals, consultants or subconsultants to assist in the completion of services as herein defined. Compensation for additional individuals, consultants or subconsultants shall be the sole and exclusive responsibility of the CONSULTANT.

e. The CONSULTANT shall retain all original reports, field and office notes, correspondence, calculations, maps, and other documents specifically related to the services provided by the CONSULTANT pursuant to this Agreement, other than documents which are exempt from disclosure pursuant to the attorney-client privilege or any other law. Said documents shall be made available for inspection by the CITY upon request.

## **PROFESSIONAL SERVICES AGREEMENT NO. 3996**

Page 3 of 12

### **SECTION 5. WORK PRODUCT.**

a. The CONSULTANT hereby agrees that all work product produced pursuant to this Agreement, and provided to the CITY during and upon completion of this Agreement, shall be the property of the CITY, and ownership of said work product shall be retained by the CITY. The CONSULTANT may take and retain copies of such written products as desired, but no such written products shall be the subject of a copyright application by the CONSULTANT.

b. All data, documents, discussion, or other information developed or received by the CONSULTANT or provided for performance of this Agreement are deemed confidential and shall not be disclosed by the CONSULTANT without prior written consent by the CITY. The CITY shall grant such consent if disclosure is legally required. All such written products shall be returned to the CITY upon the termination or expiration of this Agreement. The CONSULTANT agrees that the covenants contained in this Section shall survive the expiration or termination of this Agreement.

### **SECTION 6. EXTRA SERVICES.**

No extra services over and above the Compensation shall be rendered by the CONSULTANT under this Agreement unless such extra services first shall have been duly authorized in writing by the CITY's City Manager (the "City Manager").

### **SECTION 7. CITY SUPERVISION.**

The City Manager shall have the right of general supervision of all work performed by the CONSULTANT and shall be the CITY's agent with respect to obtaining the CONSULTANT's compliance hereunder. No payment for services rendered under this Agreement shall be made without the prior approval of the City Manager.

### **SECTION 8. TERMINATION.**

In the event that either Party hereto fails or refuses to perform any of the provisions of this Agreement at the time and in the manner required, the non-defaulting party shall give the defaulting party written notice of the default, the nature of the default, and of the steps necessary to cure the default.

a. Termination for Cause. In the event that any of the provisions of the Agreement are violated by either party, the non-defaulting Party may terminate the Agreement by serving written notice upon the other Party, listing the violation(s) and its intent to terminate such Agreement unless within ten (10) days after the serving of such notice, such violation shall cease or be rectified, the contract shall upon the expiration of an additional thirty (30) days cease and terminate. Violations by the CONSULTANT which cannot be corrected within ten (10) days, said contract shall at the option of the CITY cease and terminate upon the giving of like notice. In the event of any such termination for default by the CONSULTANT, the CITY may take over the work and prosecute the same to completion by contract or otherwise for the account and at the expense of the CONSULTANT. The CONSULTANT and his sureties shall be liable to the CITY for any excess cost occasioned in the event of any such termination. This change shall not be construed to prevent the termination, for other causes authorized by law or other provisions of this contract. In the event of a termination for cause, the CONSULTANT shall only be entitled to

## **PROFESSIONAL SERVICES AGREEMENT NO. 3996**

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the Compensation for those Professional Services satisfactory performed on or before the effective date of termination.

b. Termination for Convenience. The CITY shall have the option, at its sole discretion and without cause, to terminate this Agreement in whole, or in part, by giving ten (30) business days' written notice to the CONSULTANT. Upon the termination of this Agreement as provided herein, the CITY shall provide to the CONSULTANT the part of Compensation which would otherwise be payable to the CONSULTANT for services the CONSULTANT had completed as of the date of termination, less the amount of all previous payment with respect to the Compensation. Further, upon such a termination for convenience by the CITY, the Parties agree that the CONSULTANT shall be reimbursed for any "non-refundable" costs that the CONSULTANT has incurred for its services under this Agreement, provided that: (1) such "non-refundable" costs were incurred by the CONSULTANT prior to the date of termination, and (2) that the CONSULTANT provides the CITY with adequate proof that the CONSULTANT incurred the costs, and is unable to be seek a refund for such costs. Such "non-refundable" costs may include, but are not limited to, travel reservations incurred by the CONSULTANT for its performance of services under this Agreement. The CONSULTANT agrees to cease all work under this Agreement on or before the effective date of any notice of termination.

### **SECTION 9. EMPLOYMENT OF CITY EMPLOYEES.**

No regular employee of the CITY shall be employed by the CONSULTANT during the term of this Agreement.

### **SECTION 10. NON-LIABILITY OF CITY OFFICIALS AND EMPLOYEES.**

No official or employee of the CITY shall be personally liable to the CONSULTANT in the event of any default or breach by the CITY, or for any amount which may become due to the CONSULTANT.

### **SECTION 11. INDEPENDENT CONSULTANT.**

a. The CONSULTANT is and shall, at all times, remain as to the CITY a wholly independent consultant. Neither the CITY nor any of its elected officials, officers, employees, or agents shall have control over the conduct of the CONSULTANT except as expressly set forth in this Agreement. The CONSULTANT shall not at any time or in any manner represent that he or she is in any manner an elected official, officer, employee, or agent of the CITY. No employee benefits shall be available to the CONSULTANT in connection with the performance of this Agreement. Except as provided in this Agreement, the CITY shall not pay salary, wages, or other compensation to the CONSULTANT for performance hereunder for the CITY, the CITY shall not be liable for compensation to the CONSULTANT, the CONSULTANT's employees or the CONSULTANT's subconsultants for injury or sickness arising out of performing services hereunder.

b. The parties further acknowledge and agree that nothing in this Agreement shall create or be construed to create a partnership, joint venture, employment relationship or any other relationship except as set forth in this Agreement.

c. The CITY shall not deduct from the Compensation paid to the

## **PROFESSIONAL SERVICES AGREEMENT NO. 3996**

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CONSULTANT any sums required for Social Security, withholding taxes, FICA, state disability insurance or any other federal, state or local tax or charge which may or may not be in effect or hereinafter enacted or required as a charge or withholding on the compensation paid to the CONSULTANT. The CITY shall have no responsibility to provide the CONSULTANT, its employees or subconsultants with workers' compensation insurance or any other insurance.

### **SECTION 12. CalPERS ANNUITANTS AND ELIGIBILITY INDEMNITY.**

a. If the CONSULTANT is a California Public Employees' Retirement System ("CalPERS") annuitant, the CONSULTANT must provide the City with written notification of such fact a minimum of 14 calendar days prior to commencement of services under this Agreement. Failure to provide such notification may result in termination of the Agreement, and any penalties or other costs relating thereto shall be borne by the CONSULTANT. If this Agreement remains in place, the CONSULTANT shall execute any amendment(s) to this Agreement requested by the City in order to comply with all laws and regulations applicable to CalPERS annuitants.

b. In the event that the CONSULTANT or any employee, agent, or subconsultant of the CONSULTANT providing services under this Agreement claims or is determined by a court of competent jurisdiction or CalPERS to be eligible for enrollment in CalPERS as an employee of the CITY, the CONSULTANT shall indemnify, defend, and hold harmless the CITY for the payment of any employee and/or employer contributions for CalPERS benefits on behalf of the CONSULTANT or its employees, agents, or subconsultants, as well as for the payment of any penalties and interest on such contributions, which would otherwise be the responsibility of the CITY.

c. Notwithstanding any other agency, state or federal policy, rule, regulation, law or ordinance to the contrary, the CONSULTANT and any of its employees, agents, and subconsultants providing service under this Agreement shall not qualify for or become entitled to, and hereby agree to waive any claims to, any compensation, benefit, or any incident of employment by the CITY, including but not limited to eligibility to enroll in PERS as an employee of the CITY and entitlement to any contribution to be paid by the CITY for employer contribution and/or employee contributions for PERS benefits.

### **SECTION 13. LEGAL RESPONSIBILITIES.**

The CONSULTANT shall at all times observe and comply with all applicable laws, ordinances, codes, and regulations of the federal, state, and local governments including, but not limited to the Montebello Municipal Code. The CITY, and its appointed or elected officers, employees, or agents, shall not be liable at law or in equity occasioned by failure of the CONSULTANT to comply with this section.

### **SECTION 14. INDEMNIFICATION.**

The CONSULTANT agrees to, and shall defend, indemnify, protect and hold harmless, the CITY, its elected and appointed boards, officers, officials, employees, agents and volunteers from and against any and all claims, demands, lawsuits, defense costs, civil, penalties, expenses, causes of action, and judgments at law or in equity, or liability of any kind or nature which the CITY, its elected and appointed

## PROFESSIONAL SERVICES AGREEMENT NO. 3996

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boards, officers, officials, employees, agents and volunteers may sustain or incur or which may be imposed upon them for injuries or deaths of persons, or damage to property arising out of the CONSULTANT's negligent or wrongful act, or omission under the terms of this Agreement, except only liability arising out of the sole negligence of the CITY.

### SECTION 15. INSURANCE COVERAGE.

a. During the term of this Agreement, the CONSULTANT shall carry, maintain, and keep in full force and effect insurance against claims for death or injuries to persons or damages to property that may arise from or in connection with CONSULTANT's performance of this Agreement. Such insurance shall be of the types and in the amounts as set forth below:

- **Commercial General Liability (CGL):** Insurance Services Office Form CG 00 01 covering CGL on an "occurrence" basis for bodily injury and property damage, including products-completed operations, personal injury, and advertising injury, with limits no less than \$1,000,000 per occurrence. If a general aggregate limit applies, the limit shall be twice the required occurrence limit.
- **Automobile Liability Insurance:** Insurance Services Office Form Number CA 0001 covering, Code 1 (any auto), or if CONSULTANT has no owned autos, Code 8 (hired) and 9 (non-owned), with limit no less than \$1,000,000 per accident for bodily injury and property damage.
- **Worker's Compensation** insurance as required by the laws of the State of California, with Statutory Limits, and Employer's Liability Insurance with limit of no less than \$1,000,000 per accident for bodily injury or disease.
- **Professional Liability** insurance appropriate to the CONSULTANT'S profession, with limit no less than \$1,000,000 per occurrence or claim, \$2,000,000 aggregate.

b. If the CONSULTANT maintains higher limits than the minimums shown above, the CITY requires and shall be entitled to coverage for the higher limits maintained by the CONSULTANT.

c. The CONTACTOR shall require each of its subconsultants, if any, to maintain insurance coverage that meets all of the requirements of this Agreement.

d. The policy or policies required by this Agreement shall be issued by an insurer admitted in the State of California and with a current rating of at least A:VII in the latest edition of Best's Insurance Guide.

e. Each insurance policy required above shall state that coverage shall not be canceled, except after thirty (30) days' prior written notice (ten [10] days for non-payment) has been given to the CITY. The CONSULTANT agrees that if it does not keep the aforesaid insurance in full force and effect the CITY may either (i) immediately terminate this Agreement for Cause; or (ii) take out the necessary insurance and pay, at the CONSULTANT's expense, the premium thereon.

## PROFESSIONAL SERVICES AGREEMENT NO. 3996

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f. **Evidence of Insurance prior to commencement.** The Contractor shall provide to the CITY Certificate(s) of Insurance evidencing such coverage together with copies of the required policy endorsements no later than five (5) business days prior to commencement of service and at least fifteen (15) business days prior to the expiration of any policy. Unreasonable failure to provide such evidence may be cause for termination of the Agreement as provided herein or delay the services' commencement date. The evidence of insurance shall be U.S. mail or email to:

City of Montebello  
Attn: Risk Manager  
1600 West Beverly Boulevard  
Montebello, CA 90640  
Email: gskibar@cityofmontebello.com

Coverage shall not be suspended, voided, cancelled, reduced in coverage or in limits, non-renewed, or materially changed for any reason, without thirty (30) days prior written notice thereof given by the insurer to the CITY by U.S. mail, or by personal delivery, except for nonpayment of premiums, in which case ten (10) days prior notice shall be provided.

g. **Evidence of Insurance during the entire term of the Agreement.** At all times during the term of this Agreement, the CONSULTANT shall maintain on file with the CITY's Risk Manager a certificate or certificates of insurance showing that the aforesaid policies are in effect in the required amounts and naming the CITY as an additional insured. The CONSULTANT shall, prior to commencement of work under this Agreement, file with the CITY's Risk Manager such certificate(s).

h. The CONSULTANT shall provide proof that policies of insurance required herein expiring during the term of this Agreement have been renewed or replaced with other policies providing at least the same coverage. Such proof will be furnished at least two (2) weeks prior to the expiration of the coverages.

i. The general liability and automobile policies of insurance required by this Agreement shall contain an endorsement naming the CITY, its officers, employees, agents and volunteers as additional insureds. All of the policies required under this Agreement shall contain an endorsement providing that the policies cannot be canceled or reduced except on thirty days' prior written notice to the CITY. The CONSULTANT agrees to require its insurer to modify the certificates of insurance to delete any exculpatory wording stating that failure of the insurer to mail written notice of cancellation imposes no obligation, and to delete the word "endeavor" with regard to any notice provisions.

j. The insurance provided by the CONSULTANT shall be primary to any coverage available to the CITY. Any insurance or self-insurance maintained by the CITY, its officers, employees, agents, or volunteers, shall be in excess of CONSULTANT's insurance and shall not contribute with it.

k. All insurance coverage provided pursuant to this Agreement shall not prohibit the CONSULTANT, and CONSULTANT's employees, agents or subconsultants, from waiving the right of subrogation prior to a loss. The CONSULTANT hereby waives all rights of subrogation against the CITY.

l. Any deductibles or self-insured retentions must be declared to and approved

## **PROFESSIONAL SERVICES AGREEMENT NO. 3996**

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by the CITY. At the option of the CITY, the CONSULTANT shall either reduce or eliminate the deductibles or self-insured retentions with respect to the CITY, or the CONSULTANT shall procure a bond guaranteeing payment of losses and expenses.

m. Procurement of insurance by the CONSULTANT shall not be construed as a limitation of the CONSULTANT'S liability or as full performance of CONSULTANT'S duties to indemnify, hold harmless and defend under the indemnity covenants of this Agreement.

### **SECTION 16. SUBCONTRACT, ASSIGNMENT OR DELEGATION.**

The CONSULTANT shall not subcontract, delegate, or assign its duties or rights hereunder, either in whole or in part, without the prior written consent of the CITY. Any proposed subcontract, delegation, or assignment shall provide a description of the services to be covered, identification of the proposed sub-consultant, delegee, or assignee, and an explanation of why and how the same was selected, including the degree of competition involved.

Any subcontract, delegation or assignment shall be made in the name of the CONSULTANT and shall not bind or purport to bind the CITY and shall not release the CONSULTANT from any obligations under this Agreement including, but not limited to, the duty to properly supervise and coordinate the work of employees, assignees, delegees or sub-consultants. No such subcontract, delegation or assignment shall result in any increase in the amount of total compensation payable to the CONSULTANT under the Agreement.

### **SECTION 17. NO WAIVER.**

Waiver by any party hereto of any term, condition or covenant of this Agreement shall not constitute the waiver of any other term, condition, or covenant hereof.

### **SECTION 18. DISPUTE RESOLUTION; GOVERNING LAW.**

Disputes regarding the interpretation or application of any provision(s) of this Agreement shall, to the extent reasonably feasible, be resolved through good faith negotiations between the Parties. If any action at law or in equity is brought to enforce this Agreement or because of alleged dispute, breach, default or misrepresentation in connection with the provisions of this Agreement, the prevailing party in such action shall be entitled to reasonable attorney's fees, expert fees, costs and necessary disbursements incurred in that action or proceeding, in addition to such other relief as may be sought and awarded. The venue for any litigation shall be County of Los Angeles, California. The Parties agree that the covenants contained in this Section shall survive the expiration or termination of this Agreement.

### **SECTION 19. ATTORNEY'S FEES AND COSTS.**

If litigation is reasonably required to enforce or interpret the provisions of this Agreement, the prevailing party in such litigation shall be entitled to an award of reasonable attorney's fees and costs in addition to any other relief to which it may be entitled.

## **PROFESSIONAL SERVICES AGREEMENT NO. 3996**

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### **SECTION 20. WARRANTIES.**

Each of the parties represents and warrants to one another as follows:

- a. It has received independent legal advice from its attorneys with respect to the advisability of entering into and executing this Agreement;
- b. In executing this Agreement, it has carefully read this Agreement, knows the contents thereof, and has relied solely on the statements expressly set forth herein and has placed no reliance whatsoever on any statement, representation, or promise of any other party, or any other person or entity, not expressly set forth herein, nor upon the failure of any other party or any other person or entity to make any statement, representation or disclosure of any matter whatsoever; and
- c. It is agreed that each party has the full right and authority to enter into this Agreement, and that the person executing this Agreement on behalf of either party has the full right and authority to fully commit and bind such party to the provisions of this Agreement.

### **SECTION 21. MISCELLANEOUS.**

- a. The descriptive paragraph headings of this Agreement are included for purposes of convenience only and shall not control or affect the construction of interpretation of any of its provisions.
- b. Whenever the context hereof shall so require, the singular shall include the plural, the male gender shall include the female gender, and the neuter and vice versa.
- c. In case any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision hereof and this Agreement shall be construed as if such invalid, illegal, or unenforceable provisions had never been contained herein.
- d. The representations and warranties made by the parties to this Agreement shall survive the consummation of the transaction herein described.
- e. This Agreement may be signed in any one or more counterparts all of which taken together shall be but one and the same Agreement. Any signed copy of this Agreement or of any other document or agreement referred to herein, or copy or counterpart thereof, delivered by facsimile transmission, shall for all purposes be treated as if it were delivered containing an original manual signature of the party whose signature appears in the facsimile and shall be binding upon such party in the same manner as though an originally signed copy had been delivered.
- f. Each of the parties acknowledges that it has been represented by independent counsel of its own choosing, or if it has not been so represented, it has been admonished to obtain independent counsel and has freely and voluntarily waived and relinquished the right to counsel. Each party who has not obtained independent counsel acknowledges that the failure to have independent legal counsel will not excuse such party's failure to perform under this Agreement or any agreement referred to in this Agreement.



**SECTION 24. CONFLICT OF INTEREST.**

The CONSULTANT covenants that it presently has no interest and shall not acquire any interest, direct or indirect, which may be affected by the services to be performed by the CONSULTANT under this Agreement, or which would conflict in any manner with the performance of its services hereunder. The CONSULTANT further covenants that, in performance of this Agreement, no person having any such interest shall be employed by it. Furthermore, the CONSULTANT shall avoid the appearance of having any interest that would conflict in any manner with the performance of its services pursuant to this Agreement.

The CONSULTANT covenants not to give or receive any compensation, monetary or otherwise, to or from the ultimate vendor(s) of services to the CITY as a result of the performance of this Agreement, or the services that may be procured by the CITY as a result of the recommendations made by the CONSULTANT. The CONSULTANT's covenant under this section shall survive the termination of this Agreement.

**SECTION 25. ENTIRE AGREEMENT.**

This Agreement contains the entire understanding between the CITY and the CONSULTANT. Any prior agreements, promises, negotiations or representations not expressly set forth herein are of no force or effect. Subsequent modifications to this Agreement shall be effective only if in writing and signed by each party. If any term, condition, or covenant of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions of this Agreement shall be valid and binding.

**[SIGNATURE PAGE TO FOLLOW]**

**PROFESSIONAL SERVICES AGREEMENT NO. 3996**

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IN WITNESS WHEREOF, the parties, through their respective authorized representatives, have executed this Agreement as of the date first written above.

("CITY")

**CITY OF MONTEBELLO**

("CONSULTANT")

**Coastal Occupational Medical  
Group DBA Akeso Occupational  
Health**

\_\_\_\_\_  
René Bobadilla, City Manager

\_\_\_\_\_  
Daniel Pancak, Chief Financial Officer

**ATTEST:**

\_\_\_\_\_  
Christopher Jimenez, City Clerk

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Arnold M. Alvarez-Glasman, City Attorney

**EXHIBITS:**

- Exhibit A – Price Proposal
- Exhibit B – Schedule of Compensation

**EXHIBIT "A"**

**Price Proposal**



**Akeso**  
Occupational Health

11817 E Telegraph Rd.  
Santa Fe Springs CA 90670  
Phone: (562) 949-9328  
Fax: (562) 949-4588

**Client Service Agreement**

Date : 05/05/22

Created Date:

Last ModifiedDate: 03/12/21

Please assist us in providing you with excellent service by updating any changes in your contact or billing information. The Encounter Protocols below list the preventive services that we are currently providing for you. Please contact us with any changes or questions. Payment is required upon receipt of invoice. For questions about your billing statement please call our Billing Department at (562) 926-5099.

**Employer Name** CITY OF MONTEBELLO (1451)

**Employer Address** 1600 WEST BEVERLY BLVD.

**City** MONTEBELLO

**Zip** 90640

**State** CA

**Phone** (323) 887-1200

**Business Type**

**Email**

**SIC Code**

**No. of Employees** 0

**Work Status** Hand Carry

**Contacts**

Name	Phone	Ext.	Fax	E-mail
<b>Others</b>				
LIZ ORTEGA	(323) 887-1200	386		lortega@cityofmontebello.com
ADRIANNA KENDRICKS	(323) 558-1625	201		AKendricks@cityofmontebello.com
<b>Physical</b>				
ELVA PHAM	(323) 887-1385			epham@cityofmontebello.com
<b>Workers Comp</b>				
GINA SKIBAR	(323) 970-5695	CELL	(562)	gskibar@cityofmontebello.com

**General Notes**

From: Pham, Elva <EPham@cityofmontebello.com>  
Sent: Tuesday, January 19, 2021 8:19 AM  
To: Lucy Flores

\*Subject: RE: Unpaid Open invoices for City of Montebello

\*Going forward, please email all invoices to Kathleen Camacho kcamacho@cityofmontebello.com

**Injury Instructions**

Individuals authorizing treatment CONTACTS

Make Status calls on 1ST VISIT, CHANGE IN STATUS, D/C

After hours call Gina Skibar

Modified Duty Available

P.T. Referral SOUTH

Ortho Referral NORTH

On Stat referral call Gina Skibar

Send Work status to Gina Skibar

Send work status via Email

Call or fax on no show

Bill company on all first aids

Self-insured

Instructions COMPANY WANTS TO BE AGGRESSIVE ORDERING MRI ON INITIAL VISIT FOR FIREFIGHTERS AND POLICE.PR

Instructions PLEASE HAVE THIS DISCUSSION ON 1ST INJURY STATUS CALL.

**Insurance Carrier for Injury Treatment**

Please assist us in providing you with excellent service by updating any changes in your contact or billing information. The Encounter Protocols below list the preventive services that we are currently providing for you. Please contact us with any changes or questions. Payment is required upon receipt of invoice. For questions about your billing statement please call our Billing Department at (562) 926-5099.

