



**Agenda  
City of Vernon  
Regular City Council Meeting  
Tuesday, July 07, 2020, 09:00 AM  
City Hall, Council Chamber  
4305 Santa Fe Avenue  
Vernon, California**

**Leticia Lopez, Mayor  
Melissa Ybarra, Mayor Pro Tem  
William Davis, Council Member  
Carol Menke, Council Member  
Diana Gonzales, Council Member**

**THIS MEETING WILL BE CONDUCTED PURSUANT TO GOVERNOR NEWSOM'S EXECUTIVE ORDER N-29-20.**

The public is encouraged to view the meeting at <http://www.cityofvernon.org/webinar> or by calling (415) 655-0060, Access Code 835-846-909#.

You may submit comments to [PublicComment@ci.vernon.ca.us](mailto:PublicComment@ci.vernon.ca.us) with the subject line "July 7, 2020 City Council Meeting Public Comment Item #\_\_." Comments received prior to 8 a.m., Tuesday July 7, 2020, will be read into the record.

**CALL TO ORDER**

**FLAG SALUTE**

**ROLL CALL**

**CHANGES TO THE AGENDA**

**PUBLIC COMMENT**

At this time the public is encouraged to address the City Council on any matter that is within the subject matter jurisdiction of the City Council. The public will also be given a chance to comment on matters which are on the posted agenda during City Council deliberation on those specific matters.

## PUBLIC HEARINGS

### 1. Public Works

#### [Amendment to Municipal Code Chapter 26 - Zoning Map](#)

Recommendation:

A. Find that the proposed action is exempt under the California Environmental Quality Act (CEQA) review, because it is a continuing administrative activity that will not result in any direct or indirect physical changes in the environment, and therefore does not constitute a “project” as defined by CEQA Guidelines Section 15378, and to the extent the property owner seeks to engage in actual physical construction or development, such would be subject to separate and independent CEQA review and analysis; and

B. Introduce and conduct first reading of Ordinance No. 1270 amending the Zoning Map in Chapter 26 of the Municipal Code to include the properties located at 2328, and at 2332/2334 E. Vernon Avenue in the Housing Overlay Zone, and direct staff to schedule second reading and adoption for the July 21, 2020 City Council meeting.

1. [Ordinance No. 1270 Amending Zoning Map](#)

2. [20200707 Notice of Public Notice Hearing - Zoning Map Amendment](#)

## CONSENT CALENDAR

All matters listed on the Consent Calendar are to be approved with one motion. Items may be removed from the Consent Calendar by any member of the Council. Those items removed will be considered immediately after the Consent Calendar.

### 2. City Clerk

#### [Approval of the Minutes](#)

Recommendation:

Approve the June 16, 2020 Regular City Council meeting minutes.

1. [20200616 City Council Minutes](#)

### 3. City Clerk

#### [Claims Against the City](#)

Recommendation:

Receive and file the claim submitted by Bruce A. Carter in the amount of \$690.

1. [Carter, Bruce 06-15-2020](#)

### 4. Finance/Treasury

#### [Operating Account Warrant Register](#)

Recommendation:

Approve Operating Account Warrant Register No. 48, for the period of May 31 through June 20, 2020, which totals \$10,263,526.55 and consists of ratification of electronic payments totaling \$9,429,962.41 and ratification of the issuance of early checks totaling \$833,564.14.

1. [Operating Account Warrant Register No. 48](#)

**5. Public Works**

[Public Works Monthly Building Report](#)

Recommendation:

Receive and file the May 2020 Building Report.

- [1. Public Works Department May 2020 Building Report](#)

**6. City Administration**

[Purchase Order with Trittech Software Systems and Amendment No. 1 to Software Support Agreement with Trittech](#)

Recommendation:

A. Approve and authorize the City Administrator to execute Amendment No. 1 to the Software Support Agreement with Trittech Software Systems (Trittech) in an amount not-to-exceed \$9,000; and

B. Authorize the issuance of a Purchase Order for \$15,512.73 to Trittech for Lucity Annual Maintenance.

- [1. Amendment No. 1 - Additional Lucity Licenses](#)
- [2. Trittech Invoice for Annual Renewal of Lucity Licenses](#)

**7. City Administration**

[Motorola Service Agreement](#)

Recommendation:

Approve and authorize the City Administrator to execute a service agreement with Motorola for maintenance service in an amount not to exceed \$16,579.

- [1. Motorola Service Agreement for PD Consoles](#)

**8. Finance/Treasury**

[Implementation of the City's Local Transactions and Use Tax \(April 14, 2020 Measure V\)](#)

Recommendation:

A. Adopt Resolution No. 2020-23 approving and authorizing the Finance Director to execute a Preparatory Agreement and an Administrative Agreement with the California Department of Tax and Fee Administration for the collection and distribution of the Local Transaction Use Tax; and

B. Adopt Resolution No. 2020-24 authorizing examination of sales, use and transactions tax records.

- [1. Resolution No. 2020-23 Agreements for Sales Tax Implementation](#)
- [2. Resolution No. 2020-24 Examination of Tax Records](#)

**9. Public Utilities**[Acceptance of Work and Notice of Completion for Contract No. LP-0496: Well No. 22 Construction Project - Phase 1](#)

Recommendation:

Accept the work as complete and authorize the General Manager of Public Utilities to submit the Notice of Completion to the Los Angeles County Registrar-Recorder/County Clerk for Phase One of the Well No. 22 Construction Project, Contract No. LP-0496 completed by Zim Industries, Inc.

[1. Notice of Completion - City Contract No. LP-0496](#)**10. Fire Department**[Amendment No. 2 to Services Agreement with JSB Fire Protection, LLC.](#)

Recommendation:

Approve and authorize the City Administrator to execute Amendment No. 2 to the Services Agreement with JSB Fire Protection, LLC (JSB) in substantially the same form as submitted, granting up to a five (5) month extension for an amount not to exceed \$10,000 to cover anticipated fire plan check costs through the end of the proposed extension.

[1. Amendment No. 2 - JSB Services Agreement](#)**11. Public Works**[Public Works Street Operations Division Vehicles](#)

Recommendation:

Approve the purchase of a Ford F-550 with Knapheide dump body and equipment, and a Ford F-550 with Knapheide KUV body and equipment, through Sourcewell, for a total cost of \$141,151.87.

[1. Dump Truck Sourcewell Quote ID#23979 R4](#)[2. Graffiti Truck Sourcewell Quote ID#13575 R1](#)**12. Human Resources**[Annual Recommended Employee Reclassifications](#)

Recommendation:

Approve the recommended reclassification of incumbents in certain classifications effective July 19, 2020.

**NEW BUSINESS**

**13. Public Utilities**

[Services Agreements for Natural Gas Support Services \(Continued from June 16, 2020\)](#)

Recommendation:

Approve and authorize the City Administrator to execute Service Agreements for Natural Gas Support Services for a grand total amount not-to-exceed \$610,000 over the three-year term of the agreements, effective July 1, 2020 with: a) NewGen Strategies & Solutions, LLC (NewGen) for Natural Gas Financial and Business Support Services, in an amount not-to-exceed \$210,000 over a three-year term of the agreement; and b) G2 Integrated Solutions, LLC (G2-IS) for Natural Gas Compliance Support Services, in an amount not-to-exceed \$400,000 over a three-year term of the agreement.

[1. 20200616 Item No. 9](#)

**14. Health and Environmental Control Department**

[Memorandum of Understanding with the University of Southern California \(USC\) for COVID-19 Contact Tracing Services](#)

Recommendation:

Approve the Memorandum of Understanding between the City of Vernon and USC in substantially the same form as submitted, for COVID-19 contact tracing services.

[1. MOU with USC for contact tracing](#)

**ORAL REPORTS**

City Administrator Reports on Activities and other Announcements.

City Council Reports on Activities (including AB1234), Announcements, or Directives to Staff.

**ADJOURNMENT**

I hereby certify under penalty of perjury under the laws of the State of California, that the foregoing agenda was posted on the bulletin board at the main entrance of the City of Vernon City Hall, located at 4305 Santa Fe Avenue, Vernon, California, and on the City's website, not less than 72 hours prior to the meeting set forth on this agenda.

Dated this 2<sup>nd</sup> day of July, 2020.

By:



\_\_\_\_\_  
Lisa Pope, City Clerk

## Guide to City Council Proceedings

**Meetings** of the City Council are held the first and third Tuesday of each month at 9:00 a.m. and are conducted in accordance with Rosenberg's Rules of Order (Vernon Municipal Code Section 2.1-1).

**Copies** of all agenda items and back-up materials are available for review in the City Clerk Department, Vernon City Hall, 4305 Santa Fe Avenue, Vernon, California, and are available for public inspection during regular business hours, Monday through Thursday, 7:00 a.m. to 5:30 p.m. Agenda reports may be reviewed on the City's website at [www.cityofvernon.org](http://www.cityofvernon.org) or copies may be purchased for \$0.10 per page.

**Disability-related services** are available to enable persons with a disability to participate in this meeting, consistent with the Americans with Disabilities Act (ADA). In compliance with ADA, if you need special assistance, please contact the City Clerk department at CityClerk@ci.vernon.ca.us or (323) 583-8811 at least 48 hours prior to the meeting to assure arrangements can be made.

The **Public Comment** portion of the agenda is for members of the public to present items, which are not listed on the agenda but are within the subject matter jurisdiction of the City Council. The City Council cannot take action on any item that is not on the agenda but matters raised under Public Comment may be referred to staff or scheduled on a future agenda. Comments are limited to three minutes per speaker unless a different time limit is announced. Speaker slips are available at the entrance to the Council Chamber.

**Public Hearings** are legally noticed hearings. For hearings involving zoning matters, the applicant and appellant will be given 15 minutes to present their position to the City Council. Time may be set aside for rebuttal. All other testimony shall follow the rules as set for under Public Comment. If you challenge any City action in court, you may be limited to raising only those issues you or someone else raised during the public hearing, or in written correspondence delivered to the City Clerk at or prior to the public hearing.

**Consent Calendar** items may be approved by a single motion. If a Council Member or the public wishes to discuss an item, it may be removed from the calendar for individual consideration. Council Members may indicate a negative or abstaining vote on any individual item by so declaring prior to the vote on the motion to adopt the Consent Calendar. Items excluded from the Consent Calendar will be taken up following action on the Consent Calendar. Public speakers shall follow the guidelines as set forth under Public Comment.

**New Business** items are matters appearing before the Council for the first time for formal action. Those wishing to address the Council on New Business items shall follow the guidelines for Public Comment.

**Closed Session** allows the Council to discuss specific matters pursuant to the Brown Act, Government Code Section 54956.9. Based on the advice of the City Attorney, discussion of these matters in open session would prejudice the position of the City. Following Closed Session, the City Attorney will provide an oral report on any reportable matters discussed and actions taken. At the conclusion of Closed Session, the Council may continue any item listed on the Closed Session agenda to the Open Session agenda for discussion or to take formal action as it deems appropriate.

# City Council Agenda Item Report

Agenda Item No. COV-230-2020

Submitted by: Daniel Wall

Submitting Department: Public Works

Meeting Date: July 7, 2020

## **SUBJECT**

Amendment to Municipal Code Chapter 26 - Zoning Map

### **Recommendation:**

A. Find that the proposed action is exempt under the California Environmental Quality Act (CEQA) review, because it is a continuing administrative activity that will not result in any direct or indirect physical changes in the environment, and therefore does not constitute a "project" as defined by CEQA Guidelines Section 15378, and to the extent the property owner seeks to engage in actual physical construction or development, such would be subject to separate and independent CEQA review and analysis; and

B. Introduce and conduct first reading of Ordinance No. 1270 amending the Zoning Map in Chapter 26 of the Municipal Code to include the properties located at 2328, and at 2332/2334 E. Vernon Avenue in the Housing Overlay Zone, and direct staff to schedule second reading and adoption for the July 21, 2020 City Council meeting.

### **Background:**

The properties located at 2328, and at 2332/2334 E. Vernon Avenue are currently used exclusively as residences. The residential use of these properties preceded the the current zoning code and as such this use is currently an allowed, non-conforming use. The owner of these properties has requested that the property be rezoned to reflect the current residential use.

At present, residential development is only allowed in the Housing (H) Overlay Zone which was created to accommodate housing at limited and specific areas of the City. The Housing Overlay Zone was specifically created to allow for the construction of the Vernon Village Park Apartments and this is the only property that currently has this zoning designation. The only other privately owned housing in Vernon is located at 2328, and at 2332/2334 E. Vernon Avenue. Designating these properties to be in the Housing Overlay Zone can help preserve their residential use. The existing residence at 2328 E. Vernon, built in 1985, is 35 years-old, and the residence at 2332/2334 E. Vernon, built in 1966, is 54 years-old. These properties are adjacent to Vernon City School, and are across the street from the 10 City-owned homes on Furlong Place. Given the residential and educational uses of the surrounding properties and the historic residential use of the subject properties, there is minimal potential for conflicts between existing residential and industrial uses at this location.

Ordinance No. 1270 revises the Zoning Map in Chapter 26 of the Vernon Municipal Code to include the properties located at 2328, and at 2332/2334 E. Vernon Avenue in the Housing Overlay Zone.

Pursuant to Municipal Code Section 26.6.6-3, the public hearing was legally noticed by publishing in the Los Angeles Wave, posting the notice on the City Hall posting board and website on June 25, 2020 and mailing public hearing notices to properties within a 300' radius of the subject property on June 24, 2020.

### **Fiscal Impact:**

There is no fiscal impact associated with this report.

**Attachments:**

1. [Ordinance No. 1270 Amending Zoning Map](#)
2. [20200707 Notice of Public Notice Hearing - Zoning Map Amendment](#)

ORDINANCE NO. 1270

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF VERNON AMENDING CHAPTER 26 MODIFYING THE COMPREHENSIVE ZONING MAP OF THE CITY OF VERNON TO INCLUDE THE PROPERTIES LOCATED AT 2328 AND 2332/2334 E. VERNON AVE, VERNON, CALIFORNIA 90058 IN THE HOUSING OVERLAY ZONE

SECTION 1. Recitals.

- A. The City of Vernon (City) is a municipal corporation and a chartered city of the State of California, organized and existing under its Charter and the Constitution of the State of California.
- B. On January 16, 2008, the City Council of the City of Vernon adopted Ordinance No. 1227, adopting amendments to the comprehensive zoning ordinance of the City of Vernon; establishing zoning districts in the City and regulating and restricting the use, size, and the location of buildings and improvements on land; the use of land and open space; adopting a map showing said zoning districts, defining the terms used in the ordinance; providing for its adjustment, amendment and enforcement (Zoning Ordinance).
- C. By memorandum dated July 7, 2020, the Director of Public Works has recommended that the Zoning Map in Chapter 26 of the Municipal Code be amended to include the properties located at 2328 and 2332/2334 E. Vernon Ave, Vernon, California 90058 in the Housing Overlay Zone.
- D. A duly-noticed public hearing has been held to consider the proposed ordinance changes, and public testimony has been received and considered.

THE CITY COUNCIL OF THE CITY OF VERNON HEREBY ORDAINS:

SECTION 2. The City Council of the City of Vernon hereby finds and determines that the above recitals are true and correct and are a substantial part of this ordinance.

SECTION 3. This ordinance was assessed in accordance with the authority and criteria contained in the California Environmental Quality Act (CEQA), the State CEQA Guidelines, and the environmental regulations of the City. The City Council hereby finds that this ordinance is not subject to CEQA review because the adoption of this ordinance is a continuing administrative activity that will not result in any direct or indirect physical changes in the environment, and therefore does not constitute a “project” as defined by CEQA Guidelines section 15378, and to the extent the property owner seeks to engage in actual physical construction or development, such would be subject to separate and independent CEQA review and analysis.

SECTION 4. The City Council of the City of Vernon hereby approves and adopts the Zoning Map in Chapter 26 of the Municipal Code to include the properties located at 2328 and 2332/2334 E. Vernon Ave, Vernon, California 90058 in the Housing Overlay Zone (Attachment A).

SECTION 5. Any provision of the Vernon Municipal Code or appendices thereto inconsistent with the provisions of this Ordinance, to the extent of such inconsistencies and no further are repealed or modified to that extent necessary to affect the provisions of this Ordinance.

SECTION 6. If any section, subsection, paragraph, sentence, clause, phrase, or portion thereof, of this Ordinance is declared by a court of competent jurisdiction to be unconstitutional or otherwise invalid, such decision shall not affect the validity of the remaining portions of this Ordinance. The City Council hereby declares that it would have adopted this Ordinance, and each section, subsection, paragraph, sentence, clause, phrase, or portion thereof, irrespective of the fact that any one or more sections, subsections, paragraphs, sentences, clauses, phrases, or portions thereof, be declared invalid or unconstitutional. To this end, the provisions of this Ordinance are declared to be severable.

SECTION 7. The City Clerk shall certify the adoption and publish this ordinance as required by law.

APPROVED AND ADOPTED this \_\_ day of \_\_\_\_\_, 2020.

\_\_\_\_\_  
LETICIA LOPEZ, Mayor

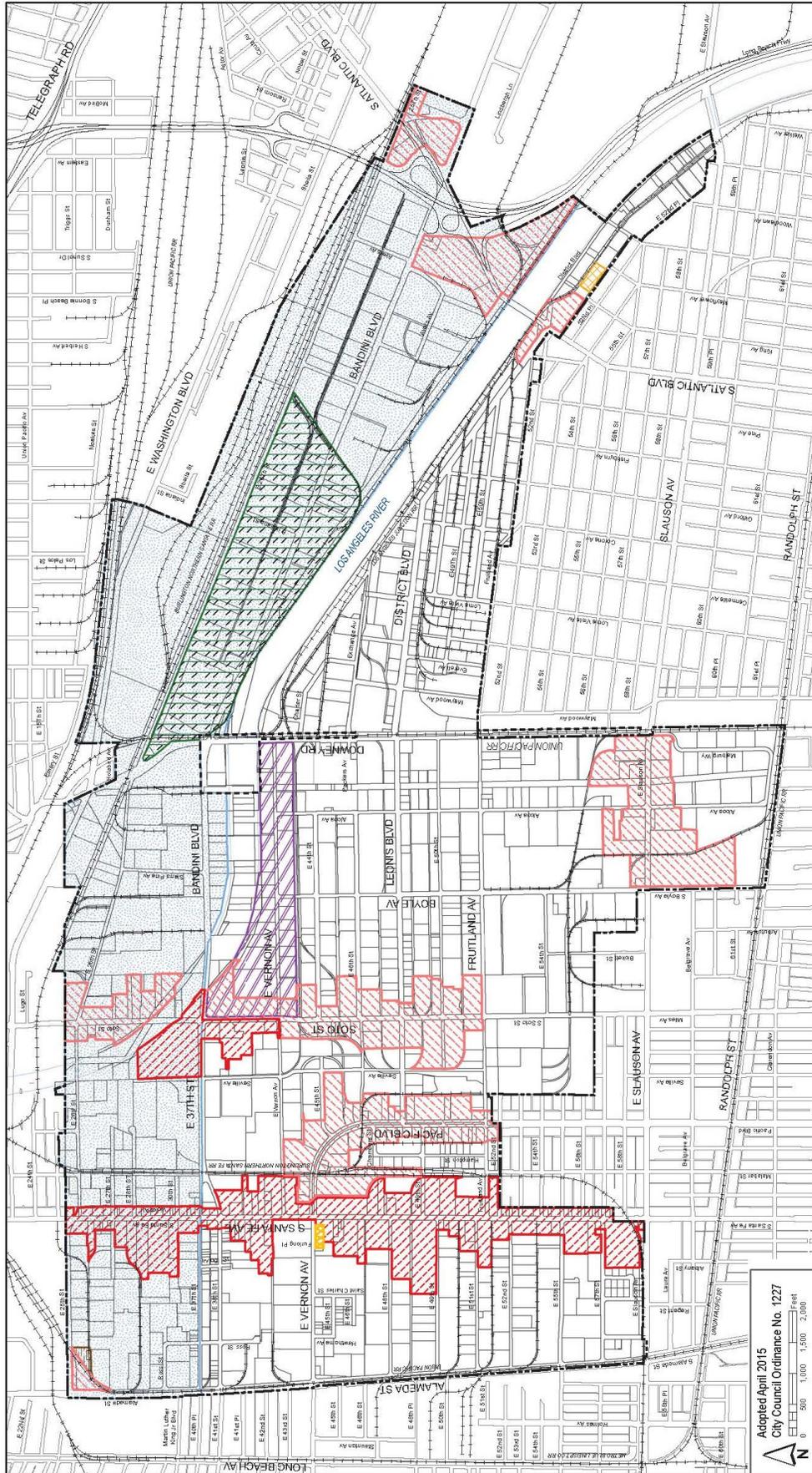
ATTEST:

\_\_\_\_\_  
LISA POPE, City Clerk  
(seal)

APPROVED AS TO FORM:

\_\_\_\_\_  
ARNOLD M. ALVAREZ-GLASMAN,  
Interim City Attorney

ATTACHMENT A



**Zone**

- Industrial
- Housing
- Emergency Shelter
- Commercial-1
- Commercial-2
- Remolding
- Slaughtering

**Base Map**

- Vernon City Boundary
- Vernon Sphere of Influence
- Freeway
- Railroad

Adopted April 2015  
City Council Ordinance No. 1227

0 500 1,000 1,500 2,000 Feet

City of Vernon  
ZONING MAP



## NOTICE OF CITY COUNCIL PUBLIC HEARING

The City Council of the City of Vernon will conduct a public hearing, which you may attend, at Vernon City Hall, City Council Chamber, 4305 Santa Fe Avenue, Vernon, CA 90058, on **Tuesday, July 7, 2020, at 9:00 a.m.** (or as soon thereafter as the matter can be heard), to:

**Consider adoption of an ordinance amending Chapter 26 modifying the Comprehensive Zoning Map of the City of Vernon to include the properties located at 2328 and 2332/2334 E. Vernon Ave, Vernon, California 90058 in the Housing Overlay Zone.**

The proposed ordinance will be available for public review on the City's website once the agenda for the meeting is posted or from the City Clerk at [CityClerk@ci.vernon.ca.us](mailto:CityClerk@ci.vernon.ca.us) or 323-583-8811, ext. 546.

Please send your comments or questions to:

Daniel Wall, Director of Public Works  
City of Vernon  
4305 Santa Fe Avenue, Vernon, CA 90058  
(323) 583-8811 Ext. 305 Email: [dwall@ci.vernon.ca.us](mailto:dwall@ci.vernon.ca.us)

**PROPOSED CEQA FINDING:** Find that the proposed action is exempt under the California Environmental Quality Act ("CEQA") review, because it is continuing administrative activity that will not result in any direct or indirect physical changes in the environment, and therefore does not constitute a "project" as defined by CEQA Guidelines section 15378, and to the extent the property owner seeks to engage in actual physical construction or development, such would be subject to separate and independent CEQA review and analysis.

If you challenge the adoption of the proposed ordinance approving and authorizing the amendment of the Comprehensive Zoning Map of the City of Vernon to include the properties located at 2328 and 2332/2334 E. Vernon Ave. Vernon California 90058 in the Housing Overlay Zone or any provision thereof in court, you may be limited to raising only those issues you or someone else raised at the hearing described in this notice or in written correspondence delivered to the City of Vernon at, or prior to, the meeting.

In compliance with the Americans with Disabilities Act (ADA), if you need special assistance to participate in the meeting, please contact the Office of the City Clerk at (323) 583-8811 ext. 546.

The hearing may be continued, adjourned, or cancelled and rescheduled to a stated time and place without further notice of a public hearing.

Dated: June 18, 2020

  
\_\_\_\_\_  
Lisa Pope, City Clerk

Publish: June 25, 2020

# City Council Agenda Item Report

Agenda Item No. COV-242-2020  
Submitted by: Sandra Dolson  
Submitting Department: City Clerk  
Meeting Date: July 7, 2020

## **SUBJECT**

Approval of the Minutes

## **Recommendation:**

Approve the June 16, 2020 Regular City Council meeting minutes.

## **Background:**

Staff has prepared the draft minutes and hereby submits the minutes for approval.

## **Fiscal Impact:**

There is no fiscal impact associated with this report.

## **Attachments:**

1. [20200616 City Council Minutes](#)

**MINUTES  
VERNON CITY COUNCIL  
REGULAR MEETING  
TUESDAY, JUNE 16, 2020  
COUNCIL CHAMBER, 4305 SANTA FE AVENUE**

**CALL TO ORDER**

Mayor Lopez called the meeting to order at 9:03 a.m.

**FLAG SALUTE**

Council Member Menke led the Flag Salute.

**ROLL CALL**

**PRESENT:** Leticia Lopez, Mayor (via remote access)  
Melissa Ybarra, Mayor Pro Tem  
William Davis, Council Member  
Carol Menke, Council Member  
Diana Gonzales, Council Member

**STAFF PRESENT:**

Carlos Fandino, City Administrator  
Arnold Alvarez-Glasman, Interim City Attorney  
Norma Copado, Interim Assistant City Attorney  
Lisa Pope, City Clerk  
Scott Williams, Finance Director  
Jim Enriquez, Interim Fire Chief  
Abraham Alemu, Public Utilities General Manager  
Fredrick Agyin, Health and Environmental Control Director  
Michael Earl, Human Resources Director  
Anthony Miranda, Police Chief  
Dan Wall, Public Works Director  
Diana Figueroa, Administrative Analyst

**APPROVAL OF THE AGENDA**

**MOTION**

Mayor Pro Tem Ybarra moved and Council Member Davis seconded a motion to approve the agenda. The question was called and the motion carried unanimously.

**PUBLIC COMMENT**

None.

## CONSENT CALENDAR

Council Member Menke pulled Item Nos. 8, 9 and 12.