**Employer Name** CITY OF MONTEBELLO (1451)

**Insurance Code** 6950

**Insurance Name** TRI-STAR  
PO BOX 2805  
CLINTON IA 52733

**Phone:** (888) 558-7478

**Policy No.**

**Fax:**

**Policy. Date:**

**Exp. Date:**

### Contract Physical Information

**3rd Party Admin:** ESCREEN

PO BOX 25902

OVERLAND PARK KS 66225

### Physical Instructions

Contacts for physical Elva Pham

Contacts for drug screens Elva Pham

Individual to sign authorization Contacts

Call Results to CALL & EMAIL RESULTS

Call the following individual on postives Elva Pham

Bill Physical to COMPANY

Bill Drug Screen to COMPANY

Instructions Email Physical results to Elva Pham at epham@cityofmontebello.com

Instructions DEPT OF TRANSPORTATION/ESCREEN TESTS

Instructions ADRIANNA KENDRICKS 323-558-1625 EXT. 201

Instructions PASSCODE FOR RESULTS AQ5492

### Contract Physical Protocols:

Exam Code	BAT	Type Code	PDS1
1972	BREATH ALCOHOL TEST		\$35.00
<b>Total:</b>			<b>\$35.00</b>

Exam Code	DOT PHYS	Type Code	PED1
1204	PHYSICAL - DOT		\$70.00
<b>Total:</b>			<b>\$70.00</b>

Exam Code	ESCREEN	Type Code	PDS3
1829	COLLECTION - DOT		\$19.00
<b>Total:</b>			<b>\$19.00</b>

PT WILL COME IN W/2 FORMS FROM CITY OF MONTEBELLO DEPT OF TRANS. EMAIL BOTH FORMS TO AKENDRICKS@CITYOFMONTEBELLO.COM

\*\*\* PT MUST HAND CARRY DRUG&ALCOHOL TESTING FORM WITH THE TIME THEY ARRIVED AND

EMPLOYER COPY OF ESCREEN CHAIN- ALSO MAKE SURE PATIENT HAND CARRIES EMPLOYEE NOTIFICATION OF SCHEDULED DRUG TEST- MAKE COPY FOR US

EMAIL THE COPY OF DRUG &ALCOHOL TESTING FORM TO ADRIANNA KENDRICKS

BILL ESCREEN

PASSCODE FOR RESULTS AQ5492

Exam Code	FIT FOR DUTY	Type Code	PE20
1216	PHYSICAL-FIT FOR DUTY		\$50.00
<b>Total:</b>			<b>\$50.00</b>

Exam Code	PHYSICAL #1	Type Code	PE1
1205	PHYSICAL - POST OFFER		\$45.00
1676	DRUG SCREEN INSTANT-10 PANEL		\$35.00

Please assist us in providing you with excellent service by updating any changes in your contact or billing information. The Encounter Protocols below list the preventive services that we are currently providing for you. Please contact us with any changes or questions. Payment is required upon receipt of invoice. For questions about your billing statement please call our Billing Department at (562) 926-5099.

**Employer Name** CITY OF MONTEBELLO (1451)

**Total:** \$80.00

Exam Code	PHYSICAL #2	Type Code	PE1	
1205	PHYSICAL - POST OFFER			\$45.00
1688	DRUG SCREEN-NON DOT			\$35.00
2026	BACK EVALUATION			\$30.00

**Total:** \$110.00

MUST BE ABLE TO LIFT 50LBS

Exam Code	PHYSICAL #3F	Type Code	PED1	
1204	PHYSICAL - DOT			\$70.00
2001	Audiogram			\$25.00
20031	Pulmonary Function test			\$30.00
17091	Chest X-ray 1 View			\$25.00
20021	EKG Complete			\$55.00
1688	DRUG SCREEN-NON DOT			\$35.00
1695	COMP. METABOLIC, CBC W/DIFF,UA MICRO			\$35.00
16451	Lipid Panel			\$40.00
00001	EYE EXAM			\$20.00
2005	STRESS TEST - TREADMILL			\$185.00
17281	Lumbosacral limited 2 or 3 views			\$30.00

**Total:** \$550.00

10 PANEL SEND OUT  
SNELLEN

Exam Code	PHYSICAL #3P	Type Code	PE1	
1695	COMP. METABOLIC, CBC W/DIFF,UA MICRO			\$35.00
1205	PHYSICAL - POST OFFER			\$45.00
2001	Audiogram			\$25.00
1688	DRUG SCREEN-NON DOT			\$35.00
17091	Chest X-ray 1 View			\$25.00
2005	STRESS TEST - TREADMILL			\$185.00
16451	Lipid Panel			\$40.00
20021	EKG Complete			\$55.00
00001	EYE EXAM			\$20.00

**Total:** \$465.00

10 PANEL SEND OUT  
SNELLEN

MUST USE POST HISTORY & PHYS FORM  
PT WILL BRING APPENDIX C HISTORY FORM

Exam Code	PHYSICAL #4	Type Code	PED1	
1204	PHYSICAL - DOT			\$70.00
17281	Lumbosacral limited 2 or 3 views			\$30.00
00001	EYE EXAM			\$20.00
1829	COLLECTION - DOT			\$19.00

**Total:** \$139.00

SNELLEN

ESCREEN COLLECTIONS

Exam Code	PHYSICAL #4F	Type Code	PED1	
00001	EYE EXAM			\$20.00
1204	PHYSICAL - DOT			\$70.00

**Total:** \$90.00

SNELLEN

Exam Code	PHYSICAL #5	Type Code	PED1	
1204	PHYSICAL - DOT			\$70.00

**Total:** \$70.00

## **EXHIBIT "B"**

### **Schedule of Compensation**

**Year 1 - \$20,000**

**Year 2 - \$20,000**

**Year 3 - \$20,000**

**Year 4 - \$20,000 (Optional)**

**Year 5 - \$20,000 (Optional)**

**Contingency – The City Manager has the option to add up \$5,000 annually, if needed.**

# ATTACHMENT B

## CITY OF MONTEBELLO

### PROFESSIONAL SERVICES AGREEMENT NO. 3997 WITH RELIANT URGENT CARE DBA RELIANT IMMEDIATE CARE MEDICAL GROUP, INC.

THIS PROFESSIONAL SERVICES AGREEMENT ("Agreement") is made and entered into on \_\_\_\_\_, 2022 ("Effective Date"), by and between the CITY OF MONTEBELLO, a California municipal corporation (the "CITY") and RELIANT URGENT CARE DBA RELIANT IMMEDIATE CARE MEDICAL GROUP, INC. (the "CONSULTANT"). The CITY and the CONSULTANT are sometimes referred to herein individual as the "Party," and jointly as the "Parties."

#### RECITALS

**WHEREAS**, the CITY desires to retain a qualified professional pre-employment and employee physicals and employee health services as needed in the CITY; and

**WHEREAS**, the CONSULTANT represents that it is fully qualified to perform such services by virtue of its experience and the training, education and expertise of its principals and employees.

**NOW THEREFORE**, in consideration of performance by the Parties of the covenants and conditions herein contained, the Parties hereto agree as follows:

#### **SECTION 1. INCORPORATION OF RECITALS AND OTHER CONTRACT DOCUMENTS**

a. The above-referenced Recitals constitute a material part hereof and shall hereby be incorporated by reference. Moreover, this Agreement consists of the following documents, in order of precedence, all of which are incorporated herein and made part of this Agreement, as though fully set forth herein:

1. This Agreement and its Exhibits, including any and all addenda or supplemental agreements.
2. Proposal referenced and Best Final Offer received by the successful proposer.
3. All other documents, including but not limited to all applicable bonds, insurance certificates, permits, notices, schedules, forms, certifications, and affidavits.

b. These documents shall be collectively referred to herein as the "Contract Documents." In the event of a conflict among the Contract Documents, the order of precedence list above shall apply.

#### **SECTION 2. SERVICES / COMPENSATION.**

a. All terms, conditions, requirements, and provisions of the Proposal, as such is set forth fully in **Exhibit "A"** hereto, are hereby incorporated fully herein by this reference and shall be binding on the Parties. To the extent of a conflict between the terms of this Agreement and that set forth in any exhibits or attachments hereto, the terms of this Agreement shall govern.

## PROFESSIONAL SERVICES AGREEMENT NO. 3997

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b. The CONSULTANT shall provide to the CITY all labor, equipment, materials and incidental necessary to provide pre-employment and employee physicals and employee health services as set forth fully in the Proposal, as such is set forth fully in **Exhibit "A"** hereto and incorporated fully herein by this reference (hereinafter "Professional Services").

c. The CONSULTANT shall be compensated for performance of the Professional Services as set forth in the Schedule of Compensation attached hereto as **Exhibit "B"** and incorporated fully herein by this reference ("Compensation"). The CONSULTANT shall provide an itemized billing statement to the CITY each month for Professional Services performed. The CONSULTANT shall not incur fees or costs which exceed the Compensation without the prior written consent of the CITY.

### **SECTION 3. TERM.**

a. This Agreement shall commence upon issuance of a written "Notice to Proceed" (as further defined below) by the CITY and shall expire on June 30, 2025 from the Effective Date, unless terminated earlier as hereinafter provided. This Agreement may be extended for up to two (2), one (1), one-year extension options upon such terms and conditions mutually agreed upon by the Parties in writing.

b. Notice to Proceed. Any work or service contemplated under this Agreement shall not commence until the CITY has issued a written Notice to Proceed issued by CITY's applicable, department head.

### **SECTION 4. PERFORMANCE.**

a. The CONSULTANT shall at all times, faithfully, competently, and to the best of its ability, experience, and talent, perform all tasks described herein.

b. The CONSULTANT shall employ, at a minimum, generally accepted standards and practices utilized by companies engaged in providing similar services, as are required of Consultant hereunder, in meeting its obligations under this Agreement.

c. The CONSULTANT shall be knowledgeable of and subject to all CITY ordinances, rules and regulations, standard operating procedures, and the supervisory chain of command.

d. The CONSULTANT shall have the right to retain, subject to the CITY's approval, additional individuals, consultants or subconsultants to assist in the completion of services as herein defined. Compensation for additional individuals, consultants or subconsultants shall be the sole and exclusive responsibility of the CONSULTANT.

e. The CONSULTANT shall retain all original reports, field and office notes, correspondence, calculations, maps, and other documents specifically related to the services provided by the CONSULTANT pursuant to this Agreement, other than documents which are exempt from disclosure pursuant to the attorney-client privilege or any other law. Said documents shall be made available for inspection by the CITY upon request.

## **PROFESSIONAL SERVICES AGREEMENT NO. 3997**

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### **SECTION 5. WORK PRODUCT.**

a. The CONSULTANT hereby agrees that all work product produced pursuant to this Agreement, and provided to the CITY during and upon completion of this Agreement, shall be the property of the CITY, and ownership of said work product shall be retained by the CITY. The CONSULTANT may take and retain copies of such written products as desired, but no such written products shall be the subject of a copyright application by the CONSULTANT.

b. All data, documents, discussion, or other information developed or received by the CONSULTANT or provided for performance of this Agreement are deemed confidential and shall not be disclosed by the CONSULTANT without prior written consent by the CITY. The CITY shall grant such consent if disclosure is legally required. All such written products shall be returned to the CITY upon the termination or expiration of this Agreement. The CONSULTANT agrees that the covenants contained in this Section shall survive the expiration or termination of this Agreement.

### **SECTION 6. EXTRA SERVICES.**

No extra services over and above the Compensation shall be rendered by the CONSULTANT under this Agreement unless such extra services first shall have been duly authorized in writing by the CITY's City Manager (the "City Manager").

### **SECTION 7. CITY SUPERVISION.**

The City Manager shall have the right of general supervision of all work performed by the CONSULTANT and shall be the CITY's agent with respect to obtaining the CONSULTANT's compliance hereunder. No payment for services rendered under this Agreement shall be made without the prior approval of the City Manager.

### **SECTION 8. TERMINATION.**

In the event that either Party hereto fails or refuses to perform any of the provisions of this Agreement at the time and in the manner required, the non-defaulting party shall give the defaulting party written notice of the default, the nature of the default, and of the steps necessary to cure the default.

a. Termination for Cause. In the event that any of the provisions of the Agreement are violated by either party, the non-defaulting Party may terminate the Agreement by serving written notice upon the other Party, listing the violation(s) and its intent to terminate such Agreement unless within ten (10) days after the serving of such notice, such violation shall cease or be rectified, the contract shall upon the expiration of an additional thirty (30) days cease and terminate. Violations by the CONSULTANT which cannot be corrected within ten (10) days, said contract shall at the option of the CITY cease and terminate upon the giving of like notice. In the event of any such termination for default by the CONSULTANT, the CITY may take over the work and prosecute the same to completion by contract or otherwise for the account and at the expense of the CONSULTANT. The CONSULTANT and his sureties shall be liable to the CITY for any excess cost occasioned in the event of any such termination. This change shall not be construed to prevent the termination, for other causes authorized by law or other provisions of this contract. In the event of a termination for cause, the CONSULTANT shall only be entitled to

## PROFESSIONAL SERVICES AGREEMENT NO. 3997

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the Compensation for those Professional Services satisfactory performed on or before the effective date of termination.

b. Termination for Convenience. The CITY shall have the option, at its sole discretion and without cause, to terminate this Agreement in whole, or in part, by giving ten (30) business days' written notice to the CONSULTANT. Upon the termination of this Agreement as provided herein, the CITY shall provide to the CONSULTANT the part of Compensation which would otherwise be payable to the CONSULTANT for services the CONSULTANT had completed as of the date of termination, less the amount of all previous payment with respect to the Compensation. Further, upon such a termination for convenience by the CITY, the Parties agree that the CONSULTANT shall be reimbursed for any "non-refundable" costs that the CONSULTANT has incurred for its services under this Agreement, provided that: (1) such "non-refundable" costs were incurred by the CONSULTANT prior to the date of termination, and (2) that the CONSULTANT provides the CITY with adequate proof that the CONSULTANT incurred the costs, and is unable to be seek a refund for such costs. Such "non-refundable" costs may include, but are not limited to, travel reservations incurred by the CONSULTANT for its performance of services under this Agreement. The CONSULTANT agrees to cease all work under this Agreement on or before the effective date of any notice of termination.

### **SECTION 9. EMPLOYMENT OF CITY EMPLOYEES.**

No regular employee of the CITY shall be employed by the CONSULTANT during the term of this Agreement.

### **SECTION 10. NON-LIABILITY OF CITY OFFICIALS AND EMPLOYEES.**

No official or employee of the CITY shall be personally liable to the CONSULTANT in the event of any default or breach by the CITY, or for any amount which may become due to the CONSULTANT.

### **SECTION 11. INDEPENDENT CONSULTANT.**

a. The CONSULTANT is and shall, at all times, remain as to the CITY a wholly independent consultant. Neither the CITY nor any of its elected officials, officers, employees, or agents shall have control over the conduct of the CONSULTANT except as expressly set forth in this Agreement. The CONSULTANT shall not at any time or in any manner represent that he or she is in any manner an elected official, officer, employee, or agent of the CITY. No employee benefits shall be available to the CONSULTANT in connection with the performance of this Agreement. Except as provided in this Agreement, the CITY shall not pay salary, wages, or other compensation to the CONSULTANT for performance hereunder for the CITY, the CITY shall not be liable for compensation to the CONSULTANT, the CONSULTANT's employees or the CONSULTANT's subconsultants for injury or sickness arising out of performing services hereunder.

b. The parties further acknowledge and agree that nothing in this Agreement shall create or be construed to create a partnership, joint venture, employment relationship or any other relationship except as set forth in this Agreement.

c. The CITY shall not deduct from the Compensation paid to the

## **PROFESSIONAL SERVICES AGREEMENT NO. 3997**

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CONSULTANT any sums required for Social Security, withholding taxes, FICA, state disability insurance or any other federal, state or local tax or charge which may or may not be in effect or hereinafter enacted or required as a charge or withholding on the compensation paid to the CONSULTANT. The CITY shall have no responsibility to provide the CONSULTANT, its employees or subconsultants with workers' compensation insurance or any other insurance.

### **SECTION 12. CalPERS ANNUITANTS AND ELIGIBILITY INDEMNITY.**

a. If the CONSULTANT is a California Public Employees' Retirement System ("CalPERS") annuitant, the CONSULTANT must provide the City with written notification of such fact a minimum of 14 calendar days prior to commencement of services under this Agreement. Failure to provide such notification may result in termination of the Agreement, and any penalties or other costs relating thereto shall be borne by the CONSULTANT. If this Agreement remains in place, the CONSULTANT shall execute any amendment(s) to this Agreement requested by the City in order to comply with all laws and regulations applicable to CalPERS annuitants.

b. In the event that the CONSULTANT or any employee, agent, or subconsultant of the CONSULTANT providing services under this Agreement claims or is determined by a court of competent jurisdiction or CalPERS to be eligible for enrollment in CalPERS as an employee of the CITY, the CONSULTANT shall indemnify, defend, and hold harmless the CITY for the payment of any employee and/or employer contributions for CalPERS benefits on behalf of the CONSULTANT or its employees, agents, or subconsultants, as well as for the payment of any penalties and interest on such contributions, which would otherwise be the responsibility of the CITY.

c. Notwithstanding any other agency, state or federal policy, rule, regulation, law or ordinance to the contrary, the CONSULTANT and any of its employees, agents, and subconsultants providing service under this Agreement shall not qualify for or become entitled to, and hereby agree to waive any claims to, any compensation, benefit, or any incident of employment by the CITY, including but not limited to eligibility to enroll in PERS as an employee of the CITY and entitlement to any contribution to be paid by the CITY for employer contribution and/or employee contributions for PERS benefits.

### **SECTION 13. LEGAL RESPONSIBILITIES.**

The CONSULTANT shall at all times observe and comply with all applicable laws, ordinances, codes, and regulations of the federal, state, and local governments including, but not limited to the Montebello Municipal Code. The CITY, and its appointed or elected officers, employees, or agents, shall not be liable at law or in equity occasioned by failure of the CONSULTANT to comply with this section.

### **SECTION 14. INDEMNIFICATION.**

The CONSULTANT agrees to, and shall defend, indemnify, protect and hold harmless, the CITY, its elected and appointed boards, officers, officials, employees, agents and volunteers from and against any and all claims, demands, lawsuits, defense costs, civil, penalties, expenses, causes of action, and judgments at law or in equity, or liability of any kind or nature which the CITY, its elected and appointed

## PROFESSIONAL SERVICES AGREEMENT NO. 3997

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boards, officers, officials, employees, agents and volunteers may sustain or incur or which may be imposed upon them for injuries or deaths of persons, or damage to property arising out of the CONSULTANT's negligent or wrongful act, or omission under the terms of this Agreement, except only liability arising out of the sole negligence of the CITY.

### SECTION 15. INSURANCE COVERAGE.

a. During the term of this Agreement, the CONSULTANT shall carry, maintain, and keep in full force and effect insurance against claims for death or injuries to persons or damages to property that may arise from or in connection with CONSULTANT's performance of this Agreement. Such insurance shall be of the types and in the amounts as set forth below:

- **Commercial General Liability (CGL):** Insurance Services Office Form CG 00 01 covering CGL on an "occurrence" basis for bodily injury and property damage, including products-completed operations, personal injury, and advertising injury, with limits no less than \$1,000,000 per occurrence. If a general aggregate limit applies, the limit shall be twice the required occurrence limit.
- **Automobile Liability Insurance:** Insurance Services Office Form Number CA 0001 covering, Code 1 (any auto), or if CONSULTANT has no owned autos, Code 8 (hired) and 9 (non-owned), with limit no less than \$1,000,000 per accident for bodily injury and property damage.
- **Worker's Compensation** insurance as required by the laws of the State of California, with Statutory Limits, and Employer's Liability Insurance with limit of no less than \$1,000,000 per accident for bodily injury or disease.
- **Professional Liability** insurance appropriate to the CONSULTANT'S profession, with limit no less than \$1,000,000 per occurrence or claim, \$2,000,000 aggregate.

b. If the CONSULTANT maintains higher limits than the minimums shown above, the CITY requires and shall be entitled to coverage for the higher limits maintained by the CONSULTANT.

c. The CONTACTOR shall require each of its subconsultants, if any, to maintain insurance coverage that meets all of the requirements of this Agreement.

d. The policy or policies required by this Agreement shall be issued by an insurer admitted in the State of California and with a current rating of at least A:VII in the latest edition of Best's Insurance Guide.

e. Each insurance policy required above shall state that coverage shall not be canceled, except after thirty (30) days' prior written notice (ten [10] days for non-payment) has been given to the CITY. The CONSULTANT agrees that if it does not keep the aforesaid insurance in full force and effect the CITY may either (i) immediately terminate this Agreement for Cause; or (ii) take out the necessary insurance and pay, at the CONSULTANT's expense, the premium thereon.

## PROFESSIONAL SERVICES AGREEMENT NO. 3997

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f. **Evidence of Insurance prior to commencement.** The Contractor shall provide to the CITY Certificate(s) of Insurance evidencing such coverage together with copies of the required policy endorsements no later than five (5) business days prior to commencement of service and at least fifteen (15) business days prior to the expiration of any policy. Unreasonable failure to provide such evidence may be cause for termination of the Agreement as provided herein or delay the services' commencement date. The evidence of insurance shall be U.S. mail or email to:

City of Montebello  
Attn: Risk Manager  
1600 West Beverly Boulevard  
Montebello, CA 90640  
Email: gskibar@cityofmontebello.com

Coverage shall not be suspended, voided, cancelled, reduced in coverage or in limits, non-renewed, or materially changed for any reason, without thirty (30) days prior written notice thereof given by the insurer to the CITY by U.S. mail, or by personal delivery, except for nonpayment of premiums, in which case ten (10) days prior notice shall be provided.

g. **Evidence of Insurance during the entire term of the Agreement.** At all times during the term of this Agreement, the CONSULTANT shall maintain on file with the CITY's Risk Manager a certificate or certificates of insurance showing that the aforesaid policies are in effect in the required amounts and naming the CITY as an additional insured. The CONSULTANT shall, prior to commencement of work under this Agreement, file with the CITY's Risk Manager such certificate(s).

h. The CONSULTANT shall provide proof that policies of insurance required herein expiring during the term of this Agreement have been renewed or replaced with other policies providing at least the same coverage. Such proof will be furnished at least two (2) weeks prior to the expiration of the coverages.

i. The general liability and automobile policies of insurance required by this Agreement shall contain an endorsement naming the CITY, its officers, employees, agents and volunteers as additional insureds. All of the policies required under this Agreement shall contain an endorsement providing that the policies cannot be canceled or reduced except on thirty days' prior written notice to the CITY. The CONSULTANT agrees to require its insurer to modify the certificates of insurance to delete any exculpatory wording stating that failure of the insurer to mail written notice of cancellation imposes no obligation, and to delete the word "endeavor" with regard to any notice provisions.

j. The insurance provided by the CONSULTANT shall be primary to any coverage available to the CITY. Any insurance or self-insurance maintained by the CITY, its officers, employees, agents, or volunteers, shall be in excess of CONSULTANT's insurance and shall not contribute with it.

k. All insurance coverage provided pursuant to this Agreement shall not prohibit the CONSULTANT, and CONSULTANT's employees, agents or subconsultants, from waiving the right of subrogation prior to a loss. The CONSULTANT hereby waives all rights of subrogation against the CITY.

## **PROFESSIONAL SERVICES AGREEMENT NO. 3997**

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l. Any deductibles or self-insured retentions must be declared to and approved by the CITY. At the option of the CITY, the CONSULTANT shall either reduce or eliminate the deductibles or self-insured retentions with respect to the CITY, or the CONSULTANT shall procure a bond guaranteeing payment of losses and expenses.

m. Procurement of insurance by the CONSULTANT shall not be construed as a limitation of the CONSULTANT'S liability or as full performance of CONSULTANT's duties to indemnify, hold harmless and defend under the indemnity covenants of this Agreement.

### **SECTION 16. SUBCONTRACT, ASSIGNMENT OR DELEGATION.**

The CONSULTANT shall not subcontract, delegate, or assign its duties or rights hereunder, either in whole or in part, without the prior written consent of the CITY. Any proposed subcontract, delegation, or assignment shall provide a description of the services to be covered, identification of the proposed sub-consultant, delegee, or assignee, and an explanation of why and how the same was selected, including the degree of competition involved.

Any subcontract, delegation or assignment shall be made in the name of the CONSULTANT and shall not bind or purport to bind the CITY and shall not release the CONSULTANT from any obligations under this Agreement including, but not limited to, the duty to properly supervise and coordinate the work of employees, assignees, delegees or sub-consultants. No such subcontract, delegation or assignment shall result in any increase in the amount of total compensation payable to the CONSULTANT under the Agreement.

### **SECTION 17. NO WAIVER.**

Waiver by any party hereto of any term, condition or covenant of this Agreement shall not constitute the waiver of any other term, condition, or covenant hereof.

### **SECTION 18. DISPUTE RESOLUTION; GOVERNING LAW.**

Disputes regarding the interpretation or application of any provision(s) of this Agreement shall, to the extent reasonably feasible, be resolved through good faith negotiations between the Parties. If any action at law or in equity is brought to enforce this Agreement or because of alleged dispute, breach, default or misrepresentation in connection with the provisions of this Agreement, the prevailing party in such action shall be entitled to reasonable attorney's fees, expert fees, costs and necessary disbursements incurred in that action or proceeding, in addition to such other relief as may be sought and awarded. The venue for any litigation shall be County of Los Angeles, California. The Parties agree that the covenants contained in this Section shall survive the expiration or termination of this Agreement.

### **SECTION 19. ATTORNEY'S FEES AND COSTS.**

If litigation is reasonably required to enforce or interpret the provisions of this Agreement, the prevailing party in such litigation shall be entitled to an award of reasonable attorney's fees and costs in addition to any other relief to which it may be entitled.

## **PROFESSIONAL SERVICES AGREEMENT NO. 3997**

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### **SECTION 20. WARRANTIES.**

Each of the parties represents and warrants to one another as follows:

- a. It has received independent legal advice from its attorneys with respect to the advisability of entering into and executing this Agreement;
- b. In executing this Agreement, it has carefully read this Agreement, knows the contents thereof, and has relied solely on the statements expressly set forth herein and has placed no reliance whatsoever on any statement, representation, or promise of any other party, or any other person or entity, not expressly set forth herein, nor upon the failure of any other party or any other person or entity to make any statement, representation or disclosure of any matter whatsoever; and
- c. It is agreed that each party has the full right and authority to enter into this Agreement, and that the person executing this Agreement on behalf of either party has the full right and authority to fully commit and bind such party to the provisions of this Agreement.

### **SECTION 21. MISCELLANEOUS.**

- a. The descriptive paragraph headings of this Agreement are included for purposes of convenience only and shall not control or affect the construction of interpretation of any of its provisions.
- b. Whenever the context hereof shall so require, the singular shall include the plural, the male gender shall include the female gender, and the neuter and vice versa.
- c. In case any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision hereof and this Agreement shall be construed as if such invalid, illegal, or unenforceable provisions had never been contained herein.
- d. The representations and warranties made by the parties to this Agreement shall survive the consummation of the transaction herein described.
- e. This Agreement may be signed in any one or more counterparts all of which taken together shall be but one and the same Agreement. Any signed copy of this Agreement or of any other document or agreement referred to herein, or copy or counterpart thereof, delivered by facsimile transmission, shall for all purposes be treated as if it were delivered containing an original manual signature of the party whose signature appears in the facsimile and shall be binding upon such party in the same manner as though an originally signed copy had been delivered.
- f. Each of the parties acknowledges that it has been represented by independent counsel of its own choosing, or if it has not been so represented, it has been admonished to obtain independent counsel and has freely and voluntarily waived and relinquished the right to counsel. Each party who has not obtained independent counsel acknowledges that the failure to have independent legal counsel will not excuse such party's failure to perform under this Agreement or any agreement referred to in this Agreement.



## **PROFESSIONAL SERVICES AGREEMENT NO. 3997**

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The CONSULTANT covenants that it presently has no interest and shall not acquire any interest, direct or indirect, which may be affected by the services to be performed by the CONSULTANT under this Agreement, or which would conflict in any manner with the performance of its services hereunder. The CONSULTANT further covenants that, in performance of this Agreement, no person having any such interest shall be employed by it. Furthermore, the CONSULTANT shall avoid the appearance of having any interest that would conflict in any manner with the performance of its services pursuant to this Agreement.

The CONSULTANT covenants not to give or receive any compensation, monetary or otherwise, to or from the ultimate vendor(s) of services to the CITY as a result of the performance of this Agreement, or the services that may be procured by the CITY as a result of the recommendations made by the CONSULTANT. The CONSULTANT's covenant under this section shall survive the termination of this Agreement.

### **SECTION 25. ENTIRE AGREEMENT.**

This Agreement contains the entire understanding between the CITY and the CONSULTANT. Any prior agreements, promises, negotiations or representations not expressly set forth herein are of no force or effect. Subsequent modifications to this Agreement shall be effective only if in writing and signed by each party. If any term, condition, or covenant of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions of this Agreement shall be valid and binding.

**[SIGNATURE PAGE TO FOLLOW]**

**PROFESSIONAL SERVICES AGREEMENT NO. 3997**

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IN WITNESS WHEREOF, the parties, through their respective authorized representatives, have executed this Agreement as of the date first written above.

("CITY")

**CITY OF MONTEBELLO**

("CONSULTANT")

**Reliant Urgent Care DBA:  
Reliant Immediate Care Medical  
Group, Inc.**

\_\_\_\_\_  
René Bobadilla, City Manager

\_\_\_\_\_  
Gene Howell, Chief Executive Officer

**ATTEST:**

\_\_\_\_\_  
Christopher Jimenez, City Clerk

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Arnold M. Alvarez-Glasman, City Attorney

**EXHIBITS:**

- Exhibit A – Price Proposal
- Exhibit B – Schedule of Compensation

**EXHIBIT "A"**

**Price Proposal**

**CITY OF MONTEBELLO**  
**NEW HIRE PROTOCOLS**

**Physical #1 – BASIC PHYSICAL** \$85.00

**New Hire - BASIC PHYSICAL**

Examination by M.D.  
Height, Weight, Temperature, Pulse, Blood Pressure  
Vision (Snellen)  
UA Dip (Dipstick Urinalysis)  
Non-DOT Drug Screen - eScreen 10 Panel Drug Screen

**Physical #2 – MAINTENANCE** \$105.00

**New Hire - MAINTENANCE**

Examination by M.D.  
Height, Weight, Temperature, Pulse, Blood Pressure  
Vision (Snellen)  
UA Dip (Dipstick Urinalysis)  
Lifting Capacity Test 50 lbs  
Non-DOT Drug Screen - eScreen 10 panel Drug Screen

**Physical #3 DOT/DMV EXAMINATION** \$110.00

**New Hire - BUS OPERATORS, MECHANICS EQUIPMENT, SERVICE WORKER**

DOT/DMV Examination by M.D.  
Height, Weight, Temperature, Pulse, Blood Pressure  
Vision (Snellen)  
Lumbar Spine X-Ray (3 view)  
UA Dip (Dipstick Urinalysis)  
DOT Regulated Drug Test- Escreen  
Provide DOT Certification Card to the patient

**DOT PHYSICAL #4 RENEWAL – FIREMEN** \$60.00

**Renewal –DOT EXAM**

DOT/DMV Examination by M.D.  
Height, Weight, Temperature, Pulse, Blood Pressure  
Vision (Snellen)  
UA Dip (Dipstick Urinalysis)  
Provide DOT Certification Card to the patient

**Examinations below must be scheduled in A.M. due to fasting for blood work**

**Physical #5 POLICE FIREMAN \$695.00**

**New Hire - PUBLIC SAFETY EMPLOYEES**

Must use P.O.S.T. History & Physical Form  
Appendix C History Form (Employee Brings/Provides)  
Examination by M.D.  
Height, Weight, Temperature, Pulse, Blood Pressure  
Vision (Snellen)  
UA Dip (Urinalysis)  
Audiometry  
CBC, Comprehensive Metabolic Panel (Chem20), Lipid Panel  
Chest X-Ray (1 view)  
LS x-ray 3 views  
Non-DOT Drug Screen - eScreen 10 Panel Drug Screen  
Stress EKG - (Will be schedule with Cardiologist)

**Physical #6 FIREMEN \$695.00**

**New Hire FIREMEN**

DOT/DMV Examination by M.D.  
Height, Weight, Temperature, Pulse, Blood Pressure  
Vision (Snellen)  
UA Dip (Dipstick Urinalysis)  
Audiometry  
CBC, Comprehensive Metabolic Panel (Chem20), Lipid Panel  
Chest X-Ray (1 view)  
Lumbar Spine X-Ray (3 view)  
Stress EKG  
Pulmonary Function Test  
Non-DOT Drug Screen - eScreen 10 Panel Drug Screen  
Provide DOT Certification Card to the patient

**Reporting Contacts:**

Please identify contacts that we will be reporting results to via Email  
Bob Franco (please provide contact number)  
Bfranco@cityofmontebello.com  
Nikole Mooshagian (323)887-1383  
nmooshagian@cityofmontebello.com  
Danilo Batson (323) 887-1200  
dbatson@cityofmontebello.com

## **EXHIBIT "B"**

### **Schedule of Compensation**

**Year 1 - \$75,000**

**Year 2 - \$75,000**

**Year 3 - \$75,000**

**Year 4 - \$75,000 (Optional)**

**Year 5 - \$75,000 (Optional)**

**Contingency – The City Manager has the option to add up \$25,000 annually, if needed.**



## CITY OF MONTEBELLO

### CITY COUNCIL/PUBLIC FINANCING AUTHORITY AGENDA STAFF REPORT

**TO:** Honorable Mayor and City Council Members

**FROM:** René Bobadilla, P.E., City Manager

**BY:** Michael Solorza, Director of Finance

**SUBJECT:** **Adoption of a Montebello Public Financing Authority (PFA)  
Resolution No. 22-01 Establishing the Regular Meeting Dates and  
Adopting a Debt Management Policy**

**DATE:** August 10, 2022

---

#### **RECOMMENDATION:**

It is recommended that the City Council and Board of Directors (the “Board”) of the Montebello Public Financing Authority (the “Authority”):

- 1) Adopt the Resolution establishing the regular meeting dates and adopting the Debt Management Policy (the “Debt Management Policy”) of the City of Montebello as the debt management policy of the Authority.

#### **FISCAL IMPACT**

Establishing the Authority’s regular meeting dates and adopting the Debt Management Policy has no fiscal impact.

#### **BACKGROUND**

The Authority is a joint exercise of powers entity that is duly organized and existing under the Joint Exercise of Powers Agreement, dated September 2, 1997 (the “JPA Agreement”), by and between the City and the Parking Authority of the City of Montebello (the “Parking Authority”), and under the Constitution and laws of the State of California (the “State”), including but not limited to Article 4 thereof, known as the “Marks-Roos Local Bond Pooling Act of 1985,” Government Code Section 6584 *et seq.* (the “Act”).

Section 2.04(a) of the JPA Agreement provides that the Board shall provide for its regular meetings; provided that at least one regular meeting shall be held each year.

**Adoption of a Montebello Public Financing Authority (PFA) Resolution No. 22-01  
Establishing the Regular Meeting Dates and Adopting a Debt Management Policy**

Page 2 of 3

Staff expects to bring lease financings to the Board for consideration at times during the year. Pursuant to legislation that became law in 2010 (Government Code § 6592.1), which comprises part of the Act, the Authority must approve the lease financings at a regular meeting. In order to prepare for the lease financings, it is in the Authority's best interest to establish regular meeting dates to be concurrent with the regular meetings of the City Council of the City.

In addition, existing California law requires public agencies to provide information to the California Debt and Investment Advisory Commission ("CDIAC") no later than 30 days prior to the sale of the debt. Senate Bill 1029 ("SB 1029"), signed into law by Governor Brown on September 12, 2016, amends this law to place additional reporting obligations on issuers of debt. In part, SB 1029 requires that an issuer certify that it has adopted local debt policies concerning the use of debt and that the proposed debt issuance is consistent with the local debt policies. SB 1029 lists certain topics to be covered in the local debt policies.

The City previously adopted the Debt Management Policy as Administrative Policy No. VI-C-4 on August 6, 2016 as the debt management policy of the City (Attachment B).

**SUMMARY**

Under Government Code § 6592.1, the Authority must approve lease financings at a regular meeting.

In order to enable the City to proceed with lease financings and other bond issuances in a timely manner, including making funds available at the time they are needed to carry out capital and other projects and borrowing funds at the lowest interest cost, it is in the interest of the City and the Authority to empower the Authority to approve lease financings and the issuance of bonds concurrently with the City at regularly established City Council meetings.

Additionally, the Authority must adopt a debt management policy in compliance with SB 1029. The Debt Management Policy (Attachment B) meets the requirements of SB 1029.

Staff is recommending that the Board establishes the regular meetings of the Authority to be concurrent with the regular meetings of the City Council of the City and adopts the Debt Management Policy of the City as the debt management policy of the Authority.

The attached Resolution (Attachment A) will establish regular meetings of the Authority concurrently with regular meetings of the City Council of the City and adopts the Debt Management Policy of the City as the debt management policy of the Authority. In the event that the Authority has no business to conduct at a given regular meeting, the Resolution provides that the Authority meeting may be suspended.

**ATTACHMENTS:**

- A. Attachment A – Resolution No. 22-01
- B. Attachment B – Debt Management Policy

# ATTACHMENT A

## RESOLUTION NO. 22-01

### RESOLUTION OF THE MONTEBELLO PUBLIC FINANCING AUTHORITY ESTABLISHING ITS REGULAR MEETING DATES AND ADOPTING A DEBT MANAGEMENT POLICY

**WHEREAS**, the Montebello Public Financing Authority (the “Authority”) is a joint exercise of powers entity that is duly organized and existing under the Joint Exercise of Powers Agreement, dated September 2, 1997 (the “JPA Agreement”), by and between the City of Montebello (the “City”) and the Parking Authority of the City of Montebello (the “Parking Authority”), and under the Constitution and laws of the State of California (the “State”), including but not limited to Article 4 thereof, known as the “Marks-Roos Local Bond Pooling Act of 1985,” Government Code Section 6584 *et seq.*;

**WHEREAS**, Section 2.04(a) of the JPA Agreement provides that the Board of Directors of the Authority (the “Board”) shall provide for its regular meetings; provided that at least one regular meeting shall be held each year;

**WHEREAS**, the Board proposes that the Authority hold its regular meetings concurrently with the meetings of the City Council of the City;

**WHEREAS**, Section 8855(i) of the Government Code of California requires each public agency to adopt a debt management policy prior to the issuance of debt and similar obligations; and

**WHEREAS**, the Authority desires to adopt the Debt Management Policy of the City as the Debt Management Policy of the Authority.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MONTEBELLO DOES HEREBY RESOLVE, DECLARE AND DETERMINE AS FOLLOWS:**

**SECTION 1. Regular Meeting.** The Board has determined that the Authority shall hold its regular meetings concurrently with (including immediately before or after) regular meetings of the City Council of the City, and the same shall occur consistent with the schedule set by resolution of the City for its regular meetings as to date, hour and place. The Board may suspend the holding of regular meetings so long as there is no need for Authority business, and provided that any action taken regarding the sale of bonds and related financial obligations shall occur by resolution placed on a noticed and posted meeting agenda consistent with the requirements for regular meetings under the Ralph M. Brown Act (Section 54950 *et seq.* of the California Government Code) (the “Brown Act”). At all times, each regular meeting of the Authority shall take place pursuant to a 72-hour notice and agenda requirement or as otherwise provided by the Brown Act;

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**SECTION 2. Debt Policy.** The Authority hereby adopts the Debt Management Policy adopted by the City Council of the City as the as such policy exists as of the date hereof and as hereafter amended, as the Debt Management Policy of the Authority; and

**SECTION 3. Effective Date.** This Resolution shall take effect immediately upon its adoption by the Board.

**APPROVED AND ADOPTED** this 10<sup>th</sup> day of August, 2022.

\_\_\_\_\_  
Kimberly A. Cobos-Cawthorne, Mayor

**ATTEST:**

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Christopher Jimenez, City Clerk

\_\_\_\_\_  
Arnold M. Alvarez-Glasman, City Attorney

STATE OF CALIFORNIA            )  
COUNTY OF LOS ANGELES    )    SS:  
CITY OF MONTEBELLO            )

I, Christopher Jimenez, City Clerk of the City of Montebello, County of Los Angeles, State of California, hereby certify that the foregoing Resolution No. 22-01 was passed and adopted by the City Council of the City of Montebello, signed by the Mayor and attested by the City Clerk at a regular meeting of said Council held on the 10<sup>th</sup> day of August 2022 and that said Resolution was adopted by the following vote, to-wit:

**AYES:**  
**NOES:**  
**ABSTAIN:**  
**ABSENT:**

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The undersigned, City Clerk of the City of Montebello, does hereby attest and certify that the foregoing Resolution is a true, full and correct copy of a resolution duly adopted at a meeting of said City which was duly convened and held on the date stated thereon, and that said document has not been amended, modified, repealed or rescinded since its date of adoption and is in full force and effect as of the date hereof.

DATE: \_\_\_\_\_

\_\_\_\_\_  
Christopher Jimenez, City Clerk

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**CITY OF MONTEBELLO****NUMBER: VI-C-4****DATE: 08/06/16****ADMINISTRATIVE POLICY****AUTHORITY: C/ADMIN****SUBJECT: DEBT MANAGEMENT POLICY**

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## I. OVERVIEW

The City of Montebello recognizes that one of the keys to sound financial management is implementation of a debt management policy. The Government Finance Officers Association (GFOA) advocates the use of a debt management policy to improve the quality of decisions, articulate policy goals, provide guidelines for the structure of debt issuance, and demonstrate a commitment to long-term capital and financial planning. The California Debt and Investment Advisory Commission (CDIAC) has stated that a debt policy can be instrumental in setting a proper balance between limits on the use of debt financing and providing sufficient flexibility to respond to unforeseen circumstances and opportunities.

This Debt Management Policy ("Policy") establishes guidelines for the City's issuance and management of debt. (The Policy does not cover other obligations like contracts payable, notes payable, loans payable, and unfunded actuarial liabilities related to pensions and other post-employment benefits.) Recognizing that cost-effective access to the capital markets depends on prudent management of the City's debt, the City Council has adopted this Policy by resolution.

This Policy will assist the City in pursuit of the following debt management objectives:

- Full and timely repayment of debt
- Minimize debt service and issuance costs
- Maintain access to cost-effective borrowing
- Achieve the highest practical credit rating
- Maintain full and complete financial disclosure and reporting
- Ensure compliance with applicable State and Federal laws

This Policy is to be used in conjunction with the operating and capital budgets and other financial policies. The Finance Department shall be responsible for managing and coordinating all activities related to the issuance and administration of debt. These activities include investment of bond proceeds, compliance with bond covenants, continuing disclosure, and arbitrage rebate compliance.

The City Council acknowledges that changes in the capital markets and other unexpected events may, from time to time, create situations and opportunities that are not contemplated by this Policy and may require adjustments or exceptions to the guidelines of the Policy. In such circumstances, the ability of the City to be flexible is important. However, any authorization granted by the City Council to proceed with a financing or financial product not expressly permitted by this Policy must be accompanied by an acknowledgement of the City Council that the actions to be taken by the City are not specifically authorized by the Policy in force at that time.

This Policy shall be reviewed periodically by the Finance Department to insure its consistency with respect to the City's debt management objectives. Any modifications to this Policy shall be reviewed

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and approved by the City Attorney and City Manager, and forwarded to the City Council for approval by resolution.

**II. USE OF DEBT FINANCING****A. Permitted Issuance of Debt**

The City will issue debt only for the purposes of constructing or acquiring capital assets, making major renovations to existing capital assets and refinancing existing debt. Long-term debt shall not be used to finance ongoing operational expenses. Capital projects shall be debt financed only if the City possesses the means to repay the debt and to adequately provide for the operation and maintenance costs of the financed asset. The primary types of long-term debt available to the City are: capital lease obligations such as certificates of participation and lease revenue bonds, general obligation bonds, pension obligation bonds and special district obligations. The primary type of short-term debt available to the City is tax and revenue anticipation notes. With the exception of pension obligation bonds, the interest due on these debt types is exempt from federal and state income taxes, resulting in a lower borrowing cost to the debt issuer.

Certificates of Participation/Lease Revenue Bonds: Certificates of Participation (COPs) and Lease Revenue Bonds (LRBs) are lease obligations secured by an installment sale or by a lease-back arrangement between the City and another public entity, where City General Fund revenues are pledged to pay the lease payments, which are, in turn, used to pay debt service on the COPs/LRBs. 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. 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 payment schedule. As lessee, the City is obligated to place in its annual budget the rental payments that are due and payable during each fiscal year the lessee has use of the leased property.

General Obligation Bonds: General Obligation (GO) bonds are secured by a pledge of full faith and credit of an issuer, including a promise to levy taxes in an unlimited amount as necessary to pay debt service. GO bonds usually achieve the lowest rates of interest compared to other financing instruments since they are considered to have the lowest risk. The California State Constitution requires that the issuance of a GO bond must be approved by a two-thirds majority of those voting on the bond proposition. Uses of GO bond proceeds are limited to the acquisition and improvement of real property.

Pension Obligation Bonds: Pension Obligation Bonds (POBs) are financing instruments used to pay some or all of the unfunded pension liability of a pension plan. POBs are issued as taxable instruments repaid over the amortization period of the outstanding unfunded actuarial accrued liability (UAAL). The purpose of the pension obligation bond, its structure, and the use of the

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proceeds will go through an active judicial validation process prior to the sale of the bonds, and are not subject to voter approval. POBs may allow municipal governments to borrow at a rate that is lower than the assumed actuarial rate that is built into the UAAL. Such assumed actuarial rate is used to project the investment rate to be earned on the proceeds of the POBs and the investment rate payable on the UAAL.

Special District Bonds: Special districts primarily consist of Community Facilities Districts (“CFDs”) and 1913/1915 Act Assessment Districts (“Assessment Districts”). Special districts are typically developer initiated, whereby a developer seeks a public financing mechanism to fund public infrastructure required by the City in connection with development permits or agreements, and/or tentative subdivision maps. Special district formation may also be initiated by an established community. Subject to voter approval, once a district is formed special taxes or assessments may be levied upon properties within the district to pay for facilities and services directly, or to repay bonds issued to finance public improvements. 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 City Manager 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. Special district bonds are not a debt of the City, and the City will not use the General Fund to secure repayment of any such obligations.

Tax and Revenue Anticipation Notes: Tax and Revenue Anticipation Notes (TRANs) are short-term notes, proceeds of which allow a municipality to cover the periods of cash shortfalls resulting from a mismatch between timing of revenues and timing of expenditures. The City may issue TRANs to meet General Fund cash flow needs in the upcoming fiscal year, in anticipation of the receipt of property tax and other revenues later in the fiscal year. As tax payments and other revenues are received, they are used to repay the TRANs. TRANs are not deemed to result in the creation of debt and therefore voter approval is not required.