## MOTION

Council Member Davis moved and Mayor Pro Tem Ybarra seconded a motion to approve the Consent Calendar, with the exception of Item Nos. 8, 9 and 12. The question was called and the motion carried unanimously.

The Consent Calendar consisted of the following items:

- 1. Approval of Minutes**  
Recommendation: Approve the June 2, 2020 Regular and June 8, 2020 Special City Council meeting minutes.
- 2. Claims Against the City**  
Recommendation: Receive and file the claims submitted by: 1) Vernon Co, LLC., in an undetermined dollar amount; and 2) Marina Quiroz in the amount of \$3,023.77.
- 3. City Payroll Warrant Register**  
Recommendation: Approve City Payroll Warrant Register No. 768, for the period of May 1 through May 31, 2020, which totals \$2,889,731.37 and consists of ratification of direct deposits, checks and taxes totaling \$1,853,582.53 and ratification of checks and electronic fund transfers (EFT) for payroll related disbursements totaling \$1,036,148.84 paid through operating bank account.
- 4. Federal Funds for Street Improvements Account Warrant Register**  
Recommendation: Approve Federal Funds for Street Improvements Account Warrant Register No. 33, for the period of May 17 through May 30, 2020, consisting of ratification of electronic payments totaling \$43,066.78.
- 5. Operating Account Warrant Register**  
Recommendation: Approve Operating Account Warrant Register No. 47, for the period of May 17 through May 30, 2020, which totals \$8,804,615.16 and consists of ratification of electronic payments totaling \$8,329,337.94, ratification of the issuance of early checks totaling \$475,277.22, and voided Check Nos. 605584 and 605585 totaling \$40,000.00.
- 6. Fire Department Activity Report**  
Recommendation: Receive and file the April 2020 Report.
- 7. Police Department Activity Report**  
Recommendation: Receive and file the April 2020 Report.
- 10. Services Agreement with Jacobs Engineering Group, Inc. for Environmental Compliance Services**  
Recommendation: Approve and authorize the City Administrator to execute the Services Agreement with Jacobs Engineering Group, Inc. for environmental support services, in substantially the same form as submitted, for a total amount not-to-exceed \$339,913 over the three-year term of the agreement, effective July 1, 2020.
- 11. Amendment No. 1 to the Services Agreement with Pacific Advanced Civil Engineering, Inc. for Design Services for Equipment and Site Improvements for Well No. 22**  
Recommendation: A) Find that the proposed action is categorically exempt from California Environmental Quality Act ("CEQA") review, in accordance with CEQA Guidelines §

15301, because the project consists of the maintenance, repair or minor alteration of existing facilities and involves negligible or no expansion of an existing use; and B) Approve and authorize the City Administrator to execute Amendment No. 1 to the Services Agreement with Pacific Advanced Civil Engineering, Inc. (PACE) in substantially the same form as submitted, for a not-to-exceed amount of \$97,985.00, effective June 16, 2020, for additional design work associated with the Well No. 22 project.

**13. Property and Casualty Insurance Placements for Fiscal Year 2020-21**

Recommendation: Approve procurement of annual insurance coverage for fiscal year 2020-21 for total annual premiums not to exceed \$1,216,866.

The following items were pulled from the Consent Calendar for individual consideration:

**8. Annual Statement of Investment Policy for Fiscal Year 2020-2021**

Recommendation: Adopt Resolution No. 2020-21 approving the Annual Statement of Investment Policy for Fiscal Year 2020-2021 and delegating investment authority to the Director of Finance/City Treasurer.

In response to Council Member Menke, Finance Director Williams explained regulations and best practices regarding investments.

**MOTION**

Mayor Pro Tem Ybarra moved and Council Member Gonzales seconded a motion to approve procurement of annual insurance coverage for fiscal year 2020-21 for total annual premiums not to exceed \$1,216,866. The question was called and the motion carried unanimously.

**9. Services Agreements for Natural Gas Support Services**

Recommendation: Approve and authorize the City Administrator to execute Service Agreements for Natural Gas Support Services for a grand total amount not-to-exceed \$610,000 over the three-year term of the agreements, effective July 1, 2020 with: 1) NewGen Strategies & Solutions (NewGen) for Natural Gas Financial and Business Support Services, in an amount not-to-exceed \$210,000 over a three-year term of the agreement; and 2) G2 Integrated Solutions (G2-IS) for Natural Gas Compliance Support Services, in an amount not-to-exceed \$400,000 over a three-year term of the agreement.

Public Utilities General Manager Alemu presented the staff report.

In response to Council questions, Public Utilities General Manager Alemu confirmed that the two companies would not be performing duplicative services. He explained the proposed rates versus staff recommendation.

**MOTION**

Mayor Pro Tem Ybarra moved and Council Member Gonzales seconded a motion to defer the item to allow staff to respond to why the award amount was more/less than the bid amount and provide information on the other bidders. The question was called and the motion carried unanimously.

**12. Fiscal Year (FY) 2019/2020 Docket III Grants Awarded by Vernon CommUNITY Fund Grant Committee**

Recommendation: Receive and file the report, as it is being provided for informational purposes only pursuant to Section 2.167(e) of the Vernon Municipal Code.

Council Member Menke indicated she pulled the item in order to acknowledge the grants.

Mayor Pro Tem Ybarra requested the matter be placed under New Business in the future. Administrative Analyst Figueroa reminded the Council that the grantees usually attended the meeting to accept the grant but due to COVID-19 that was not feasible.

**MOTION**

Mayor Pro Tem Ybarra moved and Council Member Menke seconded a motion to receive and file the report. The question was called and the motion carried unanimously.

**NEW BUSINESS**

**14. Jaw Bone Canyon Property in Kern County**

Recommendation:

A. Find that the proposed action is statutorily exempt from California Environmental Quality Act (“CEQA”) review, in accordance with CEQA Guidelines § 15262, because the project only involves feasibility or planning studies for possible future actions which the City has not approved, adopted, or funded; and B. Hold a discussion with Lorelei Oviatt, Kern County's Planning and Natural Resources Director, and provide direction to staff.

City Administrator Fandino presented the staff report.

Lorelei Oviatt, Kern County Planning and Natural Resources Director, provided an overview of the wind generation projects in Kern County, environmental impact reports, limited transmission capacity in California, and limitations due to cultural resources. She discussed the process for a City project on its Kern County property.

In response to Council Member Menke, Ms. Oviatt confirmed the developer investment costs and issues; limited space on transmission lines; and lengthy permitting process. She agreed that time was of the essence but access and capacity were limited.

In response to Mayor Lopez, Ms. Oviatt confirmed issues of bird migration; environmental concern from the Bureau of Land Management; and the need to support renewable energy and oil but not harm endangered species. She stated there was access to the property but the roads would have to be expanded to bear the weight of the turbines. She confirmed that non-moving turbines did not produce money and there was no new, proven technology.

In response to Council Member Menke, Ms. Oviatt confirmed that mitigation was the responsibility of the lead and responsible agency.

Anthony Barkett, President and CEO of Silverado Co., discussed their proposed project for renewable energy.

Marissa Olguin, Chamber of Commerce, discussed the City's efforts to meet requirements for renewable energy. She reminded the Council of the City's reforms, State Auditor's Report of 2011 identifying corruption and requiring a public process through request for proposals (RFPs), fully vetted projects, and the City's integrated resource plan with established energy policy. She suggested establishing policies on how to move forward with the City's energy plan and procurement policies and that any project should be opposed during the COVID-19 pandemic.

#### **MOTION**

Council Member Gonzales moved to instruct the City Attorney to negotiate with Silverado Co.

Council Member Gonzales discussed the debt service on the property, indicating the City had spent over \$40 million and would spend another \$72 million. She suggested generating income from the property before the line reached capacity. She recommended the City Attorney bring in Tony Bouza, who had previously met with Council Member Menke and was on the last phone call with the City. She stated renewable power was needed and the City should enter into a power purchase agreement in order to buy power on its own land.

Council Member Menke seconded the motion.

#### **SUBSTITUTE MOTION**

Mayor Pro Tem Ybarra moved and Council Member Davis seconded a motion to table the matter.

Mayor Pro Tem Ybarra stated the City was not ready to move forward with a project. She expressed concern that there was not enough information on the proposed Silverado project nor offers from any other developers.

Mayor Lopez stated she was not comfortable supporting any project without knowing the overall cost, technology, necessary testing, \$40 million bond, and need for an RFP process.

Council Member Menke stated the request was simply to start negotiations in order to obtain the information requested.

Mayor Pro Tem Ybarra asked for information on technology, proposed project, and cost. She expressed concern with the uncertainty of COVID-19.

In response to Council Member Menke, Mr. Barkett anticipated their project, after touring the site, would be a combination of solar and wind. He suggested starting with a solar project while testing the wind. He stated the only cost to the City would be entering into a power purchase agreement to buy some form of energy. He reiterated that the City had gone through three, unsuccessful public proposal processes. He stated selling the property would not help the City service its debt and it could not be refinanced. He stated time was of the essence due to limited transmission. Council Member Menke confirmed that it would be no cost to the City and the City would be paid a fair market rental value from the developer. Mr. Barkett confirmed that as correct and indicated they were unable to

determine the rate because the amount of land to be used was not yet determined. He suggested they be allowed to exclusively negotiate with the City Attorney to present the proposal to the Council.

Council Member Menke discussed the sale of the portion of the land, with the payment not used towards paying down the bond debt. She discussed the cost of the property and asked if the Council, in good conscience, could proceed without an RFP. Interim City Attorney Alvarez-Glasman stated the Council had the authority to start negotiations with the developer and also the authority to go out to RFP. He stated the Council could either move forward or not without an RFP. Interim Assistant City Attorney Copado stated it was at the discretion of the Council.

The question was called and the substitute motion carried 3-2, Council Members Menke and Gonzales dissenting, rendering the main motion moot.

**15. Ratify Appointment of Health Officer for the City of Vernon**

Recommendation: Adopt Resolution No. 2020-22 ratifying the appointment of Laurene Mascola, M.D., MPH as Health Officer for the City of Vernon.

Health and Environmental Control Director Agyin presented the staff report.

In response to Council questions, Health and Environmental Control Director Agyin explained the service agreement, which would transition to a part-time position with open recruitment.

**MOTION**

Mayor Pro Tem Ybarra moved and Council Member Menke seconded a motion to adopt Resolution No. 2020-22 ratifying the appointment of Laurene Mascola, M.D., MPH as Health Officer for the City of Vernon. The question was called and the motion carried unanimously.

## **ORAL REPORTS**

### **City Administrator Reports on Activities and other Announcements.**

City Administrator Fandino provided an update on recent Police and Fire Department incidents and Public Utility power outages.

Chief Miranda discussed a recent missing person incident and complimentary communications.

Dr. Mascola introduced herself and expressed enthusiasm for working with the City.

City Clerk Pope announced the launch of the City's online public records request software - GovQA.

City Administrator Fandino commended the Council and City for the graduation parade and ongoing community outreach.

### **City Council Reports on Activities (including AB1234), Announcements, or Directives to Staff.**

None.

## **RECESS**

Mayor Lopez recessed the meeting to Closed Session at 10:28 a.m.

## **CLOSED SESSION**

### **16. CONFERENCE WITH LABOR NEGOTIATORS**

Pursuant to Government Code Section 54957.6

Agency Designated Representative: Carlos Fandino, City Administrator

Employee Organizations: Vernon Police Officers' Benefit Association and Vernon Police Management Association

## **RECONVENE**

At 10:52 a.m., Mayor Lopez adjourned Closed Session and reconvened the regular meeting.

## **CLOSED SESSION REPORT**

Interim City Attorney Alvarez-Glasman reported that the Council met in Closed Session, discussed the item listed on the agenda and took no reportable action.

**ADJOURNMENT**

Mayor Lopez adjourned the meeting at 10:52 a.m.

ATTEST:

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LETICIA LOPEZ, Mayor

---

LISA POPE, City Clerk  
(seal)

# City Council Agenda Item Report

Agenda Item No. COV-243-2020  
Submitted by: Sandra Dolson  
Submitting Department: City Clerk  
Meeting Date: July 7, 2020

## **SUBJECT**

Claims Against the City

## **Recommendation:**

Receive and file the claim submitted by Bruce A. Carter in the amount of \$690.

## **Background:**

On June 15, 2020, the City received the following claim:

Name of Claimant	Amount Demanded
Bruce A. Carter	\$690.00

Pursuant to Municipal Code Section 2.11-1, the above information is listed on the City Council agenda as soon after filing of the claim with the City as practical.

## **Fiscal Impact:**

There is no fiscal impact associated with this report.

## **Attachments:**

1. [Carter, Bruce 06-15-2020](#)

# CLAIM FOR DAMAGES TO PERSON OR PROPERTY

RESERVE FOR FILING STAMP

CLAIM No. \_\_\_\_\_

## INSTRUCTIONS

1. Claims for death, injury to person or to personal property must be filed not later than six (6) months after the occurrence. (Gov. Code Sec. 9112)
2. Claims for damages to real property must be filed not later than one (1) year after the occurrence. (Gov. Code Sec. 911.2)
3. Read entire claim before filing.
4. See page 2 for diagram upon which to locate place of accident
5. This claim form must be signed on page 2 at bottom.
6. Attach separate sheets, if necessary, to give full details. SIGN EACH SHEET.
7. Claim must be filed with City Clerk. (Gov. Code Sec. 915a)

COV CITY CLERK'S OFFICE

RECEIVED

JUN15'20 AM8:07:57

TO: CITY OF VERNON CITY COUNCIL

Name of Claimant

Bruce A Carter

Age of Claimant (If natural person)

Home Address of Claimant

City and State

Home Telephone Number

Business Address of Claimant

4361 S Soto, Vernon, CA 90058

City and State

Business Telephone Number

323-582-2247

Give address to which you desire notices or communications to be sent regarding this claim:

bruce@greatampack.com or the Business Address above.

How did DAMAGE or INJURY occur? Give full particulars.

I was driving from the office to the 5 freeway, heading east on Bandini. I crossed Atlantic in the right hand lane. As I crossed Penniton Way, I hit a huge pothole and heard a very loud bang which startled me. I knew almost immediately that the tire was flat. I pulled into the parking lot of a business that was closed and changed the tire. The next day I had the tire replaced at America's tire and they told me the rim was also bent.

When did DAMAGE or INJURY occur? Give full particulars, date, time of day, etc.:

The incident occurred on March 26th at approximately 4:15 pm.

Where did DAMAGE or INJURY occur? Describe fully, and locate on diagram on reverse side of this sheet, where approximate, give street names and address and measurements from landmarks:

The pothole is located just past Pennington Way, east bound within the City of Vernon. See attached pictures.

What particular ACT or OMISSION do you claim caused the injury or damage? Give names of City employees, if any, causing the injury or damage, if known:

The pothole was caused by the significant rain that occurred in March. The pothole was very deep and wide. It was very dangerous and should have been filled. The fact that my wheel was bent illustrates how bad it was.

What DAMAGE or INJURIES do you claim resulted? Give full extent of injuries or damages claimed:

The pothole blew out my tire and bent my wheel. See photo attached.

What AMOUNT do you claim of each item of injury or damage as of date of presentation of this claim, giving basis of computation:

The wheel costs \$650 and the tire is normally \$273. However, I have a tire warranty so the tire was only \$40. Total cost: \$690.

Give ESTIMATED AMOUNT as far as known you claim on account of each item of prospective injury or damage, giving basis of computation:

See above.

Were you insured at the time of the incident? If so, provide name of insurance company, policy numbers and amount of insurance payments received:

No insurance claim has been made. Tires are not covered anyway. The deductible is greater than the total amount of damage.

Expenditures made on account of accident or Injury: (Date - Item) (Amount)

Tire: \$40 (March 27th from Americ's Tire)

Wheel: \$650 (awaiting disposition from City of Vernon)

Name and address of Witnesses, Doctors and Hospitals:

N/A

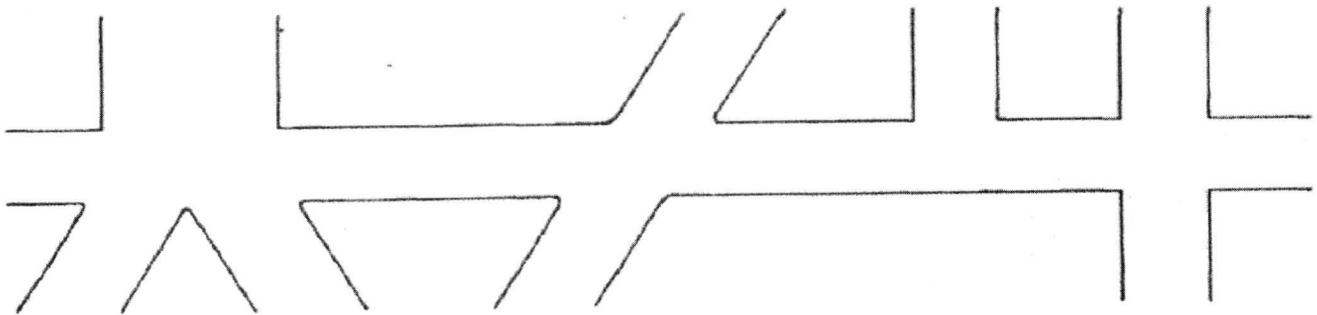
READ CAREFULLY

For all accident claims place on following diagram names of streets, including North, East, South, and West: indicate place of accident by "X" and by showing house numbers or distances to street corners.

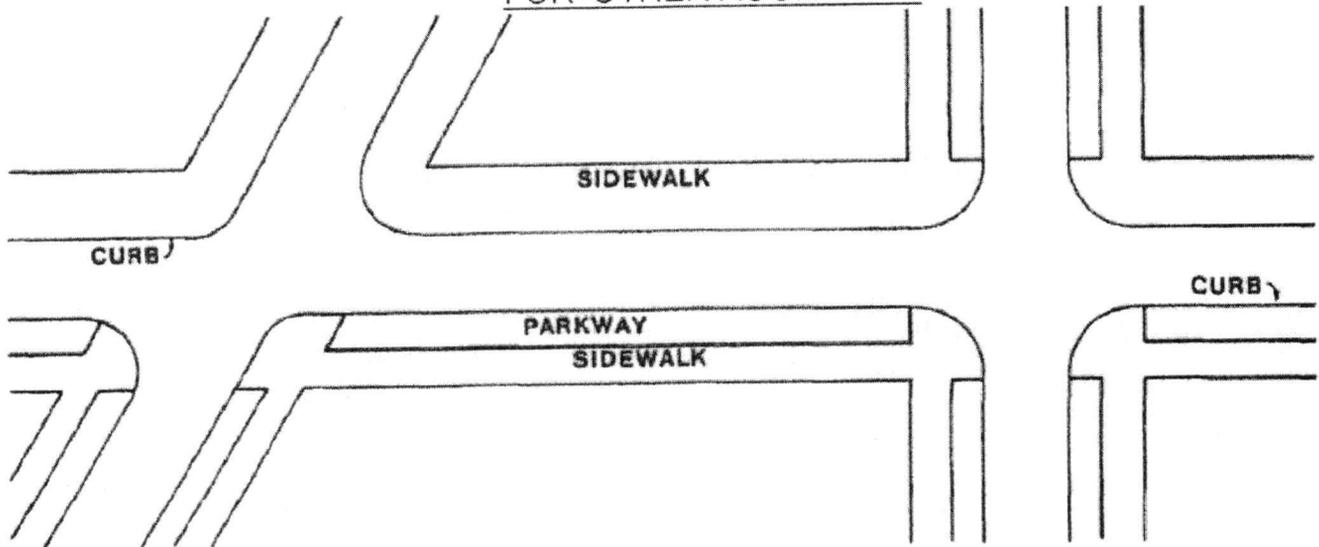
If City Vehicle was Involved, designate by letter "A" location of City vehicle when you first saw it, and by "B" location of yourself or your vehicle when you first saw City vehicle; location of City vehicle at time of accident by "A-1" and location of yourself or your vehicle at the time of accident by "B 1" and the point of Impact by "X."

NOTE: If diagrams do not fit the situation, attach hereto a proper diagram signed by claimant.

FOR AUTOMOBILE ACCIDENTS



FOR OTHER ACCIDENTS



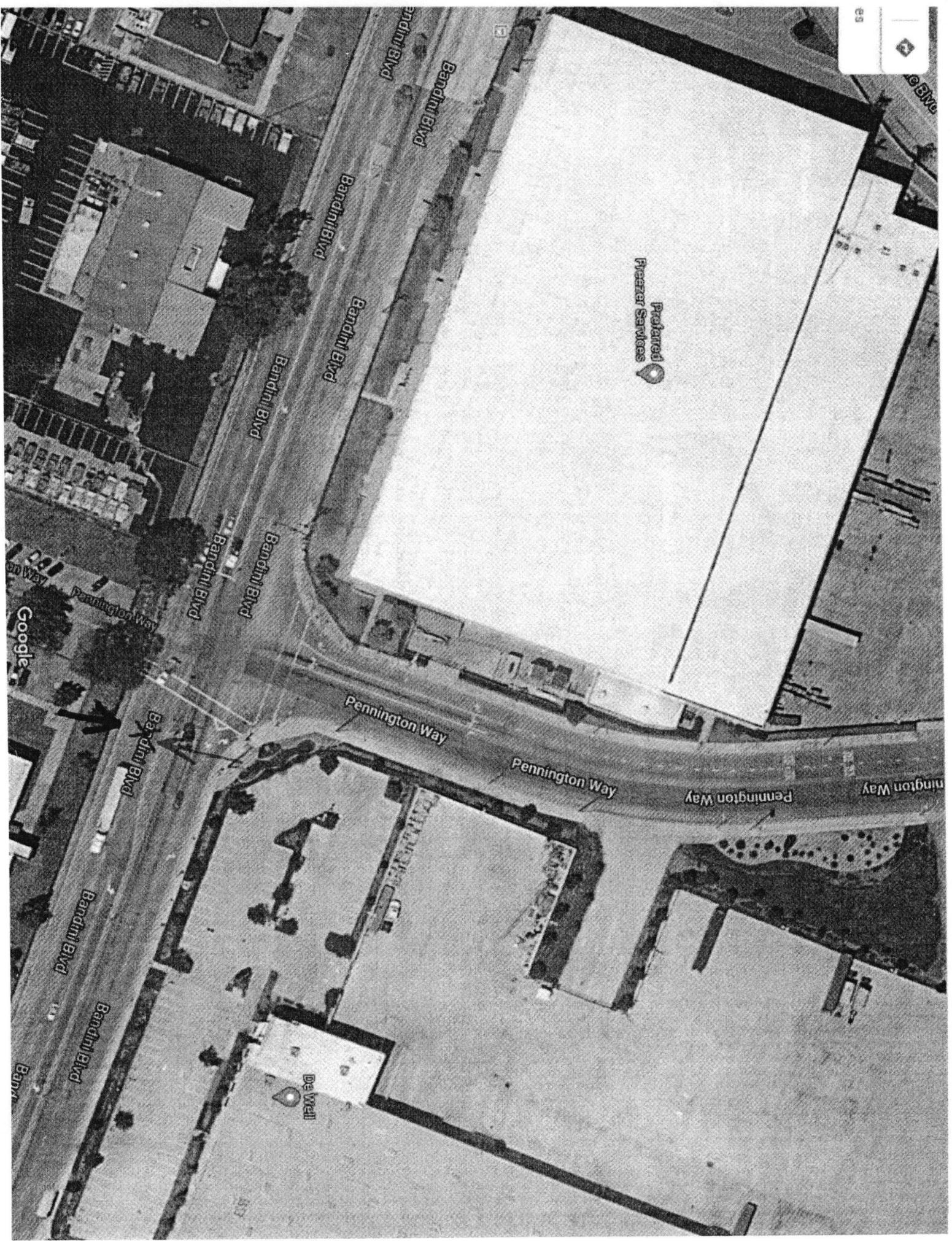
I declare, under penalty of perjury, that the foregoing, including any attachments, is true and correct.