**B. Debt Affordability Considerations**

Debt will be used to finance eligible projects only if it is the most cost-effective means available to the City. While the “pay-as-you-go” means of using current revenues or reserves to pay for capital projects is often the preferred means of financing because it avoids interest payments, it may be financially infeasible or inequitable to taxpayers. The prudent use of debt financing rather than pay-as-you-go funding of capital projects can facilitate better allocation of resources and increased financial flexibility.

The City shall assess the impact of new debt issuance on the long-term affordability of all outstanding and planned debt issuance. Such analysis recognizes that the City has limited budget capacity for debt service, and that each debt issuance will obligate the City to a series of payments until the debt is fully repaid. An affordable debt level balances the needs of capital facilities and system infrastructure with the capacity to repay debt and preservation of credit ratings.

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An important affordability ratio used in analyzing the City's debt position with respect to General Fund supported obligations (such as lease revenue bonds) is total annual debt service as a percentage of General Fund revenue. This ratio is often referred to as "Lease Burden." The Net Lease Burden calculation excludes debt service repaid from non-General Fund revenues. Based on general credit rating agency guidelines, the City shall strive to maintain a Net Lease Burden below 10 percent.

**C. Debt Refinancing**

Periodic reviews of outstanding debt will be undertaken to identify refinancing (refunding) opportunities. Economic refundings of high coupon debt at lower interest rates to effectuate debt service savings will be considered if and when there is a net economic benefit of the refunding. Non-economic refundings may be undertaken to achieve objectives relating to changes in covenants, call provisions, operational flexibility, tax status, issuer, or the debt service profile.

In general, the City will consider an economic refunding only when the expected net present value savings, expressed as a percentage of the par amount of refunded bonds, is at least three percent for a current refunding and at least five percent for an advance refunding. Additionally, the net present value savings from an advance refunding should exceed the amount of negative arbitrage in the refunding escrow. Refundings which do not achieve these net present value savings targets, but attain other savings metrics utilized by the City Manager or achieve other financing objectives, will be considered on a case-by-case basis.

**III. DEBT ISSUANCE****A. Credit Ratings**

The City seeks to maintain the highest possible credit ratings without compromising the City's policy objectives, which include maintaining the financial flexibility to respond adequately to unexpected economic circumstances. Ratings are a reflection of the general fiscal soundness of the City and the capabilities of its management. By maintaining the highest possible credit ratings, the City can issue its debt at a lower interest cost. To enhance creditworthiness, the City is committed to prudent financial management, systematic capital planning, interdepartmental cooperation and coordination, and long-term financial planning. Rating agencies consider various factors in issuing a credit rating, which typically include:

- Financial resources (ability to repay debt)
- Operational and financial management capabilities (willingness to repay debt)
- Economic and demographic conditions
- Reserve levels
- Structure of existing and proposed debt
- Borrowing purpose
- Financial covenants and terms of legal documents

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The City Manager is responsible for managing the City's relations with the credit rating agencies. This effort shall include providing the rating agencies with the City's annual budget, financial statements and other requested information in a timely manner. The City Manager shall also coordinate periodic conference calls or meetings with the rating agencies and communicate with them prior to each debt issuance.

### **B. Method of Sale**

Debt issuances commonly are sold to a single underwriter or to an underwriting syndicate through a public offering. The selected method of public sale will be that which is expected to produce the lowest true interest cost (TIC) and the most favorable/flexible financing terms given current market and transaction-specific conditions. Public offerings can be executed through either a competitive sale or a negotiated sale. The City's preferred method of sale is negotiated. However, competitive sales and private offerings, such as private placements and direct loans, may be considered on a case-by-case basis.

Negotiated Sale: The negotiated sale process provides the City more real-time control over the financing structure and the timing of the sale, and affords the City more influence on the distribution of bonds to targeted investors such as City residents. Negotiated sales are executed when competitive sales are not suitable nor a viable option. Examples of such circumstances include unusual financing terms, market volatility, and weaker credit quality. In a negotiated sale, the underwriter or the underwriting syndicate for the bonds is identified upfront along with other professionals for the transaction. The underwriter will actively assist the issuer in structuring the financing and marketing the bonds including providing assistance in preparing the preliminary and final official statements.

Competitive Sale: In general, the competitive sale method is recommended for "plain vanilla" financings with a strong underlying credit rating and if the debt is not expected to be treated as a "story bond" by the investors. In a competitive sale, the bidder's role is limited to review of the preliminary official statement and Notice Inviting Bids released by the City and its offer to purchase the bonds per the bidding parameters established by the City. In a competitive sale, bids will be awarded on a lowest TIC basis, providing other bidding requirements are satisfied.

In a competitive sale, the Notice Inviting Bids will be carefully constructed by the City's municipal advisor so as to ensure the best possible bids for the City, in light of existing market conditions and other prevailing factors. Bid parameters often proscribe limitations regarding use of discount or premium coupons, bond insurance, and call provisions. The City will publish the Notice Inviting Bids in a financial publication generally circulated throughout the state or reasonably expected to be disseminated among all prospective bidders for the proposed bond issuance. In such instances where the City deems the bids received unsatisfactory, it may, at the discretion of the City Manager, reject all bids.

Private Offering: Typically, private placements and direct loans are carried out when extraneous circumstances preclude public offerings or to avoid the costs of a public offering for smaller issuances.

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When determined as the best option, the City will negotiate financing terms with financial institutions or certain accredited investors on a private placement/direct loan basis.

**C. Use of External Financing Professionals**

Municipal bond issuers hire a financing team to develop a financing plan, develop offering documents, prepare for any rating agency and investor presentations, market the bond offering to investors, price the bonds and close the transaction. The financing team typically will include the Municipal Advisor, Bond Counsel, Disclosure Counsel, Underwriter, Underwriter's Counsel, Fiscal Agent, Credit Rating Agency and Credit Enhancer.

The City Manager shall have the authority to select service providers necessary to meet legal requirements and minimize City debt costs. The City Manager will make such selections with the goal of achieving an appropriate balance between service (including experience, professional reputation, and market recognition) and cost. The City Manager is authorized, but not required, to select such services providers through a sole source selection process unless a different process is specifically required by law.

**IV. STRUCTURE AND REPAYMENT OF DEBT****A. Final Maturity and Principal Amortization**

The final maturity of the debt shall not exceed, and preferably be less than, the remaining useful life of the assets being financed. And, in order to comply with Federal tax regulations, the average life of a debt issue shall not exceed 120 percent of the average life of the assets being financed. (The standard term of long-term borrowing is 15 to 30 years.)

The City will seek to structure debt with aggregate level debt service (principal and interest payments) over the life of the borrowing. The deferral of principal payments will be considered only when it is beneficial to the City's aggregate debt portfolio or when it will allow debt service to more closely match the cash flows of the financed project.

**B. Interest Rate Mode**

The City currently issues debt with fixed interest rates, primarily because debt service payments are certain through the life of the obligation. However, if appropriate, the City may choose to issue variable or floating rate debt which normally carries a lower rate of interest set according to a predetermined formula or by a remarketing process. On a case-by-case basis, the City Manager will evaluate the likely benefits and potential costs of the City's issuance of debt with non-fixed rates of interest. In general, the outstanding amount of non-fixed rate debt should not exceed 20 percent of the City's total debt.

**C. Capitalized Interest**

Capitalized interest are bond proceeds which are reserved to pay interest on a debt issue until the projected operational date of the financed project plus an additional period of time as a safeguard

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against construction delays. The City may elect to fund capitalized interest from bond proceeds for this purpose.

**D. Debt Service Reserve Funds**

Debt service reserve funds (DSRFs) are held by and available to the bond trustee to make debt service payments to bondholders in the event that pledged revenues are insufficient. The maximum size of the reserve fund is generally governed by Federal tax regulations, which permits the lesser of three tests: 10 percent of debt proceeds, 125 percent of average annual debt service and maximum annual debt service. When debt service payments are generally equal from year to year, debt service reserve funds are usually sized to maximum annual debt service.

A debt service reserve fund either may be required by existing legal documents or may improve the credit ratings or marketing of the debt issue. The debt service reserve fund requirement can be satisfied with cash or a cost-effective surety policy, with either debt proceeds or City reserves serving as the funding source. A cash debt service reserve fund will be invested pursuant to the investment restrictions associated with the respective financing documents and the City's Investment Policy. For each debt issue, the City Manager will evaluate the necessity of, and the funding source for, any debt service reserve fund.

**E. Redemption Provisions (Call Options)**

A call option, or optional redemption provision, gives the City the right to prepay or retire debt prior to its stated maturity. This option may permit the City to achieve interest savings in the future through refunding of the bonds. Long-term tax exempt, municipal borrowings are typically issued with a 10-year call option and no call premium (price 100). From time to time, shorter call options of three to nine years are used. As the City must pay a higher interest rate as compensation to the buyer for the risk of having the bond called in the future, the City Manager will evaluate the use of a call option for each debt issuance prior to the date of sale.

Because the cost of call options can vary widely, depending largely on current market conditions, an evaluation of the following factors will be conducted in connection with each issuance: the call premium, the level and volatility of interest rates relative to historical standards, the coupon rate, and the time until the bonds may be called. Since the issuance of non-callable debt will restrict future financial flexibility, cost will not be the sole determinant in the City's decision to issue non-callable debt.

**F. External Credit Enhancement**

Credit enhancement may be used to improve or establish a credit rating. Types of external credit enhancement include bank letters of credit, bond insurance and DSRF surety policies. The City Manager will evaluate the availability and cost/benefit of credit enhanced debt versus unenhanced debt prior to the date of sale. The City may utilize credit enhancement if it provides an economic advantage to a particular debt maturity or the entire issue, or if it furthers the City's overall financial objectives.

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**G. Derivative Products**

Derivative products will be considered appropriate in the issuance or management of debt only in instances where it has been demonstrated that the derivative product will either provide a hedge that reduces risk of fluctuations in expense or revenue, or alternatively, where it will reduce total financing cost. Should derivatives be considered, such activities will be addressed in a separate derivatives policy which will provide guidelines for interest rate swaps and other derivative products. As the City does not have any derivative products outstanding, no derivatives policy is in place.

**V. DEBT MANAGEMENT****A. Investment of Bond Proceeds**

Until spent on the intended project, bond proceeds will be invested to maximize safety, liquidity and return. The City's Investment Policy and the bond documents govern objectives and criteria for investment of bond proceeds. The City will invest bond proceeds to maximize interest earnings over the life of the bond issuance while complying with Federal tax regulations.

**B. IRS Compliance**

The Finance Director will establish and maintain a system of record keeping and reporting to meet the arbitrage rebate compliance requirements as required by Federal tax regulations. This effort shall include tracking investment earnings on bond proceeds, calculating rebate payments in compliance with tax law, and remitting any rebate earnings to the federal government in a timely manner in order to preserve the tax-exempt status of the City's outstanding debt issuances. The Finance Director may retain a firm to prepare arbitrage rebate calculations and communicate with the IRS.

**C. Disclosure Requirements and Investor Relations**

The City will meet secondary disclosure requirements in a timely and comprehensive manner, as stipulated by the SEC Rule 15c2-12. The Finance Director is responsible for providing ongoing disclosure information to the Municipal Securities Rulemaking Board's Electronic Municipal Market Access (EMMA) system, the central depository designated by the SEC for ongoing disclosures by municipal issuers. The Finance Director is responsible for maintaining compliance with all accounting and disclosure standards promulgated by state and national regulatory bodies, including the Government Accounting Standards Board (GASB) and the Securities and Exchange Commission (SEC). The Finance Director may retain a firm to assist with preparation of the City's annual disclosure reports and the reporting of material events.

**D. Debt Covenants**

General financial reporting and other tax certification requirements embodied in debt covenants shall be monitored to ensure that the City is in compliance.

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**GLOSSARY**

**Additional Bonds:** Additional bonds is a term found in indentures, trust agreements, bond resolutions, and other bond issuance documents referring to bonds that may be issued in the future in addition to the bonds being issued under the current document. Often these bonds are on a parity with the bonds being issued initially and may not be issued without meeting certain conditions involving the level of revenues available to repay the initial bonds and additional bonds, maximum amount limitations, and other conditions. These conditions are often referred to as the "additional bonds test".

**Amortize:** To retire the principal of an issue by periodic payments either directly to bondholders, or first to a sinking fund and then to bondholders.

**Arbitrage Rebate:** A payment made by an issuer to the federal government in connection with an issue of tax-exempt or other federally tax-advantaged bonds. The payment represents the amount, if any, of arbitrage earnings on bond proceeds and certain other related funds, except for earnings that are not required to be rebated under limited exemptions provided under the Internal Revenue Code. An issuer generally is required to calculate, once every five years during the life of its bonds, whether or not an arbitrage rebate payment must be made

**Arbitrage Yield Restriction:** With respect to tax-exempt bonds, arbitrage is the yield spread made by issuing bonds bearing interest at tax-exempt rates, and investing the proceeds at materially higher taxable yields. The Internal Revenue Code limits the opportunity for borrowers to use monies associated with tax-exempt bonds to acquire materially higher yielding taxable investment property. However, certain exceptions are provided-in particular for reserve accounts and for investments during temporary periods.

**Basis Point:** A "basis point" is a shorthand reference to one one-hundredth of one percent (.01%). The term is generally said to describe interest rates rather than prices. For example, if an interest rate increases from 4.25% to 4.50%, the difference is referred to as a 25 basis point increase.

**Bond:** The written evidence of debt, which upon presentation entitles the bondholder or owner to a fixed sum of money plus interest. The debt bears a stated rate(s) of interest or states a formula for determining that rate and matures on a date certain. Generally refers to debt securities with a maturity of greater than the short-term range.

**Bond Counsel:** An attorney (or firm of attorneys) retained by the issuer to give a legal opinion that the issuer is authorized to issue proposed securities, the issuer has met all legal requirements necessary for issuance, and interest on the proposed securities will be exempt from federal income taxation and, where applicable, from state and local taxation. Typically, bond counsel may prepare, or review and advise the issuer regarding authorizing resolutions or ordinances, trust indentures, official statements, validation proceedings and litigation.

**Bond Insurance:** Non-cancellable insurance purchased by the issuer from a bond insurer pursuant to which the insurer promises to make scheduled payments of interest, principal and mandatory sinking

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fund payments on an issue if the issuer fails to make timely payments. When an issue is insured, the investor relies upon the creditworthiness of the insurer rather than the issuer (or in addition to the issuer). Payment of an installment by the insurer does not relieve the issuer of its obligation to pay that installment. The issuer remains liable to pay that installment to the insurer.

**Bond Proceeds:** The money paid to the issuer by the purchaser or underwriter of a new issue of municipal securities. These moneys are used to finance the project or purpose for which the securities were issued and to pay certain costs of issuance as may be provided in the bond contract.

**Bond Purchase Contract:** In a negotiated sale, the bond purchase contract is an agreement between an issuer and an underwriter or a group of underwriters (a syndicate or a selling group) who have agreed to purchase the issue. Other common names for a bond purchase contract are "contract of purchase" or "bond purchase agreement." In a competitive sale, the notice of sale, the underwriter's bid and the issuer's acceptance of the bid together constitute a bond purchase contract. Generally, these three items, taken together, contain items similar to those in a negotiated bond purchase contract.

A bond purchase contract generally contains the following:

- The purchase price to be paid by the underwriter (including any premium or discount)
- Certain terms of the bonds, such as interest rates, maturities, redemption provisions, and original issue discount
- The circumstances under which the underwriter may cancel its obligation to purchase the issue (e.g., changes in the tax treatment of the bonds and other events which would make it substantially more difficult for the underwriter to sell the bonds to investors)
- The good faith deposit, if any
- The conditions to the closing of the issue, which often include documents, certificates, and opinions that are to be delivered on the closing date
- Any restrictions on the liability of the issuer

**Call:** To give notice of redemption prior to the bond's maturity date; to redeem bonds prior to their maturity date.

**Call Price:** The price, as established in the bond contract, at which securities will be redeemed, if called. The call price is generally at or above par and is stated as a percentage of the principal amount called.

**Capitalized Interest:** Bond proceeds which are reserved to pay interest on an issue for a period of time early in the term of the issue (funded interest). For a project financing, interest payments are commonly capitalized until the operational date of the financed project.

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**Certificates of Participation (COPs):** A certificate (which looks very much like a bond) representing an undivided interest in the payments made by a public agency pursuant to a financing lease (or an installment purchase agreement). A portion of each lease payment (and, therefore, a portion of each interest in a lease payment) is designated as being principal, and the remainder as interest. Even though COPs are not treated as indebtedness of the issuer under state law (particularly the California Constitution), the federal tax law treats the lease obligation as if it were a debt, and, as a result, the interest component of each lease payment may be treated as tax-exempt interest.

**Closing Date:** The date on which an issue is delivered by the issuer to, and paid for by, the original purchaser (often an underwriter); also called the delivery date.

**Competitive Sale:** The sale of bonds to the bidder presenting the best sealed bid at the time and place specified in a published notice of sale (also called a "public sale"). When bonds are to be sold at a competitive sale, the issuer typically specifies all of the terms of the issue other than interest rates and purchase price. When the issue is ready to market, the issuer solicits bids by placing a notice of sale in one or more industry publications such as *The Bond Buyer* and, if required by law, in a local newspaper of general circulation. In the notice of sale, the issuer announces that it will accept sealed bids up to a certain date and time. Prior to presenting bids, the underwriters evaluate the credit quality of the issue and the municipal market and may form syndicates or selling groups. The bonds are awarded to the underwriter presenting the best bid based on the criterion specified in the notice of sale. Possible criteria include the net interest cost (NIC) method or the net effective interest rate or true interest cost (TIC) method of comparing the cost by the issuer of the financing.

**Continuing Disclosure:** The ongoing disclosure provided by an issuer or obligated person pursuant to an undertaking entered into to allow the underwriter to comply with SEC Rule 15c2-12.

**Costs of Issuance:** Costs of issuance are the expenses paid in connection with the sale and issuance of bonds, commonly from bond proceeds. These expenses may include, but are not limited to, the fees paid to bond counsel, disclosure counsel, municipal advisor, feasibility consultant and trustee, as well as the costs of printing the official statement or other disclosure documents, costs associated with obtaining a credit rating, and underwriter's compensation.

**Coupon or Coupon Rate:** The periodic rate of interest, usually calculated as an annual rate payable on a security expressed as a percentage of the principal amount. The coupon rate, sometimes referred to as the "nominal interest rate," does not take into account any discount or premium in the purchase price of the security.

**Covenants:** Contractual obligations in financing agreements whereby the party making the promises agrees to perform or refrain from performing certain actions or to comply with certain requirements. Most issuer covenants are found in the indenture or bond resolution pursuant to which the bonds are issued. The following covenants are typical issuer covenants:

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Rate Covenant - a covenant that the issuer will establish and collect charges with respect to the project or the program loans sufficient to meet expenses and debt service, perhaps with debt service coverage.

Insurance Covenant - a covenant to maintain insurance against various events, such as fire, casualty, flood, earthquake, theft, and liability. A covenant to repair or reconstruct the project with the proceeds of insurance, or if it does not make economic sense to repair or reconstruct the project, insurance proceeds would be applied to the redemption of the bonds.

Tax Covenant - a covenant that the issuer will not take any action or consent to any party taking any action which will cause interest on the bonds to be subject to federal income taxation or to cause the bonds to be arbitrage bonds.

Additional Bonds - a covenant not to issue any bond whose security is equal to or superior to that of the existing issue unless certain "additional bonds" tests (often including historical or projected coverage ratios) are satisfied.

**Coverage (Debt Service):** The extent to which revenues in addition to the amount necessary to pay operating expenses and debt service are required to be collected by a rate covenant or by the conditions to the issuance of additional parity bonds. For example, the bond resolution pursuant to which water revenue bonds are issued may require the issuer to maintain fees and charges for the sale of water levels sufficient to enable it to collect in each year the amount necessary to pay all of its water system operating expenses, debt service on the bonds plus an amount equal to 25% of debt service on the bonds. The additional 25% is referred to as coverage.

**Credit Enhancement:** The availability of additional outside support designed to improve an issuer's own credit standing and it is a key part of securitizing a finance transaction.

**Credit Ratings:** Evaluations of the credit quality of notes and bonds usually made by independent rating services (Credit Rating Agencies). Credit ratings are intended to measure the probability of the timely repayment of principal of and interest on municipal securities. Ratings are initially made before issuance and are periodically reviewed and may be amended to reflect changes in the issuer's credit position. The information required by the rating agencies varies with each issue, but generally includes information regarding the issuer's demographics, debt burden, economic base, finances and management structure. The three nationally recognized Credit Rating Agencies are Fitch Investors Service, Moody's Investors Service, Inc. and Standard & Poor's Corporation.

**Credit Spread:** This is the difference in yield between different securities, due to different credit quality. The credit spread reflects the additional net yield an investor can earn from a security with more credit risk relative to one with less credit risk.

**Debt Ratios:** Comparative statistics showing the relationship between the issuer's outstanding debt and such factors as its tax base, income or population. Such ratios are often used in the process of determining credit quality of an issue, primarily on general obligation bonds or other tax-supported debt. Some of the more commonly used ratios are (a) net overall debt to assessed valuation, (b) net

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overall debt to estimated full valuation, (c) net overall debt per capita, and (d) tax-supported debt to personal income. Related terms include:

Direct Debt - The sum of the total bonded debt and any short-term debt of the issuer.

Net Direct Debt - Direct debt less sinking fund accumulations and all self-supporting debt.

Overall Debt - Total direct debt plus the issuer's applicable share of the total debt of all overlapping jurisdictions.

Net Overall Debt - Net direct debt plus the issuer's applicable share of the net debt of all overlapping jurisdictions.

Overlapping Debt - The issuer's proportionate share of the debt of other local governmental units that either overlap it (the issuer is located either wholly or partly within the geographic limits of the other units) or underlie it (the other units are located within the geographic limits of the issuer). The debt is generally apportioned based upon relative assessed values.

**Debt Service:** The total of interest, principal and mandatory sinking fund payments.

**Default/Event of Default:** Failure to make prompt payment on a bond or otherwise comply with other covenants in the financing agreements. Indentures and bond resolutions commonly provide for some short period of time (a "cure period") to correct a failure to comply with a covenant, before a simple default becomes an event of default that allows acceleration and certain other remedies to be pursued.

**Defeasance:** The termination of the rights and interests (including the pledge of revenues but not including the right to payment) of the bondholders under the indenture or bond resolution upon final payment or provision for payment of all debt service on the bonds, all in the specific manner required by the indenture or bond resolution.

**Denomination:** The face amount of a bond--generally its original principal amount. Usually the denominations are \$5,000 or any integral multiple of \$5,000. In some short-term or variable rate financings, denominations may be multiples of \$100,000 or in multiples of \$5,000 in excess of \$100,000.

**Derivative:** A product whose value is derived from an underlying security or other asset structured to deliver varying benefits to different market segments and participants. The term encompasses a wide range of products offered in the marketplace including interest rate swaps, caps, floors, collars and other synthetic variable rate products.

**Direct Loan:** A loan to a municipal issuer from a banking institution or another lender. The obligations may constitute municipal securities.

**Disclosure Counsel:** Disclosure counsel handles many of the tasks traditionally handled by underwriter's counsel, except when it is clear that the disclosure counsel's client is the issuer and not the underwriter. If underwriter's counsel has been retained, it may be unnecessary to retain disclosure

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counsel. Disclosure counsel may prepare the draft Official Statement, the Bond Purchase Contract (or, in the case of a competitive sale, the Official Notice of Sale), the Continuing Disclosure Agreement and any Blue Sky Memoranda. In addition, disclosure counsel may render a "10b-5 opinion" to the underwriter for the transaction. In doing this work, the disclosure counsel is representing the issuer and not the underwriter, and all parties must be aware of this role and of the duties disclosure counsel owes to its client, the issuer. If structured in this way, disclosure counsel may be the same lawyer or firm as bond counsel on a particular transaction since the client in both cases is most likely the issuer. Occasionally where disclosure counsel is used, the underwriter also will have its own counsel, but typically that counsel's role is limited to advising the underwriter on negotiation of the purchase contract and on regulatory compliance issues.

**Discount:** The amount, if any, by which the principal amount or par value of a bond exceeds its sale price. Original issue discount (OID) is the amount by which the principal amount or par value of a bond exceeds the offering price to the public at the time it is originally sold, or if sold in a private placement, the price to its first purchaser.

**Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act):** The Dodd-Frank Wall Street Reform and Consumer Protection Act was signed into law on July 21, 2010. The Act was passed in response to the market discord over the past few years and is the most sweeping change to financial regulation in the United States since the Great Depression. In general, this legislation strengthens oversight of municipal securities and broadens securities market protections to cover, among other things, previously unregulated market participants. The law introduces more stringent regulatory capital requirements, effect significant changes in the regulation of over the counter derivatives, reform the regulation of credit rating agencies and effect significant changes in the securitization market. Legislation calls for a number of studies to be conducted and requires significant rule-making.

**Due Diligence:** The inquiry made to reveal or confirm facts about the issuer, the issue and the security for the issue that would be material to a prudent investor in making a decision to purchase the issue. Due diligence inquiries are made by underwriters and lawyers to determine, for example, whether the issue follows the purpose and scope outlined by the enabling legislation, statutes, and resolutions of the issuer and whether all material facts have been accurately disclosed in the official statement. Courts have generally concluded that participants who demonstrate that they have conducted reasonable investigations resulting in a reasonable belief in the accuracy and sufficiency of the disclosure document have satisfied their responsibilities under the disclosure laws relating to municipal bonds.

**Electronic Municipal Market Access (EMMA):** A centralized online source for free access to municipal disclosures, market transparency data and educational materials about the municipal securities market operated by the MSRB. Among other things, EMMA serves as the official source for official statements and other primary market disclosure documents for new issues of municipal securities as well as the official source for continuing disclosures for outstanding issues of municipal

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securities for which the issuer or obligated person has entered into a continuing disclosure agreement as contemplated under SEC Rule 15c2-12.

**Escrow Agent:** With respect to an advance refunding, the commercial bank or trust company retained to hold the investments purchased with the proceeds of the refunding and, customarily, to use the amounts received as payments on such investments to pay debt service on the refunded bonds.

**Feasibility Consultant:** The person or firm retained, customarily by the issuer, to express an opinion (customarily printed as an appendix to the official statement) on the economic feasibility of a facility, enterprise, or lending program to be undertaken with the proceeds of an issue. Feasibility consultants are retained for a wide variety of different types of financings, ranging from large single projects such as a hydroelectric power plant to lending programs such as a multideveloper single family mortgage revenue program. The objective of a feasibility report is to provide an assessment of one or more aspects of the economic feasibility of the purpose of a financing. The views of the feasibility consultant are taken into account by the credit rating agencies and investors in the process of marketing the bonds.

**Financial Industry Regulatory Authority (FINRA):** A self-regulatory organization, formerly known as the National Association of Securities Dealers (NASD), that enforces MSRB rules applicable to the municipal securities activities of its member broker-dealers, administers the MSRB's professional qualification examinations and handles arbitration proceedings relating to municipal securities for its member broker-dealers and for bank dealers. FINRA also adopts rules governing the conduct of its members with respect to most types of securities other than municipal securities.

**Fiscal Agent:** A commercial bank or trust company designated by an issuer under the indenture or bond resolution to act as a fiduciary and as the custodian of moneys relating to an issue. The fiscal agent's duties typically are limited to receiving money from the issuer which are to be held in funds and accounts created under the indenture or bond resolution and (when acting as paying agent) paying out principal and interest to bondholders.

**Fixed Rate:** An interest rate which is set at the time a bond is issued and which does not vary during the time of the bond.

**Floating Rate:** A (variable) interest rate that periodically changes based upon an index or a pricing procedure. For example, the interest rate may change at intervals according to an index or a formula or other standard of measurement as stated in the bond contract, or may be the rate established by the remarketing agent as the rate necessary to remarket the bonds at par. The variable rate may change on a daily, weekly, monthly, or other periodic basis.

Variable rate bonds generally have a demand feature allowing the owner to demand that the issuer or another party repurchase the bond upon a specified number of days' notice or at certain times which reflect the intervals at which the rate varies. For example, a variable rate bond bearing interest at a rate, which is set each week, customarily has a demand feature allowing the bondholder to put the bond on one week's notice. Investors treat such a bond as having a term of one week. Because interest

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charged on money borrowed for a short term is normally less than interest on money borrowed for a long term, variable rates are normally lower than long-term fixed rates. Since variable rates are lower than long-term fixed rates, variable rate bonds are also referred to as lower floaters.

**Flow of Funds:** The provisions of an indenture or bond resolution pursuant to which pledged revenues are periodically allocated in a specified priority to accounts, if any, for operating expenses, debt service, the bond reserve account, redemption of bonds prior to maturity, other reserves, surplus, etc.

**Government Accounting Standards Board (GASB):** A standard-setting body which prescribes standard accounting practices for governmental units.

**Indenture/Bond Resolution:** An agreement executed by an issuer and a trustee (or fiscal agent) which pledges certain revenues and other property as security for the repayment of the issue, sets forth the terms of the bonds and contains the responsibilities and duties of the trustee and the rights of the bondholders. The responsibilities and duties of the trustee may include, among others, the following:

- regulating the disbursement of the proceeds of the issue for the intended purpose
- fund transfers to assure that bondholders receive timely and complete payment
- protecting the assets of the trust if a default occurs
- exercising a specified standard of care in the administration of those trusts

A bond resolution differs from an indenture in that the issuer unilaterally adopts the resolution which is then accepted as an agreement by the trustee or fiscal agent in a separate document. The provisions of a bond resolution used in this manner do not differ substantially from those of an indenture. The term bond resolution is often also used to mean a resolution that authorizes the issuance of bonds, and may or may not also authorize the execution of an indenture. General and series indentures are used when several issues of parity bonds are to be issued. The general indenture customarily specifies the matters that will be common to all series of bonds and the series indenture is a supplemental indenture that specifies the terms of the particular series and any other features that are unique that series. A supplemental indenture is an indenture that amends or supplements a prior indenture, whether that prior indenture stands by itself, is a general indenture or a series indenture.

**Installment Purchase Contract/Sale Agreement:** An installment purchase contract or installment sale agreement is a financing instrument, similar to a financing lease, by which the issuer sells, rather than leases the project to the obligor, which agrees to purchase the project by making periodic payments ("installments"). Whether lease payments or installments, such payments are designed to be sufficient to pay debt service on the issue. The choice whether to structure a financing utilizing the municipal lease, installment purchase contract or loan agreement often depends upon state law requirements such as constitutional debt limits and the authorization to lease property.

**Interest/Interest Rate:** A charge paid to the bondholder by the issuer for the use or borrowing of money; the "interest rate" is the interest charge expressed as a percentage of principal (which

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generally corresponds roughly to the amount borrowed) accruing over a specified period (generally a year) so long as the debt remains unpaid. Interest may be paid or may compound at intervals different from the period used to express the interest rate. Interest on current interest fixed rate bonds generally is expressed as an annual rate, but is paid semiannually, with each semiannual payment being one-half of the amount that would accrue over an entire year. Interest on variable rate bonds accrues at a rate which changes from time to time (perhaps as often as daily), but each such rate is nevertheless generally expressed as a percentage per year. Generally, interest on fixed rate bonds is calculated on the basis of a 360-day year and interest on variable bonds is calculated on the basis of a 365-day year.

**Investors:** Investors are persons or firms who purchase bonds. They are in effect loaning their money (the amount of their investment) to the issuer of the bonds in exchange for the issuer's obligation to repay them with interest. Investors are often thought of in two broad classes: institutional and retail.

Institutional Investor - A mutual fund, insurance company, bank, or other financial institution that buys bonds, usually in very large blocks (sometimes in the tens of millions of dollars). Institutional investors have professional staffs whose purpose is to analyze credit risk, monitor investments, and manage the investor's assets.

Retail Investor - An individual who purchases bonds, usually in small blocks-as small as \$5,000. Retail investors vary from the quite unsophisticated investor with a small amount of savings (often colloquially referred to as the "widows and orphans") to so called "high net worth" individuals who may have significant holdings and experience in the bond market.

**Issuer:** A state, territory, political subdivision, municipality, or governmental agency or authority that raises funds through the sale of municipal securities.

**Managing Underwriter:** The managing underwriter is the leading--and originating--investment banking firm of an underwriting group organized for the purchase and distribution of a new issue of securities. The agreement among underwriters authorizes the managing underwriter, or syndicate manager, to act as an agent for the group in purchasing, carrying, and distributing the issue as well as complying with all federal and state requirements; to form the selling group; to determine the allocation of securities to each member; to make sales to the selling group at a specified discount--or concession--from the public offering price; to engage in open market transactions during the underwriting period to stabilize the market price of the security; and to borrow for the syndicate account to cover costs.

**Material Event Notice:** Disclosure of certain enumerated events affecting a municipal security required to be made under a continuing disclosure agreement meeting the requirements of Rule 15c2-12. These events include any of the following, if material:

- 1) principal and interest payment delinquencies
- 2) non-payment related defaults

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- 3) unscheduled draws on debt service reserves reflecting financial difficulties
- 4) unscheduled draws on credit enhancements reflecting financial difficulties
- 5) substitution of credit or liquidity providers, or their failure to perform
- 6) adverse tax opinions or events affecting the tax-exempt status of the security
- 7) modifications to rights of securities holders
- 8) bond calls
- 9) defeasances
- 10) release, substitution, or sale of property securing repayment of the securities
- 11) rating changes
- 12) failure to provide annual financial information as required

**Maturity:** With respect to a single bond, the date upon which the principal of the bond is stated to be due; with respect to an issue, all of the bonds of an issue which are due on a single date.

**Municipal Advisor (MA):** With respect to a new issue of municipal securities, a consultant who advises the issuer on matters pertinent to the issue, such as structure, timing, marketing, fairness of pricing, terms and bond ratings. A municipal advisor may also be employed to provide advice on subjects unrelated to a new issue of municipal securities, such as advising on cash flow and investment matters.

**Municipal Securities Rulemaking Board (MSRB):** A self-regulatory organization, consisting of representatives of securities firms, bank dealers, municipal advisors, issuers, investors and the public, that is charged with primary rulemaking authority over municipal securities dealers and municipal advisors in connection with their municipal securities and municipal advisory activities. MSRB rules are approved by the SEC, and enforced by the SEC, FINRA and the federal banking regulators depending on the regulated entity.

**National Association of Bond Lawyers (NABL):** A professional society of bond counsel organized to improve the law and solve common legal problems relating to municipal securities.

**Negotiated Sale:** A sale of bonds, the terms and price of which are negotiated by the issuer through an exclusive agreement with a previously selected underwriter and or underwriting syndicate. Unlike a competitive sale, the underwriter is customarily active in all aspects of structuring the negotiated deal. Selection of the underwriter can be based on many different considerations including, but not limited to, expertise, reputation, guaranties of maintaining a maximum gross spread as well as prior relationships with the issuer. In addition to negotiating the terms and covenants of the issue, the issuer and the underwriter also negotiate pricing of the issue. One advantage of a negotiated sale is that the issue can be brought to market at the most advantageous time giving special consideration to a volatile interest rate environment for the particular issue. Negotiated sales are often used for

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complex financings which may require targeting to specialized investors due to the financing structure or the nature of the security of the bonds.

**Non-Litigation Certificate:** A document executed prior to delivery of a new bond issue by an issuer of municipal bonds certifying that there is no litigation known to the issuer to be currently pending, threatened, or contemplated that would affect in any materially adverse manner the validity or security of the bonds issued; the issuance, execution or delivery of the bonds issued; the existence or boundaries of the issuing entity (on general obligation bonds); or the validity or legality of provisions authorizing the payment of principal and interest on the bonds. The non-litigation certificate may also affirm the incumbency of specified officers, or this may be done in a separate document.

**Notice of Sale:** A publication by an issuer describing the terms of sale of an anticipated new offering of municipal securities. It generally contains the date, time, and place of sale, amount of issue, type of security, amount of good faith deposit, basis of award, name of bond counsel, maturity schedule, method of delivery, time and place of delivery and bid form.

**Official Statement (OS):** A document containing information about the bonds being offered, the issuer, and the sources of repayment for the bonds. Federal securities laws generally require that if an official statement is used to market an issue, it must fully disclose all facts that would be of interest ("material") to a potential buyer of bonds of the issue. For a water revenue issue, the most important information may be the financial health and physical condition of the water system enterprise, water supply and the economic health of the service area. The materiality of such information may also depend upon whether or not credit enhancement is utilized. Under MSRB rules, a formal official statement (which is printed only after the final terms of the bonds are available) must (if available) be delivered by the broker or dealer to purchasers of bonds no later than the settlement date of the transaction. An official statement may also be called an "offering circular," "offering memorandum" or "bond prospectus."

Preliminary Official Statement (POS) - The version of an official statement or offering circular used by the issuer or underwriters to inform the marketplace of the terms of the bonds being issued prior to receipt of bids at a competitive sale or prior to the determination of interest rates and purchase price in a negotiated sale.

**Par/Par Value:** "Par" or "par value" refers to the principal amount of a bond. A bond may be purchased (1) "at par," meaning the price of the bond is equal to its principal amount, (2) "below par," meaning the price is below its principal amount, or (3) "above par," meaning the price is above its principal amount.

**Pricing:** In a negotiated sale, the determination by the underwriters of the interest rates and reoffering prices at which an issue will be offered to investors. Generally, the underwriters will have mailed a preliminary official statement to potential investors and to other underwriters approximately one to two weeks prior to the pricing date. On the pricing date the underwriters will price the issue at the lowest marketable interest cost to the issuer. The price must be agreeable to the issuer. The underwriters then offer the bonds to investors on the agreed terms and if an appropriate number of

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orders are received, the issuer and the underwriters enter into a bond purchase contract on those terms. If not enough or too many orders are received on the original terms, the issue may be re-priced to be more attractive to investors or to give a better rate to the issuer, as the case may be.

**Private Placement:** A primary offering in which a placement agent sells a new issue of municipal securities on behalf of the issuer directly to investors on an agency basis rather than by purchasing the securities from the issuer as an underwriter and reselling them to investors. Investors purchasing privately placed securities often are required to agree to restrictions as to resale and are sometimes requested or required to provide a private placement letter to that effect.

**Public Offering:** The sale of bonds (generally through an underwriter) to the general public (or a limited sector of the general public). The offer is usually disclosed by an official statement in which the terms of the financing and its structure are set forth, allowing the investor to make an informed decision about the merits of the proposed securities. The issuer may market a proposed public offering either via competitive sale or negotiated sale. In addition to public offerings, bonds are also sold in limited public offerings and private placements.

**Refunding:** An issue of new bonds (the refunding bonds) to pay debt service on a prior issue (the refunded bonds). Generally, the purpose of a refunding is either to reduce the debt service on the financing or to remove or replace a restrictive covenant imposed by the terms of the refunded bonds (for example, an excessive debt service coverage ratio). For accounting purposes, refunded bonds are not considered part of the issuer's outstanding debt because the refunded bonds are to be paid from the proceeds of the refunding bonds and not from the revenues originally pledged. Refunded bonds may continue to hold a lien on the revenues originally pledged; however, unless the indenture or bond resolution provides for defeasance of the refunded bonds prior to maturity or redemption.

Advance Refunding - A refunding in which the refunding bonds are issued more than 90 days prior to (in "advance" of) the date upon which the refunded bonds will be paid.

Current Refunding - A refunding in which the refunding bonds are issued 90 days or less before the date upon which the refunded bonds will be paid.

**Reserve Account:** An account from which monies may be drawn to pay debt service on an issue if pledged revenues and other amounts available to satisfy debt service are temporarily insufficient. A reserve account is typically funded to its agreed requirement with bond proceeds, or it may be only partly funded at the time of issuance and expected to reach its full requirement over time through the accumulation of pledged revenues or other available monies. If a bond reserve account is used in whole or part to pay debt service, the issuer usually is required to replenish the reserve account from revenues available after payment of debt service. A typical reserve requirement for an enterprise revenue bond would be an amount equal to maximum annual debt service on the issue, but not more than 10 percent of the original principal amount of the issue. The size of the reserve account and the investment of the monies held therein are subject to restrictions contained in the federal tax law for tax-exempt bonds. Investment earnings on bond reserve account monies may also be subject to yield

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restriction and rebate. Sometimes, reserve account requirements are satisfied by the provision of a surety policy instead of a deposit of cash.

**Revenue Bond:** A bond which is payable from a specific source of revenue and to which the full faith and credit of an issuer with taxing power is not pledged. Revenue bonds are payable from identified sources of revenue, and do not permit the bondholders to compel taxation or legislative appropriation of funds not pledged for payment of debt service. Pledged revenues may be derived from operation of the financed project, grants and excise or other specified non ad-valorem taxes. Voter approval is not required when issued by a joint powers authority (JPA).

**Securities and Exchange Commission (SEC):** The federal agency responsible for supervising and regulating the securities industry. Although municipal securities are exempt from the SEC's registration requirements, municipal securities dealers and municipal advisors are subject to SEC regulation and oversight. The SEC also has responsibility for the approval of MSRB rules and enforces anti-fraud provisions of the federal securities laws in the sale and purchase of municipal securities.

**Selling Group:** A group of municipal securities brokers and dealers that assists in the distribution of a new issue of securities. Selling group members are able to acquire new issue securities from the underwriting syndicate at syndicate terms (i.e., less the total takedown) but do not participate in residual syndicate profits nor share any liability for any unsold balance.

**Serial Bonds:** Bonds of an issue which are payable as to principal in amounts due at successive regular intervals, generally annual or semiannual and generally in the early years of the term of the issue. An issue may consist of both serial bonds and term bonds.

**Sinking Fund Payments or Installments:** Payments made by an issuer (often into a "sinking fund") to provide for the redemption or payment at maturity of term bonds. Also called "mandatory sinking account payments" or "sinking fund installments." Generally, sinking fund payments are mandatory in a specified amount for each payment period to provide for the periodic redemption of term bonds prior to their final maturity. The individual term bonds to be redeemed each year are customarily selected at random by the trustee.

**SLGS:** An acronym (pronounced "slugs") for "State and Local Government Series." SLGS are special United States Government securities sold by the Treasury to states, municipalities and other local government bodies through individual subscription agreements. The interest rates and maturities of SLGS are arranged to comply with arbitrage restrictions imposed under Section 103 of the Internal Revenue Code. SLGS are most commonly used for deposit in escrow in connection with the issuance of refunding bonds.

**Special Tax Bonds (Mello-Roos Bonds):** Special Tax Bonds may be issued by a Community Facilities District, otherwise known as a Mello-Roos district, to finance facilities and those services that are necessary due to growth and development. Bonds issued by a district are secured by the levy of specified special taxes which must be approved by a 2/3rds vote of the registered voters or landowners within the proposed district. When the vote to approve the district tax is to be by the

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landowners of the district, services may be financed only to the extent that they are in addition to those provided in the territory of the district before it was created and may not supplant services already available when the district was created. Once formed, a district is a legally constituted governmental entity the sole purpose of which is to finance facilities and services.

**Special Assessment Bonds:** The Municipal Improvement Act of 1913 provides for a local agency to form an Assessment District to finance certain infrastructure, including roadways, water and sewer facilities, storm drains, and other improvements often required in connection with new development. Assessment Districts formed under this Act may also finance, but in very limited circumstances, maintenance services. Assessment Districts may also be formed to provide for, among other things, the undergrounding of overhead utility lines or the abatement of hazardous geological conditions, upon a successful petition signed by owners of property who want the improvement.

An Assessment District must include all properties that will benefit directly from the improvements to be constructed, and formation of the district requires an election in which at least 50% of property owners vote in favor of the district. If an Assessment District is formed, the City may levy assessments that can be utilized to directly finance the public improvements, or may be pledged to support debt service on bonds, which may be issued under the Improvement Bond Act of 1915. The assessments that are levied upon each parcel must be based upon the direct and special benefit received by the property.

**Story Bond:** A bond so unusual or having such complicated features that salespeople are frequently called on to explain its intricacies to customers. Story bonds sometimes offer slightly higher yields than ordinary bonds as a way of convincing investors that they are worth holding.

**Syndicate:** A group of underwriters formed to purchase (underwrite) a new issue of municipal securities from the issuer and offer it for resale to the general public. The syndicate is organized for the purposes of sharing the risks of underwriting the issue, obtaining sufficient capital to purchase an issue and for broader distribution of the issue to the investing public. One of the underwriting firms will be designated as the syndicate manager or lead manager to administer the operations of the syndicate. There are two major types of syndication agreements:

Divided or Western Account – A method for determining liability stated in the agreement among underwriters in which each member of an underwriting syndicate is liable only for the amount of its participation in the issue, and not for any unsold portion of the participation amounts allocated to the other underwriters.

Undivided or Eastern Account - A method for determining liability stated in the underwriting agreement in which each member of the underwriting syndicate is liable for any unsold portion of the issue according to each member's percentage participation in the syndicate.

**Tax and Revenue Anticipation Notes (TRANS):** Notes issued in anticipation of receiving future tax receipts, such as ad valorem taxes, and revenues at a future date. Notes usually mature in one year or less.

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**Tax-Exempt Bond:** A municipal security the interest on which is excluded from gross income for federal income tax purposes. Such interest may or may not be exempt from state income or personal property taxation in the jurisdiction where issued or in other jurisdictions. If interest on the bond is also exempt from state income tax, it is described as "double exempt" and if such interest is also exempt from municipal, local income or other special taxes it is described as "triple exempt." In some cases, interest on the bonds is subject to the alternative minimum tax.

**Term Bonds:** Bonds comprising a large part or all of a particular issue which come due in a single maturity. The issuer usually agrees to make periodic payments into a sinking fund for mandatory redemption of term bonds or for payment at maturity.