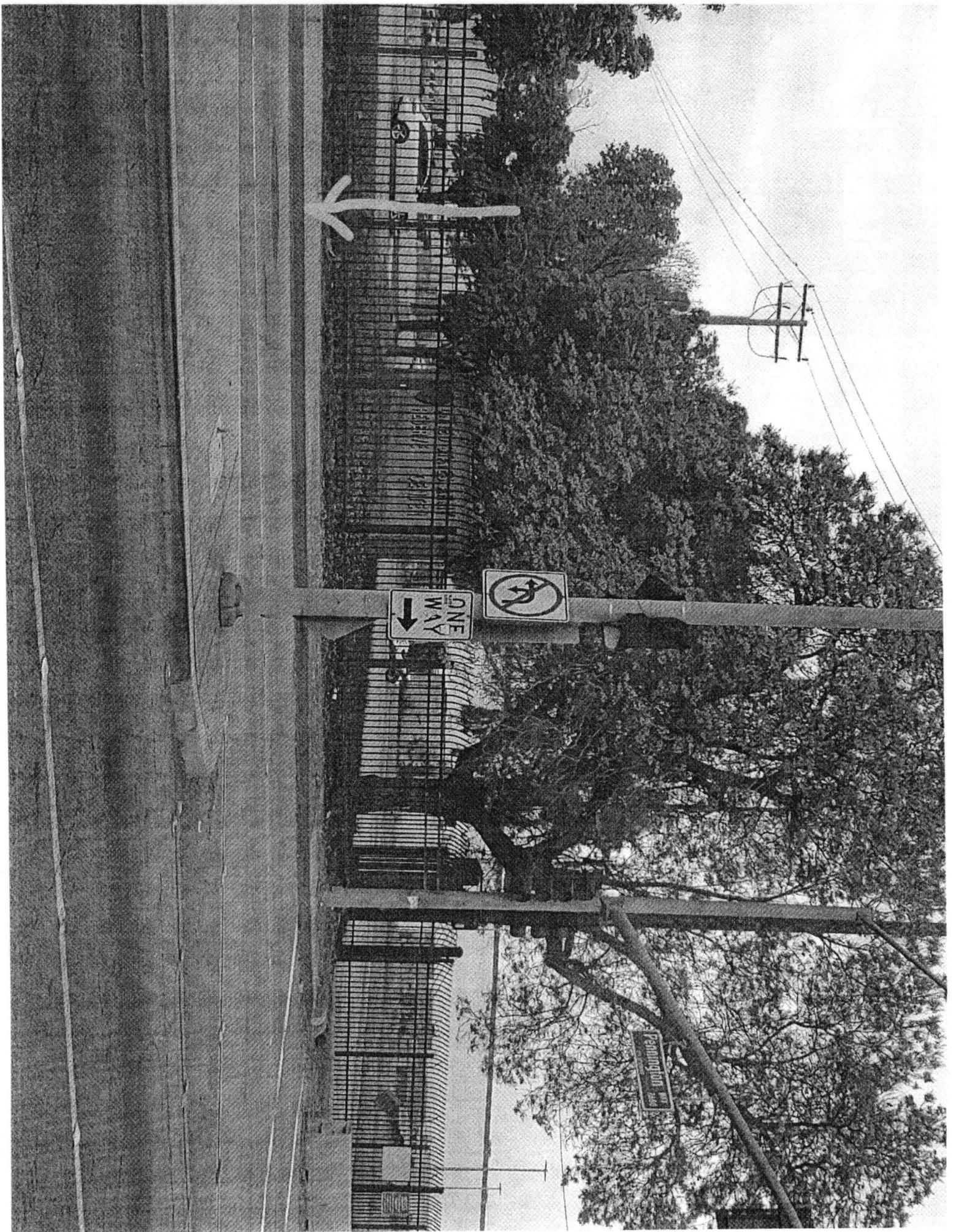
Typed/Printed Name:  
Bruce A Carter

Signature of Claimant or person filing on his/her behalf, giving relationship to Claimant:

Date:  
5/15/2020

NOTE: ALL CLAIMANTS MAY BE REQUESTED TO BE EXAMINED AS TO THEIR CLAIM UNDER OATH. PRESENTATION OF A FALSE CLAIM IS A FELONY (CAL. PEN. CODE SEC. 72). CLAIMS MUST BE FILED WITH CITY CLERK (GOV. CODE SEC. 915a). STATE LAW PROVIDES THAT IF YOU ARE NOT NOTIFIED OF ANY ACTION BY THE CITY OF THIS CLAIM WITHIN 45 DAYS OF FILING THAT THE CLAIM IS DENIED (SEE GOV. CODE SEC. 914.2 & 914.3)





ONE WAY  
↓



Pennington Ave

VIEW SALES INVOICE  
AMERICA'S TIRE

3/27/2020  
4:01 PM

BRUCE  
JUDY CARTER



2019 GENESIS Plate#: [REDACTED]  
G70 Miles: 69,043  
19"BASE 3.3T Torque Specs: 95

CAS 22 CA# ARD271986  
22765 ASPAN ST  
LAKE FOREST, CA 92630  
949.472.8840

Invoice #  
1821141

Salesperson 556  
BRIAN A IBARRA

Layaway Acct  
1086126285

Estimated Completion Time: 03:00 PM

Article	Qty	Description	FET	Price	Amount
36596	-1	225 /40 R19 93Y XL BSW HK RHZ MCH PILOT SPORT 4		273.00	-273.00
REPLACE TIRE IN HOLD RACK INSTALL ONTO RF WHEN CUSTOMER ARRIVES BOLT PATTERN: 5-114.3					
32760	1	225 /40 R19 93Y XL BSW NRM MCH PILOT SPORT 4S		273.00	273.00
TIRE MILEAGE WARRANTY: 30000 INFLATION F:36 R:41					
80017	1	CERTIFICATES FOR NRM REFUND, REPLACEMENT		38.25	38.25
For tire certificate details, see <a href="http://www.americastire.com/customer-service/certificates">www.americastire.com/customer-service/certificates</a>					
80075	1	STATE REQUIRED NRM TIRE FEE		1.75	1.75
80403	1	ADJUSTMENT/BAL & VAL NRM LIFETIME		.00	.00

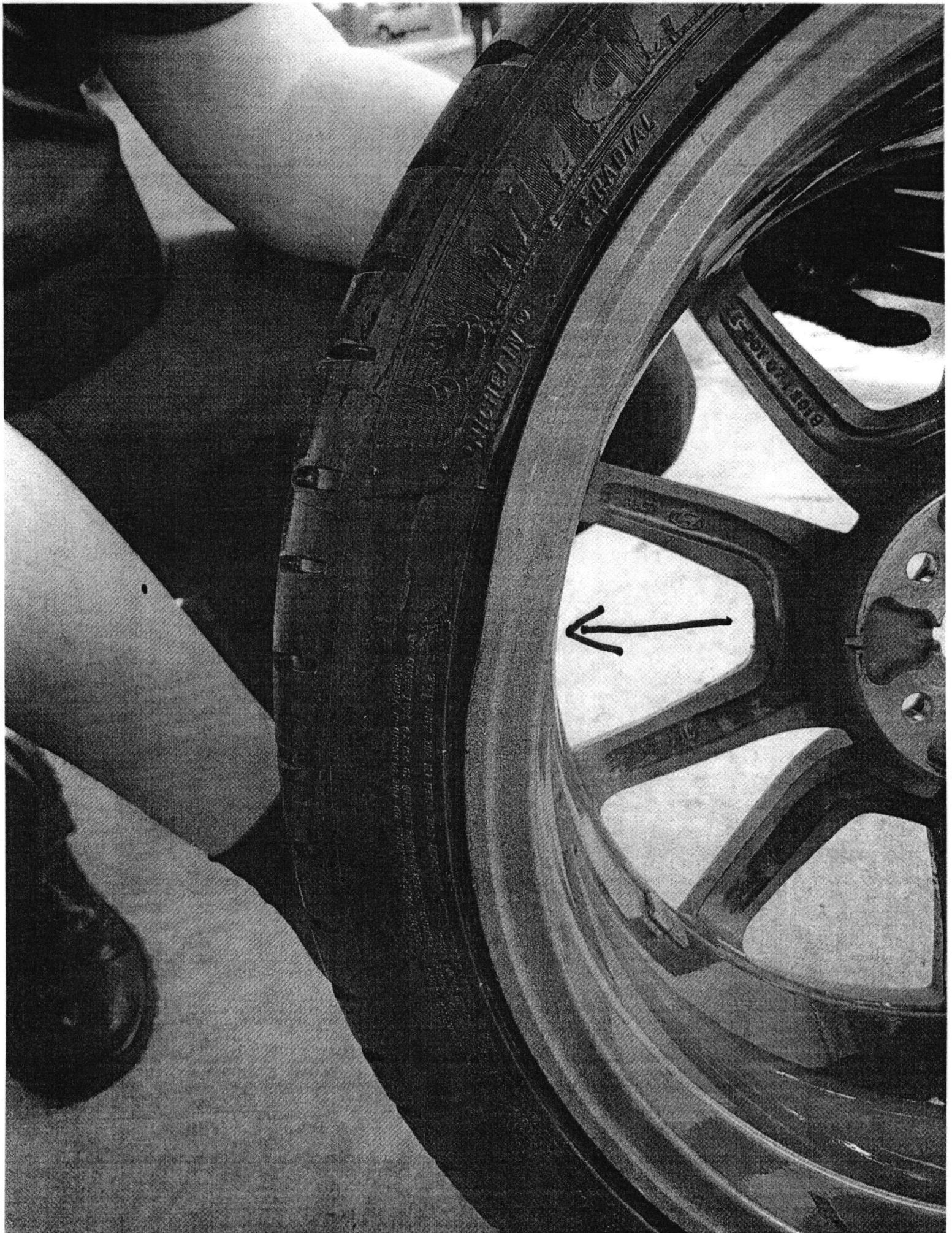
When replacing less than four tires, America's  
Tire recommends that the new tires will be placed  
on the rear of the vehicle

I understand by my signature below: The personal  
and vehicle information I have voluntarily  
provided is correct. I agree to purchase the  
products, pay the fees, and authorize the service  
and repairs at the final costs specifically listed  
in this electronic invoice. This invoice, if and  
as necessary under the law, is an estimate of  
repair and service costs as detailed herein. Terms  
and Conditions for this transaction are found at  
[www.americastire.com/customer-service/invoice-terms](http://www.americastire.com/customer-service/invoice-terms)

Sub Total: 40.00

Sales Tax:	.00
Sales Total:	40.00
Layaway Refund:	40.00
Tendered Today:	40.00
Tendered Total:	40.00

Signature on file



# City Council Agenda Item Report

Agenda Item No. COV-251-2020

Submitted by: John Lau

Submitting Department: Finance/Treasury

Meeting Date: July 7, 2020

## **SUBJECT**

Operating Account Warrant Register

### **Recommendation:**

Approve Operating Account Warrant Register No. 48, for the period of May 31 through June 20, 2020, which totals \$10,263,526.55 and consists of ratification of electronic payments totaling \$9,429,962.41 and ratification of the issuance of early checks totaling \$833,564.14.

### **Background:**

Section 2.13 of the Vernon Municipal Code indicates the City Treasurer, or an authorized designee, shall prepare warrants covering claims or demands against the City which are to be presented to City Council for its audit and approval. Pursuant to the aforementioned code section, the City Treasurer has prepared Operating Account Warrant Register No. 48 covering claims and demands presented during the period of May 31 through June 20, 2020, drawn, or to be drawn, from East West Bank for City Council approval.

### **Fiscal Impact:**

The fiscal impact of approving Operating Account Warrant Register No. 48, totals \$10,263,526.55. The Finance Department has determined that sufficient funds to pay such claims/demands, are available in the respective accounts referenced on Operating Account Warrant Register No. 48.

### **Attachments:**

1. [Operating Account Warrant Register No. 48](#)



**CITY OF VERNON  
OPERATING ACCOUNT  
WARRANT REGISTER NO. 48  
JULY 7, 2020**

I hereby certify that claims and/or demands included in above listed warrant register have been audited for accuracy and availability of funds for payments and that said claims and/or demands are accurate and that the funds are available for payments thereof.

\_\_\_\_\_  
Scott Williams  
Director of Finance / City Treasurer

Date: 6/24/2020

This is to certify that the claims or demands covered by the above listed warrants have been audited by the City Council of the City of Vernon and that all of said warrants are approved for payments except Warrant Numbers:

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

**CITY OF VERNON  
OPERATING ACCOUNT  
WARRANT REGISTER NO. 48  
JULY 7, 2020**

**ELECTRONIC**

VENDOR NAME AND NUMBER	ACCOUNT NUMBER	INVOICE AMOUNT	DESCRIPTION	INVOICE	P.O.#	PAYMENT DATE	PAYMENT NUMBER	PAYMENT AMOUNT
002412 - CALIFORNIA ISO	055.9200.500150	\$ 56,417.70	Initial Charges 05/20	202005263145649				
				018				
	055.9200.500210	\$ 8,602.55	Initial Charges 05/20	202005263145649				
				018				
	055.9200.500170	\$ -3,655.70	Initial Charges 05/20	202005263145649				
				018				
	055.9200.500190	\$ -7,982.81	Initial Charges 05/20	202005263145649				
				018				
	055.9200.500150	\$ -42,149.22	Recalculation Charges 05/20	202005263145649				
				018				
	055.9200.500151	\$ -0.03	Recalculation Charges 05/20	202005263145649				
				018				
	055.9200.500170	\$ -1,372.61	Recalculation Charges 05/20	202005263145649				
				018				
	055.9200.500190	\$ -109.56	Recalculation Charges 05/20	202005263145649				
				018				
	055.9200.500210	\$ 3.64	Recalculation Charges 05/20	202005263145649				
				018				
						06/01/2020	9807	\$ 9,753.96
005182 - ANTHEM BLUE CROSS	011.1026.502031	\$ 14,177.82	Medical Retirees~	117686016				
						06/02/2020	9808	\$ 14,177.82
005506 - BEST BEST & KRIEGER, LLP	011.1024.593200	\$ 78.00	Re: General Municipal Matters	877051				
						06/02/2020	9812	\$ 78.00
000267 - BROADBAND LLC	057.1057.500173	\$ 4,139.00	Internet Access Services	615202003744				
						06/02/2020	9813	\$ 4,139.00

**CITY OF VERNON  
OPERATING ACCOUNT  
WARRANT REGISTER NO. 48  
JULY 7, 2020**

**ELECTRONIC**

VENDOR NAME AND NUMBER	ACCOUNT NUMBER	INVOICE AMOUNT	DESCRIPTION	INVOICE	P.O.#	PAYMENT DATE	PAYMENT NUMBER	PAYMENT AMOUNT
002426 - CH2M HILL ENGINEERS, INC	055.9000.596200	\$ 12,202.25	Env Support Services	697275CH020		06/02/2020	9814	\$ 12,202.25
000956 - CROSSPOINT NETWORK SOLUTIONS,	011.9019.520010	\$ 1,100.00	Mitel MBG Teleworker User Lic. 10 Pack	IN20200104	011.0014327	06/02/2020	9815	\$ 1,100.00
000947 - DAILY JOURNAL CORPORATION	011.1003.550000	\$ 270.00	Publication Services	B3366050		06/02/2020	9816	\$ 270.00
004438 - FLEMING ENVIRONMENTAL, INC	011.1049.590000	\$ 650.00	Designated Operator 30 Day Inspections	16161		06/02/2020	9817	\$ 650.00
005155 - STEVEN FROBERG	011.1021.596200	\$ 100.00	Attendance Stipend~	052020		06/02/2020	9818	\$ 100.00
005034 - KRONOS INCORPORATED	011.9019.590110	\$ 821.04	Software & Hardware Usage Fees	11603022		06/02/2020	9819	\$ 821.04
006236 - SUEZ WTS SERVICES USA, INC	011.1033.590000	\$ 59.68	Water Purification Services	900313713		06/02/2020	9820	\$ 755.37
	011.1033.590000	\$ 123.10	Water Purification Services	900382193				
	011.1033.590000	\$ 95.17	Water Purification Services	900383660				
	011.1033.590000	\$ 298.39	Water Purification Services	900395561				
	011.1033.590000	\$ 179.03	Water Purification Services	900395626				

**CITY OF VERNON  
OPERATING ACCOUNT  
WARRANT REGISTER NO. 48  
JULY 7, 2020**

**ELECTRONIC**

VENDOR NAME AND NUMBER	ACCOUNT NUMBER	INVOICE AMOUNT	DESCRIPTION	INVOICE	P.O.#	PAYMENT DATE	PAYMENT NUMBER	PAYMENT AMOUNT
006721 - TULLETT PREBON AMERICAS CORP	055.9200.500180	\$ 3,000.00	Brokerage Fees	043020		06/02/2020	9821	\$ 3,000.00
001658 - WATER REPLENISHMENT DISTRICT	020.1084.500110	\$ 186,620.85	Groundwater Production & Assessment	052620		06/02/2020	9822	\$ 186,620.85
004442 - WIRELESS INNOVATION LIMITED	055.9000.900000	\$ 1,203.60	Iridium	57704		06/02/2020	9823	\$ 1,203.60
006651 - ZIM INDUSTRIES, INC	020.1084.900000	\$ 98,982.47	Well #22 Construction Project~	052720		06/02/2020	9824	\$ 98,982.47
006847 - ELBOW RIVER MARKETING LTD	055.9200.500163	\$ 1,269,050.00	Carbon Allowance	ERM165406		06/02/2020	9825	\$ 1,493,000.00
	056.5610.596710	\$ 223,950.00	Carbon Allowance	ERM165406				
002468 - DEPARTMENT OF WATER & POWER	055.9200.500170	\$ 21,870.00	Electric Energy Transactions~	GA196534		06/04/2020	9826	\$ 22,445.00
	055.9200.500260	\$ 575.00	Electric Energy Transactions~	GA196534				

**CITY OF VERNON  
OPERATING ACCOUNT  
WARRANT REGISTER NO. 48  
JULY 7, 2020**

**ELECTRONIC**

VENDOR NAME AND NUMBER	ACCOUNT NUMBER	INVOICE AMOUNT	DESCRIPTION	INVOICE	P.O.#	PAYMENT DATE	PAYMENT NUMBER	PAYMENT AMOUNT
005594 - US BANK CORPORATE	011.1043.520000	\$ 484.00	Window Tinting	032320				
	011.5031.560000	\$ 61.56	Cable Subscription	032320(10)				
	011.1001.596500	\$ 1,215.00	Conference Registration / C. Menke	032320(11)				
	011.1002.596500	\$ 405.71	Hotels / C. Fandino	032320(11)				
	011.1023.596600	\$ 110.91	LA Times Subscription	032320(11)				
	011.1002.596500	\$ 109.11	Meals / Meeting	032320(11)				
	055.8200.520000	\$ 1,346.84	Spare Fuel Tank for VPU	032320(11)				
	011.1002.520000	\$ 63.79	Supplies	032320(11)				
	011.1043.520000	\$ 1,101.48	Supplies	032320(12)				
	011.9019.520010	\$ 52.99	Adobe License	032320(13)				
	011.9019.520010	\$ 14.22	Prime Membership Fee	032320(13)				
	011.9019.520010	\$ 39.40	Supplies	032320(13)				
	011.9019.590110	\$ 812.25	Google Drive	032320(13)				
	011.9019.520010	\$ 184.50	GoToAssist Licenses	032320(13)				
	011.9019.520010	\$ 144.00	GoToWebinar Licenses	032320(13)				
	011.9019.520010	\$ 888.73	IT Supplies	032320(13)				
	011.9019.520010	\$ 208.06	IT Supplies	032320(13)				
	011.9019.520010	\$ 180.86	Microsoft OneDrive	032320(13)				
	011.9019.590110	\$ 9.99	Microsoft OneDrive	032320(13)				
	011.9019.520010	\$ 120.60	Postage	032320(13)				
	011.1024.520000	\$ 64.72	Meals / Meeting	032320(14)				
	011.1060.520000	\$ 29.44	Hand Sanitizers	032320(15)				
	011.1024.596500	\$ 80.00	Airline	032320(16)				

**CITY OF VERNON  
OPERATING ACCOUNT  
WARRANT REGISTER NO. 48  
JULY 7, 2020**

**ELECTRONIC**

VENDOR NAME AND NUMBER	ACCOUNT NUMBER	INVOICE AMOUNT	DESCRIPTION	INVOICE	P.O.#	PAYMENT DATE	PAYMENT NUMBER	PAYMENT AMOUNT
005594 - US BANK CORPORATE	011.1024.596500	\$ 69.71	Meals	032320(16)				
	011.1024.596500	\$ 106.77	Travel Expense	032320(16)				
	011.1004.596500	\$ 60.00	Airline	032320(17)				
	011.1004.596500	\$ 60.00	Airline / C. Gaytan	032320(17)				
	011.1004.596500	\$ 576.20	Hotels	032320(17)				
	011.1004.596500	\$ 576.20	Hotels / C. Gaytan	032320(17)				
	011.1004.520000	\$ 67.24	Supplies	032320(17)				
	011.1004.596500	\$ 276.19	Travel Expense	032320(17)				
	011.1031.520000	\$ 36.00	COVID Supplies	032320(18)				
	011.1004.596700	\$ -300.00	Refund	032320(19)				
	011.1001.596500	\$ 1,020.79	Airline / C. Menke	032320(2)				
	011.1002.520000	\$ 31.35	Postage	032320(2)				
	011.1001.596500	\$ 54.78	Travel Insurance / C. Menke	032320(2)				
	055.8300.520000	\$ 321.92	Warehouse Safety Cage	032320(2)				
	055.8300.520000	\$ 357.71	Warehouse Storage Area Heater	032320(2)				
	011.1070.550000	\$ 172.17	Community Outreach Event	032320(2)				
	055.8300.520000	\$ 8,163.26	Electrical / Water System Control Parts	032320(2)				
	011.1001.596500	\$ 1,872.14	Hotels / C. Menke	032320(2)				
	011.1001.596500	\$ 165.32	Meals / Meeting	032320(2)				
	011.1002.550000	\$ 460.41	Meals / Meeting	032320(2)				
	011.1002.596500	\$ 147.75	Meals / Meeting	032320(2)				
	011.1003.596300	\$ 97.16	Meals / Workshop	032320(2)				
	055.8300.520000	\$ 1,203.41	Portable Fuel Tanks	032320(2)				

**CITY OF VERNON  
OPERATING ACCOUNT  
WARRANT REGISTER NO. 48  
JULY 7, 2020**

**ELECTRONIC**

VENDOR NAME AND NUMBER	ACCOUNT NUMBER	INVOICE AMOUNT	DESCRIPTION	INVOICE	P.O.#	PAYMENT DATE	PAYMENT NUMBER	PAYMENT AMOUNT
005594 - US BANK CORPORATE	011.1031.520000	\$ 282.00	Supplies	032320(20)				
	011.1031.540000	\$ 2,440.47	Uniforms	032320(20)				
	011.1031.596700	\$ 135.00	Training / L. Gaytan	032320(20)				
	011.1031.596550	\$ 60.00	Membership Dues	032320(20)				
	011.1031.596500	\$ 774.05	Hotels / C. Diaz	032320(20)				
	011.1031.596500	\$ 396.00	Hotels / J. Chavez	032320(20)				
	011.1031.596700	\$ 28.16	Training / M. Velez	032320(20)				
	011.1031.596500	\$ -523.20	Refund	032320(20)				
	011.1031.596500	\$ 540.96	Hotels / J. Cross	032320(20)				
	011.1031.596500	\$ 528.92	Hotels / B. Redona	032320(20)				
	011.1031.596500	\$ 528.92	Hotels / M. Fino	032320(20)				
	011.1031.596700	\$ 140.00	Training / N. Ramos	032320(20)				
	055.9000.596600	\$ 454.78	Books & Publications	032320(21)				
	055.9000.520000	\$ 23.31	Meals / Meeting	032320(21)				
	055.9000.540000	\$ 3,516.01	Uniforms	032320(21)				
	011.1003.520000	\$ 101.05	Supplies	032320(22)				
	011.1033.570000	\$ 1,249.49	Vehicle Expense	032320(23)				
	011.1031.596550	\$ 190.00	Membership Dues	032320(24)				
	011.1046.520000	\$ 600.00	Rear Cameras	032320(25)				
	011.1046.520000	\$ 41.13	Supplies	032320(25)				
	011.1043.520000	\$ 2,219.71	Supplies	032320(26)				
	011.1049.520000	\$ 414.60	Supplies	032320(26)				
	011.1043.520000	\$ 938.22	Bottled Water	032320(27)				

**CITY OF VERNON  
OPERATING ACCOUNT  
WARRANT REGISTER NO. 48  
JULY 7, 2020**

**ELECTRONIC**

VENDOR NAME AND NUMBER	ACCOUNT NUMBER	INVOICE AMOUNT	DESCRIPTION	INVOICE	P.O.#	PAYMENT DATE	PAYMENT NUMBER	PAYMENT AMOUNT
005594 - US BANK CORPORATE	055.8200.500230	\$ 614.40	SCAQMD AER Report Fee	032320(28)				
	055.9000.596700	\$ 167.96	Airline	032320(29)				
	055.9000.596550	\$ 77.66	Cable Subscription	032320(3)				
	011.1026.520000	\$ 452.89	Supplies	032320(30)				
	011.1060.520000	\$ 107.71	Hand Sanitizers	032320(31)				
	055.9000.550000	\$ 82.03	Meals / SCWRCB Inspection	032320(32)				
	011.1031.520000	\$ 265.02	Digital Thermometers	032320(4)				
	011.1031.540000	\$ 338.00	Badges	032320(5)				
	011.1033.596550	\$ 420.00	Membership Dues	032320(6)				
	011.1002.596500	\$ 1,147.28	Travel Expense / MGS Deposition Prep	032320(7)				
	056.5600.520000	\$ 271.60	Supplies	032320(8)				
	011.1040.520000	\$ 16.84	Supplies	032320(9)				
	011.1040.596500	\$ 8.00	Travel Expense	032320(9)				
						06/04/2020	9827	\$ 42,373.61
000059 - SO CAL EDISON	055.9200.500170	\$ 24,669.00	Laguna Bell 04/20	7501133711				
	055.9200.500170	\$ 53,460.00	Victorville Lugo Vernon 04/20	7501133712				
	055.9200.500170	\$ 126,360.00	Mead Laguna Bell 04/20	7501133713				
	055.9200.500170	\$ 24,669.00	Laguna Bell 05/20	7501138265				
	055.9200.500170	\$ 53,460.00	Victorville Lugo Vernon 05/20	7501138266				
	055.9200.500170	\$ 126,360.00	Mead Laguna Bell 05/20	7501138267				
						06/05/2020	9831	\$ 408,978.00

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VENDOR NAME AND NUMBER	ACCOUNT NUMBER	INVOICE AMOUNT	DESCRIPTION	INVOICE	P.O.#	PAYMENT DATE	PAYMENT NUMBER	PAYMENT AMOUNT
002412 - CALIFORNIA ISO	055.9200.500150	\$ -30,337.71	Recalculation Charges 05/20	202006023145713				
				456				
	055.9200.500170	\$ -2,153.62	Recalculation Charges 05/20	202006023145713				
				456				
	055.9200.500190	\$ -753.55	Recalculation Charges 05/20	202006023145713				
				456				
	055.9200.500210	\$ -333.97	Recalculation Charges 05/20	202006023145713				
				456				
	055.9200.500151	\$ 0.06	Recalculation Charges 05/20	202006023145713				
				456				
	055.9200.500150	\$ -1,491.67	Recalculation Charges 08/17	202006023145713				
				456				
	055.9200.500190	\$ -1,659.63	Recalculation Charges 08/17	202006023145713				
				456				
	055.9200.500150	\$ 74,868.46	Initial Charges 05/20	202006023145713				
				456				
	055.9200.500170	\$ 1,135,957.91	Initial Charges 05/20	202006023145713				
				456				
	055.9200.500210	\$ 21,345.94	Initial Charges 05/20	202006023145713				
				456				
	055.9200.500240	\$ 7,047.29	Initial Charges 05/20	202006023145713				
				456				
	055.9200.500151	\$ -0.43	Initial Charges 05/20	202006023145713				
				456				
	055.9200.500170	\$ -128.88	Initial Charges 05/20	202006023145713				
				456				
	055.9200.500180	\$ -1,840.02	Initial Charges 05/20	202006023145713				
				456				