**True Interest Cost (TIC):** A measure of the interest cost of an issue that accounts for the time value of money. (The obligation to pay a dollar today is not the same as the obligation to pay a dollar ten years from now.) Presumably, one could take a much smaller sum, invest it today and let the interest on that investment accumulate and compound until you have a dollar on the date ten years from now, and the interest rate necessary to accumulate and compound that smaller sum up to that dollar ten years from now is called the "discount rate." With these general concepts in mind, the TIC of an issue can be more fully defined and compared to the net interest cost (NIC) for the same issue. The TIC is sometimes also called the "internal rate of return" or the "net effective interest rate." The TIC for an issue is the annual discount rate which, when used to discount all debt service payments on the issue to the date of initial delivery of the issue using a compounding interval equal to the interest payment periods for the issue, results in the aggregate present value of such debt service payments being equal to the original purchase price (including accrued interest) of the issue. For the purpose of calculating the TIC, sinking fund payments for any term bonds are considered principal payments. Because there is no algebraic formula for the direct computation of the TIC, it must be determined by either successive approximation on a computer or calculator or by using present value tables.

**Underwrite:** To agree to purchase bonds, generally upon initial issuance, in a guaranteed amount, for a guaranteed price and with the intention to resell the bonds to investors. In a "best efforts underwriting" the underwriter agrees only to use its best efforts to resell bonds to be purchased from the issuer and only agrees to purchase those bonds if the underwriter can resell them.

**Underwriter:** A dealer which purchases a new issue of municipal securities for resale. The underwriter may acquire the securities either by negotiation with the issuer or by award on the basis of competitive bidding. (See Managing Underwriter)

**Underwriter's Counsel:** An attorney or law firm retained to represent the interests of the underwriter in connection with the purchase of a new issue of municipal securities. The duties of underwriter's counsel may include review of the issuer's bond resolution or ordinance and documentation on behalf of the underwriter; review of the official statement to determine the adequacy of disclosure; negotiation of the agreement among underwriters; and preparation of the due diligence opinion.

**Underwriter's Discount (Spread):** With respect to new issue municipal securities, the differential between the purchase price paid to the issuer and the sum of the prices at which the securities are

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# CITY OF MONTEBELLO

NUMBER: VI-C-4

## ADMINISTRATIVE POLICY

DATE: 08/06/16

AUTHORITY: C/ADMIN

### SUBJECT: DEBT MANAGEMENT POLICY

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initially offered to the investing public. The spread is usually expressed in points or fractions thereof. The spread generally has four components:

- 1) Management Fee - A fee paid to the managing underwriter for handling the affairs of the syndicate, including, in the case of a negotiated sale, structuring the issue and negotiating with the issuer.
- 2) Takedown - Normally the largest component of the spread, similar to a commission, the takedown represents the income derived by the selling broker or dealer from the sale of the bonds. If bonds are sold by a member of a syndicate, the seller is entitled to the full takedown (also called the total takedown). If bonds are sold by a dealer, which is not a member of the syndicate, such seller receives only that portion of the takedown known as the concession or dealer's allowance, with the balance (often termed the additional takedown) retained by the syndicate.
- 3) Expenses - The costs of operating the syndicate for which the lead manager may be reimbursed. Expenses may include any advertising and printing costs to the underwriter, underwriter's counsel's fees and expenses, computer expenses, travel expenses, MSRB fees, CDIAAC fees, and other similar expenses.
- 4) Risk - This is the amount of compensation for risks incurred by the underwriter in underwriting the bond issue, relating to the difficulty of marketing the issue, bond market conditions, and the amount of bonds remaining to be resold after the execution of the bond purchase agreement. (There is rarely a risk component in the underwriting spread.)

**Yield:** See below for various definitions of "yield".

Arbitrage Yield - As used in the Internal Revenue Code, the discount rate which makes the present value of all payments with respect to an investment equal to its purchase price or, in the case of bonds, equal to the initial offering price at which a substantial amount of the governmental obligations is sold to the public. Premiums for bond insurance and other credit enhancement fees may be treated as additional interest, thereby increasing the yield of the issue.

Current Yield - The ratio of the annual dollar amount of interest paid on a security to the purchase price or market price of the security, stated as a percentage. For example, a \$1,000 bond purchased at par with a 5 percent coupon pays \$50 per year, or a current yield of 5 percent. The same bond, if purchased at a discount price of \$800, would have a current yield of 6.25 percent. A \$1,000 bond purchased at a premium price of \$1,200 would have a current yield of 4.1 percent.

Yield to Call - The rate of return to the investor earned from payments of principal and interest, with interest compounded semi-annually at the stated yield, presuming that the security is redeemed on a specified call date (if the security is redeemed at a premium call price, the amount of the premium is also reflected in the yield). Yield to call takes into account the amount of the premium or discount at the time of purchase, if any, and the time value of the investment.

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**CITY OF MONTEBELLO**

**NUMBER: VI-C-4**

**ADMINISTRATIVE POLICY**

**DATE: 08/06/16**

**AUTHORITY: C/ADMIN**

**SUBJECT: DEBT MANAGEMENT POLICY**

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Yield To Maturity - The rate of return to the investor earned from payments of principal and interest, with interest compounded semi-annually at the stated yield, presuming that the security remains outstanding until the maturity date. Yield to maturity takes into account the amount of the premium or discount at the time of purchase, if any, and the time value of the investment.

**Yield Curve:** A graphic representation that shows the relationship at a given point in time between yield and maturity for bonds that are identical in every way except maturity.



## CITY OF MONTEBELLO

### CITY COUNCIL AGENDA STAFF REPORT

**TO:** Honorable Mayor and Members of the City Council

**FROM:** René Bobadilla, City Manager

**BY:** Michael A. Solorza, Director of Finance

**SUBJECT:** Approve Agreement No. 4020 with JCL Traffic Services

**DATE:** August 10, 2022

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#### **RECOMMENDATIONS:**

It is recommended that City Council take the following actions:

- 1) Approve the attached agreement with JCL Traffic Services (Agreement No. 4020);  
and
- 2) Take such additional, related action(s) that may be desirable.

#### **FISCAL IMPACT**

Agreement No. 4020 with JCL has a three (3) year term and includes two (2), one (1) year extension options. The initial annual compensation is \$50,000 per fiscal year starting Fiscal Year 2022 - 23. If needed, the City Manager will have the authority to increase the per fiscal year expenditure amount by up to \$5,000 annually for the duration of the agreement. The total maximum compensation shall not exceed \$275,000 over five (5) years.

The Police, Public Works, and Parks and Recreation Departments will primarily use the services provided by JCL, but services will be available to all City Departments on an as-needed basis. Sufficient budget has been included in the FY 2022-23 budget for these services in each of these Departments.

#### **DISCUSSION**

The City regularly uses traffic services to conduct safe street and lane closures. Recent examples include the Police Department DUI/CDL Checkpoints; Public Works using the services for long-term closures during street construction projects; and Parks and

**Approve Agreement No. 4020 with JCL Traffic Services**

Page 2 of 2

Recreation closing streets during special events for pedestrian safety (such as National Night Out, 100th Anniversary Parade, and various street fairs). Some street closures could be conducted by staff; however, doing so would require training, purchasing additional supplies and equipment, finding a location to store the aforementioned supplies and equipment, and diverting staff from other duties. All of these items would require ongoing and excessive costs. For this reason, the City uses a contractor to provide traffic support services on an as-needed basis for non-recurring/special events.

Over the past few years, the City has used JCL to provide traffic services, without a formal agreement in place. It is recommended that City Council approve the attached three (3) year agreement with JCL to acquire these needed services, provide purchasing efficiency, and assist with budget management and planning.

The services associated with this agreement are performed in compliance with relevant traffic standards such as the California Manual on Uniform Traffic Control Devices to ensure the safety of pedestrians, motorists, and workers. Services provided under this agreement are conducted by or under the supervision of certified professionals familiar with these standards. For this reason, the services are professional in nature and exempt from the bidding process according to Montebello Municipal Code Chapter 3.20.050(H) – Conformance with Bidding Procedures, which states:

*Purchases of supplies and equipment for city use shall be made and accomplished in conformity with Section 3.20.080 or Section 3.20.090 except:*

*Professional Services - Nothing shall be construed to preclude the City from awarding a written contract for professional type services, as defined by case or statutory law, without complying with the provisions of this article. The term "professional services" means services entailing a high degree of specialized technical or mental skill, in a recognized field of expertise.*

**SUMMARY**

The City must maintain an agreement with a local traffic service and equipment provider to provide services to ensure the safe closure of streets and other areas for City events. To ensure these services are accessible, it is recommended that City Council approve the attached agreement with JCL (Attachment A). Sufficient funding is included in the FY 2022-23 adopted budgets for Police, Public Works, and Parks and Recreation. The total cost for services shall not exceed \$55,000 per fiscal year for the duration of the three (3) year agreement.

**ATTACHMENT:**

A. Attachment A – Agreement No. 4020 – JCL Traffic Services

# ATTACHMENT A

## CITY OF MONTEBELLO

### PROFESSIONAL SERVICES AGREEMENT NO. 4020 WITH JCL TRAFFIC SERVICES

THIS PROFESSIONAL SERVICES AGREEMENT ("Agreement") is made and entered into on \_\_\_\_\_, 2022 ("Effective Date"), by and between the CITY OF MONTEBELLO, a California municipal corporation (the "CITY") and JCL Traffic Services (the "CONSULTANT"). The CITY and the CONSULTANT are sometimes referred to herein individual as the "Party," and jointly as the "Parties."

#### RECITALS

**WHEREAS**, the CITY desires to retain a qualified professional traffic control services as needed in the CITY; and

**WHEREAS**, the CONSULTANT represents that it is fully qualified to perform such services by virtue of its experience and the training, education and expertise of its principals and employees.

**NOW THEREFORE**, in consideration of performance by the Parties of the covenants and conditions herein contained, the Parties hereto agree as follows:

#### **SECTION 1. INCORPORATION OF RECITALS AND OTHER CONTRACT DOCUMENTS**

a. The above-referenced Recitals constitute a material part hereof and shall hereby be incorporated by reference. Moreover, this Agreement consists of the following documents, in order of precedence, all of which are incorporated herein and made part of this Agreement, as though fully set forth herein:

1. This Agreement and its Exhibits, including any and all addenda or supplemental agreements.
2. Proposal referenced and Best Final Offer received by the successful proposer.
3. All other documents, including but not limited to all applicable bonds, insurance certificates, permits, notices, schedules, forms, certifications, and affidavits.

b. These documents shall be collectively referred to herein as the "Contract Documents." In the event of a conflict among the Contract Documents, the order of precedence list above shall apply.

#### **SECTION 2. SERVICES / COMPENSATION.**

a. All terms, conditions, requirements, and provisions of the Proposal, as such is set forth fully in **Exhibit "A"** hereto, are hereby incorporated fully herein by this reference and shall be binding on the Parties. To the extent of a conflict between the terms of this Agreement and that set forth in any exhibits or attachments hereto, the terms of this Agreement shall govern.

b. The CONSULTANT shall provide to the CITY all labor, equipment, materials

## **PROFESSIONAL SERVICES AGREEMENT NO. 4020**

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and incidental necessary to provide traffic control services as needed and related items as set forth fully in the Proposal, as such is set forth fully in **Exhibit "A"** hereto and incorporated fully herein by this reference (hereinafter "Professional Services").

c. The CONSULTANT shall be compensated for performance of the Professional Services as set forth in the Schedule of Compensation attached hereto as **Exhibit "B"** and incorporated fully herein by this reference ("Compensation"). The CONSULTANT shall provide an itemized billing statement to the CITY each month for Professional Services performed. The CONSULTANT shall not incur fees or costs which exceed the Compensation without the prior written consent of the CITY.

### **SECTION 3. TERM.**

a. This Agreement shall commence upon issuance of a written "Notice to Proceed" (as further defined below) by the CITY and shall expire three (3) years from the Effective Date, unless terminated earlier as hereinafter provided. This Agreement may be extended for up to two (2), one (1), one-year extension options upon such terms and conditions mutually agreed upon by the Parties in writing.

b. Notice to Proceed. Any work or service contemplated under this Agreement shall not commence until the CITY has issued a written Notice to Proceed issued by CITY's applicable, department head.

### **SECTION 4. PERFORMANCE.**

a. The CONSULTANT shall at all times, faithfully, competently, and to the best of its ability, experience, and talent, perform all tasks described herein.

b. The CONSULTANT shall employ, at a minimum, generally accepted standards and practices utilized by companies engaged in providing similar services, as are required of Consultant hereunder, in meeting its obligations under this Agreement.

c. The CONSULTANT shall be knowledgeable of and subject to all CITY ordinances, rules and regulations, standard operating procedures, and the supervisory chain of command.

d. The CONSULTANT shall have the right to retain, subject to the CITY's approval, additional individuals, consultants or subconsultants to assist in the completion of services as herein defined. Compensation for additional individuals, consultants or subconsultants shall be the sole and exclusive responsibility of the CONSULTANT.

e. The CONSULTANT shall retain all original reports, field and office notes, correspondence, calculations, maps, and other documents specifically related to the services provided by the CONSULTANT pursuant to this Agreement, other than documents which are exempt from disclosure pursuant to the attorney-client privilege or any other law. Said documents shall be made available for inspection by the CITY upon request.

## **PROFESSIONAL SERVICES AGREEMENT NO. 4020**

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### **SECTION 5. WORK PRODUCT.**

a. The CONSULTANT hereby agrees that all work product produced pursuant to this Agreement, and provided to the CITY during and upon completion of this Agreement, shall be the property of the CITY, and ownership of said work product shall be retained by the CITY. The CONSULTANT may take and retain copies of such written products as desired, but no such written products shall be the subject of a copyright application by the CONSULTANT.

b. All data, documents, discussion, or other information developed or received by the CONSULTANT or provided for performance of this Agreement are deemed confidential and shall not be disclosed by the CONSULTANT without prior written consent by the CITY. The CITY shall grant such consent if disclosure is legally required. All such written products shall be returned to the CITY upon the termination or expiration of this Agreement. The CONSULTANT agrees that the covenants contained in this Section shall survive the expiration or termination of this Agreement.

### **SECTION 6. EXTRA SERVICES.**

No extra services over and above the Compensation shall be rendered by the CONSULTANT under this Agreement unless such extra services first shall have been duly authorized in writing by the CITY's City Manager (the "City Manager").

### **SECTION 7. CITY SUPERVISION.**

The City Manager shall have the right of general supervision of all work performed by the CONSULTANT and shall be the CITY's agent with respect to obtaining the CONSULTANT's compliance hereunder. No payment for services rendered under this Agreement shall be made without the prior approval of the City Manager.

### **SECTION 8. TERMINATION.**

In the event that either Party hereto fails or refuses to perform any of the provisions of this Agreement at the time and in the manner required, the non-defaulting party shall give the defaulting party written notice of the default, the nature of the default, and of the steps necessary to cure the default.

a. Termination for Cause. In the event that any of the provisions of the Agreement are violated by either party, the non-defaulting Party may terminate the Agreement by serving written notice upon the other Party, listing the violation(s) and its intent to terminate such Agreement unless within ten (10) days after the serving of such notice, such violation shall cease or be rectified, the contract shall upon the expiration of an additional thirty (30) days cease and terminate. Violations by the CONSULTANT which cannot be corrected within ten (10) days, said contract shall at the option of the CITY cease and terminate upon the giving of like notice. In the event of any such termination for default by the CONSULTANT, the CITY may take over the work and prosecute the same to completion by contract or otherwise for the account and at the expense of the CONSULTANT. The CONSULTANT and his sureties shall be liable to the CITY for any excess cost occasioned in the event of any such termination. This change shall not be construed to prevent the termination, for other causes authorized by law or other provisions of this contract. In the event of a termination for cause, the CONSULTANT shall only be entitled to

## **PROFESSIONAL SERVICES AGREEMENT NO. 4020**

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the Compensation for those Professional Services satisfactory performed on or before the effective date of termination.

b. Termination for Convenience. The CITY shall have the option, at its sole discretion and without cause, to terminate this Agreement in whole, or in part, by giving ten (30) business days' written notice to the CONSULTANT. Upon the termination of this Agreement as provided herein, the CITY shall provide to the CONSULTANT the part of Compensation which would otherwise be payable to the CONSULTANT for services the CONSULTANT had completed as of the date of termination, less the amount of all previous payment with respect to the Compensation. Further, upon such a termination for convenience by the CITY, the Parties agree that the CONSULTANT shall be reimbursed for any "non-refundable" costs that the CONSULTANT has incurred for its services under this Agreement, provided that: (1) such "non-refundable" costs were incurred by the CONSULTANT prior to the date of termination, and (2) that the CONSULTANT provides the CITY with adequate proof that the CONSULTANT incurred the costs, and is unable to be seek a refund for such costs. Such "non-refundable" costs may include, but are not limited to, travel reservations incurred by the CONSULTANT for its performance of services under this Agreement. The CONSULTANT agrees to cease all work under this Agreement on or before the effective date of any notice of termination.

### **SECTION 9. EMPLOYMENT OF CITY EMPLOYEES.**

No regular employee of the CITY shall be employed by the CONSULTANT during the term of this Agreement.

### **SECTION 10. NON-LIABILITY OF CITY OFFICIALS AND EMPLOYEES.**

No official or employee of the CITY shall be personally liable to the CONSULTANT in the event of any default or breach by the CITY, or for any amount which may become due to the CONSULTANT.

### **SECTION 11. INDEPENDENT CONSULTANT.**

a. The CONSULTANT is and shall, at all times, remain as to the CITY a wholly independent consultant. Neither the CITY nor any of its elected officials, officers, employees, or agents shall have control over the conduct of the CONSULTANT except as expressly set forth in this Agreement. The CONSULTANT shall not at any time or in any manner represent that he or she is in any manner an elected official, officer, employee, or agent of the CITY. No employee benefits shall be available to the CONSULTANT in connection with the performance of this Agreement. Except as provided in this Agreement, the CITY shall not pay salary, wages, or other compensation to the CONSULTANT for performance hereunder for the CITY, the CITY shall not be liable for compensation to the CONSULTANT, the CONSULTANT's employees or the CONSULTANT's subconsultants for injury or sickness arising out of performing services hereunder.

b. The parties further acknowledge and agree that nothing in this Agreement shall create or be construed to create a partnership, joint venture, employment relationship or any other relationship except as set forth in this Agreement.

c. The CITY shall not deduct from the Compensation paid to the

## **PROFESSIONAL SERVICES AGREEMENT NO. 4020**

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CONSULTANT any sums required for Social Security, withholding taxes, FICA, state disability insurance or any other federal, state or local tax or charge which may or may not be in effect or hereinafter enacted or required as a charge or withholding on the compensation paid to the CONSULTANT. The CITY shall have no responsibility to provide the CONSULTANT, its employees or subconsultants with workers' compensation insurance or any other insurance.

### **SECTION 12. CalPERS ANNUITANTS AND ELIGIBILITY INDEMNITY.**

a. If the CONSULTANT is a California Public Employees' Retirement System ("CalPERS") annuitant, the CONSULTANT must provide the City with written notification of such fact a minimum of 14 calendar days prior to commencement of services under this Agreement. Failure to provide such notification may result in termination of the Agreement, and any penalties or other costs relating thereto shall be borne by the CONSULTANT. If this Agreement remains in place, the CONSULTANT shall execute any amendment(s) to this Agreement requested by the City in order to comply with all laws and regulations applicable to CalPERS annuitants.

b. In the event that the CONSULTANT or any employee, agent, or subconsultant of the CONSULTANT providing services under this Agreement claims or is determined by a court of competent jurisdiction or CalPERS to be eligible for enrollment in CalPERS as an employee of the CITY, the CONSULTANT shall indemnify, defend, and hold harmless the CITY for the payment of any employee and/or employer contributions for CalPERS benefits on behalf of the CONSULTANT or its employees, agents, or subconsultants, as well as for the payment of any penalties and interest on such contributions, which would otherwise be the responsibility of the CITY.

c. Notwithstanding any other agency, state or federal policy, rule, regulation, law or ordinance to the contrary, the CONSULTANT and any of its employees, agents, and subconsultants providing service under this Agreement shall not qualify for or become entitled to, and hereby agree to waive any claims to, any compensation, benefit, or any incident of employment by the CITY, including but not limited to eligibility to enroll in PERS as an employee of the CITY and entitlement to any contribution to be paid by the CITY for employer contribution and/or employee contributions for PERS benefits.

### **SECTION 13. LEGAL RESPONSIBILITIES.**

The CONSULTANT shall at all times observe and comply with all applicable laws, ordinances, codes, and regulations of the federal, state, and local governments including, but not limited to the Montebello Municipal Code. The CITY, and its appointed or elected officers, employees, or agents, shall not be liable at law or in equity occasioned by failure of the CONSULTANT to comply with this section.

### **SECTION 14. INDEMNIFICATION.**

The CONSULTANT agrees to, and shall defend, indemnify, protect and hold harmless, the CITY, its elected and appointed boards, officers, officials, employees, agents and volunteers from and against any and all claims, demands, lawsuits, defense costs, civil, penalties, expenses, causes of action, and judgments at law or in equity, or liability of any kind or nature which the CITY, its elected and appointed

## PROFESSIONAL SERVICES AGREEMENT NO. 4020

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boards, officers, officials, employees, agents and volunteers may sustain or incur or which may be imposed upon them for injuries or deaths of persons, or damage to property arising out of the CONSULTANT's negligent or wrongful act, or omission under the terms of this Agreement, except only liability arising out of the sole negligence of the CITY.

### SECTION 15. INSURANCE COVERAGE.

a. During the term of this Agreement, the CONSULTANT shall carry, maintain, and keep in full force and effect insurance against claims for death or injuries to persons or damages to property that may arise from or in connection with CONSULTANT's performance of this Agreement. Such insurance shall be of the types and in the amounts as set forth below:

- **Commercial General Liability (CGL):** Insurance Services Office Form CG 00 01 covering CGL on an "occurrence" basis for bodily injury and property damage, including products-completed operations, personal injury, and advertising injury, with limits no less than \$1,000,000 per occurrence. If a general aggregate limit applies, the limit shall be twice the required occurrence limit.
- **Automobile Liability Insurance:** Insurance Services Office Form Number CA 0001 covering, Code 1 (any auto), or if CONSULTANT has no owned autos, Code 8 (hired) and 9 (non-owned), with limit no less than \$1,000,000 per accident for bodily injury and property damage.
- **Worker's Compensation** insurance as required by the laws of the State of California, with Statutory Limits, and Employer's Liability Insurance with limit of no less than \$1,000,000 per accident for bodily injury or disease.
- **Professional Liability** insurance appropriate to the CONSULTANT'S profession, with limit no less than \$1,000,000 per occurrence or claim, \$2,000,000 aggregate.

b. If the CONSULTANT maintains higher limits than the minimums shown above, the CITY requires and shall be entitled to coverage for the higher limits maintained by the CONSULTANT.

c. The CONTACTOR shall require each of its subconsultants, if any, to maintain insurance coverage that meets all of the requirements of this Agreement.

d. The policy or policies required by this Agreement shall be issued by an insurer admitted in the State of California and with a current rating of at least A:VII in the latest edition of Best's Insurance Guide.

e. Each insurance policy required above shall state that coverage shall not be canceled, except after thirty (30) days' prior written notice (ten [10] days for non-payment) has been given to the CITY. The CONSULTANT agrees that if it does not keep the aforesaid insurance in full force and effect the CITY may either (i) immediately terminate this Agreement for Cause; or (ii) take out the necessary insurance and pay, at the CONSULTANT's expense, the premium thereon.