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VENDOR NAME AND NUMBER	ACCOUNT NUMBER	INVOICE AMOUNT	DESCRIPTION	INVOICE	P.O.#	PAYMENT DATE	PAYMENT NUMBER	PAYMENT AMOUNT
002412 - CALIFORNIA ISO	055.9200.500190	\$ -13,220.70	Initial Charges 05/20	202006023145713 456		06/08/2020	9832	\$ 1,187,299.48
000447 - CDW GOVERNMENT, INC	011.9019.520010	\$ 3,268.90	Canon imageFORMULA DR-C225 II -	XTC9319	011.0014351			
	011.9019.520010	\$ 310.55	Sales Tax 9.5%	XTC9319				
	011.9019.520010	\$ 1,300.85	Epson TM S9000-021 110DPM - receipt	XVB0716	011.0014356			
	011.9019.520010	\$ 38.49	Freight	XVB0716	011.0014356			
	011.9019.520010	\$ 123.58	Sales Tax 9.5%	XVB0716		06/09/2020	9833	\$ 5,042.37
001401 - CENTRAL BASIN MWD	020.1084.500130	\$ 30,662.50	Recycled Water	VERAPR20		06/09/2020	9834	\$ 30,662.50
000956 - CROSSPOINT NETWORK SOLUTIONS,	011.9019.520010	\$ 4,500.00	Mitel Enterprise User License	IN20200188	011.0014328			
	011.9019.520010	\$ -10.00	10%	IN20200188	011.0014328			
	011.9019.520010	\$ 427.50	Sales Tax 9.5%	IN20200188		06/09/2020	9835	\$ 4,917.50
001206 - DELL MARKETING LP	011.9019.860000	\$ 8,164.95	Dell Latitude 3500~	10393172149	011.0014353			
	011.9019.860000	\$ 2,300.40	Non-Taxable from above line item	10393172149	011.0014353			
	011.9019.860000	\$ 546.00	Freight	10393172149	011.0014353			
	011.9019.860000	\$ 75.00	ENVIRONMENTAL FEE	10393172149	011.0014353			
	011.9019.860000	\$ 775.67	Sales Tax 9.5%	10393172149		06/09/2020	9836	\$ 11,862.02

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001701 - FUJITSU NETWORK COMMUNICATIONS	057.1057.900000	\$ 7,357.82	Internet Connection Equipment	91879447		06/09/2020	9837	\$ 7,357.82
001729 - GOVCONNECTION, INC	011.9019.520010	\$ 3,872.04	Microsoft Surface Laptop 3 Core	57710344	011.0014352			
	011.9019.520010	\$ 15.00	FEES	57710344	011.0014352			
	011.9019.520010	\$ 367.84	Sales Tax 9.5%	57710344		06/09/2020	9838	\$ 4,254.88
000195 - ITRON, INC	055.7100.595200	\$ 19,286.98	Meter Reading Billing Software Upgrade	556982		06/09/2020	9839	\$ 19,286.98
005108 - JEMMOTT ROLLINS GROUP, INC	011.1021.797000	\$ 13,750.00	Professional Services~	MAY20		06/09/2020	9840	\$ 13,750.00
003053 - LEVEL 3 COMMUNICATIONS, LLC	057.1057.500173	\$ 7,143.11	Internet Access Services	110184125		06/09/2020	9841	\$ 7,143.11
005433 - RUTAN & TUCKER, LLP	011.1024.593200	\$ 8,757.37	Re: Torres Arbitration	865093				
	011.1024.593200	\$ 14,630.91	Re: Torres Arbitration	868044		06/09/2020	9842	\$ 23,388.28
006862 - JOHN CORDOVA	011.1049.520000	\$ 254.24	Reimb. Forehead Thermometers~	060820		06/11/2020	9843	\$ 254.24

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002517 - SO CAL PUBLIC POWER AUTHORITY	055.9200.500154	\$ 269,670.95	Astoria 2 Solar Project	ATSP0620		06/11/2020	9844	\$ 269,670.95

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VENDOR NAME AND NUMBER	ACCOUNT NUMBER	INVOICE AMOUNT	DESCRIPTION	INVOICE	P.O.#	PAYMENT DATE	PAYMENT NUMBER	PAYMENT AMOUNT
005594 - US BANK CORPORATE	011.9019.860000	\$ 25.17	Charging Cable	042220				
	011.9019.860000	\$ 43.76	Dolly Cart Replacement Wheel	042220				
	011.1003.520000	\$ 14.50	Postage	042220(10)				
	011.1033.520000	\$ 207.90	Supplies	042220(10)				
	011.1002.520000	\$ 536.53	Extra Face Masks for COVID-19 Emergency	042220(11)				
	011.1023.596600	\$ 129.95	LA Business Journal Annual Subscription	042220(11)				
	011.1023.596600	\$ 54.49	LA Times Subscription	042220(11)				
	055.8200.520000	\$ 1,346.84	Spare Fuel Tank for VPU	042220(11)				
	020.1084.900000	\$ 2,417.94	SCADA / Electrical Upgrades	042220(12)				
	011.1043.520000	\$ 38.04	Supplies	042220(13)				
	011.9019.520010	\$ 52.99	Adobe License	042220(14)				
	011.9019.520010	\$ 240.59	Phone Cases	042220(14)				
	011.9019.520010	\$ 350.30	POE Injectors for IP Phones	042220(14)				
	011.9019.520010	\$ 14.22	Prime Membership Fee	042220(14)				
	011.9019.520010	\$ 229.88	Replacement Laptop Adaptors	042220(14)				
	011.9019.520010	\$ 280.30	Router for Well 22 Project	042220(14)				
	011.9019.520010	\$ 18.00	Screen Recording Software	042220(14)				
	011.9019.520010	\$ 44.09	SD Card for Washington Sump Camera	042220(14)				
	011.9019.520010	\$ 153.24	Smart Plug for IT	042220(14)				
	011.9019.520010	\$ 337.50	SSL Firewall Code Licenses	042220(14)				
	011.9019.520010	\$ 26.08	Wireless Extender	042220(14)				
	011.9019.520010	\$ 9.99	Arlo Camera Plan	042220(14)				
	011.9019.520010	\$ 9.99	Bria VOIP App	042220(14)				

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VENDOR NAME AND NUMBER	ACCOUNT NUMBER	INVOICE AMOUNT	DESCRIPTION	INVOICE	P.O.#	PAYMENT DATE	PAYMENT NUMBER	PAYMENT AMOUNT
005594 - US BANK CORPORATE	011.9019.520010	\$ 31.16	Domain Name Renewal	042220(14)				
	011.9019.520010	\$ 2,846.89	EOC Laptop for COVID-19	042220(14)				
	011.9019.520010	\$ 857.03	Google Drive	042220(14)				
	011.9019.520010	\$ 450.50	GoToAssist Licenses	042220(14)				
	011.9019.520010	\$ 249.00	GoToWebinar Software	042220(14)				
	011.9019.520010	\$ 291.51	Microsoft OneDrive	042220(14)				
	011.1060.520000	\$ 306.60	Gloves	042220(15)				
	011.199999	\$ 1.58	Reimbursed Charge	042220(16)				
	011.1004.596600	\$ 83.59	Books & Publications	042220(17)				
	011.1004.520000	\$ 85.77	Supplies	042220(17)				
	011.1004.596700	\$ 35.00	Training	042220(17)				
	011.1004.596700	\$ 35.00	Training / A. Melgar	042220(17)				
	011.1031.596700	\$ -28.16	Cancelled Training / M. Velez	042220(18)				
	011.1031.520000	\$ 3,224.73	Police Equipment	042220(18)				
	011.1031.540000	\$ 1,227.00	Uniforms	042220(18)				
	011.1049.520000	\$ 275.94	Supplies	042220(19)				
	055.9200.596200	\$ 200.00	NAESB EIR Subscription	042220(2)				
	055.9000.550000	\$ 15.00	Advertisement & Promotion	042220(20)				
	055.9000.596700	\$ 319.20	Employee Development & Training	042220(20)				
	055.9000.520000	\$ 1,883.22	Face Masks	042220(20)				
	011.1003.520000	\$ 40.87	Meals / General Municipal Election	042220(21)				
	011.1003.596300	\$ 104.16	Refreshments for Canvassing Board &	042220(21)				
	011.1033.590000	\$ 308.75	Calibration Gas	042220(22)				

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VENDOR NAME AND NUMBER	ACCOUNT NUMBER	INVOICE AMOUNT	DESCRIPTION	INVOICE	P.O.#	PAYMENT DATE	PAYMENT NUMBER	PAYMENT AMOUNT
005594 - US BANK CORPORATE	011.1033.570000	\$ 169.83	PUC Tags	042220(22)				
	011.1049.520000	\$ 873.60	Bottled Water	042220(23)				
	011.1049.520000	\$ 1,998.17	Various Safety Supplies	042220(23)				
	011.1049.520000	\$ 3,234.69	Disposable Coveralls	042220(23)				
	011.1049.520000	\$ 127.95	Face Masks	042220(23)				
	011.1049.520000	\$ 656.98	Forehead Thermometers	042220(23)				
	011.1049.520000	\$ 1,821.39	Gloves	042220(23)				
	011.1049.520000	\$ 177.11	Hand Sanitizers	042220(23)				
	011.1049.520000	\$ 403.17	Plastic Bottles	042220(23)				
	011.1049.520000	\$ 246.38	Safety Vests	042220(23)				
	011.1049.520000	\$ 446.56	Trigger Sprayer	042220(23)				
	011.1049.520000	\$ 502.06	Supplies	042220(24)				
	011.1033.520000	\$ 31.30	Temple Thermometer	042220(25)				
	011.1033.595200	\$ 125.00	COVID-19 Testing	042220(26)				
	055.9000.520000	\$ 229.92	Forehead Thermometers	042220(27)				
	020.1084.900000	\$ 1,665.57	SCADA / Electrical Upgrades	042220(27)				
	020.1084.900000	\$ 1,628.85	SCADA / Electrical Upgrades	042220(27)				
	055.9000.596700	\$ 350.00	Training / C. Arellano	042220(27)				
	011.1060.596600	\$ 338.00	Books & Publications	042220(28)				
	011.1024.596700	\$ -675.00	Refund / Conference Registration Fees	042220(29)				
	011.1031.520000	\$ 105.52	Clorox Wipes	042220(3)				
	011.1031.520000	\$ 5,450.00	Disposable Masks	042220(3)				
	011.199999	\$ 10.78	Reimbursed Charge	042220(4)				

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005594 - US BANK CORPORATE	011.1033.520000	\$ 472.49	Holding Chambers & Masks	042220(5)				
	011.1033.520000	\$ 175.16	O2 Saturation Monitors	042220(5)				
	011.1033.540000	\$ 813.21	Safety Goggles	042220(5)				
	011.1047.520000	\$ 630.61	Supplies	042220(6)				
	011.1033.520000	\$ 32.84	Temple Thermometer	042220(7)				
	011.1049.520000	\$ 392.95	Mailboxes	042220(8)				
	011.5031.560000	\$ 61.56	Cable Subscription	042220(9)				
						06/12/2020	9845	\$ 41,923.28
003049 - PETRELLI ELECTRIC, INC	055.9100.900000	\$ 404,034.30	Electric Service Maintenance	200128				
	055.8300.590000	\$ 479,924.64	Electric Service Maintenance	200128				
	055.8000.590000	\$ 39,928.98	Electric Service Maintenance	200128				
						06/12/2020	9846	\$ 923,887.92

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002412 - CALIFORNIA ISO	055.9200.500150	\$ 7.36	Initial Charges 06/20	202006093145794				
				297				
	055.9200.450340	\$ 356.70	Recalculation Charges 08/19	202006093145794				
				297				
	055.9200.500150	\$ -10,578.98	Recalculation Charges 05/20	202006093145794				
				308				
	055.9200.500170	\$ -1,315.23	Recalculation Charges 05/20	202006093145794				
				308				
	055.9200.500190	\$ -352.23	Recalculation Charges 05/20	202006093145794				
				308				
	055.9200.500210	\$ -209.11	Recalculation Charges 05/20	202006093145794				
				308				
	055.9200.500150	\$ 147,002.42	Initial Charges 06/20	202006093145794				
				308				
	055.9200.500210	\$ 15,795.68	Initial Charges 06/20	202006093145794				
				308				
	055.9200.500151	\$ -0.08	Initial Charges 06/20	202006093145794				
				308				
	055.9200.500170	\$ -1,857.86	Initial Charges 06/20	202006093145794				
				308				
	055.9200.500190	\$ -15,592.94	Initial Charges 06/20	202006093145794				
				308				
	055.9200.500150	\$ 2,733.83	Recalculation Charges 11/18	202006093145794				
				308				
	055.9200.500151	\$ 3.00	Recalculation Charges 11/18	202006093145794				
				308				
	055.9200.500170	\$ 7.79	Recalculation Charges 11/18	202006093145794				
				308				

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002412 - CALIFORNIA ISO	055.9200.500180	\$ 16.80	Recalculation Charges 11/18	202006093145794 308				
	055.9200.500190	\$ -0.03	Recalculation Charges 11/18	202006093145794 308				
	055.9200.500150	\$ 363.18	Recalculation Charges 08/19	202006093145794 308				
	055.9200.500180	\$ 31.38	Recalculation Charges 08/19	202006093145794 308				
	055.9200.500190	\$ 254.27	Recalculation Charges 08/19	202006093145794 308				
	055.9200.500151	\$ -0.56	Recalculation Charges 08/19	202006093145794 308				
	055.9200.500170	\$ -27,802.07	Recalculation Charges 08/19	202006093145794 308				
						06/15/2020	9847	\$ 108,863.32
005929 - ACCELA, INC	011.9019.590110	\$ 12,082.23	EnvisionConnect Software for Health	INVACC52159				
						06/16/2020	9848	\$ 12,082.23
000956 - CROSSPOINT NETWORK SOLUTIONS,	011.9019.520010	\$ 3,780.00	Mitel IP Phone 5320 None Back Lit 10/100	IN20200154	011.0014331			
	011.9019.520010	\$ 359.10	Sales Tax 9.5%	IN20200154				
						06/16/2020	9849	\$ 4,139.10

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004438 - FLEMING ENVIRONMENTAL, INC	011.1049.590000	\$ 3,580.00	SB989 Leak Test	16208				
	011.1049.590000	\$ 784.06	Repairs Made During SB989 Testing	16209				
	011.1049.590000	\$ 3,350.00	AQMD R461 & SB989 Tests	16210				
	011.1049.590000	\$ 240.00	Service Call	16225				
						06/16/2020	9850	\$ 7,954.06
000147 - GENERAL PUMP COMPANY, INC	020.1084.900000	\$ 7,375.00	Well & Booster Pump Repairs	27364				
						06/16/2020	9851	\$ 7,375.00
004500 - ICE US OTC COMMODITY MARKETS,	055.9200.596200	\$ 7.50	Bilateral Physical Gas Fee	420001688006				
						06/16/2020	9852	\$ 7.50
003606 - INSIGHT PUBLIC SECTOR, INC	011.9019.590110	\$ 169.90	Microsoft Office 365 (Plan G1) -	1100733488	011.0014324			
	011.9019.590110	\$ 254.10	Microsoft Office 365 (Plan E3) -	1100733488	011.0014324			
	011.9019.590110	\$ 609.90	Microsoft Office 365 (Plan E3) -	1100735145	011.0014394			
						06/16/2020	9853	\$ 1,033.90
006198 - JRM	055.8100.596200	\$ 53,442.67	Security Services	4082REV				
						06/16/2020	9854	\$ 53,442.67
002169 - KONECRANES, INC	055.8400.590000	\$ 705.00	Quarterly Inspection 06/20	154301845				
						06/16/2020	9855	\$ 705.00
006858 - MARIN CLEAN ENERGY	055.9200.500180	\$ 14,000.00	Capacity Charge 05/20	VERNON0520				
						06/16/2020	9856	\$ 14,000.00

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006687 - NDS	011.1004.520000	\$ 279.78	Postage	768511		06/16/2020	9857	\$ 279.78
006801 - NTT CLOUD COMMUNICATIONS U.S.	011.9019.560010	\$ 880.76	Audio Conferencing Charges	USINV2005114296		06/16/2020	9858	\$ 880.76
000629 - OPEN ACCESS TECHNOLOGY INTL, I	055.9200.596200	\$ 841.76	Electronic Tagging~	155592	055.0002734	06/16/2020	9859	\$ 841.76
006746 - VERONICA PETROSYAN	011.1060.596700	\$ 490.00	Reimb. Training Registration Fees	061020		06/16/2020	9860	\$ 490.00
006702 - SALLY SWANSON ARCHITECTS, INC	011.1043.595200	\$ 2,427.50	ADA Self Evaluation & Transition Plan	245607		06/16/2020	9861	\$ 2,427.50
002517 - SO CAL PUBLIC POWER AUTHORITY	055.9200.500154	\$ 261,964.48	Antelope DSR 1 Solar Project	DSR10620		06/16/2020	9862	\$ 261,964.48
001079 - SIEMENS MOBILITY, INC	011.1043.590000	\$ 3,239.00	Traffic Signal Maintenance	5610219818				
	011.1043.590000	\$ 805.23	Traffic Signal Maintenance	5620016643				
	011.1043.590000	\$ 3,316.59	Traffic Signal Maintenance	5620026606				
	011.1043.590000	\$ 2,795.16	Traffic Signal Maintenance	5620026631				
	011.1043.590000	\$ 2,625.50	Traffic Signal Maintenance	5620030455		06/16/2020	9863	\$ 12,781.48

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VENDOR NAME AND NUMBER	ACCOUNT NUMBER	INVOICE AMOUNT	DESCRIPTION	INVOICE	P.O.#	PAYMENT DATE	PAYMENT NUMBER	PAYMENT AMOUNT																																																																						
002227 - US DEPARTMENT OF ENERGY	055.9200.500150	\$ 29,647.96	Boulder Canyon Project Charges 05/20	GG1766W0520		06/16/2020	9864	\$ 55,271.16																																																																						
	055.9200.500180	\$ 25,623.20	Boulder Canyon Project Charges 05/20	GG1766W0520					001695 - VULCAN MATERIALS CO	056.5600.520000	\$ 2,118.29	Asphalt~	72573013	056.0000573	06/16/2020	9865	\$ 3,356.69	056.5600.520000	\$ 1,238.40	Asphalt~	72575067	056.0000573	003584 - WILLIAMS DATA MANAGEMENT	011.1003.596200	\$ 375.00	Storage Services	509354		06/16/2020	9866	\$ 1,657.92	011.1003.596200	\$ 1,282.92	Storage Services	510280		005784 - ZONES, INC	011.9019.520010	\$ 1,813.12	SonicWall NSA 2650 - security appliance	K15359150101	011.0014390	06/16/2020	9867	\$ 1,985.37	011.9019.520010	\$ 172.25	Sales Tax 9.5%	K15359150101		001906 - WILLIAM DAVIS	057.1057.550000	\$ 121.95	Reimb. Internet Charges 01/20-03/20	061820		06/18/2020	9868	\$ 121.95	005365 - DIANA MORALES GONZALES	057.1057.550000	\$ 206.19	Reimb. Internet Charges 01/20-03/20~	061820		06/18/2020	9869	\$ 206.19	001649 - PIC ENVIRONMENTAL SERVICE CORP	011.1060.595200	\$ 2,500.00	Geologic Consulting Services	15774		06/18/2020	9870	\$ 3,000.00	011.1060.595200
001695 - VULCAN MATERIALS CO	056.5600.520000	\$ 2,118.29	Asphalt~	72573013	056.0000573	06/16/2020	9865	\$ 3,356.69																																																																						
	056.5600.520000	\$ 1,238.40	Asphalt~	72575067	056.0000573				003584 - WILLIAMS DATA MANAGEMENT	011.1003.596200	\$ 375.00	Storage Services	509354		06/16/2020	9866	\$ 1,657.92	011.1003.596200	\$ 1,282.92	Storage Services	510280		005784 - ZONES, INC	011.9019.520010	\$ 1,813.12	SonicWall NSA 2650 - security appliance	K15359150101	011.0014390	06/16/2020	9867	\$ 1,985.37	011.9019.520010	\$ 172.25	Sales Tax 9.5%	K15359150101		001906 - WILLIAM DAVIS	057.1057.550000	\$ 121.95	Reimb. Internet Charges 01/20-03/20	061820		06/18/2020	9868	\$ 121.95	005365 - DIANA MORALES GONZALES	057.1057.550000	\$ 206.19	Reimb. Internet Charges 01/20-03/20~	061820		06/18/2020	9869	\$ 206.19	001649 - PIC ENVIRONMENTAL SERVICE CORP	011.1060.595200	\$ 2,500.00	Geologic Consulting Services	15774		06/18/2020	9870	\$ 3,000.00	011.1060.595200	\$ 500.00	Geologic Consulting Services	15813											
003584 - WILLIAMS DATA MANAGEMENT	011.1003.596200	\$ 375.00	Storage Services	509354		06/16/2020	9866	\$ 1,657.92																																																																						
	011.1003.596200	\$ 1,282.92	Storage Services	510280					005784 - ZONES, INC	011.9019.520010	\$ 1,813.12	SonicWall NSA 2650 - security appliance	K15359150101	011.0014390	06/16/2020	9867	\$ 1,985.37	011.9019.520010	\$ 172.25	Sales Tax 9.5%	K15359150101		001906 - WILLIAM DAVIS	057.1057.550000	\$ 121.95	Reimb. Internet Charges 01/20-03/20	061820		06/18/2020	9868	\$ 121.95	005365 - DIANA MORALES GONZALES	057.1057.550000	\$ 206.19	Reimb. Internet Charges 01/20-03/20~	061820		06/18/2020	9869	\$ 206.19	001649 - PIC ENVIRONMENTAL SERVICE CORP	011.1060.595200	\$ 2,500.00	Geologic Consulting Services	15774		06/18/2020	9870	\$ 3,000.00	011.1060.595200	\$ 500.00	Geologic Consulting Services	15813																									
005784 - ZONES, INC	011.9019.520010	\$ 1,813.12	SonicWall NSA 2650 - security appliance	K15359150101	011.0014390	06/16/2020	9867	\$ 1,985.37																																																																						
	011.9019.520010	\$ 172.25	Sales Tax 9.5%	K15359150101					001906 - WILLIAM DAVIS	057.1057.550000	\$ 121.95	Reimb. Internet Charges 01/20-03/20	061820		06/18/2020	9868	\$ 121.95	005365 - DIANA MORALES GONZALES	057.1057.550000	\$ 206.19	Reimb. Internet Charges 01/20-03/20~	061820		06/18/2020	9869	\$ 206.19	001649 - PIC ENVIRONMENTAL SERVICE CORP	011.1060.595200	\$ 2,500.00	Geologic Consulting Services	15774		06/18/2020	9870	\$ 3,000.00	011.1060.595200	\$ 500.00	Geologic Consulting Services	15813																																							
001906 - WILLIAM DAVIS	057.1057.550000	\$ 121.95	Reimb. Internet Charges 01/20-03/20	061820		06/18/2020	9868	\$ 121.95																																																																						
005365 - DIANA MORALES GONZALES	057.1057.550000	\$ 206.19	Reimb. Internet Charges 01/20-03/20~	061820		06/18/2020	9869	\$ 206.19																																																																						
001649 - PIC ENVIRONMENTAL SERVICE CORP	011.1060.595200	\$ 2,500.00	Geologic Consulting Services	15774		06/18/2020	9870	\$ 3,000.00																																																																						
	011.1060.595200	\$ 500.00	Geologic Consulting Services	15813																																																																										

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**ELECTRONIC**

VENDOR NAME AND NUMBER	ACCOUNT NUMBER	INVOICE AMOUNT	DESCRIPTION	INVOICE	P.O.#	PAYMENT DATE	PAYMENT NUMBER	PAYMENT AMOUNT
004856 - MELISSA YBARRA	057.1057.550000	\$ 121.95	Reimb. Internet Charges 01/20-03/20	061820		06/18/2020	9871	\$ 121.95
001552 - HOME DEPOT CREDIT SERVICES	011.1043.520000	\$ 1,580.72	Small Tools & Plumbing Hardware~	032620_MULTIPLE	011.0013892			
	011.1048.520000	\$ 195.42	Small Tools & Plumbing Hardware~	032620_MULTIPLE	011.0013892			
	011.1049.520000	\$ 1,088.43	Small Tools & Plumbing Hardware~	032620_MULTIPLE	011.0013892	06/03/2020	9875	\$ 2,864.57
002190 - OFFICE DEPOT	011.1033.520000	\$ 77.38	Supplies	457092556001				
	011.1033.520000	\$ 7.35	Sales Tax 9.5%	457092556001				
	011.1033.520000	\$ 87.39	Supplies	457126784001				
	011.1033.520000	\$ 8.30	Sales Tax 9.5%	457126784001				
	011.1004.520000	\$ 253.56	Supplies	489426940001				
	011.1004.520000	\$ 24.09	Sales Tax 9.5%	489426940001		06/03/2020	9876	\$ 458.07
000059 - SO CAL EDISON	011.1043.560000	\$ 70.14	Period: 04/14/20 - 05/14/20	051520		06/02/2020	9877	\$ 70.14

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**ELECTRONIC**

VENDOR NAME AND NUMBER	ACCOUNT NUMBER	INVOICE AMOUNT	DESCRIPTION	INVOICE	P.O.#	PAYMENT DATE	PAYMENT NUMBER	PAYMENT AMOUNT
001581 - THE GAS COMPANY	011.1048.560000	\$ 27.08	Period: 04/20	051120(2)				
	011.1033.560000	\$ 47.18	Period: 04/20	051120(3)				
	011.1033.560000	\$ 10.56	Period: 04/20	051120(4)				
	011.1033.560000	\$ 127.24	Period: 04/20	051120(5)				
	011.1049.560000	\$ 786.19	Period: 04/20	051220				
	011.1049.560000	\$ 580.10	Period: 04/20	051220(2)				
	011.1043.560000	\$ 290.05	Period: 04/20	051220(2)				
	020.1084.560000	\$ 290.05	Period: 04/20	051220(2)				
						06/03/2020	9878	\$ 2,158.45
001617 - UPS	011.1041.520000	\$ 31.00	Period: 05/20	933312190(2)				
	011.1041.520000	\$ 121.96	Period: 05/20	933312200(2)				
	011.1041.520000	\$ 45.18	Period: 05/20	933312210				
						06/04/2020	9879	\$ 198.14
000059 - SO CAL EDISON	055.8100.560010	\$ 24.09	Period: 04/20	042920(2)				
	055.9200.560010	\$ 652.66	Period: 04/20	050220(2)				
						06/04/2020	9880	\$ 676.75
001581 - THE GAS COMPANY	056.5600.560000	\$ 20.89	Period: 04/20	051220(3)				
						06/04/2020	9881	\$ 20.89

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VENDOR NAME AND NUMBER	ACCOUNT NUMBER	INVOICE AMOUNT	DESCRIPTION	INVOICE	P.O.#	PAYMENT DATE	PAYMENT NUMBER	PAYMENT AMOUNT
003336 - BICENT (CALIFORNIA) MALBURG, L	055.9200.500150	\$ 340,642.30	Monthly Energy Related Payment	5202001				
	055.9200.500150	\$ 18,108.39	Monthly Heat Rate	5202001				
	055.9200.500180	\$ 3,657,717.60	Monthly Capacity Payment	5202001				
	055.9200.500150	\$ -375.68	Fuel Burden	5202001				
						06/19/2020	9882	\$ 4,016,092.61
004075 - THE DEPARTMENT OF THE TREASURY	011.210210	\$ 33.71	Medicare Tax: 3rd Party Sick Pay	040120				
						05/14/2020	9883	\$ 33.71
004075 - THE DEPARTMENT OF THE TREASURY	011.210210	\$ 34.80	Medicare Tax: 3rd Party Sick Pay	050720				
						05/20/2020	9884	\$ 34.80
002190 - OFFICE DEPOT	011.1049.520000	\$ 462.26	Supplies	437013763001				
	011.1049.520000	\$ 43.91	Sales Tax 9.5%	437013763001				
	011.1002.520000	\$ 162.13	Supplies	443429558001				
	011.1002.520000	\$ 8.22	Sales Tax 9.5%	443429558001				
	011.1002.520000	\$ 8.99	Supplies	443429982001				
	011.1002.520000	\$ 0.85	Sales Tax 9.5%	443429982001				
						06/19/2020	9885	\$ 686.36
000059 - SO CAL EDISON	011.1043.560000	\$ 47.56	Period: 05/20	053020				
	011.1042.560000	\$ 278.29	Period: 05/20	060220				
						06/19/2020	9886	\$ 325.85

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**ELECTRONIC**

VENDOR NAME AND NUMBER	ACCOUNT NUMBER	INVOICE AMOUNT	DESCRIPTION	INVOICE	P.O.#	PAYMENT DATE	PAYMENT NUMBER	PAYMENT AMOUNT
<b>TOTAL ELECTRONIC</b>								<b>\$ 9,429,962.41</b>

**CITY OF VERNON  
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**EARLY CHECKS**

VENDOR NAME AND NUMBER	ACCOUNT NUMBER	INVOICE AMOUNT	DESCRIPTION	INVOICE	P.O.#	PAYMENT DATE	CHECK NUMBER	PAYMENT AMOUNT
000005 - A THRONE CO, INC	011.1043.520000	\$ 111.33	Portable Restrooms	637904				
	011.1033.596200	\$ 122.43	Portable Restrooms	937908				
						06/02/2020	605632	\$ 233.76
001624 - ALLSTAR FIRE EQUIPMENT, INC	011.1033.540000	\$ 1,185.57	Pro-Tech Titan NFPA Structure Gloves	217505				
	011.1033.540000	\$ 308.79	Haix Structure Boots~	222983	011.0013980			
	011.1033.540000	\$ 607.50	Haix Structure Boots~	223219	011.0013980			
	011.1033.520000	\$ 1,902.30	Monsato Phos Check Class "A" Foam in 5	223449	011.0014345			
	011.1033.520000	\$ 180.72	Sales Tax 9.5%	223449				
	011.1033.540000	\$ 213.53	Yellow Nomex Brush Coat	223535				
						06/02/2020	605633	\$ 4,398.41

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**EARLY CHECKS**

VENDOR NAME AND NUMBER	ACCOUNT NUMBER	INVOICE AMOUNT	DESCRIPTION	INVOICE	P.O.#	PAYMENT DATE	CHECK NUMBER	PAYMENT AMOUNT	
006308 - ANAYA SERVICE CENTER	011.1046.520000	\$ 18.95	at4z9h486a gasket	33108	011.0014247				
	011.1046.520000	\$ 11.52	xw4z6700aa seal	33108	011.0014247				
	011.1046.520000	\$ 40.00	jl3z6l266a tensioner	33108	011.0014247				
	011.1046.520000	\$ 68.40	at4z6k254a tensioner	33108	011.0014247				
	011.1046.520000	\$ 168.95	at4z8501b water pump	33108	011.0014247				
	011.1046.520000	\$ 7.90	fivy8255a seal	33108	011.0014247				
	011.1046.520000	\$ 24.95	1x4z8575a thermostat	33108	011.0014247				
	011.1046.520000	\$ 10.95	br3z6584b gasket	33108	011.0014247				
	011.1046.520000	\$ 15.95	br3z6584c gasket	33108	011.0014247				
	011.1046.520000	\$ 65.70	41-814 spark plug	33108	011.0014247				
	011.1046.520000	\$ 33.95	ko60448 drive belt	33108	011.0014247				
	011.1046.520000	\$ 6.95	fl500s oil filter	33108	011.0014247				
	011.1046.520000	\$ 14.95	vc7a coolant	33108	011.0014247				
	011.1046.520000	\$ 12.00	oil	33108	011.0014247				
	011.1046.590000	\$ 720.00	labor	33108	011.0014247				
	011.1046.520000	\$ 47.61	Sales Tax 9.5%	33108					
							06/02/2020	605634	\$ 1,268.73
	002308 - ASBURY ENVIRONMENTAL SERVICES	055.8400.590000	\$ 378.66	Environmental Services	150000544272				
						06/02/2020	605635	\$ 378.66	

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VENDOR NAME AND NUMBER	ACCOUNT NUMBER	INVOICE AMOUNT	DESCRIPTION	INVOICE	P.O.#	PAYMENT DATE	CHECK NUMBER	PAYMENT AMOUNT
001948 - AT&T	011.9019.560010	\$ 1,045.11	Period: 12/10/19 - 01/09/20	14161003				
	011.9019.560010	\$ 21.04	Period: 02/06/20 - 03/05/20	14425530				
	011.9019.560010	\$ 2,672.62	Period: 02/10/20 - 03/09/20	14437651				
	011.9019.560010	\$ 40.66	Period: 02/10/20 - 03/09/20	14437652				
	055.9000.560010	\$ 231.27	Period: 02/10/20 - 03/09/20	14437653				
	011.9019.560010	\$ 2,037.79	Period: 02/10/20 - 03/09/20	14437654				
	011.9019.560010	\$ 1,020.12	Period: 02/10/20 - 03/09/20	14437655				
	056.5600.560010	\$ 605.21	Period: 02/10/20 - 03/09/20	14437656				
	056.5600.560010	\$ 21.04	Period: 02/10/20 - 03/09/20	14437755				
	011.9019.560010	\$ 1,033.41	Period: 02/10/20 - 03/09/20	14438087				
	011.9019.560010	\$ 19.38	Period: 02/15/20 - 03/14/20	14477903				
	055.9000.560010	\$ 231.27	Period: 03/10/20 - 04/09/20	14581354				
	056.5600.560010	\$ 605.21	Period: 03/10/20 - 04/09/20	14581357				
	056.5600.560010	\$ 21.04	Period: 03/10/20 - 04/09/20	14581456				
	011.9019.560010	\$ 20.94	Period: 04/06/20 - 05/05/20	14686675				
	011.9019.560010	\$ 2,679.19	Period: 04/10/20 - 05/09/20	14723575				
	011.9019.560010	\$ 40.42	Period: 04/10/20 - 05/09/20	14723576				
	055.9000.560010	\$ 230.34	Period: 04/10/20 - 05/09/20	14723577				
	011.9019.560010	\$ 2,057.25	Period: 04/10/20 - 05/09/20	14723578				
	011.9019.560010	\$ 1,011.47	Period: 04/10/20 - 05/09/20	14723579				
	056.5600.560010	\$ 601.73	Period: 04/10/20 - 05/09/20	14723580				
	056.5600.560010	\$ 20.92	Period: 04/10/20 - 05/09/20	14723679				
	011.9019.560010	\$ 721.21	Period: 04/10/20 - 05/09/20	14724011				

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**EARLY CHECKS**

VENDOR NAME AND NUMBER	ACCOUNT NUMBER	INVOICE AMOUNT	DESCRIPTION	INVOICE	P.O.#	PAYMENT DATE	CHECK NUMBER	PAYMENT AMOUNT
001948 - AT&T	011.9019.560010	\$ 19.23	Period: 04/15/20 - 05/14/20	14761221		06/02/2020	605636	\$ 17,007.87
006848 - MARIELA BARRALES	011.1021.797000	\$ 2,000.00	VCF Scholarship Grant Award	060120		06/02/2020	605637	\$ 2,000.00
001783 - CAL MUNICIPAL UTILITIES ASSOC	055.9000.596550	\$ 83,662.00	Annual Dues FY 2020-2021	190559		06/02/2020	605638	\$ 83,662.00
006543 - JAMES CHANG	011.1021.596200	\$ 100.00	Attendance Stipend~	052020		06/02/2020	605639	\$ 100.00
003088 - CLINICAL LAB OF SAN BERNARDINO	020.1084.500140	\$ 601.00	Lab Services	974411		06/02/2020	605640	\$ 601.00
003856 - COMMERCIAL TIRE COMPANY	011.1046.520000	\$ 1,412.72	12r22.5 goodyear rsa tires	1GS159626	011.0014253			
	011.1046.590000	\$ 147.04	federal exile test	1GS159626	011.0014253			
	011.1046.590000	\$ 7.00	recycle fee	1GS159626	011.0014253			
	011.1046.590000	\$ 48.00	disposal fee	1GS159626	011.0014253			
	011.1046.590000	\$ 120.00	labor	1GS159626	011.0014253			
	011.1046.520000	\$ 148.18	Sales Tax 10.50	1GS159626		06/02/2020	605641	\$ 1,882.94
006717 - RONIT DAHAN-EDRY	011.1048.596200	\$ 100.00	Attendance Stipend~	042920		06/02/2020	605642	\$ 100.00

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002566 - DEWEY PEST CONTROL	011.1049.590000	\$ 67.00	Pest Control Services	13434994				
	011.1049.590000	\$ 42.00	Pest Control Services	13434995				
	011.1048.590000	\$ 60.00	Pest Control Services	13435484				
	011.1048.590000	\$ 100.00	Pest Control Services	13435489				
	011.1048.590000	\$ 95.00	Pest Control Services	13435490				
	011.1048.590000	\$ 135.00	Pest Control Services	13435491				
	011.1048.590000	\$ 75.00	Pest Control Services	13435492				
	011.1049.590000	\$ 62.00	Pest Control Services	13435493				
	011.1033.590000	\$ 27.00	Pest Control Services	13446864				
	011.1033.590000	\$ 25.00	Pest Control Services	13446865				
	011.1033.590000	\$ 25.00	Pest Control Services	13446866				
	011.1033.590000	\$ 25.00	Pest Control Services	13448984				
							06/02/2020	605643
005229 - EHS INTERNATIONAL, INC	055.9000.596700	\$ 600.00	Virtual Training Courses	318500				
	055.9000.596700	\$ 400.00	Virtual Training Courses	318514				
	055.9000.596700	\$ 400.00	Virtual Training Courses	318515				
						06/02/2020	605644	\$ 1,400.00
000524 - FERGUSON WATERWORKS	011.120010	\$ 872.88	(3010-230) LF 2" Brass Cap LL Brass	708317	011.0014293			
	011.120010	\$ 82.92	Sales Tax 9.5%	708317				
	011.120010	\$ 1,230.72	(3010-240) LF 2" Brass Cap	7083171	011.0014293			
	011.120010	\$ 116.92	Sales Tax 9.5%	7083171				
						06/02/2020	605645	\$ 2,303.44

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001359 - FIREFIGHTERS' SAFETY CENTER	011.1033.540000	\$ 288.26	Uniforms	27257		06/02/2020	605646	\$ 288.26
006622 - FULLER ENGINEERING, INC	020.1084.500140	\$ 1,038.13	Sodium Hypochlorite	141228		06/02/2020	605647	\$ 1,038.13
006849 - ANGELICA GARCIA	011.1021.797000	\$ 2,000.00	VCF Scholarship Grant Award	060120		06/02/2020	605648	\$ 2,000.00
000456 - GATEWAY CITIES COUNCIL OF GOVT	011.1043.595200	\$ 1,600.00	Membership Dues FY 2019-2020	042720		06/02/2020	605649	\$ 15,250.00
	011.1002.596550	\$ 13,650.00	Membership Dues FY 2019-2020	042720				
004937 - MICHAEL J GAVINA	011.1021.596200	\$ 100.00	Attendance Stipend~	052020		06/02/2020	605650	\$ 100.00
006850 - DANIEL GONZALEZ	011.1021.797000	\$ 3,000.00	VCF Scholarship Grant Award	060120		06/02/2020	605651	\$ 3,000.00
000280 - HARPER & ASSOC ENGINEERING	020.1084.900000	\$ 14,900.00	Engineering Services	ENG6973		06/02/2020	605652	\$ 14,900.00
000706 - INFRASTRUCTURE ENGINEERING COR	020.1084.900000	\$ 1,080.00	Professional Services 03/20	12484		06/02/2020	605653	\$ 20,618.35
	020.1084.900000	\$ 19,538.35	Professional Services 04/20	12559				

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000829 - IRON MOUNTAIN	011.9019.560010	\$ 49.28	Storage Services	202126345		06/02/2020	605654	\$ 49.28
006789 - JC SALES	011.1060.520000	\$ 1,098.24	Hand Sanitizers	100120051502224 40		06/02/2020	605655	\$ 1,098.24
006845 - JOSEPH T. RYERSON & SONS	055.7200.596702	\$ 36,475.12	Customer Incentive Program	052720		06/02/2020	605656	\$ 36,475.12
006851 - BRITNEY JUAREZ	011.1021.797000	\$ 2,000.00	VCF Scholarship Grant Award	060120		06/02/2020	605657	\$ 2,000.00
000642 - LEXISNEXIS CLAIMS SOLUTIONS	011.9019.590110	\$ 3,858.75	DeskOfficer Online Reporting System~	C10022520200331	011.0014354	06/02/2020	605658	\$ 3,858.75
001060 - LIFE-ASSIST, INC	011.1033.520000	\$ 90.27	Medical Supplies~	994821	011.0013963			
	011.1033.520000	\$ 237.07	Medical Supplies~	994904	011.0013963			
	011.1033.520000	\$ 100.27	Medical Supplies~	998304	011.0013963			
	011.1033.520000	\$ 186.15	Medical Supplies~	998338	011.0013963			
	011.1033.520000	\$ 150.02	Medical Supplies~	998413	011.0013963			
						06/02/2020	605659	\$ 763.78
006852 - SARA LOPEZ	011.1021.797000	\$ 3,000.00	VCF Scholarship Grant Award	060120		06/02/2020	605660	\$ 3,000.00

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VENDOR NAME AND NUMBER	ACCOUNT NUMBER	INVOICE AMOUNT	DESCRIPTION	INVOICE	P.O.#	PAYMENT DATE	CHECK NUMBER	PAYMENT AMOUNT
006846 - MASTER TOYS & NOVELTIES, INC	055.7200.596702	\$ 3,442.14	Customer Incentive Program	052820		06/02/2020	605661	\$ 3,442.14
006228 - MILLSOFT, LLC	011.9019.595210	\$ 2,425.00	Computer Programming Services	319		06/02/2020	605662	\$ 2,425.00
006853 - ARELY ORDONEZ-CHAVEZ	011.1021.797000	\$ 3,000.00	VCF Scholarship Grant Award	060120		06/02/2020	605663	\$ 3,000.00
004136 - OWENS ILLINOIS	055.7200.596702	\$ 125,000.00	Customer Incentive Program	052820		06/02/2020	605664	\$ 125,000.00
006612 - QUALIFIED MOBILE, INC	011.1046.590000	\$ 442.00	Car Wash Services	270514		06/02/2020	605665	\$ 782.00
	011.1046.590000	\$ 340.00	Car Wash Services	270734				
003869 - RICHARD P GUESS MD, INC	011.1033.596200	\$ 750.00	Medical Director Fees~	050120		06/02/2020	605666	\$ 750.00
006420 - NAVDEEP SINGH SACHDEVA	011.1023.596200	\$ 100.00	Attendance Stipend~	051820		06/02/2020	605667	\$ 100.00
001158 - SOUTH COAST AQMD	011.1049.596200	\$ 137.63	Hot Spots Program Fee	3636660		06/02/2020	605668	\$ 550.52
	020.1084.596200	\$ 137.63	Hot Spots Program Fee	3639275				
	020.1084.596200	\$ 137.63	Hot Spots Program Fee	3639667				
	020.1084.596200	\$ 137.63	Hot Spots Program Fee	3639668				

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005556 - SWEINHART ELECTRIC CO	011.1049.590000	\$ 997.31	Replace Battery Charger	20780		06/02/2020	605669	\$ 997.31
006854 - SAMANTHA TAMAYO	011.1021.797000	\$ 2,000.00	VCF Scholarship Grant Award	060120		06/02/2020	605670	\$ 2,000.00
006371 - TIREHUB, LLC	011.1046.520000	\$ 675.00	2455518 tires	13882049	011.0014252			
	011.1046.590000	\$ 8.75	ca tire fee	13882049	011.0014252			
	011.1046.520000	\$ 64.13	Sales Tax 9.5%	13882049				
	011.1046.520000	\$ 405.00	2455518 tires	13885277	011.0014252			
	011.1046.590000	\$ 5.25	ca tire fee	13885277	011.0014252			
	011.1046.590000	\$ 41.04	Freight	13885277	011.0014252			
	011.1046.520000	\$ 38.47	Sales Tax 9.5%	13885277				
						06/02/2020	605671	\$ 1,237.64
000282 - TRI-CITY MUTUAL WATER COMPANY	011.1033.560000	\$ 225.00	Hydrant	050120		06/02/2020	605672	\$ 225.00
000449 - UNDERGROUND SERVICE ALERT	020.1084.596200	\$ 61.15	New Ticket Charges	420200781				
	020.1084.596200	\$ 65.43	CA State Fee for Regulatory Costs	DSB20192495		06/02/2020	605673	\$ 126.58
005710 - US TOW, INC	011.1046.590000	\$ 250.00	Unit Was Towed to Garage	12753	011.0014360	06/02/2020	605674	\$ 250.00

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001481 - VERIZON WIRELESS	011.9019.560010	\$ 819.69	Period: 04/11/20 - 05/10/20	9854297226		06/02/2020	605675	\$ 819.69
002075 - WEIDMANN ELECTRICAL TECHNOLOGY	055.8000.590000	\$ 2,200.00	Substation Oil Samples	5900277150				
	055.8000.590000	\$ 1,375.00	Substation Oil Samples	5900277911		06/02/2020	605676	\$ 3,575.00
006855 - CITLALY ZAZUETA	011.1021.797000	\$ 3,000.00	VCF Scholarship Grant Award	060120		06/02/2020	605677	\$ 3,000.00
006844 - 52ND DRIVE APARTMENTS	011.1070.797000	\$ 1,000.00	COVID-19 Stimulus Grant Program	060220		06/03/2020	605678	\$ 1,000.00
006844 - 52ND DRIVE APARTMENTS	011.1070.797000	\$ 1,000.00	COVID-19 Stimulus Grant Program	060220(2)		06/03/2020	605679	\$ 1,000.00
006844 - 52ND DRIVE APARTMENTS	011.1070.797000	\$ 1,000.00	COVID-19 Stimulus Grant Program	060220(3)		06/03/2020	605680	\$ 1,000.00
006856 - ROBERT PARK	011.1070.797100	\$ 20,000.00	COVID-19 Emergency Microloan	060220		06/03/2020	605681	\$ 20,000.00
006200 - NAZARIAN SHAPOUR	011.1070.797100	\$ 20,000.00	COVID-19 Emergency Microloan	060220		06/03/2020	605682	\$ 20,000.00
006844 - 52ND DRIVE APARTMENTS	011.1070.797000	\$ 1,000.00	COVID-19 Stimulus Grant Program	060320(4)		06/03/2020	605683	\$ 1,000.00

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006844 - 52ND DRIVE APARTMENTS	011.1070.797000	\$ 1,000.00	COVID-19 Stimulus Grant Program	060420		06/04/2020	605684	\$ 1,000.00
004318 - A-BEST INDUSTRIAL, INC	056.5600.900000	\$ 7,740.46	AB-MOREGFG16~	IN13288	056.0000601			
	056.5600.900000	\$ 5,444.45	AB-MOREGFG40~	IN13288	056.0000601			
	056.5600.900000	\$ 477.60	Freight	IN13288	056.0000601			
	056.5600.900000	\$ 1,252.57	Sales Tax 9.5%	IN13288		06/09/2020	605685	\$ 14,915.08
005550 - ADART COMPANY	011.1026.520000	\$ 762.96	Directional Sign Pylon	221693	011.0014357			
	011.1026.520000	\$ 584.96	Floor Graphics	221693	011.0014357			
	011.1026.520000	\$ 253.44	Hashtag lines	221693	011.0014357			
	011.1026.520000	\$ 465.08	NO ENTRY	221693	011.0014357			
	011.1026.520000	\$ 1,102.00	Door Clings	221693	011.0014357			
	011.1026.520000	\$ 301.00	Sales Tax 9.5%	221693		06/09/2020	605686	\$ 3,469.44
006480 - ADT COMMERCIAL	055.8400.590000	\$ 3,200.00	Inergen Cylinder Exchange	3548972		06/09/2020	605687	\$ 3,200.00
001453 - ALAMITOS DERMATOLOGICAL MEDICA	011.1026.502031	\$ 25.00	Medical Services / V. Malkenhorst	021720		06/09/2020	605688	\$ 25.00

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001948 - AT&T	011.9019.560010	\$ 21.04	Period: 03/06/20 - 04/05/20	14567636				
	011.9019.560010	\$ 2,679.94	Period: 03/10/20 - 04/09/20	14581352				
	011.9019.560010	\$ 40.66	Period: 03/10/20 - 04/09/20	14581353				
	011.9019.560010	\$ 2,036.64	Period: 03/10/20 - 04/09/20	14581355				
	011.9019.560010	\$ 1,016.91	Period: 03/10/20 - 04/09/20	14581356				
	011.9019.560010	\$ 1,192.98	Period: 03/10/20 - 04/09/20	14581788				
	011.9019.560010	\$ 19.38	Period: 03/15/20 - 04/14/20	14618708				
						06/09/2020	605689	\$ 7,007.55
006859 - BLACK BYRD DESIGN, INC	020.230210	\$ 900.00	Ref. ACCT#7029 CUST#391~	060320				
						06/09/2020	605690	\$ 900.00
005078 - BURKE, WILLIAMS & SORENSEN, LL	011.1024.593200	\$ 217.00	Re: Garcia-Martinez v. City of Vernon	254553				
	011.1024.593200	\$ 93.00	Re: Lopez, Reina v. City of Vernon	254556				
						06/09/2020	605691	\$ 310.00
000778 - CALIFORNIA WATER SERVICE CO	011.1043.560000	\$ 44.75	Period: 05/20	052120				
						06/09/2020	605692	\$ 44.75
000348 - CCDEH	011.1060.596550	\$ 1,251.33	Member Dues / F. Agyin & V. Petrosyan	1235				
						06/09/2020	605693	\$ 1,251.33
006860 - CITY OF HUNTINGTON BEACH	011.1026.502031	\$ 56.88	Medical Services / B. Malkenhorst	040220				
						06/09/2020	605694	\$ 56.88

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003856 - COMMERCIAL TIRE COMPANY	011.1046.520000	\$ 259.95	22570r19 tire	1159889	011.0014362			
	011.1046.520000	\$ 4.44	exil tax	1159889	011.0014362			
	011.1046.590000	\$ 1.75	recycle fee	1159889	011.0014362			
	011.1046.590000	\$ 30.00	mount and dismount	1159889	011.0014362			
	011.1046.590000	\$ 105.00	service call	1159889	011.0014362			
	011.1046.520000	\$ 25.12	Sales Tax 9.5%	1159889				
						06/09/2020	605695	\$ 426.26
001336 - CURRENT WHOLESALE ELECTRIC SUP	020.1084.590000	\$ 6,663.86	Emergency Repairs~	262327				
						06/09/2020	605696	\$ 6,663.86
005220 - DIGITAL EMS SOLUTIONS, INC	011.1033.590110	\$ 289.80	Electronic Patient Care Reporting	211				
						06/09/2020	605697	\$ 289.80