## PROFESSIONAL SERVICES AGREEMENT NO. 4020

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f. **Evidence of Insurance prior to commencement.** The Contractor shall provide to the CITY Certificate(s) of Insurance evidencing such coverage together with copies of the required policy endorsements no later than five (5) business days prior to commencement of service and at least fifteen (15) business days prior to the expiration of any policy. Unreasonable failure to provide such evidence may be cause for termination of the Agreement as provided herein or delay the services' commencement date. The evidence of insurance shall be U.S. mail or email to:

City of Montebello  
Attn: Risk Manager  
1600 West Beverly Boulevard  
Montebello, CA 90640  
Email: gskibar@cityofmontebello.com

Coverage shall not be suspended, voided, cancelled, reduced in coverage or in limits, non-renewed, or materially changed for any reason, without thirty (30) days prior written notice thereof given by the insurer to the CITY by U.S. mail, or by personal delivery, except for nonpayment of premiums, in which case ten (10) days prior notice shall be provided.

g. **Evidence of Insurance during the entire term of the Agreement.** At all times during the term of this Agreement, the CONSULTANT shall maintain on file with the CITY's Risk Manager a certificate or certificates of insurance showing that the aforesaid policies are in effect in the required amounts and naming the CITY as an additional insured. The CONSULTANT shall, prior to commencement of work under this Agreement, file with the CITY's Risk Manager such certificate(s).

h. The CONSULTANT shall provide proof that policies of insurance required herein expiring during the term of this Agreement have been renewed or replaced with other policies providing at least the same coverage. Such proof will be furnished at least two (2) weeks prior to the expiration of the coverages.

i. The general liability and automobile policies of insurance required by this Agreement shall contain an endorsement naming the CITY, its officers, employees, agents and volunteers as additional insureds. All of the policies required under this Agreement shall contain an endorsement providing that the policies cannot be canceled or reduced except on thirty days' prior written notice to the CITY. The CONSULTANT agrees to require its insurer to modify the certificates of insurance to delete any exculpatory wording stating that failure of the insurer to mail written notice of cancellation imposes no obligation, and to delete the word "endeavor" with regard to any notice provisions.

j. The insurance provided by the CONSULTANT shall be primary to any coverage available to the CITY. Any insurance or self-insurance maintained by the CITY, its officers, employees, agents, or volunteers, shall be in excess of CONSULTANT's insurance and shall not contribute with it.

k. All insurance coverage provided pursuant to this Agreement shall not prohibit the CONSULTANT, and CONSULTANT's employees, agents or subconsultants, from waiving the right of subrogation prior to a loss. The CONSULTANT hereby waives all rights of subrogation against the CITY.

## **PROFESSIONAL SERVICES AGREEMENT NO. 4020**

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l. Any deductibles or self-insured retentions must be declared to and approved by the CITY. At the option of the CITY, the CONSULTANT shall either reduce or eliminate the deductibles or self-insured retentions with respect to the CITY, or the CONSULTANT shall procure a bond guaranteeing payment of losses and expenses.

m. Procurement of insurance by the CONSULTANT shall not be construed as a limitation of the CONSULTANT'S liability or as full performance of CONSULTANT'S duties to indemnify, hold harmless and defend under the indemnity covenants of this Agreement.

### **SECTION 16. SUBCONTRACT, ASSIGNMENT OR DELEGATION.**

The CONSULTANT shall not subcontract, delegate, or assign its duties or rights hereunder, either in whole or in part, without the prior written consent of the CITY. Any proposed subcontract, delegation, or assignment shall provide a description of the services to be covered, identification of the proposed sub-consultant, delegee, or assignee, and an explanation of why and how the same was selected, including the degree of competition involved.

Any subcontract, delegation or assignment shall be made in the name of the CONSULTANT and shall not bind or purport to bind the CITY and shall not release the CONSULTANT from any obligations under this Agreement including, but not limited to, the duty to properly supervise and coordinate the work of employees, assignees, delegees or sub-consultants. No such subcontract, delegation or assignment shall result in any increase in the amount of total compensation payable to the CONSULTANT under the Agreement.

### **SECTION 17. NO WAIVER.**

Waiver by any party hereto of any term, condition or covenant of this Agreement shall not constitute the waiver of any other term, condition, or covenant hereof.

### **SECTION 18. DISPUTE RESOLUTION; GOVERNING LAW.**

Disputes regarding the interpretation or application of any provision(s) of this Agreement shall, to the extent reasonably feasible, be resolved through good faith negotiations between the Parties. If any action at law or in equity is brought to enforce this Agreement or because of alleged dispute, breach, default or misrepresentation in connection with the provisions of this Agreement, the prevailing party in such action shall be entitled to reasonable attorney's fees, expert fees, costs and necessary disbursements incurred in that action or proceeding, in addition to such other relief as may be sought and awarded. The venue for any litigation shall be County of Los Angeles, California. The Parties agree that the covenants contained in this Section shall survive the expiration or termination of this Agreement.

### **SECTION 19. ATTORNEY'S FEES AND COSTS.**

If litigation is reasonably required to enforce or interpret the provisions of this Agreement, the prevailing party in such litigation shall be entitled to an award of reasonable attorney's fees and costs in addition to any other relief to which it may be entitled.

## **PROFESSIONAL SERVICES AGREEMENT NO. 4020**

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### **SECTION 20. WARRANTIES.**

Each of the parties represents and warrants to one another as follows:

- a. It has received independent legal advice from its attorneys with respect to the advisability of entering into and executing this Agreement;
- b. In executing this Agreement, it has carefully read this Agreement, knows the contents thereof, and has relied solely on the statements expressly set forth herein and has placed no reliance whatsoever on any statement, representation, or promise of any other party, or any other person or entity, not expressly set forth herein, nor upon the failure of any other party or any other person or entity to make any statement, representation or disclosure of any matter whatsoever; and
- c. It is agreed that each party has the full right and authority to enter into this Agreement, and that the person executing this Agreement on behalf of either party has the full right and authority to fully commit and bind such party to the provisions of this Agreement.

### **SECTION 21. MISCELLANEOUS.**

- a. The descriptive paragraph headings of this Agreement are included for purposes of convenience only and shall not control or affect the construction of interpretation of any of its provisions.
- b. Whenever the context hereof shall so require, the singular shall include the plural, the male gender shall include the female gender, and the neuter and vice versa.
- c. In case any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision hereof and this Agreement shall be construed as if such invalid, illegal, or unenforceable provisions had never been contained herein.
- d. The representations and warranties made by the parties to this Agreement shall survive the consummation of the transaction herein described.
- e. This Agreement may be signed in any one or more counterparts all of which taken together shall be but one and the same Agreement. Any signed copy of this Agreement or of any other document or agreement referred to herein, or copy or counterpart thereof, delivered by facsimile transmission, shall for all purposes be treated as if it were delivered containing an original manual signature of the party whose signature appears in the facsimile and shall be binding upon such party in the same manner as though an originally signed copy had been delivered.
- f. Each of the parties acknowledges that it has been represented by independent counsel of its own choosing, or if it has not been so represented, it has been admonished to obtain independent counsel and has freely and voluntarily waived and relinquished the right to counsel. Each party who has not obtained independent counsel acknowledges that the failure to have independent legal counsel will not excuse such party's failure to perform under this Agreement or any agreement referred to in this Agreement.



**PROFESSIONAL SERVICES AGREEMENT NO. 4020**

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conflict in any manner with the performance of its services hereunder. The CONSULTANT further covenants that, in performance of this Agreement, no person having any such interest shall be employed by it. Furthermore, the CONSULTANT shall avoid the appearance of having any interest that would conflict in any manner with the performance of its services pursuant to this Agreement.

The CONSULTANT covenants not to give or receive any compensation, monetary or otherwise, to or from the ultimate vendor(s) of services to the CITY as a result of the performance of this Agreement, or the services that may be procured by the CITY as a result of the recommendations made by the CONSULTANT. The CONSULTANT's covenant under this section shall survive the termination of this Agreement.

**SECTION 25. ENTIRE AGREEMENT.**

This Agreement contains the entire understanding between the CITY and the CONSULTANT. Any prior agreements, promises, negotiations or representations not expressly set forth herein are of no force or effect. Subsequent modifications to this Agreement shall be effective only if in writing and signed by each party. If any term, condition, or covenant of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions of this Agreement shall be valid and binding.

**[SIGNATURE PAGE TO FOLLOW]**

**PROFESSIONAL SERVICES AGREEMENT NO. 4020**

Page 12 of 12

IN WITNESS WHEREOF, the parties, through their respective authorized representatives, have executed this Agreement as of the date first written above.

("CITY")

("CONSULTANT")

**CITY OF MONTEBELLO**

**JCL Traffic Services**

\_\_\_\_\_  
René Bobadilla, City Manager

\_\_\_\_\_  
James Morris, General Manager

**ATTEST:**

\_\_\_\_\_  
Christopher Jimenez, City Clerk

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Arnold M. Alvarez-Glasman, City Attorney

**EXHIBITS:**

- Exhibit A – Price Proposal
- Exhibit B – Schedule of Compensation
- Exhibit C – Terms for Compliance with California Labor Law Requirements
- Exhibit D – Live Scan Fingerprinting Requirement

**EXHIBIT "A"**

**Price Proposal**



### Typical Services

DUI Checkpoint Traffic Control:	\$800.00
Crowd Control Barrier Rental (minimum each)	\$10.00
Cone Rental (per day)	\$1.00
Delineator Rental (per day) \$	\$1.00
Changeable Message Sign (CMS) Rental (per week)	\$450.00

**(Note: Cost may vary due to additional or reduction in requested services.)**

JCL Traffic Services  
P.O. Box 1399 Montebello, California 90640  
213.622.9775

## **EXHIBIT "B"**

### **Schedule of Compensation**

**Annual Compensation Shall Not Exceed \$50,000 per fiscal year. An additional \$5,000 per fiscal year may be added at the City Managers discretion.**



## **EXHIBIT "C"**

### **Terms for Compliance with California Labor Law Requirements**

1. This Agreement calls for services that, in whole or in part, constitute "public works" as defined in Division 2, Part 7, Chapter 1 (commencing with Section 1720) of the California Labor Code ("Chapter 1"). Further, Consultant acknowledges that this Agreement is subject to (a) Chapter 1 and (b) the rules and regulations established by the Department of Industrial Relations ("DIR") implementing such statutes. Therefore, as to those Services that are "public works", Consultant shall comply with and be bound by all the terms, rules and regulations described in 1(a) and 1(b) as though set forth in full herein.
2. California law requires the inclusion of specific Labor Code provisions in certain contracts. The inclusion of such specific provisions below, whether or not required by California law, does not alter the meaning or scope of Section 1 of this Exhibit, above.
3. Consultant shall be registered with the Department of Industrial Relations in accordance with California Labor Code Section 1725.5 and has provided proof of registration to City prior to the Effective Date of this Agreement. Consultant shall not perform work with any subconsultant that is not registered with DIR pursuant to Section 1725.5. Consultant and subconsultants shall maintain their registration with the DIR in effect throughout the duration of this Agreement. If the Consultant or any subconsultant ceases to be registered with DIR at any time during the duration of the project, Consultant shall immediately notify City.
4. Pursuant to Labor Code Section 1771.4, Consultant's Services are subject to compliance monitoring and enforcement by DIR. Consultant shall post job site notices, as prescribed by DIR regulations.
5. Pursuant to Labor Code Section 1773.2, copies of the prevailing rate of per diem wages for each craft, classification, or type of worker needed to perform the Agreement are on file at City Hall and will be made available to any interested party on request. Consultant acknowledges receipt of a copy of the DIR determination of such prevailing rate of per diem wages, and Consultant shall post such rates at each job site covered by this Agreement.
6. Consultant shall comply with and be bound by the provisions of Labor Code Sections 1774 and 1775 concerning the payment of prevailing rates of wages to workers and the penalties for failure to pay prevailing wages. The Consultant shall, as a penalty to City, forfeit \$200.00 for each calendar day, or portion thereof, for each worker paid less than the prevailing rates as determined by the DIR for the work or craft in which the worker is employed for any public work done pursuant to this Agreement by Consultant or by any subconsultant.
7. Consultant shall comply with and be bound by the provisions of Labor Code Section 1776, which requires Consultant and each subconsultant to: keep accurate payroll records and verify such records in writing under penalty of perjury, as specified in Section 1776; certify and make such payroll records available for inspection as provided by Section 1776; and inform City of the location of the records.
8. Consultant shall comply with and be bound by the provisions of Labor Code seq. concerning the employment of apprentices on public works projects. Consultant

shall be responsible for compliance with these aforementioned Sections for all apprenticeable occupations. Prior to commencing work under this Agreement, Consultant shall provide City with a copy of the information submitted to any applicable apprenticeship program. Within 60 days after concluding work pursuant to this Agreement, Consultant, and each of its subconsultants shall submit to City a verified statement of the journeyman and apprentice hours performed under this Agreement.

9. The Consultant shall not perform Work with any Subconsultant that has been debarred or suspended pursuant to California Labor Code Section 1777.1 or any other federal or state law providing for the debarment of consultants from public works. The Consultant and Subconsultants shall not be debarred or suspended throughout the duration of this Contract pursuant to Labor Code Section 1777.1 or any other federal or state law providing for the debarment of consultants from public works. If the Consultant or any subconsultant becomes debarred or suspended during the duration of the project, the Consultant shall immediately notify City.

10. Consultant acknowledges that eight hours labor constitutes a legal day's work. Consultant shall comply with and be bound by Labor Code Section 1810. Consultant shall comply with and be bound by the provisions of Labor Code Section 1813 concerning penalties for workers who work excess hours. The Consultant shall, as a penalty to City, forfeit \$25.00 for each worker employed in the performance of this Agreement by the Consultant or by any subconsultant for each calendar day during which such worker is required or permitted to work more than eight hours in any one calendar day and 40 hours in any one calendar week in violation of the provisions of Division 2, Part 7, Chapter 1, Article 3 of the Labor Code. Pursuant to Labor Code section 1815, work performed by employees of Consultant in excess of eight hours per day, and 40 hours during any one week shall be permitted upon public work upon compensation for all hours worked in excess of eight hours per day at not less than one and one-half times the basic rate of pay.

11. California Labor Code Sections 1860 and 3700 provide that every employer will be required to secure the payment of compensation to its employees. In accordance with the provisions of California Labor Code Section 1861, Consultant hereby 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 the work of this contract."

12. For every subconsultant who will perform work on the project, Consultant shall be responsible for such subconsultant's compliance with Chapter 1 and Labor Code Sections 1860 and 3700, and Consultant shall include in the written contract between it and each subconsultant a copy of those statutory provisions and a requirement that each subconsultant shall comply with those statutory provisions. Consultant shall be required to take all actions necessary to enforce such contractual provisions and ensure subconsultant's compliance, including without limitation, conducting a periodic review of the certified payroll records of the subconsultant and upon becoming aware of the failure of the subconsultant to pay his or her workers the specified prevailing rate of wages. Consultant shall diligently take corrective action to halt or rectify any failure.

**13.** To the maximum extent permitted by law, Consultant shall indemnify, hold harmless and defend (at Consultant's expense with counsel reasonably acceptable to City) City, its officials, officers, employees, agents and independent consultants serving in the role of City officials, and volunteers from and against any demand or claim for damages, compensation, fines, penalties or other amounts arising out of or incidental to any acts or omissions listed above by any person or entity (including Consultant, its subconsultants, and each of their officials, officers, employees and agents) in connection with any work undertaken or in connection with the Agreement, including without limitation the payment of all consequential damages, attorneys' fees, and other related costs and expenses. All duties of Consultant under this Section shall survive the termination of the Agreement.

## **EXHIBIT "D"**

### **Live Scan Fingerprinting Requirements**

Prior to commencing services, the CONSULTANT may be required to successfully pass a Department of Justice fingerprinting background check ("Live Scan") performed by a certified fingerprinting service provider or at the City of Montebello Police Department. The CONSULTANT shall be responsible for obtaining the Live Scan for its staff and shall bear the cost thereof. The agency completing the fingerprints must provide the City of Montebello Human Resources with the background check results and subsequent records for review. The CONSULTANT must obtain a "Temporary Consultant's Badge" issued by the City of Montebello Human Resources prior to performing work.

**RESOLUTION NO. 22-65**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MONTEBELLO APPROVING AND ALLOWING CERTAIN CLAIMS AND DEMANDS**

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MONTEBELLO HEREBY RESOLVES, FINDS, AND DECLARES AS FOLLOWS:**

**SECTION 1.** That the reference is hereby made to that certain Register of Audited Demand No.1535, consisting of 9 pages, and including:

Warrant No.

General: Checks No.597043 through; 597166  
ACH No. 2468 through; 2575

Successor Agency: Check No. 1493 through; 1493  
ACH No. 7 through; 7

On file in the office of the City Clerk, the same having been audited and approved by the Assistant Director of Finance as required by law.

**SECTION 2.** That the said City Council having examined each such demand does hereby approve and direct the payment of same, as set forth in said Register, except the following Warrant No.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**SECTION 3.** That the City Clerk shall certify to the passage and adoption of this Resolution and that the same shall be in full force and effect.

**APPROVED AND ADOPTED** this 10<sup>th</sup> day of August 2022.

\_\_\_\_\_  
Kimberly A. Cobos-Cawthorne, Mayor

**RESOLUTION NO. 22-65**

Page 2 of 2

**ATTEST:**

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Christopher Jimenez, City Clerk

\_\_\_\_\_  
Arnold M. Alvarez-Glasman, City Attorney

STATE OF CALIFORNIA        )  
COUNTY OF LOS ANGELES    )  
CITY OF MONTEBELLO         )       SS:

I, Christopher Jimenez, City Clerk of the City of Montebello, County of Los Angeles, State of California, hereby certify that the foregoing Resolution No. 22-65 was passed and adopted by the City Council of the City of Montebello, signed by the Mayor and attested by the City Clerk at a regular meeting of said Council held on the 10<sup>th</sup> day of August 2022 and that said Resolution was adopted by the following vote, to-wit:

- AYES:**
- NOES:**
- ABSTAIN:**
- ABSENT:**

The undersigned, City Clerk of the City of Montebello, does hereby attest and certify that the foregoing Resolution is a true, full and correct copy of a resolution duly adopted at a meeting of said City which was duly convened and held on the date stated thereon, and that said document has not been amended, modified, repealed or rescinded since its date of adoption and is in full force and effect as of the date hereof.

DATE: \_\_\_\_\_

\_\_\_\_\_  
Christopher Jimenez, City Clerk

- Exhibit A – Warrant Register



City of Montebello  
 Register of Demands No. 1535

From Payment Date: 07/15/2022 - To Payment Date: 07/28/2022

WARRANT #	DATE	AMOUNT	ACCOUNT DESCRIPTION	VENDOR	VENDOR NAME
4331	- General Account				
2468	07/21/2022	\$4,026.95	SUPPLIES	3163	BANK OF AMERICA
2469	07/21/2022	\$450.89	SUPPLIES	3163	BANK OF AMERICA
2470	07/21/2022	\$5,163.90	SUPPLIES	3163	BANK OF AMERICA
2471	07/21/2022	\$3,208.05	TRAINING	3163	BANK OF AMERICA
2472	07/21/2022	\$235.65	SUPPLIES	3163	BANK OF AMERICA
2473	07/21/2022	\$308.22	SUPPLIES	3163	BANK OF AMERICA
2474	07/21/2022	\$8,568.83	TRAINING	3163	BANK OF AMERICA
2475	07/21/2022	\$258.75	SUPPLIES	3163	BANK OF AMERICA
2476	07/21/2022	\$109.46	SUPPLIES	3163	BANK OF AMERICA
2477	07/21/2022	\$214.70	SUPPLIES	3163	BANK OF AMERICA
2478	07/21/2022	\$3,103.06	SUPPLIES	3163	BANK OF AMERICA
2479	07/21/2022	\$23.70	MAIL/ POSTAL EXPENSE	3163	BANK OF AMERICA
2480	07/21/2022	\$693.33	SUPPLIES	3163	BANK OF AMERICA
2481	07/21/2022	\$490.45	SUPPLIES	3163	BANK OF AMERICA
2482	07/21/2022	\$97.88	SUPPLIES	3163	BANK OF AMERICA
2483	07/21/2022	\$197.82	SUPPLIES	3163	BANK OF AMERICA
2484	07/21/2022	\$142.79	SUPPLIES	3163	BANK OF AMERICA
2485	07/21/2022	\$221.77	SUPPLIES	3163	BANK OF AMERICA
2486	07/21/2022	\$170.71	SUPPLIES	3163	BANK OF AMERICA
2487	07/21/2022	\$993.14	SUPPLIES	3163	BANK OF AMERICA
2488	07/21/2022	\$1,835.88	VEHICLE MAINTENANCE/EXPENSES	3163	BANK OF AMERICA
2489	07/21/2022	\$2,036.81	TRAINING	3163	BANK OF AMERICA
2490	07/21/2022	\$1,410.00	ADVERTISING/PRINTING SERVICES	3163	BANK OF AMERICA
2491	07/21/2022	\$47.40	SUPPLIES	3163	BANK OF AMERICA
2492	07/21/2022	\$358.71	SUPPLIES	3163	BANK OF AMERICA
2493	07/21/2022	\$54.59	SUPPLIES	3163	BANK OF AMERICA
2494	07/21/2022	\$627.37	SUPPLIES	3163	BANK OF AMERICA
2495	07/21/2022	\$351.12	SUPPLIES	3163	BANK OF AMERICA
2496	07/21/2022	\$90.22	TRAVEL & MEETINGS	3163	BANK OF AMERICA



City of Montebello

Register of Demands No. 1535

From Payment Date: 07/15/2022 - To Payment Date: 07/28/2022

WARRANT #	DATE	AMOUNT	ACCOUNT DESCRIPTION	VENDOR	VENDOR NAME
2497	07/21/2022	\$8.00	CONTRACT SERVICES	3163	BANK OF AMERICA
2498	07/21/2022	\$1,091.85	SUPPLIES	3163	BANK OF AMERICA
2499	07/21/2022	\$152.17	TRAVEL & MEETINGS	3163	BANK OF AMERICA
2500	07/21/2022	\$2,674.22	DUES & SUBSCRIPTIONS	3163	BANK OF AMERICA
2501	07/21/2022	\$6,214.12	VEHICLE MAINTENANCE/EXPENSES	3163	BANK OF AMERICA
2502	07/21/2022	\$1,580.49	FUEL	3163	BANK OF AMERICA
2503	07/21/2022	\$988.65	TRAINING	3163	BANK OF AMERICA
2504	07/21/2022	\$5,015.54	SUPPLIES	3163	BANK OF AMERICA
2505	07/21/2022	\$407.43	SUPPLIES	3163	BANK OF AMERICA
2506	07/21/2022	\$207.19	SUPPLIES	3163	BANK OF AMERICA
2507	07/21/2022	\$34.00	SUPPLIES	3163	BANK OF AMERICA
2508	07/21/2022	\$372.46	MACHINERY & EQUIPMENTS	3163	BANK OF AMERICA
2509	07/21/2022	\$170.39	FUEL	3163	BANK OF AMERICA
2510	07/21/2022	\$1,500.47	SUPPLIES	3163	BANK OF AMERICA
2511	07/21/2022	\$324.79	SUPPLIES	3163	BANK OF AMERICA
2512	07/21/2022	\$269,371.00	RETIREMENT	17	CAL PERS
2513	07/21/2022	\$15,647.44	RETIREMENT	17	CAL PERS
2514	07/21/2022	\$500.00	RETIREMENT	17	CAL PERS
2515	07/21/2022	\$37,688.00	CONTRACT SERVICES	1662	A-1 BUILDING & FENCE MATERIAL INC
2516	07/21/2022	\$5,670.00	CONTRACT SERVICES	38010	ADVANCED AVANT-GARDE CORPORATION
2517	07/21/2022	\$77,965.50	CONTRACT SERVICES	3411	AIM CONSULTING SERVICES
2518	07/21/2022	\$44,091.55	CONTRACT SERVICES	16120	ALVAREZ-GLASMAN & COLVIN
2519	07/21/2022	\$3,155.22	SUPPLIES	2586	AMAZON CAPITAL SERVICES INC
2520	07/21/2022	\$3,770.04	SUPPLIES	62880	AMERICAN MARKER
2521	07/21/2022	\$3,169.48	CONTRACT SERVICES	3588	ANTHONY'S PORTABLE RESTROOMS INC
2522	07/21/2022	\$250.00	CONTRACT SERVICES	1237	AZTECA LANDSCAPE
2523	07/21/2022	\$110.26	SUPPLIES	2455	THE ILLINI COMPANIES INC
2524	07/21/2022	\$28,590.52	CONTRACT SERVICES	75950	FIESTA TAXI COOPERATIVE INC
2525	07/21/2022	\$1,027.06	CONTRACT SERVICES	1259	GRAFFITI SHIELD INC
2526	07/21/2022	\$54.00	CONTRACT SERVICES	1612	JCL TRAFFIC SERVICES