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001936 - EMPIRE CLEANING SUPPLY	011.120010	\$ 1,284.00	(0552-670) Lotusoft White 2ply Toilet	1163519	011.0014313			
	011.120010	\$ 2,616.00	(0552-800) GP White Multifold Towel	1163519	011.0014313			
	011.120010	\$ 70.80	(0515-435) Disinfectant	1163519	011.0014313			
	011.120010	\$ 65.76	(0515-420) Mango Eco Clip	1163519	011.0014313			
	011.120010	\$ 6.20	(0515-470) Plastic Spray Bottle 24	1163519	011.0014313			
	011.120010	\$ 5.70	(0515-471) Plastic Spray Bottle	1163519	011.0014313			
	011.120010	\$ 155.52	(0568-450) Dial Gold Bar Soap 72/3.5oz	1163519	011.0014313			
	011.120010	\$ 155.60	(0568-550) Hand Cleaner - 4L Duraview	1163519	011.0014313			
	011.120010	\$ 414.16	Sales Tax 9.5%	1163519				
	011.120010	\$ 70.80	(0515-435) Disinfectant	11635191	011.0014313			
	011.120010	\$ 24.80	(0515-470) Plastic Spray Bottle 24	11635191	011.0014313			
	011.120010	\$ 22.80	(0515-471) Plastic Spray Bottle	11635191	011.0014313			
	011.120010	\$ 11.25	Sales Tax 9.5%	11635191				
	011.120010	\$ 72.48	(0552-900) Pacific Blue White Roll	11635192	011.0014313			
	011.120010	\$ 6.89	Sales Tax 9.5%	11635192				
							06/09/2020	605698
002947 - FARWEST CORROSION CONTROL CO.	056.5600.590000	\$ 5,688.00	Corrosion Engineering Services	20017IN				
						06/09/2020	605699	\$ 5,688.00
006622 - FULLER ENGINEERING, INC	020.1084.500140	\$ 1,056.75	Sodium Hypochlorite	141309				
						06/09/2020	605701	\$ 1,056.75

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000456 - GATEWAY CITIES COUNCIL OF GOVE	011.1043.595200	\$ 10,000.00	I-710 Corridor EIR/EIS~	052720				
	011.1043.595200	\$ 14,931.99	Atlantic Avenue/Boulevard Corridor Study	052720(2)		06/09/2020	605702	\$ 24,931.99
005421 - GATEWAY WATER MGMT AUTHORITY	011.1043.596200	\$ 860.49	Administration & Cost Sharing~	LARUR22007		06/09/2020	605703	\$ 860.49
004239 - HSA BANK	055.8100.502030	\$ 1,250.00	Initial Contribution / D. Mendoza	060120		06/09/2020	605704	\$ 1,250.00
001208 - INNER-TITE	055.8000.900000	\$ 1,768.00	V263-P45719~	141956	055.0002792			
	055.8000.900000	\$ 1,792.00	V263-45729~	141956	055.0002792			
	055.8000.900000	\$ 1,576.00	V263-P45719-0940-PL~	141956	055.0002792			
	055.8000.900000	\$ 487.92	Sales Tax 9.5%	141956		06/09/2020	605705	\$ 5,623.92
004143 - INTERWEST CONSULTING GROUP, IN	011.1041.595200	\$ 400.00	Building Plan Check & Inspection	59076		06/09/2020	605706	\$ 400.00
006028 - JANINE K JENSEN, M.D.	011.1026.502031	\$ 24.82	Medical Services / V. Malkenhorst	013120				
	011.1026.502031	\$ 34.82	Medical Services / V. Malkenhorst	041020		06/09/2020	605707	\$ 59.64

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003272 - LANGUAGE LINE SERVICES, INC	011.1031.594200	\$ 3.64	Interpretation Services	4798206		06/09/2020	605708	\$ 3.64
003342 - LIBERTY MANUFACTURING, INC	011.1031.590000	\$ 392.60	Range Maintenance	185		06/09/2020	605709	\$ 392.60
005516 - MEMORIALCARE MEDICAL GROUP	011.1026.502031	\$ 30.00	Medical Services / B. Malkenhorst	042620		06/09/2020	605710	\$ 30.00
000561 - MR. HOSE, INC	011.1046.520000	\$ 486.14	t3006d04np50 hose	166649	011.0014179	06/09/2020	605711	\$ 597.39
	011.1046.520000	\$ 47.28	c2 brass coupler	166649	011.0014179			
	011.1046.520000	\$ 9.66	cp2 steel plug	166649	011.0014179			
	011.1046.520000	\$ 54.31	Sales Tax 10.00	166649				
006792 - NORIEGA PIPELINE, INC	011.1043.590000	\$ 8,594.60	Emergency Sinkhole Repairs	1350		06/09/2020	605712	\$ 8,594.60
003106 - OCEAN BLUE ENVIRONMENTAL SERVI	020.1084.590000	\$ 1,375.43	Area Cleanup & Sanitation	33537		06/09/2020	605713	\$ 3,771.77
	020.1084.590000	\$ 2,396.34	Area Cleanup & Sanitation	33556				

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005643 - PACIFIC SHORES MEDICAL GROUP	011.1026.502031	\$ 27.40	Medical Services / B. Malkenhorst	050620		06/09/2020	605714	\$ 27.40
001943 - PLUMBING & INDUSTRIAL SUPPLY	020.1084.520000	\$ 48.80	Plumbing Hardware & Supplies~	S1233701001	011.0013884			
	020.1084.520000	\$ 219.77	Plumbing Hardware & Supplies~	S1234266001	011.0013884	06/09/2020	605715	\$ 268.57
006612 - QUALIFIED MOBILE, INC	011.1046.590000	\$ 374.00	Car Wash Services	270991		06/09/2020	605716	\$ 374.00
005142 - RADIN CARDIOVASCULAR MED GRP	011.1026.502031	\$ 51.44	Medical Services / B. Malkenhorst	031920		06/09/2020	605717	\$ 51.44
001158 - SOUTH COAST AQMD	055.8200.500230	\$ 136.40	Emissions Fees	3648137				
	055.8200.500230	\$ 8,565.40	Facility Permit Annual Operating Fees	3651759				
	055.8200.500230	\$ 764.90	Annual Title V Facility Fee	3651887		06/09/2020	605718	\$ 9,466.70
005030 - UNITED STEEL FENCE COMPANY	011.1048.590000	\$ 3,781.00	Replace/Repair Sliding Gate	18793		06/09/2020	605719	\$ 3,781.00

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001399 - VERNON SANITARY SUPPLY CO	011.1049.520000	\$ 80.40	(0515-375) Ready to use Glass Cleaner	33831100	011.0014388			
	011.1049.520000	\$ 1,196.72	(0578-590) Hand Sanitizer 8 oz. gel	33831100	011.0014388			
	011.1049.520000	\$ 121.33	Sales Tax 9.5%	33831100				
						06/09/2020	605720	\$ 1,398.45
006681 - ABC COMMERCIAL PAINTING	011.1048.590000	\$ 11,000.00	Paint Fences & Railings~	3069				
						06/16/2020	605721	\$ 11,000.00
005174 - ALL AMERICAN TROPHY & ENGRAVIN	011.1026.596900	\$ 31.00	2020 Perpetual Updates	111075				
						06/16/2020	605722	\$ 31.00
006680 - AL'S MECHANICAL, INC	011.1048.590000	\$ 4,830.00	Replace 4 Ton Condenser	2595				
						06/16/2020	605723	\$ 4,830.00
001948 - AT&T	011.9019.590110	\$ 1,979.40	Period: 05/19/20 - 06/18/20	2039825508				
	055.9200.560010	\$ 152.00	Period: 04/19/20 - 05/18/20	9442894500				
						06/16/2020	605724	\$ 2,131.40
001948 - AT&T	011.9019.560010	\$ 256.44	Period: 04/20/20 - 05/19/20	052020				
	011.9019.560010	\$ 977.93	Period: 04/20/20 - 05/19/20	052020(2)				
						06/16/2020	605725	\$ 1,234.37
002889 - AT&T MOBILITY	011.9019.560010	\$ 46.23	Period: 04/09/20 - 05/08/20	832176480X05162 020				
						06/16/2020	605726	\$ 46.23

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006635 - BELL'S GLASS SHOP	011.1049.590000	\$ 968.94	Install Window	27926		06/16/2020	605727	\$ 968.94
004360 - CLA-VAL COMPANY	020.1084.900000	\$ 4,105.78	Cla-Val Replacement & Remote Conversion	796309				
	020.1084.900000	\$ 11,392.87	Cla-Val Replacement & Remote Conversion	796310				
	020.1084.900000	\$ 25,175.90	Cla-Val Replacement & Remote Conversion	796331		06/16/2020	605728	\$ 40,674.55
001444 - COUNTY OF LOS ANGELES	011.1033.596200	\$ 1,531.67	Battalion Chief Services	C0009450		06/16/2020	605729	\$ 1,531.67
000310 - CRAIG WELDING SUPPLY, CO	011.1043.520000	\$ 144.69	Oxygen, Acetylene, Propane and Welding	635268	011.0013888			
	011.1043.520000	\$ 334.86	Oxygen, Acetylene, Propane and Welding	635287	011.0013888	06/16/2020	605730	\$ 479.55
002566 - DEWEY PEST CONTROL	055.8400.590000	\$ 122.00	Pest Control Services	13319186				
	056.5600.590000	\$ 65.00	Pest Control Services	13331926				
	055.8400.590000	\$ 122.00	Pest Control Services	13383545				
	056.5600.590000	\$ 65.00	Pest Control Services	13396720		06/16/2020	605731	\$ 374.00
005229 - EHS INTERNATIONAL, INC	055.9000.596700	\$ 950.00	Virtual Training Courses	318498		06/16/2020	605732	\$ 950.00
003285 - ALEXY ESCOBEDO	011.1031.596500	\$ 24.67	Driving / Force Option Simulator	060220		06/16/2020	605733	\$ 24.67

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005421 - GATEWAY WATER MGMT AUTHORITY	011.1043.595200	\$ 51,371.91	Prop 1 Stormwater Implementation	PROP12005				
	011.1043.595200	\$ 3,866.18	Prop 1 Stormwater Implementation	PROP12005A				
						06/16/2020	605734	\$ 55,238.09
001712 - GRAINGER, CO	055.8400.590000	\$ 50.30	Materials & Tools~	9497014127	055.0002741			
						06/16/2020	605735	\$ 50.30
005350 - HAUL AWAY RUBBISH SERVICE CO,	055.8400.596200	\$ 117.00	Disposal & Recycling Services	04X06349				
	055.8400.596200	\$ 527.10	Disposal & Recycling Services	04X06350				
	055.8400.596200	\$ 167.00	Disposal & Recycling Services	05X00226				
	055.8400.596200	\$ 324.95	Disposal & Recycling Services	05X00227				
						06/16/2020	605736	\$ 1,136.05
006864 - HUNTINGTON BEACH HOSPITAL	011.1026.502031	\$ 50.00	Medical Services / V. Malkenhorst	021720				
						06/16/2020	605737	\$ 50.00
006674 - INOLECT, LLC	055.8100.900000	\$ 6,500.00	Remote Racking Unit Commissioning &	INV01232				
						06/16/2020	605738	\$ 6,500.00
000829 - IRON MOUNTAIN	011.9019.560010	\$ 49.77	Storage Services	202131712				
						06/16/2020	605739	\$ 49.77
006028 - JANINE K JENSEN, M.D.	011.1026.502031	\$ 24.82	Medical Services / V. Malkenhorst	030620				
						06/16/2020	605740	\$ 24.82

**CITY OF VERNON  
OPERATING ACCOUNT  
WARRANT REGISTER NO. 48  
JULY 7, 2020**

**EARLY CHECKS**

VENDOR NAME AND NUMBER	ACCOUNT NUMBER	INVOICE AMOUNT	DESCRIPTION	INVOICE	P.O.#	PAYMENT DATE	CHECK NUMBER	PAYMENT AMOUNT
005340 - LA POOL GUYS	011.1049.590000	\$ 210.00	Pool Maintenance	5156		06/16/2020	605741	\$ 210.00
000804 - LB JOHNSON HARDWARE CO #1	055.8000.590000	\$ 6.56	Small Tools, Plumbing & Building	108042	055.0002742			
	055.8000.590000	\$ 459.67	Small Tools, Plumbing & Building	108071	055.0002742	06/16/2020	605742	\$ 466.23
005516 - MEMORIALCARE MEDICAL GROUP	011.1026.502031	\$ 20.00	Medical Services / V. Malkenhorst	051520		06/16/2020	605743	\$ 20.00
006586 - OCCUPATIONAL HEALTH CENTERS OF	011.1026.502095	\$ 337.22	Medical Services / F. Valenzuela	060420				
	011.1026.502095	\$ 118.06	Medical Services / F. Valenzuela	060420(2)				
	011.1026.597000	\$ 138.00	Medical Services	68022481		06/16/2020	605744	\$ 593.28
006475 - ONEPOINT HUMAN CAPITAL MGMT	011.9019.520010	\$ 215.00	Time Tracking System	49571		06/16/2020	605745	\$ 215.00
003248 - DANIEL ONOPA	011.1031.596500	\$ 24.67	Driving / Force Option Simulator	060220		06/16/2020	605746	\$ 24.67
006787 - PACIFIC ADVANCED CIVIL ENGINEE	020.1084.900000	\$ 23,185.00	Design Services	3997		06/16/2020	605747	\$ 23,185.00

**CITY OF VERNON  
OPERATING ACCOUNT  
WARRANT REGISTER NO. 48  
JULY 7, 2020**

**EARLY CHECKS**

VENDOR NAME AND NUMBER	ACCOUNT NUMBER	INVOICE AMOUNT	DESCRIPTION	INVOICE	P.O.#	PAYMENT DATE	CHECK NUMBER	PAYMENT AMOUNT
006416 - PRIORITY BUILDING SERVICES, LL	011.1049.590000	\$ 9,005.38	Janitorial Services	69352				
	011.1049.590000	\$ 8,660.00	Day Porter Services	69354				
						06/16/2020	605748	\$ 17,665.38
004451 - QUALITY JET ROOTER, INC	011.1049.590000	\$ 875.00	Plumbing Maintenance Services	26266				
						06/16/2020	605749	\$ 875.00
005346 - MONICA RODRIGUEZ	011.1048.530015	\$ 520.28	Reimb. Possessory Interest Tax~	060920				
						06/16/2020	605750	\$ 520.28
005790 - SIMON WIND, INC	055.9000.900000	\$ 277.50	Meteorological Services	2005				
						06/16/2020	605751	\$ 277.50
004229 - SMARDAN SUPPLY CO	056.5600.520000	\$ 328.50	Pipe & Fittings~	S3523687001	056.0000570			
						06/16/2020	605752	\$ 328.50
002079 - SO CAL JOINT POLE COMMITTEE	055.9100.596200	\$ 699.85	Operating Expense 05/20	20681				
						06/16/2020	605753	\$ 699.85
001017 - SPRINT	011.9019.560010	\$ 34.25	Period: 12/02/19 - 01/01/20	677975318218				
	011.9019.560010	\$ 34.25	Period: 02/02/20 - 03/01/20	677975318220				
	011.9019.560010	\$ 34.13	Period: 03/02/20 - 04/01/20	677975318221				
	011.9019.560010	\$ 34.13	Period: 04/02/20 - 05/01/20	677975318222				
	011.9019.560010	\$ 34.13	Period: 05/02/20 - 06/01/20	677975318223				
						06/16/2020	605754	\$ 170.89

**CITY OF VERNON  
OPERATING ACCOUNT  
WARRANT REGISTER NO. 48  
JULY 7, 2020**

**EARLY CHECKS**

VENDOR NAME AND NUMBER	ACCOUNT NUMBER	INVOICE AMOUNT	DESCRIPTION	INVOICE	P.O.#	PAYMENT DATE	CHECK NUMBER	PAYMENT AMOUNT
000191 - STATE STREET LAUNDRY	011.1031.520000	\$ 4.50	Laundry Services~	11938	011.0013958	06/16/2020	605755	\$ 36.90
	011.1031.520000	\$ 11.70	Laundry Services~	11939	011.0013958			
	011.1031.520000	\$ 12.60	Laundry Services~	11940	011.0013958			
	011.1031.520000	\$ 8.10	Laundry Services~	11941	011.0013958			
005556 - SWEINHART ELECTRIC CO	011.1049.590000	\$ 294.52	Repairs & Maintenance	21387		06/16/2020	605756	\$ 294.52
006394 - TELETRAC NAVMAN US LTD	011.1046.590000	\$ 4,902.43	GPS Fleet Management System	91958652		06/16/2020	605757	\$ 4,902.43
000141 - THOMSON REUTERS - WEST	011.1024.596600	\$ 413.71	West Information Charges	842417460		06/16/2020	605758	\$ 413.71
000282 - TRI-CITY MUTUAL WATER COMPANY	011.1033.560000	\$ 225.00	Hydrant	030120		06/16/2020	605759	\$ 225.00
000449 - UNDERGROUND SERVICE ALERT	056.5600.596200	\$ 85.90	New Ticket Charges	520200777		06/16/2020	605760	\$ 151.33
	056.5600.596200	\$ 65.43	CA State Fee for Regulatory Costs	DSB20193128				
006415 - UNION PACIFIC RAILROAD COMPANY	011.1043.590000	\$ 128,331.12	Install Flashing Lights & Gates	90095885		06/16/2020	605761	\$ 128,331.12

**CITY OF VERNON  
OPERATING ACCOUNT  
WARRANT REGISTER NO. 48  
JULY 7, 2020**

**EARLY CHECKS**

<b>VENDOR NAME AND NUMBER</b>	<b>ACCOUNT NUMBER</b>	<b>INVOICE AMOUNT</b>	<b>DESCRIPTION</b>	<b>INVOICE</b>	<b>P.O.#</b>	<b>PAYMENT DATE</b>	<b>CHECK NUMBER</b>	<b>PAYMENT AMOUNT</b>
006205 - MARISSA VELEZ	011.1031.596500	\$ 24.67	Driving / Force Option Simulator	060220		06/16/2020	605762	\$ 24.67
001481 - VERIZON BUSINESS SERVICES	011.9019.560010	\$ 616.14	Period: 04/20	71473429		06/16/2020	605763	\$ 616.14
001997 - OSCAR ZOZAYA	011.1031.596500	\$ 24.67	Driving / Force Option Simulator	060220		06/16/2020	605764	\$ 24.67
<b>TOTAL EARLY CHECKS</b>								<b>\$ 833,564.14</b>

**CITY OF VERNON  
OPERATING ACCOUNT  
WARRANT REGISTER NO. 48  
JULY 7, 2020**

**RECAP BY FUND**

<u>FUND</u>	<u>ELECTRONIC TOTAL</u>	<u>EARLY CHECK TOTAL</u>	<u>WARRANT TOTAL</u>	<u>GRAND TOTALS</u>
011 - GENERAL	\$ 194,313.12	\$ 411,616.28	\$ 0.00	\$ 605,929.40
020 - WATER	329,643.23	114,217.45	0.00	443,860.68
055 - LIGHT & POWER	8,659,316.86	284,642.35	0.00	8,943,959.21
056 - NATURAL GAS	227,599.18	23,088.06	0.00	250,687.24
057 - FIBER OPTIC	19,090.02	0.00	0.00	19,090.02
<b>GRAND TOTAL</b>	<b>\$ 9,429,962.41</b>	<b>\$ 833,564.14</b>	<b>\$ 0.00</b>	<b>\$ 10,263,526.55</b>

**TOTAL CHECKS TO BE PRINTED 0**

# City Council Agenda Item Report

Agenda Item No. COV-231-2020  
Submitted by: Cynthia Cano  
Submitting Department: Public Works  
Meeting Date: July 7, 2020

## **SUBJECT**

Public Works Monthly Building Report

## **Recommendation:**

Receive and file the May 2020 Building Report.

## **Background:**

The attached building report consists of total issued permits, major projects, demolition permits, new building permits and certificate of occupancy status reports for the month of May 2020. The value of permitted construction in Vernon for the period from January through May 2020 was 72% lower than for the same period in 2019. This reduction in construction is likely due to the economic uncertainty caused by the erosion of international trade and by the decrease in economic activity caused by the response to the COVID-19 pandemic. Staff will continue to monitor activity levels as the economy re-opens.

## **Fiscal Impact:**

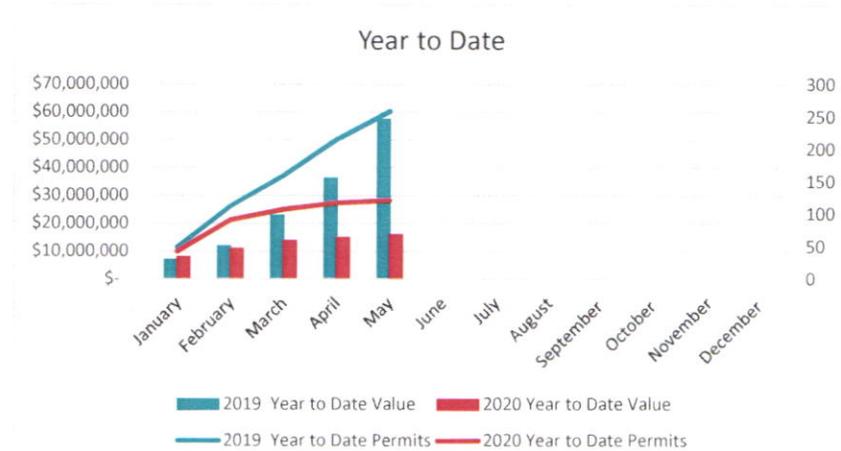
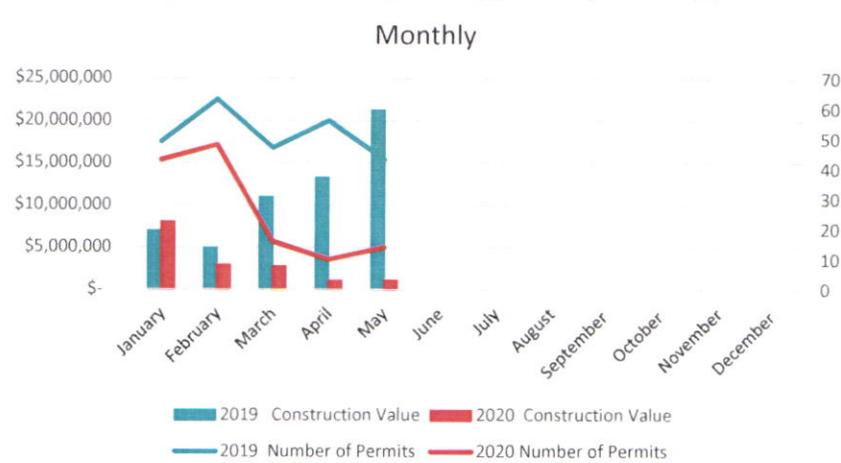
The decrease in the value of permitted construction directly impacts the fee revenues received by the Department. These decreased revenues for FY 2019-20 were offset by other general fund revenue sources that were collected at or slightly above expectations. In anticipation of the reduced activity and COVID-19 implications, revenue adjustments were made to the FY 2020-21 budget.

## **Attachments:**

1. [Public Works Department May 2020 Building Report](#)

**City of Vernon  
Building Division  
Monthly Report Summary**

	2019				2020				Year to Date	
	Construction Value	Number of Permits	Year to Date Value	Year to Date Permits	Construction Value	Number of Permits	Year to Date Value	Year to Date Permits	Permit Difference	Valuation Difference
January	\$ 6,968,160	49	\$ 6,968,160	49	\$ 8,046,145	43	\$ 8,046,145	43	-12%	15%
February	\$ 4,923,135	63	\$ 11,891,295	112	\$ 2,979,923	48	\$ 11,026,068	91	-19%	-7%
March	\$ 10,949,664	47	\$ 22,840,960	159	\$ 2,808,127	16	\$ 13,834,195	107	-33%	-39%
April	\$ 13,285,075	56	\$ 36,126,035	215	\$ 1,100,252	10	\$ 14,934,447	117	-46%	-59%
May	\$ 21,264,283	43	\$ 57,390,317	258	\$ 1,134,292	14	\$ 16,068,739	121	-53%	-72%
June										
July										
August										
September										
October										
November										
December										





City of Vernon  
Building Department  
Monthly Report from 5/1/2020 to 5/31/2020

Type	Value	# of Permits
Demolition	\$155,400.00	1
Electrical	\$128,192.00	3
Industrial - Remodel	\$180,000.00	2
Mechanical	\$16,000.00	1
Miscellaneous	\$642,300.00	5
Plumbing	\$12,400.00	2
MAY 2020 TOTALS PERMITS:	\$1,134,292.00	14
PREVIOUS MONTHS TOTAL	\$14,934,447.00	117
YEAR TO DATE TOTAL	\$16,068,739.00	131
MAY 2019 TOTALS PERMITS:	\$21,264,282.54	43
PREVIOUS MONTHS TOTAL	\$36,126,034.64	215
PRIOR YEAR TO DATE TOTAL	\$57,390,317.18	258

Daniel Wall

Director of Public Works Department



City of Vernon  
Building Department  
New Buildings Report - May 2020

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None

A handwritten signature in black ink that reads "Daniel Walt".

\_\_\_\_\_  
Daniel Walt  
Director Public Works



City of Vernon  
Building Department  
Demolition Report - May 2020

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4529 DISTRICT BLVD  
MASHHOON, HAMID R AND MAHASTI  
3600 SF.  
MEZZANINE

A handwritten signature in black ink that reads "Daniel Wall".