City of Montebello

Register of Demands No. 1535

From Payment Date: 07/15/2022 - To Payment Date: 07/28/2022

WARRANT #	DATE	AMOUNT	ACCOUNT DESCRIPTION	VENDOR	VENDOR NAME
2527	07/21/2022	\$3,270.47	SUPPLIES	26670	LIFE-ASSIST INC
2528	07/21/2022	\$2,780.00	CONTRACT SERVICES	1585	DR ANGELICA LOZA-GOMEZ MD PC
2529	07/21/2022	\$11,525.29	CONTRACT SERVICES	35250	NATIONWIDE ENVIRONMENTAL SERVICES
2530	07/21/2022	\$21,000.00	CONTRACT SERVICES	3491	NAVIRETAIL INC
2531	07/21/2022	\$1,500.00	EDUCATION REIMBURSEMENT	1620	VERONICA PALAFOX
2532	07/21/2022	\$42,332.40	CONTRACT SERVICES	42180	PCAM LLC
2533	07/21/2022	\$293.22	VEHICLE MAINTENANCE/EXPENSES	1120	BLUETRITON BRANDS INC
2534	07/21/2022	\$23,803.30	CONTRACT SERVICES	2787	S & S LABARGE GOLF INCORPORATED
2535	07/21/2022	\$20,210.00	IMPROVEMENTS OTHER THAN BUILDING	3369	SALLY SWANSON ARCHITECTS INC
2536	07/21/2022	\$42,622.38	FUEL INVENTORY	1059	AMBER RESOURCES LLC
2537	07/21/2022	\$4,042.72	SUPPLIES	31270	STARBOARD TACK SUPPLY INC
2538	07/21/2022	\$832.37	MACHINERY & EQUIPMENTS	1933	STRICTLY TECHNOLOGY LLC
2539	07/21/2022	\$850.00	CONTRACT SERVICES	2365	LETICIA TORRES
2540	07/21/2022	\$30,690.00	CONTRACT SERVICES	3133	ULTIMATE MAINTENANCE SERVICE
2541	07/21/2022	\$740.79	SUPPLIES	3088	WAXIES ENTERPRISES LLC
2542	07/21/2022	\$67.90	CONTRACT SERVICES	3140	WEX HEALTH INC
2543	07/21/2022	\$262,251.04	PENSION/RETIREMENT PAYABLE	17	CAL PERS
2544	07/21/2022	\$270,273.06	PENSION/RETIREMENT PAYABLE	17	CAL PERS
2545	07/21/2022	\$304,620.71	PENSION/RETIREMENT PAYABLE	17	CAL PERS
2546	07/21/2022	\$465.00	PENSION/RETIREMENT PAYABLE	17	CAL PERS
2547	07/21/2022	\$864.85	TRAINING	3163	BANK OF AMERICA
2548	07/21/2022	\$1,873.99	CDBG-CV	3163	BANK OF AMERICA
2549	07/21/2022	\$1,531.50	SUPPLIES	3163	BANK OF AMERICA
2550	07/21/2022	\$3,967.87	DUES & SUBSCRIPTIONS	3163	BANK OF AMERICA
2551	07/21/2022	\$423.42	SUPPLIES	3163	BANK OF AMERICA
2552	07/21/2022	\$357.36	SUPPLIES	3163	BANK OF AMERICA
2553	07/21/2022	\$97.59	SUPPLIES	3163	BANK OF AMERICA
2554	07/21/2022	\$179.04	SUPPLIES	3163	BANK OF AMERICA
2555	07/21/2022	\$2,025.56	SUPPLIES	3163	BANK OF AMERICA
2556	07/28/2022	\$1,691.23	SUPPLIES	2586	AMAZON CAPITAL SERVICES INC



City of Montebello

Register of Demands No. 1535

From Payment Date: 07/15/2022 - To Payment Date: 07/28/2022

WARRANT #	DATE	AMOUNT	ACCOUNT DESCRIPTION	VENDOR	VENDOR NAME
2557	07/28/2022	\$9,057.06	SUPPLIES	62880	AMERICAN MARKER
2558	07/28/2022	\$250.00	CONTRACT SERVICES	2365	LETICIA TORRES
2559	07/28/2022	\$34,306.81	CONTRACT SERVICES	3016	ANTARES GOLF LLC
2560	07/28/2022	\$3,169.48	CONTRACT SERVICES	3588	ANTHONY'S PORTABLE RESTROOMS INC
2561	07/28/2022	\$105.84	ADVERTISING/PRINTING SERVICES	35980	SAEED RADMEHR
2562	07/28/2022	\$1,226.48	CONTRACT SERVICES	1237	AZTECA LANDSCAPE
2563	07/28/2022	\$4,280.62	CONTRACT SERVICES	21690	COLUMBIA BUSINESS FORMS INC
2564	07/28/2022	\$747.74	CONTRACT SERVICES	2889	COMLOCK SECURITY GROUP INC
2565	07/28/2022	\$128.78	SUPPLIES	3108	MARIO ESPINOSA
2566	07/28/2022	\$36,385.95	CONTRACT SERVICES	371	FLO-SERVICES INC
2567	07/28/2022	\$3,962.50	CONTRACT SERVICES	46870	HDL COREN & CONE
2568	07/28/2022	\$14,224.19	SUPPLIES	43860	MYERS & SONS HI-WAY SAFETY INC
2569	07/28/2022	\$4,495.00	CONTRACT SERVICES	16760	LIEBERT CASSIDY WHITMORE
2570	07/28/2022	\$7,139.52	CONTRACT SERVICES	35250	NATIONWIDE ENVIRONMENTAL SERVICES
2571	07/28/2022	\$862.50	CONTRACT SERVICES	54240	PDQ ENTERPRISES INC
2572	07/28/2022	\$16,515.34	CONTRACT SERVICES	2787	S & S LABARGE GOLF INCORPORATED
2573	07/28/2022	\$171,190.80	CONTRACT SERVICES	3439	SPORTFIVE GOLF LLC
2574	07/28/2022	\$1,716.27	SUPPLIES	31270	STARBOARD TACK SUPPLY INC
2575	07/28/2022	\$104.19	SUPPLIES	3088	WAXIES ENTERPRISES LLC
	<b>ACH TOTAL</b>	<b>\$1,914,346.12</b>			
597043	07/21/2022	\$19,528.13	VEHICLE MAINTENANCE/EXPENSES	3333	A & A FLEET PAINTING INC
597044	07/21/2022	\$1,950.00	CONTRACT SERVICES	3704	AG ENTERTAINMENT ASSOCIATION INC
597045	07/21/2022	\$2,383.68	UTILITY SERVICES	38380	AT&T
597046	07/21/2022	\$2,189.35	UTILITY SERVICES	39550	AT&T
597047	07/21/2022	\$3,373.17	UTILITY SERVICES	39550	AT&T
597048	07/21/2022	\$17,070.37	CONTRACT SERVICES	16710	ATKINSON ANDELSON LOYA RUUD & ROMO
597049	07/21/2022	\$450.00	CONTRACT SERVICES	2769	KATALINA BELTRAN
597050	07/21/2022	\$3,169.13	SUPPLIES	159	BOUND TREE MEDICAL LLC
597051	07/21/2022	\$1,350.90	GENERAL GOVERNMENT	68300	CALIFORNIA BUILDING STANDARDS COMMISSION



City of Montebello

Register of Demands No. 1535

From Payment Date: 07/15/2022 - To Payment Date: 07/28/2022

WARRANT #	DATE	AMOUNT	ACCOUNT DESCRIPTION	VENDOR	VENDOR NAME
597052	07/21/2022	\$32,290.00	CONTRACT SERVICES	1624	CALIFORNIA PAVING AND GRADING INC
597053	07/21/2022	\$98.40	UTILITY SERVICES	47580	CALIFORNIA WATER SERVICE COMPANY
597054	07/21/2022	\$2,426.53	VEHICLE MAINTENANCE/EXPENSES	45170	MONTEBELLO AUTO GROUP LLC
597055	07/21/2022	\$9,331.15	CONTRACT SERVICES	52710	CLEAN ENERGY FUELS
597056	07/21/2022	\$3,616.73	SUPPLIES	2455	HASA, INC.
597057	07/21/2022	\$1,961.22	PERMITS AND FEES	31150	DEPARTMENT OF CONSERVATION
597058	07/21/2022	\$221,118.22	CONTRACT SERVICES	30170	CITY OF DOWNEY
597059	07/21/2022	\$951.84	SUPPLIES	25660	E-Z GO DIVISION OF TEXTRON
597060	07/21/2022	\$4,598.78	CONTRACT SERVICES	3334	EAGLE PORTABLES SANITATION LLC
597061	07/21/2022	\$2,501.29	SUPPLIES	7610	EWING IRRIGATION PRODUCTS
597062	07/21/2022	\$190.00	CONTRACT SERVICES	3719	JERRY FLORES
597063	07/21/2022	\$19,627.16	VEHICLE MAINTENANCE/EXPENSES	29160	FORD OF MONTEBELLO
597064	07/21/2022	\$547.22	UNIFORM EXPENSE	55650	GALLS LLC
597065	07/21/2022	\$518.18	VEHICLE MAINTENANCE/EXPENSES	33720	GILLIG LLC
597066	07/21/2022	\$184.00	EDUCATION REIMBURSEMENT	3618	GABRIEL GONZALEZ
597067	07/21/2022	\$3,489.20	MACHINERY & EQUIPMENTS	37480	GOSERCO INC
597068	07/21/2022	\$45.00	CONTRACT SERVICES	3718	RAFAEL AGUSTIN GUERRERO
597069	07/21/2022	\$1,271.51	VEHICLE MAINTENANCE/EXPENSES	582	HYDRAULIC ELECTRIC INC
597070	07/21/2022	\$1,994.92	LEASE PAYMENT	2405	JCB FINANCE
597071	07/21/2022	\$6,317.50	CONTRACT SERVICES	3138	KITTELSON & ASSOCIATES INC
597072	07/21/2022	\$700.00	CONTRACT SERVICES	73310	KRONOS INCORPORATED
597073	07/21/2022	\$24,000.00	BUILDING IMPROVEMENTS	2156	LEED ELECTRIC INC
597074	07/21/2022	\$75.00	CONTRACT SERVICES	3722	LAUREN LIZARRAGA
597075	07/21/2022	\$496.70	CONTRACT SERVICES	4810	LA COUNTY DEPT OF PUBLIC WORKS
597076	07/21/2022	\$1,850.00	CONTRACT SERVICES	3723	MAJESTIC FIRE PROTECTION
597077	07/21/2022	\$10,952.94	CDBG-CV	3301	MATER MONTEBELLO LTD PARTNERSHIP
597078	07/21/2022	\$145,120.45	CONTRACT SERVICES	3422	MIKE BUBALO CONSTRUCTION CO INC
597079	07/21/2022	\$200.00	TRAINING	39840	MONTEREY PARK POLICE DEPT OFFICE OF THE CHIEF OF POLICE
597080	07/21/2022	\$284.70	SUPPLIES	12180	MS FLOWERS
597081	07/21/2022	\$325.00	CONTRACT SERVICES	26370	NAVARROS TOWING SERVICE



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597082	07/21/2022	\$320.00	CONTRACT SERVICES	3720	ANGEL NOLASCO OIDOR
597083	07/21/2022	\$45.00	CONTRACT SERVICES	3721	EDUARDO OLGUIN
597084	07/21/2022	\$21.24	UTILITY SERVICES	36610	CITY OF PICO RIVERA
597085	07/21/2022	\$17,158.36	CONTRACT SERVICES	3279	PROCURE AMERICA INC
597086	07/21/2022	\$135.00	CONTRACT SERVICES	3717	VICTORIANO RAMOS
597087	07/21/2022	\$425.00	EDUCATION REIMBURSEMENT	3181	OSCAR REYES
597088	07/21/2022	\$1,900.00	CONTRACT SERVICES	2459	OSAEL ROMERO
597089	07/21/2022	\$91,148.82	LEASE PAYMENT	2846	SANTANDER BANK NA
597090	07/21/2022	\$1,000.00	CONTRACT SERVICES	3284	VANESSA SIDA
597091	07/21/2022	\$6,997.00	CONTRACT SERVICES	3201	SIMPLY BACKFLOW INC
597092	07/21/2022	\$420.00	CONTRACT SERVICES	3261	SO CALIFORNIA SECURITY & FIREARMS ACADEMY
597093	07/21/2022	\$10,808.96	UTILITY SERVICES	51430	SOUTH MONTEBELLO IRRIGATION DISTRICT
597094	07/21/2022	\$37,925.53	UTILITY SERVICES	45630	SOUTHERN CALIFORNIA EDISON
597095	07/21/2022	\$56,967.67	FUEL INVENTORY	40520	SOUTHERN CALIFORNIA GAS CO
597096	07/21/2022	\$177.08	CONTRACT SERVICES	3397	STERICYCLE INC
597097	07/21/2022	\$850.00	CONTRACT SERVICES	3462	THE WALKING MAN INC
597098	07/21/2022	\$700.00	CONTRACT SERVICES	3725	KAILI TORRES
597099	07/21/2022	\$6,314.82	UTILITY SERVICES	72570	US TELEPACIFIC CORP
597100	07/21/2022	\$25,318.00	CONTRACT SERVICES	49910	TRANSTRACK SYSTEMS LLC
597101	07/21/2022	\$1,932.00	SUPPLIES	2611	TURBOSCAPE INC
597102	07/21/2022	\$36,010.22	CONTRACT SERVICES	45120	ULINE INC
597103	07/21/2022	\$69,374.85	CONTRACT SERVICES	781	UNITED STORM WATER INC
597104	07/21/2022	\$375.00	TRAINING	11430	WESTGATE CENTER FOR LEADERSHIP
597105	07/21/2022	\$4,050.20	CONTRACT SERVICES	37	US SECURITY ASSOCIATES INC
597106	07/21/2022	\$6,486.99	ADVERTISING/PRINTING SERVICES	61850	X-IGENT PRINTING INC
597107	07/28/2022	\$24,671.19	CDBG-CV	191	VECTOR RESOURCES INC
597108	07/28/2022	\$3,920.42	UTILITY SERVICES	1732	AT&T CORP
597109	07/28/2022	\$1,350.00	CONTRACT SERVICES	3704	AG ENTERTAINMENT ASSOCIATION INC
597110	07/28/2022	\$198.00	CONTRACT SERVICES	1287	ALTA LANGUAGE SERVICES INC
597111	07/28/2022	\$5,030.59	SUPPLIES	50	APOLLO WOOD RECOVERY INC



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WARRANT #	DATE	AMOUNT	ACCOUNT DESCRIPTION	VENDOR	VENDOR NAME
597112	07/28/2022	\$540.00	CONTRACT SERVICES	2486	MADISON ARAIZA
597113	07/28/2022	\$9,028.78	UTILITY SERVICES	39550	AT&T
597114	07/28/2022	\$58.89	UTILITY SERVICES	39550	AT&T
597115	07/28/2022	\$3,500.00	CONTRACT SERVICES	3705	KAROL BALA
597116	07/28/2022	\$15,834.88	CONTRACT SERVICES	3724	BELFOR USA GROUP INC
597117	07/28/2022	\$250.00	TRAINING	3728	BLUE TO GOLD LLC
597118	07/28/2022	\$608.00	CONTRACT SERVICES	58240	STATE OF CALIFORNIA-DEPARTMENT OF JUSTICE
597119	07/28/2022	\$58.58	UTILITY SERVICES	47580	CALIFORNIA WATER SERVICE COMPANY
597120	07/28/2022	\$1,552.02	RETIREMENT	3128	CITY OF BELL GARDENS
597121	07/28/2022	\$600.00	CONTRACT SERVICES	2504	ALBERT COBOS
597122	07/28/2022	\$9,031.69	DUES & SUBSCRIPTIONS	1118	COMCATE SOFTWARE INC
597123	07/28/2022	\$1,790.98	SUPPLIES	2455	HASA, INC.
597124	07/28/2022	\$3,792.53	VEHICLE MAINTENANCE/EXPENSES	950	CUMMINS INC
597125	07/28/2022	\$1,131.02	ADVERTISING/PRINTING SERVICES	1354	DAILY JOURNAL CORPORATION
597126	07/28/2022	\$3,256.10	ADVERTISING/PRINTING SERVICES	1847	DODGE DATA AND ANALYTICS LLC
597127	07/28/2022	\$1,180.52	SUPPLIES	25660	E-Z GO DIVISION OF TEXTRON
597128	07/28/2022	\$427.80	CONTRACT SERVICES	5390	THE FLAG SHOP
597129	07/28/2022	\$40.00	CONTRACT SERVICES	3719	JERRY FLORES
597130	07/28/2022	\$60.00	CONTRACT SERVICES	3718	RAFAEL AGUSTIN GUERRERO
597131	07/28/2022	\$174.65	VEHICLE MAINTENANCE/EXPENSES	582	HYDRAULIC ELECTRIC INC
597132	07/28/2022	\$17,941.52	VEHICLE MAINTENANCE/EXPENSES	27480	R & M HANSEN ENT INC
597133	07/28/2022	\$1,689.00	CONTRACT SERVICES	3235	ION SECURITY SYSTEMS
597134	07/28/2022	\$34,975.00	CONTRACT SERVICES	3295	JORGE CORREA
597135	07/28/2022	\$250.00	GENERAL GOVERNMENT	3677	JANET LOPEZ
597136	07/28/2022	\$850.00	CONTRACT SERVICES	3429	MIGUEL SALMERON
597137	07/28/2022	\$1,534.60	CONTRACT SERVICES	34750	MBN SERVICES INC
597138	07/28/2022	\$440.00	CONTRACT SERVICES	3720	ANGEL NOLASCO OIDOR
597139	07/28/2022	\$1,237.40	SUPPLIES	15620	OFFICE DEPOT INC
597140	07/28/2022	\$120.00	CONTRACT SERVICES	3721	EDUARDO OLGUIN
597141	07/28/2022	\$24,000.00	CONTRACT SERVICES	1843	PASSAGE ENTERTAINMENT



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WARRANT #	DATE	AMOUNT	ACCOUNT DESCRIPTION	VENDOR	VENDOR NAME
597142	07/28/2022	\$456.06	RETIREMENT	42490	LINDA PAYAN
597143	07/28/2022	\$40.00	CONTRACT SERVICES	3729	PEDRO PRIETO
597144	07/28/2022	\$155,496.00	INSURANCE	10730	PUBLIC RISK INNOVATION SOLUTIONS AND MANAGEMENT
597145	07/28/2022	\$2,500.00	CONTRACT SERVICES	3444	BRYAN M RAMIREZ
597146	07/28/2022	\$90.00	CONTRACT SERVICES	3717	VICTORIANO RAMOS
597147	07/28/2022	\$2,350.00	TRAINING	51460	RIO HONDO COMMUNITY COLLEGE
597148	07/28/2022	\$10,000.00	CONTRACT SERVICES	32210	SAN GABRIEL VALLEY COUNCIL OF GOVERNMENTS
597149	07/28/2022	\$100.00	PARKS AND RECREATION	3726	DENIA SANABRIA RUIZ
597150	07/28/2022	\$5,000.00	CONTRACT SERVICES	3690	ILDEFONSO SANCHEZ
597151	07/28/2022	\$590.00	GENERAL GOVERNMENT	3727	MARY ANNE SAUCEDO RODRIGUEZ
597152	07/28/2022	\$11,421.25	CONTRACT SERVICES	3234	SCHOOL NUTRITION PLUS
597153	07/28/2022	\$1,871.90	VEHICLE MAINTENANCE/EXPENSES	716	SOUTH BAY FORD INC
597154	07/28/2022	\$39,893.05	UTILITY SERVICES	45630	SOUTHERN CALIFORNIA EDISON
597155	07/28/2022	\$8,527.64	UTILITY SERVICES	40520	SOUTHERN CALIFORNIA GAS CO
597156	07/28/2022	\$1,330.00	CONTRACT SERVICES	1312	SWANK MOTION PICTURES INC
597157	07/28/2022	\$16,424.00	VEHICLE MAINTENANCE/EXPENSES	60710	THE AFTERMARKET PARTS COMPANY LLC
597158	07/28/2022	\$2,625.00	CONTRACT SERVICES	71210	STAR-DUST TOURS INC
597159	07/28/2022	\$535.60	RETIREMENT	27300	ROBERT C TUFANO
597160	07/28/2022	\$1,938.65	SUPPLIES	45120	ULINE INC
597161	07/28/2022	\$494.57	UTILITY SERVICES	23610	VERIZON WIRELESS
597162	07/28/2022	\$826.88	VEHICLE MAINTENANCE/EXPENSES	25860	WAYNE HARMEIER INC
597163	07/28/2022	\$15,493.50	CONTRACT SERVICES	40860	WEST COAST ARBORISTS INC
597164	07/28/2022	\$1,212.00	CONTRACT SERVICES	51770	WILLDAN FINANCIAL SERVICES
597165	07/28/2022	\$3,000.00	CONTRACT SERVICES	65740	THE WISE GUYS BIG BAND
597166	07/28/2022	\$1,892.40	VEHICLE MAINTENANCE/EXPENSES	269	ADVANCED ELECTRONICS SOLUTIONS INC
	<b>CHECK TOTAL</b>	<b>\$1,380,642.77</b>			
6093	- Successor Agency				
7	07/21/2022	\$1,869.30	CONTRACT SERVICES	16120	ALVAREZ-GLASMAN & COLVIN
	<b>S/A ACH TOTAL</b>	<b>\$1,869.30</b>			



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1493	07/21/2022	\$2,050.00	CONTRACT SERVICES	15180	STEARNS CONRAD AND SCHMIDT CONSULTING ENG
	<b>S/A CHECK TOTAL</b>	<b>\$2,050.00</b>			
<b>GRAND TOTAL</b>		<b>\$3,298,908.19</b>			