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Daniel Wall  
Director of Public Works Department



City of Vernon  
Building Department  
Major Projects from 5/1/2020 to 5/31/2020  
Valuations > 20,000

Permit No.	Project Address	Tenant	Description	Job Value
<b>Demolition</b>				
B-2020-4030	4529 DISTRICT BLVD APN 6304020022		Demo of interior structures and concreted flooring in warehouse area	155400
<b>1</b>	<b>Record(s)</b>			<b>\$155,400.00</b>
<b>Electrical</b>				
B-2020-4052	4578 49TH ST APN 6304017004	Prologis	Electrical lighting installation	26692
B-2020-3980	2626 26TH ST APN 6302001030		construction of compressed natural gas (CNG) fueling facility with 50 time fill stations and double-sided fast fill station	100000
<b>2</b>	<b>Record(s)</b>			<b>\$126,692.00</b>
<b>Industrial - Remodel</b>				
B-2020-3972	3301 FRUITLAND AVE APN 6303027002		Walk-in coolers	159000
B-2020-4035	3805 SOTO ST APN 6302020058	Z's Place	Remodel two restrooms	21000
<b>2</b>	<b>Record(s)</b>			<b>\$180,000.00</b>
<b>Miscellaneous</b>				
B-2020-4020	2626 26TH ST APN 6302001030		Remodel existing plant	120000
B-2020-4050	4529 DISTRICT BLVD APN 6304020022		Installation of new concrete floor over existing undisturbed exposed interior grade in warehouse area.	126300
B-2020-4055	4010 26TH ST APN 5243021021	Rehrig Pacific Compa	Demo existing damaged stucco. Frame sub-straight at existing opening.	78000
B-2020-4040	4920 BOYLE AVE APN		Installation of new dust collector, equipment foundation, ducting and supports	300000
<b>4</b>	<b>Record(s)</b>			<b>\$624,300.00</b>
<b>9</b>	<b>Permit(s)</b>		<b>Total</b>	<b>\$1,086,392.00</b>



City of Vernon  
Building Department  
Status of Certificates of Occupancy Requests  
Month of May 2020

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Request for Inspection	4
Approved	5
Pending	376
Temporary Occupancies	12

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Daniel Wall  
Director of Public Works

City of Vernon  
 Certificate of Occupancy  
 Applications Date From 5/1/2020 to 5/31/2020

Issued	Permit No.	Project Address	Tenant	Description	Fees Paid	Square Feet
	C-2020-1476	3718 26TH ST APN 5192030004	MKS Group Inc.	Office use	385.00	290
	C-2020-1477	2038 45TH ST APN 6308013031	RB Fashion & Design Inc.	Wholesale and manufacture	885.00	8700
	C-2020-1478	2701 SANTA FE AVE APN 6302007033	Southern California Curling Center Inc.	Produce wholesale	385.00	2400
	C-2020-1479	2454 27TH ST APN 6302004023	Domestic Medical Supply Coalition LLC	Warehouse of PPE Equipment	1,046.00	54340
<b>Total for Certificate of Occupancy:</b>					<b>2,701.00</b>	<b>65,730.00</b>
<b>4</b>	<b>Permits(s)</b>				<b>Total Fees Paid</b>	<b>2,701.00</b>

**City of Vernon  
Certificate of Occupancy  
Issued Date From 5/1/2020 to 5/31/2020**

<b>Issued</b>	<b>Permit No.</b>	<b>Project Address</b>	<b>Tenant</b>	<b>Description</b>	<b>Fees Paid</b>	<b>Square Feet</b>
5/11/2020	C-2020-1460	4328 ALCOA AVE APN 6303010038	Sushi Nozawa LLC dba MCGN Seafood	Food processing	0.00	15002
5/11/2020	C-2020-1461	4328 ALCOA AVE APN 6303010038	Pasta Uovo, LLC	Food processing	0.00	10000
5/11/2020	C-2020-1462	4328 ALCOA AVE APN 6303010038	Sushi Nozawa LLC	Food processing	0.00	21420
5/19/2020	C-2020-1475	2538 ALAMEDA ST APN 6302009045	Margaritas's Tacos & Gril	Restaurant	385.00	1450
5/19/2020	C-2020-1474	2528 ALAMEDA ST APN 6302009045	Pizza Place 123	Restaurant	385.00	1400
<b>Total for Certificate of Occupancy:</b>					<b>770.00</b>	<b>49,272.00</b>
<b>5 Permits(s)</b>					<b>Total Fees Paid</b>	<b>770.00</b>

# City Council Agenda Item Report

Agenda Item No. COV-229-2020

Submitted by: Alexis Hwang

Submitting Department: City Administration

Meeting Date: July 7, 2020

## **SUBJECT**

Purchase Order with Tritech Software Systems and Amendment No. 1 to Software Support Agreement with Tritech

## **Recommendation:**

- A. Approve and authorize the City Administrator to execute Amendment No. 1 to the Software Support Agreement with Tritech Software Systems (Tritech) in an amount not-to-exceed \$9,000; and
- B. Authorize the issuance of a Purchase Order for \$15,512.73 to Tritech for Lucity Annual Maintenance.

## **Background:**

On August 7, 2018, the City Council approved a Software Support Agreement (the "Agreement") with Tritech Software Systems (IT-0095) in the amount of \$200,103.07 for a three year period. Since that time, the Lucity software platform (currently utilized by the City) and Tritech were acquired by Central Square Technologies who indicated that any existing Software Support Agreement terms and conditions between Tritech and the City of Vernon would be honored.

Approximately five years ago, the City purchased Lucity software, which is currently utilized by Vernon Public Utilities and Public Works Departments to manage the City's asset inventories, issue work orders and avoid unplanned replacements. The City now needs to add additional licenses to its Lucity software package for a cost of \$9,000. In order to apply the existing terms and conditions of the Agreement, the vendor has requested to amend Contract IT-0095 to add five additional mobile licenses to the City's software inventory. These five additional licenses will be assigned to Public Works field crew staff to manage work orders while away from City Hall and working at various sites throughout the City. This upgrade will increase efficiencies in the Department and is necessary to maintain accurate, up-to-the-minute records. Staff, therefore, requests approval of Amendment No. 1 (attachment 1) to the Agreement with Tritech.

Additionally, it is necessary to renew the City's existing Lucity licenses via an annual maintenance fee at a cost of \$15,512.73 (attachment 2). This is managed through the City's purchase order process. Although each of these expenditures is below the threshold requiring Council approval, Vernon Municipal Code Section 2.17.02(A), requires City Council approval for all contracts with a total value over the lifetime of the contract exceeding \$100,000.

## **Fiscal Impact:**

The fiscal impact of these purchases is \$24,512.73 for a one year period. Funds for these purchases are available in the IT budget under account number 011.9019.590110 (Repair and Maintenance).

## **Attachments:**

- 1. [Amendment No. 1 - Additional Lucity Licenses](#)
- 2. [Tritech Invoice for Annual Renewal of Lucity Licenses](#)

Tritech Software Systems, A CentralSquare company

## Add-On Quote

**Quote Prepared For:**

Carlos Fandino Jr., City Administrator  
 City of Vernon  
 4305 South Santa Fe Ave. Vernon, CA, 90058  
 (323) 587-5171

**Quote Number: Q-00028717 Valid Until:**  
**06/09/20**

**Quote Prepared By:**

Julio Mejia, Account Manager  
 CentralSquare Technologies  
 1000 Business Center  
 Lake Mary, FL 32746  
 Phone: +14073043106 Fax:  
[julio.mejia@centralsquare.com](mailto:julio.mejia@centralsquare.com)

Date: 07/01/20

Thank you for your interest in our company and our software and services solutions. Please review the below quote and feel free to contact Julio Mejia with any questions.

### License Fees & Maintenance

Product Name	Quantity	License Fee	Maintenance
Asset Management - Mobile	5	7,500.00	1,500.00
<b>Total</b>		<b>7,500.00</b>	<b>1,500.00</b>

### Summary

**Product/Service**

License Fees

	Amount
Subtotal	7,500.00
	<b>7,500.00</b> USD
<b>Total Excluding Maintenance</b>	<b>7,500.00</b> USD
Net Maintenance	1,500.00 USD
<b>Total with Maintenance</b>	<b>9,000.00</b> USD

See Product notes in the Additional Information Section

Payment terms as follows, unless otherwise notated below for Special Payment Terms by Product:

Do not pay from this form. Customer will be invoiced for the fees set forth after execution.

If applicable, annual Access, Subscription and/or Cloud/Hosting Fees will be invoiced annually after the initial term.

Maintenance Service and Support Fees (including third party products) are included with purchase for the initial term and will be invoiced annually after the initial term.

License, Start-up and Third Party software and/or hardware Fees are due at execution.

Training Fees and Travel Expenses are due as incurred. All other Professional Services will be Fixed Fee, due at execution.

Custom Modifications and Third Party Product Implementation Services fees are due 50% on execution of this Quote and 50% due upon invoice, upon completion.

Pricing for professional services provided under this quote is a good faith estimate based on the information available at the time of execution. The total amount may vary based on the actual number of hours of services required to complete the services. If required, additional services can be provided on a time and materials basis at CentralSquare's then-current hourly rates for the services at issue. For training and on-site project management sessions which are cancelled at the request of Customer within fourteen (14) days of the scheduled start date, Customer is responsible for entire price of the training or on-site project management plus incurred expenses.

**Additional Terms:**

This Amendment will become effective as of the date first written above. Except as expressly provided in this Amendment, all terms and provisions of the existing Agreement between the Parties are and will remain in full force and effect and are hereby ratified and confirmed by the Parties.

**Comments:**

- Quote is for adding additional Mobile Licenses to the list of products for City of Vernon.

Carlos Fandino Jr, City Administrator  
City of Vernon

**Authorized Signature:** \_\_\_\_\_

**Printed Name:** \_\_\_\_\_

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

**Additional Information Section**

**Product Notes:**



# Invoice

Invoice No	Date	Page
280353	8/1/2020	1 of 1

Tritech Software Systems, a CentralSquare Company  
 1000 Business Center Drive  
 Lake Mary, FL 32746

Billing Inquiries: Accounts.Receivable@centralsquare.com

**Bill To**  
 4305 S Santa Fe Ave.  
 Los Angeles CA 90058  
 United States

**Ship To**  
 4305 S Santa Fe Ave.  
 Los Angeles CA 90058  
 United States

Customer No	Customer Name	Customer PO #	Currency	Terms	Due Date
17001	Vernon, CA		USD	Net 30	8/31/2020

	Description	Units	Rate	Extended
1	EAM- API Annual Maintenance Fee - Annual Maintenance Fee Maintenance: Start:9/1/2020, End: 8/31/2021	1	\$0.00	\$0.00
2	Asset Management - Assets Annual Maintenance Fee - Annual Maintenance Fee Maintenance: Start:9/1/2020, End: 8/31/2021	8	\$445.76	\$3,566.06
3	EAM- Financials Integration Annual Maintenance Fee - Annual Maintenance Fee Maintenance: Start:9/1/2020, End: 8/31/2021	1	\$3,566.06	\$3,566.06
4	Asset Management - Mobile Annual Maintenance Fee - Annual Maintenance Fee Maintenance: Start:9/1/2020, End: 8/31/2021	2	\$315.19	\$630.38
5	Asset Management - Work Annual Maintenance Fee - Annual Maintenance Fee Maintenance: Start:9/1/2020, End: 8/31/2021	1	\$7,750.23	\$7,750.23

Please include invoice number(s) on your remittance advice,  
 made payable to Trittech Software Systems

**Subtotal** \$15,512.73

**Tax** \$0.00

**ACH:**  
 Routing Number 121000358  
 Account Number 1416612641  
 E-mail payment details to: Accounts.Receivable@CentralSquare.com

**Invoice Total** \$15,512.73

**Check:**  
 12709 Collection Center Drive  
 Chicago, IL 60693

**Payments Applied** \$0.00

**Balance Due** \$15,512.73

# City Council Agenda Item Report

Agenda Item No. COV-237-2020

Submitted by: Alexis Hwang

Submitting Department: City Administration

Meeting Date: July 7, 2020

## **SUBJECT**

Motorola Service Agreement

### **Recommendation:**

Approve and authorize the City Administrator to execute a service agreement with Motorola for maintenance service in an amount not to exceed \$16,579.

### **Background:**

On May 15, 2018, the Vernon Police Department (VPD) entered into an agreement with Motorola to switch from the legacy VHF radio to a Motorola ICI trunked UHF radio system. In June 2019, the VPD finalized the switching of the radio system. The Vernon Police Department's radio system is an essential part of the City's public safety commitment. The three dispatch console radio system connect the first responders with the dispatchers, who relay information gathered from citizens.

The service agreement supports maintenance for the existing system consoles; provides 24/7 network monitoring, with alarms for all minor or major incidents, and onsite technician dispatch; remote security patching to ensure safety from malware; quick turnaround and minimal downtime part repair and replacement; and advanced technical support. The proposed service agreement with Motorola is exempt from informal selection purchasing requirements as the maintenance service is only available directly from Motorola.

The proposed Service Agreement with Motorola has been reviewed and approved as to form by the City Attorney's Office. Pursuant to Vernon Municipal Code Section 2.17.02(A), staff is seeking City Council approval of a service agreement with Motorola for a one year period, as the total amount of all City expenditures with Motorola exceed \$100,000.

### **Fiscal Impact:**

The fiscal impact of the agreement is \$16,579, for a one year period. This purchase was not budgeted, but funds are available under account number 011.9019.590110 - IT Repair and Maintenance.

### **Attachments:**

- [1. Motorola Service Agreement for PD Consoles](#)



# SERVICE AGREEMENT

500 W Monroe Street  
 Chicago, IL. 60661  
 (888) 325-9336

Quote Number : QUOTE-1254422  
 Contract Number: USC000139522  
 Contract Modifier: R30-MAR-2020

Date: 03/30/2020

Company Name: VERNON, CITY OF
Attn:
Billing Address: 4305 SANTA FE AVE
City, State, Zip: VERNON , CA, 90058
Customer Contact: Jeremy Cross
Phone: 909-821-2528

Required P.O. :  
 Customer # : 1000411124  
 Bill to Tag # :  
 Contract Start Date : 01-Jul-2020  
 Contract End Date : 30-Jun-2021  
 Anniversary Day : Jun 30th  
 Payment Cycle : ANNUALLY  
 PO # : "Standard"

Qty	Service Name	Service Description	Monthly Ext	Extended Amt
	LSV01S01108A	ASTRO SYSTEM ADVANCED PACKAGE --- DISPATCH --- NETWORK MONITORING --- ONSITE SYS SUPPORT-STD --- PREVENTIVE MAINTENANCE1 --- REMOTE SUS MGT --- REPAIR AND RETURN --- SECURITY UPDATE SERVICE --- SYSTEM TECH SUPPORT --- ADVANCE EXCHANGE	\$1,381.58	\$16,579.00
Subtotal - Recurring Services			\$1,381.58	\$16,579.00
Subtotal - One-Time Event Services			\$0.00	\$0.00
Total			\$1,381.58	\$16,579.00
THIS SERVICE AMOUNT IS SUBJECT TO STATE AND LOCAL TAXING JURISDICTIONS WHERE APPLICABLE, TO BE VERIFIED BY MOTOROLA				

**SPECIAL INSTRUCTIONS:**

Dispatch Center - 3 Consoles

**I received Statements of Work that describe the services provided on this Agreement. Motorola's Service Terms and Conditions, a copy of which is attached to this Service Agreement, is incorporated herein by this reference.**



# SERVICE AGREEMENT

500 W Monroe Street  
Chicago, IL. 60661  
(888) 325-9336

Quote Number : QUOTE-1254422  
Contract Number: USC000139522  
Contract Modifier: R30-MAR-2020

AUTHORIZED CUSTOMER SIGNATURE

TITLE

DATE

---

CUSTOMER (PRINT NAME)

---

MOTOROLA REPRESENTATIVE(SIGNATURE)

TITLE

DATE

Rob Russell

714-853-2012

---

MOTOROLA REPRESENTATIVE(PRINT NAME)

PHONE

Company Name : VERNON, CITY OF  
Contract Number : USC000139522  
Contract Modifier : R30-MAR-2020  
Contract Start Date : 01-Jul-2020  
Contract End Date : 30-Jun-2021



# SERVICE AGREEMENT

500 W Monroe Street  
Chicago, IL. 60661  
(888) 325-9336

Quote Number : QUOTE-1254422  
Contract Number: USC000139522  
Contract Modifier: R30-MAR-2020

## Service Terms and Conditions

Motorola Solutions Inc. ("Motorola") and the customer named in this Agreement ("Customer") hereby agree as follows:

### Section 1. APPLICABILITY

These Maintenance Service Terms and Conditions apply to service contracts whereby Motorola will provide to Customer either (1) maintenance, support, or other services under a Motorola Service Agreement, or (2) installation services under a Motorola Installation Agreement.

### Section 2. DEFINITIONS AND INTERPRETATION

2.1 "Agreement" means these Maintenance Service Terms and Conditions; the cover page for the Service Agreement or the Installation Agreement, as applicable; and any other attachments, all of which are incorporated herein by this reference. In interpreting this Agreement and resolving any ambiguities, these Maintenance Service Terms and Conditions take precedence over any cover page, and the cover page takes precedence over any attachments, unless the cover page or attachment states otherwise.

2.2 "Equipment" means the equipment that is specified in the attachments or is subsequently added to this Agreement.

2.3 "Services" means those installation, maintenance, support, training, and other services described in this Agreement.

### Section 3. ACCEPTANCE

Customer accepts these Maintenance Service Terms and Conditions and agrees to pay the prices set forth in the Agreement. This Agreement becomes binding only when accepted in writing by Motorola. The term of this Agreement begins on the "Start Date" indicated in this Agreement.

### Section 4. SCOPE OF SERVICES

4.1 Motorola will provide the Services described in this Agreement or in a more detailed statement of work or other document attached to this Agreement. At Customer's request, Motorola may also provide additional services at Motorola's then-applicable rates for the services.

4.2 If Motorola is providing Services for Equipment, Motorola parts or parts of equal quality will be used; the Equipment will be serviced at levels set forth in the manufacturer's product manuals; and routine service procedures that are prescribed by Motorola will be followed.

4.3 If Customer purchases from Motorola additional equipment that becomes part of the same system as the initial Equipment, the additional equipment may be added to this Agreement and will be billed at the applicable rates after the warranty for that additional equipment expires.

4.4 All Equipment must be in good working order on the Start Date or when additional equipment is added to the Agreement. Upon reasonable request by Motorola, Customer will provide a complete serial and model number list of the Equipment. Customer must promptly notify Motorola in writing when any Equipment is lost, damaged, stolen or taken out of service. Customer's obligation to pay Service fees for this Equipment will terminate at the end of the month in which Motorola receives the written notice.

4.5 Customer must specifically identify any Equipment that is labeled intrinsically safe for use in hazardous environments.

4.6 If Equipment cannot, in Motorola's reasonable opinion, be properly or economically serviced for any reason, Motorola may modify the scope of Services related to that Equipment; remove that Equipment from the Agreement; or increase the price to Service that Equipment.

4.7 Customer must promptly notify Motorola of any Equipment failure. Motorola will respond to Customer's notification in a manner consistent with the level of Service purchased as indicated in this.

### Section 5. EXCLUDED SERVICES

5.1 Service excludes the repair or replacement of Equipment that has become defective or damaged from use in other than the normal, customary, intended, and authorized manner; use not in compliance with applicable industry standards; excessive wear and tear; or accident, liquids, power surges, neglect, acts of God or other force majeure events.

5.2 Unless specifically included in this Agreement, Service excludes items that are consumed in the normal operation of the Equipment, such as batteries or magnetic tapes.; upgrading or reprogramming Equipment; accessories, belt clips, battery chargers, custom or special products, modified units, or software; and repair or maintenance of any transmission line, antenna, microwave equipment, tower or tower lighting, duplexer, combiner, or multicoupler. Motorola has no obligations for any transmission medium, such as telephone lines, computer networks, the internet or the worldwide web, or for Equipment malfunction caused by the transmission medium.



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Quote Number : QUOTE-1254422  
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## Section 6. TIME AND PLACE OF SERVICE

Service will be provided at the location specified in this Agreement. When Motorola performs service at Customer's location, Customer will provide Motorola, at no charge, a non-hazardous work environment with adequate shelter, heat, light, and power and with full and free access to the Equipment. Waivers of liability from Motorola or its subcontractors will not be imposed as a site access requirement. Customer will provide all information pertaining to the hardware and software elements of any system with which the Equipment is interfacing so that Motorola may perform its Services. Unless otherwise stated in this Agreement, the hours of Service will be 8:30 a.m. to 4:30 p.m., local time, excluding weekends and holidays. Unless otherwise stated in this Agreement, the price for the Services exclude any charges or expenses associated with helicopter or other unusual access requirements; if these charges or expenses are reasonably incurred by Motorola in rendering the Services, Customer agrees to reimburse Motorola for those charges and expenses.

## Section 7. CUSTOMER CONTACT

Customer will provide Motorola with designated points of contact (list of names and phone numbers) that will be available twenty-four (24) hours per day, seven (7) days per week, and an escalation procedure to enable Customer's personnel to maintain contact, as needed, with Motorola.

## Section 8. INVOICING AND PAYMENT

8.1 Customer affirms that a purchase order or notice to proceed is not required for the duration of this service contract and will appropriate funds each year through the contract end date. Unless alternative payment terms are stated in this Agreement, Motorola will invoice Customer in advance for each payment period. All other charges will be billed monthly, and Customer must pay each invoice in U.S. dollars within twenty (20) days of the invoice date

8.2 Customer will reimburse Motorola for all property taxes, sales and use taxes, excise taxes, and other taxes or assessments that are levied as a result of Services rendered under this Agreement (except income, profit, and franchise taxes of Motorola) by any governmental entity. The Customer will pay all invoices as received from Motorola. At the time of execution of this Agreement, the Customer will provide all necessary reference information to include on invoices for payment in accordance with this Agreement.

8.3 For multi-year service agreements, at the end of the first year of the Agreement and each year thereafter, a CPI percentage change calculation shall be performed using the U.S. Department of Labor, Consumer Price Index, all Items, Unadjusted Urban Areas (CPI-U). Should the annual inflation rate increase greater than 3% during the previous year, Motorola shall have the right to increase all future maintenance prices by the CPI increase amount exceeding 3%. All items, not seasonally adjusted shall be used as the measure of CPI for this price adjustment. Measurement will take place once the annual average for the new year has been posted by the Bureau of Labor Statistics. For purposes of illustration, if in year 5 the CPI reported an increase of 8%, Motorola may increase the Year 6 price by 5% (8%-3% base).

## Section 9. WARRANTY

Motorola warrants that its Services under this Agreement will be free of defects in materials and workmanship for a period of ninety (90) days from the date the performance of the Services are completed. In the event of a breach of this warranty, Customer's sole remedy is to require Motorola to re-perform the non-conforming Service or to refund, on a pro-rata basis, the fees paid for the non-conforming Service. MOTOROLA DISCLAIMS ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

## Section 10. DEFAULT/TERMINATION

10.1 If either party defaults in the performance of this Agreement, the other party will give to the non-performing party a written and detailed notice of the default. The non-performing party will have thirty (30) days thereafter to provide a written plan to cure the default that is acceptable to the other party and begin implementing the cure plan immediately after plan approval. If the non-performing party fails to provide or implement the cure plan, then the injured party, in addition to any other rights available to it under law, may immediately terminate this Agreement effective upon giving a written notice of termination to the defaulting party.

10.2 Any termination of this Agreement will not relieve either party of obligations previously incurred pursuant to this Agreement, including payments which may be due and owing at the time of termination. All sums owed by Customer to Motorola will become due and payable immediately upon termination of this Agreement. Upon the effective date of termination, Motorola will have no further obligation to provide Services.

10.3 If the Customer terminates this Agreement before the end of the Term, for any reason other than Motorola default, then the Customer will pay to Motorola an early termination fee equal to the discount applied to the last three (3) years of Service payments for the original Term.

## Section 11. LIMITATION OF LIABILITY

Except for personal injury or death, Motorola's total liability, whether for breach of contract, warranty, negligence, strict liability in tort, or otherwise, will be limited to the direct damages recoverable under law, but not to exceed the price of twelve (12) months of Service provided under this Agreement.



# SERVICE AGREEMENT

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ALTHOUGH THE PARTIES ACKNOWLEDGE THE POSSIBILITY OF SUCH LOSSES OR DAMAGES, THEY AGREE THAT MOTOROLA WILL NOT BE LIABLE FOR ANY COMMERCIAL LOSS; INCONVENIENCE; LOSS OF USE, TIME, DATA, GOOD WILL, REVENUES, PROFITS OR SAVINGS; OR OTHER SPECIAL, INCIDENTAL, INDIRECT, OR CONSEQUENTIAL DAMAGES IN ANY WAY RELATED TO OR ARISING FROM THIS AGREEMENT OR THE PERFORMANCE OF SERVICES BY MOTOROLA PURSUANT TO THIS AGREEMENT. No action for contract breach or otherwise relating to the transactions contemplated by this Agreement may be brought more than one (1) year after the accrual of the cause of action, except for money due upon an open account. This limitation of liability will survive the expiration or termination of this Agreement and applies notwithstanding any contrary provision.

## Section 12. EXCLUSIVE TERMS AND CONDITIONS

12.1 This Agreement supersedes all prior and concurrent agreements and understandings between the parties, whether written or oral, related to the Services, and there are no agreements or representations concerning the subject matter of this Agreement except for those expressed herein. The Agreement may not be amended or modified except by a written agreement signed by authorized representatives of both parties.

12.2 Customer agrees to reference this Agreement on any purchase order issued in furtherance of this Agreement, however, an omission of the reference to this Agreement will not affect its applicability. In no event will either party be bound by any terms contained in a Customer purchase order, acknowledgement, or other writings unless: the purchase order, acknowledgement, or other writing specifically refers to this Agreement; clearly indicate the intention of both parties to override and modify this Agreement; and the purchase order, acknowledgement, or other writing is signed by authorized representatives of both parties.

## Section 13. PROPRIETARY INFORMATION; CONFIDENTIALITY; INTELLECTUAL PROPERTY RIGHTS

13.1 Any information or data in the form of specifications, drawings, reprints, technical information or otherwise furnished to Customer under this Agreement will remain Motorola's property, will be deemed proprietary, will be kept confidential, and will be promptly returned at Motorola's request. Customer may not disclose, without Motorola's written permission or as required by law, any confidential information or data to any person, or use confidential information or data for any purpose other than performing its obligations under this Agreement. The obligations set forth in this Section survive the expiration or termination of this Agreement.

13.2 Unless otherwise agreed in writing, no commercial or technical information disclosed in any manner or at any time by Customer to Motorola will be deemed secret or confidential. Motorola will have no obligation to provide Customer with access to its confidential and proprietary information, including cost and pricing data.

13.3 This Agreement does not grant directly or by implication, estoppel, or otherwise, any ownership right or license under any Motorola patent, copyright, trade secret, or other intellectual property, including any intellectual property created as a result of or related to the Equipment sold or Services performed under this Agreement.

## Section 14. FCC LICENSES AND OTHER AUTHORIZATIONS

Customer is solely responsible for obtaining licenses or other authorizations required by the Federal Communications Commission or any other federal, state, or local government agency and for complying with all rules and regulations required by governmental agencies. Neither Motorola nor any of its employees is an agent or representative of Customer in any governmental matters.

## Section 15. COVENANT NOT TO EMPLOY

During the term of this Agreement and continuing for a period of two (2) years thereafter, Customer will not hire, engage on contract, solicit the employment of, or recommend employment to any third party of any employee of Motorola or its subcontractors without the prior written authorization of Motorola. This provision applies only to those employees of Motorola or its subcontractors who are responsible for rendering services under this Agreement. If this provision is found to be overly broad under applicable law, it will be modified as necessary to conform to applicable law.

## Section 16. MATERIALS, TOOLS AND EQUIPMENT

All tools, equipment, dies, gauges, models, drawings or other materials paid for or furnished by Motorola for the purpose of this Agreement will be and remain the sole property of Motorola. Customer will safeguard all such property while it is in Customer's custody or control, be liable for any loss or damage to this property, and return it to Motorola upon request. This property will be held by Customer for Motorola's use without charge and may be removed from Customer's premises by Motorola at any time without restriction.

## Section 17. GENERAL TERMS

17.1 If any court renders any portion of this Agreement unenforceable, the remaining terms will continue in full force and effect.

17.2 This Agreement and the rights and duties of the parties will be interpreted in accordance with the laws of the State in which the Services are performed.

17.3 Failure to exercise any right will not operate as a waiver of that right, power, or privilege.



## SERVICE AGREEMENT

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17.4 Neither party is liable for delays or lack of performance resulting from any causes that are beyond that party's reasonable control, such as strikes, material shortages, or acts of God.

17.5 Motorola may subcontract any of the work, but subcontracting will not relieve Motorola of its duties under this Agreement.

17.6 Except as provided herein, neither Party may assign this Agreement or any of its rights or obligations hereunder without the prior written consent of the other Party, which consent will not be unreasonably withheld. Any attempted assignment, delegation, or transfer without the necessary consent will be void. Notwithstanding the foregoing, Motorola may assign this Agreement to any of its affiliates or its right to receive payment without the prior consent of Customer. In addition, in the event Motorola separates one or more of its businesses (each a "Separated Business"), whether by way of a sale, establishment of a joint venture, spin-off or otherwise (each a "Separation Event"), Motorola may, without the prior written consent of the other Party and at no additional cost to Motorola, assign this Agreement such that it will continue to benefit the Separated Business and its affiliates (and Motorola and its affiliates, to the extent applicable) following the Separation Event.

17.7 THIS AGREEMENT WILL RENEW, FOR AN ADDITIONAL ONE (1) YEAR TERM, ON EVERY ANNIVERSARY OF THE START DATE UNLESS EITHER THE COVER PAGE SPECIFICALLY STATES A TERMINATION DATE OR ONE PARTY NOTIFIES THE OTHER IN WRITING OF ITS INTENTION TO DISCONTINUE THE AGREEMENT NOT LESS THAN THIRTY (30) DAYS OF THAT ANNIVERSARY DATE. At the anniversary date, Motorola may adjust the price of the Services to reflect its current rates.

17.8 If Motorola provides Services after the termination or expiration of this Agreement, the terms and conditions in effect at the time of the termination or expiration will apply to those Services and Customer agrees to pay for those services on a time and materials basis at Motorola's then effective hourly rates.

17.9 This Agreement may be executed in one or more counterparts, all of which shall be considered part of the Agreement. The parties may execute this Agreement in writing, or by electronic signature, and any such electronic signature shall have the same legal effect as a handwritten signature for the purposes of validity, enforceability and admissibility. In addition, an electronic signature, a true and correct facsimile copy or computer image of this Agreement shall be treated as and shall have the same effect as an original signed copy of this document.

Revised June 16, 2018

# City Council Agenda Item Report

Agenda Item No. COV-239-2020

Submitted by: Angela Melgar

Submitting Department: Finance/Treasury

Meeting Date: July 7, 2020

## **SUBJECT**

Implementation of the City's Local Transactions and Use Tax (April 14, 2020 Measure V)

## **Recommendation:**

- A. Adopt Resolution No. 2020-23 approving and authorizing the Finance Director to execute a Preparatory Agreement and an Administrative Agreement with the California Department of Tax and Fee Administration for the collection and distribution of the Local Transaction Use Tax; and
- B. Adopt Resolution No. 2020-24 authorizing examination of sales, use and transactions tax records.

## **Background:**

At the April 14, 2020 General Municipal Election, the majority of voters of the City of Vernon approved Measure V, adopting Ordinance No. 1269, to increase the sales tax by three-quarter of one percent, providing up to \$6 million annually, to maintain and improve City services including safety, infrastructure, streets and housing. On April 21, 2020, the Council certified the results of the election and ratified Ordinance No. 1269, adding Vernon Municipal Code Chapter 20A to enact a transactions and use tax rate of three-quarters of one percent (0.75%) of the gross receipts of any retailer from the sale of all tangible personal property sold at retail in the incorporated territory of the City. The proceeds from the transactions and use tax shall be deposited in the general fund of the City and available for any lawful governmental purpose.

Pursuant to Vernon Municipal Code Section 20A.1.(b), the City shall contract with the California Department of Tax and Fee Administration (CDTFA) to perform all functions incidental to the administration and operation of this transactions and use tax ordinance. Pursuant to Vernon Municipal Code Section 2.17.12 et seq., competitive bidding or competitive selection is not required because the services are provided by a governmental entity, and because the entity is the sole service provider.

Resolution No. 2020-23 authorizes the Finance Director to execute an agreement with the CDTFA to administer and operate the City's Transactions and Use Tax ordinance and an agreement for State administration of the City's transactions and use taxes.

Resolution No. 2020-24 authorizes examination of sales, use and transactions tax records. The City deems it necessary for its authorized representatives to examine confidential transactions and use tax records of the CDTFA pertaining to transactions and use taxes collected by the Board for the City pursuant to that contract.

## **Fiscal Impact:**

The City shall pay the CDTFA for preparatory work necessary to administer the City's transactions and use tax ordinance. The amount to be paid by the City for the CDTFA's preparatory costs shall not exceed one hundred seventy-five thousand dollars (\$175,000) (Revenue and Taxation Code Section 7272). Additionally, the City agrees to pay to the CDTFA as the State's cost of administering the City Ordinance

such amount as is provided for by law. Such amounts shall be deducted from the taxes collected by the Department for the City.

**Attachments:**

1. [Resolution No. 2020-23 Agreements for Sales Tax Implementation](#)
2. [Resolution No. 2020-24 Examination of Tax Records](#)

RESOLUTION NO. 2020-23

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF VERNON AUTHORIZING THE FINANCE DIRECTOR TO EXECUTE AGREEMENTS WITH THE CALIFORNIA DEPARTMENT OF TAX AND FEE ADMINISTRATION FOR IMPLEMENTATION OF A LOCAL TRANSACTIONS AND USE TAX

SECTION 1. Recitals.

- A. On April 14, 2020, the voters approved Measure V, a three-quarter of one percent sales tax increase.
- B. On April 21, 2020, the City Council certified the results of the election and ratified Ordinance No. 1269 adding Vernon Municipal Code Chapter 20A and providing for a local transactions and use tax.
- C. The California Department of Tax and Fee Administration (Department) administers and collects the transactions and use taxes for all applicable jurisdictions within the state.
- D. The Department will be responsible to administer and collect the transactions and use tax for the City.
- E. The Department requires that the City enter into a "Preparatory Agreement" and an "Administration Agreement" prior to implementation of said taxes.
- F. The Department requires that the City Council authorize the agreements.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF VERNON AS FOLLOWS:

SECTION 2. The City Council of the City of Vernon hereby finds and determines that the above recitals are true and correct.

SECTION 3. The City Council of the City of Vernon hereby approves the Preparatory Agreement, attached hereto as Exhibit A and the Administrative Agreement, attached hereto as Exhibit B.

SECTION 4. The City Council of the City of Vernon hereby authorizes the Finance Director to execute said Agreements for, and on behalf of, the City of Vernon and the City Clerk is hereby authorized to attest thereto.

SECTION 5. The City Council of the City of Vernon hereby instructs the City Administrator, or his designee, to take whatever actions are deemed necessary or

desirable for the purpose of implementing and carrying out the purposes of this Resolution and the transactions herein approved or authorized, including but not limited to, any non-substantive changes to the Agreements attached herein.

SECTION 6. The City Clerk shall certify the passage and adoption of this resolution and enter it into the book of original resolutions.

APPROVED AND ADOPTED this 7<sup>th</sup> day of July, 2020.

\_\_\_\_\_  
LETICIA LOPEZ, Mayor

ATTEST:

\_\_\_\_\_  
LISA POPE, City Clerk  
(seal)

APPROVED AS TO FORM:

\_\_\_\_\_  
ARNOLD M. ALVAREZ-GLASMAN,  
Interim City Attorney

**AGREEMENT FOR PREPARATION TO ADMINISTER AND OPERATE  
CITY'S TRANSACTIONS AND USE TAX ORDINANCE**

In order to prepare to administer a transactions and use tax ordinance adopted in accordance with the provision of Part 1.6 (commencing with Section 7251) of Division 2 of the Revenue and Taxation Code, the City of Vernon, hereinafter called *City*, and the CALIFORNIA DEPARTMENT OF TAX AND FEE ADMINISTRATION, hereinafter called *Department*, do agree as follows:

1. The Department agrees to enter into work to prepare to administer and operate a transactions and use tax in conformity with Part 1.6 of Division 2 of the Revenue and Taxation Code which has been approved by a majority of the electors of the City and whose ordinance has been adopted by the City.

2. City agrees to pay to the Department at the times and in the amounts hereinafter specified all of the Department's costs for preparatory work necessary to administer the City's transactions and use tax ordinance. The Department's costs for preparatory work include costs of developing procedures, programming for data processing, developing and adopting appropriate regulations, designing and printing forms, developing instructions for the Department's staff and for taxpayers, and other appropriate and necessary preparatory costs to administer a transactions and use tax ordinance. These costs shall include both direct and indirect costs as specified in Section 11256 of the Government Code.

3. Preparatory costs may be accounted for in a manner which conforms to the internal accounting and personnel records currently maintained by the Department. The billings for costs may be presented in summary form. Detailed records of preparatory costs will be retained for audit and verification by the City.

4. Any dispute as to the amount of preparatory costs incurred by the Department shall be referred to the State Director of Finance for resolution, and the Director's decision shall be final.

5. Preparatory costs incurred by the Department shall be billed by the Department periodically, with the final billing within a reasonable time after the operative date of the ordinance. City shall pay to the Department the amount of such costs on or before the last day of the next succeeding month following the month when the billing is received.

6. The amount to be paid by City for the Department's preparatory costs shall not exceed one hundred seventy-five thousand dollars (\$175,000) (Revenue and Taxation Code Section 7272.)

7. Communications and notices may be sent by first class United States mail. Communications and notices to be sent to the Department shall be addressed to:

California Department of Tax and Fee Administration  
P.O. Box 942879 MIC: 27  
Sacramento, California 94279-0027

Attention: Administrator  
Local Revenue Branch

Communications and notices to be sent to City shall be addressed to:

City of Vernon  
4305 Santa Fe Avenue  
Vernon, CA 90058  
Attention: Finance Director

8. The date of this agreement is the date on which it is approved by the Department of General Services. This agreement shall continue in effect until the preparatory work necessary to administer City's transactions and use tax ordinance has been completed and the Department has received all payments due from City under the terms of this agreement.

CITY OF VERNON

CALIFORNIA DEPARTMENT OF TAX  
AND FEE ADMINISTRATION

By \_\_\_\_\_  
(Signature)

By \_\_\_\_\_  
Administrator  
Local Revenue Branch

Scott Williams  
(Typed Name)

Finance Director  
(Title)

(Rev. 11/17)

**AGREEMENT FOR STATE ADMINISTRATION  
OF CITY TRANSACTIONS AND USE TAXES**

The City Council of the City of Vernon has adopted, and the voters of the City of Vernon (hereafter called "City" or "District") have approved by the required majority vote, the City of Vernon Transactions and Use Tax Ordinance (hereafter called "Ordinance"), a copy of which is attached hereto. To carry out the provisions of Part 1.6 of Division 2 of the Revenue and Taxation Code and the Ordinance, the California State Department of Tax and Fee Administration, (hereinafter called the "Department") and the City do agree as follows:

**ARTICLE I  
DEFINITIONS**

Unless the context requires otherwise, wherever the following terms appear in the Agreement, they shall be interpreted to mean the following:

1. "District taxes" shall mean the transactions and use taxes, penalties, and interest imposed under an ordinance specifically authorized by Revenue and Taxation Code Section 7261, et seq. and in compliance with Part 1.6, Division 2 of the Revenue and Taxation Code.

2. "City Ordinance" shall mean the City's Transactions and Use Tax Ordinance referred to above and attached hereto, Ordinance No.1269, as amended from time to time, or as deemed to be amended from time to time pursuant to Revenue and Taxation Code Section 7262.2.

**ARTICLE II  
ADMINISTRATION AND COLLECTION  
OF CITY TAXES**

**A. Administration.** The Department and City agree that the Department shall perform exclusively all functions incident to the administration and operation of the City Ordinance.

**B. Other Applicable Laws.** City agrees that all provisions of law applicable to the administration and operation of the Department Sales and Use Tax Law which are not inconsistent with Part 1.6 of Division 2 of the Revenue and Taxation Code shall be applicable to the administration and operation of the City Ordinance. City agrees that money collected pursuant to the City Ordinance may be deposited into the State Treasury to the credit of the Retail Sales Tax Fund and may be drawn from that Fund for any authorized purpose, including making refunds, compensating and reimbursing the Department pursuant to Article IV of this Agreement, and transmitting to City the amount to which City is entitled.

**C. Transmittal of money.**

1. For the period during which the tax is in effect, and except as otherwise provided herein, all district taxes collected under the provisions of the City Ordinance shall be transmitted to City periodically as promptly as feasible, but not less often than twice in each calendar quarter.

2. For periods subsequent to the expiration date of the tax whether by City's self-imposed limits or by final judgment of any court of the State of California holding that City's ordinance is invalid or void, all district taxes collected under the provisions of the City Ordinance shall be transmitted to City not less than once in each calendar quarter.

3. Transmittals may be made by mail or electronic funds transfer to an account of the City designated and authorized by the City. A statement shall be furnished at least quarterly indicating the amounts withheld pursuant to Article IV of this Agreement.

**D. Rules.** The Department shall prescribe and adopt such rules and regulations as in its judgment are necessary or desirable for the administration and operation of the City Ordinance and the distribution of the district taxes collected thereunder.

**E. Preference.** Unless the payor instructs otherwise, and except as otherwise provided in this Agreement, the Department shall give no preference in applying money received for state sales and use taxes, state-administered local sales and use taxes, and district transactions and use taxes owed by a taxpayer, but shall apply moneys collected to the satisfaction of the claims of the State, cities, counties, cities and counties, redevelopment agencies, other districts, and City as their interests appear.

**F. Security.** The Department agrees that any security which it hereafter requires to be furnished by taxpayers under the State Sales and Use Tax Law will be upon such terms that it also will be available for the payment of the claims of City for district taxes owing to it as its interest appears. The Department shall not be required to change the terms of any security now held by it, and City shall not participate in any security now held by the Department.

**G. Records of the Department.**

When requested by resolution of the legislative body of the City under section 7056 of the Revenue and Taxation Code, the Department agrees to permit authorized personnel of the City to examine the records of the Department, including the name, address, and account number of each seller holding a seller's permit with a registered business location in the City, pertaining to the ascertainment of transactions and use taxes collected for the City. Information obtained by the City from examination of the Department's records shall be used by the City only for purposes related to the collection of transactions and use taxes by the Department pursuant to this Agreement.

**H. Annexation.** City agrees that the Department shall not be required to give effect to an annexation, for the purpose of collecting, allocating, and distributing District transactions and use taxes, earlier than the first day of the calendar quarter which commences not less than two months after notice to the Department. The notice shall include the name of the county or counties annexed to the extended City boundary. In the event the City shall annex an area, the boundaries of which are not coterminous with a county or counties, the notice shall include a description of the area annexed and two maps of the City showing the area annexed and the location address of the property nearest to the extended City boundary on each side of every street or road crossing the boundary.

**ARTICLE III**

**ALLOCATION OF TAX**

**A. Allocation.** In the administration of the Department's contracts with all districts that impose transactions and use taxes imposed under ordinances, which comply with Part 1.6 of Division 2 of the Revenue and Taxation Code:

1. Any payment not identified as being in payment of liability owing to a designated district or districts may be apportioned among the districts as their interest appear, or, in the discretion

of the Department, to all districts with which the Department has contracted using ratios reflected by the distribution of district taxes collected from all taxpayers.

2. All district taxes collected as a result of determinations or billings made by the Department, and all amounts refunded or credited may be distributed or charged to the respective districts in the same ratio as the taxpayer's self-declared district taxes for the period for which the determination, billing, refund or credit applies.

**B. Vehicles, Vessels, and Aircraft.** For the purpose of allocating use tax with respect to vehicles, vessels, or aircraft, the address of the registered owner appearing on the application for registration or on the certificate of ownership may be used by the Department in determining the place of use.

#### **ARTICLE IV**

#### **COMPENSATION**

The City agrees to pay to the Department as the State's cost of administering the City Ordinance such amount as is provided for by law. Such amounts shall be deducted from the taxes collected by the Department for the City.

#### **ARTICLE V**

#### **MISCELLANEOUS PROVISIONS**

**A. Communications.** Communications and notices may be sent by first class United States mail to the addresses listed below, or to such other addresses as the parties may from time to time designate. A notification is complete when deposited in the mail.

Communications and notices to be sent to the Department shall be addressed to:

California State Department of Tax and Fee Administration  
P.O. Box 942879  
Sacramento, California 94279-0027

Attention: Administrator  
Local Revenue Branch

Communications and notices to be sent to the City shall be addressed to:

City of Vernon  
4305 Santa Fe Avenue  
Vernon, CA 90058  
Attention: Finance Director

**Unless otherwise directed, transmittals of payment of District transactions and use taxes will be sent to the address above.**

**B. Term.** The date of this Agreement is the date on which it is approved by the Department of General Services. The Agreement shall take effect on October 1, 2020. This Agreement shall continue until December 31 next following the expiration date of the City Ordinance, and shall thereafter be renewed automatically from year to year until the Department completes all work necessary to the administration of the City Ordinance and has received and disbursed all payments due under that Ordinance.

**C. Notice of Repeal of Ordinance.** City shall give the Department written notice of the repeal of the City Ordinance not less than 110 days prior to the operative date of the repeal.

**ARTICLE VI**  
**ADMINISTRATION OF TAXES IF THE**  
**ORDINANCE IS CHALLENGED AS BEING INVALID**

**A. Impoundment of funds.**

1. When a legal action is begun challenging the validity of the imposition of the tax, the City shall deposit in an interest-bearing escrow account, any proceeds transmitted to it under Article II. C., until a court of competent jurisdiction renders a final and non-appealable judgment that the tax is valid.

2. If the tax is determined to be unconstitutional or otherwise invalid, the City shall transmit to the Department the moneys retained in escrow, including any accumulated interest, within ten days of the judgment of the trial court in the litigation awarding costs and fees becoming final and non-appealable.

**B. Costs of administration.** Should a final judgment be entered in any court of the State of California, holding that City's Ordinance is invalid or void, and requiring a rebate or refund to taxpayers of any taxes collected under the terms of this Agreement, the parties mutually agree that:

1. Department may retain all payments made by City to Department to prepare to administer the City Ordinance.

2. City will pay to Department and allow Department to retain Department's cost of administering the City Ordinance in the amounts set forth in Article IV of this Agreement.

3. City will pay to Department or to the State of California the amount of any taxes plus interest and penalties, if any, that Department or the State of California may be required to rebate or refund to taxpayers.

4. City will pay to Department its costs for rebating or refunding such taxes, interest, or penalties. Department's costs shall include its additional cost for developing procedures for processing

the rebates or refunds, its costs of actually making these refunds, designing and printing forms, and developing instructions for Department's staff for use in making these rebates or refunds and any other costs incurred by Department which are reasonably appropriate or necessary to make those rebates or refunds. These costs shall include Department's direct and indirect costs as specified by Section 11256 of the Government Code.

5. Costs may be accounted for in a manner, which conforms to the internal accounting, and personnel records currently maintained by the Department. The billings for such costs may be presented in summary form. Detailed records will be retained for audit and verification by City.

6. Any dispute as to the amount of costs incurred by Department in refunding taxes shall be referred to the State Director of Finance for resolution and the Director's decision shall be final.

7. Costs incurred by Department in connection with such refunds shall be billed by Department on or before the 25th day of the second month following the month in which the judgment of a court of the State of California holding City's Ordinance invalid or void becomes final. Thereafter Department shall bill City on or before the 25th of each month for all costs incurred by Department for the preceding calendar month. City shall pay to Department the amount of such costs on or before the last day of the succeeding month and shall pay to Department the total amount of taxes, interest, and penalties refunded or paid to taxpayers, together with Department costs incurred in making those refunds.

CITY OF VERNON

CALIFORNIA STATE DEPARTMENT OF  
TAX AND FEE ADMINISTRATION

By \_\_\_\_\_  
(Signature)

By \_\_\_\_\_  
Administrator  
Local Revenue Branch

Scott Williams  
(Typed Name)

Finance Director  
(Title)

RESOLUTION NO. 2020-24

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF VERNON  
AUTHORIZING EXAMINATION OF SALES, USE AND TRANSACTIONS  
TAX RECORDS

SECTION 1. Recitals.

A. Pursuant to Ordinance No. 1269 of the City of Vernon (City) and Section 7270 of the Revenue and Taxation Code, the City entered into a contract with the California Department of Tax and Fee Administration (CDTFA) to perform all functions incident to the administration and operation of the Transactions and Use Tax Ordinance.

B. The City deems it desirable and necessary for authorized representatives of the City to examine confidential transactions and use tax records of the California Department of Tax and Fee Administration pertaining to transactions and use taxes collected by the Board for the City pursuant to that contract.

C. Section 7056 of the Revenue and Taxation Code sets forth certain requirements and conditions for the disclosure of California Department of Tax and Fee Administration records and establishes criminal penalties for the unlawful disclosure of information contained in or derived from, the transactions and use tax records of the Board.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF VERNON AS FOLLOWS:

SECTION 2. The City Council of the City of Vernon hereby finds and determines that the above recitals are true and correct.

SECTION 3. The City Council of the City of Vernon hereby appoints the City Administrator, Finance Director, Assistant Finance Director, Economic Development Manager, Deputy City Treasurer, Senior Accountant and any other officer or employee of the City designated in writing by the City Administrator to the California Department of Tax and Fee Administration (hereafter referred to as the CDTFA) to represent the City with authority to examine sales, transactions and use tax records of the CDTFA pertaining to sales, transactions and use taxes collected for the City by the CDTFA pursuant to the contract between the City and the CDTFA. The information obtained by examination of CDTFA records shall be used only for purposes related to the collection of the City's sales, transactions and use taxes by the CDTFA pursuant to the contract.

SECTION 4. The City Council of the City of Vernon hereby appoints the City Administrator or any other officer or employee of the City designated in writing by the City Administrator to the CDTFA to represent the City with authority to examine those transactions and use tax records of the Board for purposes related to the following governmental functions of the City:

- a) City Administration
- b) Revenue management and budgeting
- c) Community and economic development
- d) Business license tax administration
- e) Transportation Planning
- f) Forecasting

The information obtained by examination of CDTFA records shall be used only for those governmental functions of the City listed above.

SECTION 5. The City Council of the City of Vernon hereby designates Avenu MuniServices, LLC to examine the sales, transactions and use tax records of the California Department of Tax and Fee Administration pertaining to transactions and use taxes collected for the City by the Department. The person or entity designated by this section meets all of the following conditions:

- a) has an existing contract with the City to examine those sales, transactions and use tax records;
- b) is required by that contract to disclose information contained in, or derived from those transactions and use tax records only to the officer(s) or employee(s) authorized under Section 3 or Section 4 of this Resolution to examine the information;
- c) is prohibited by that contract from performing consulting services for a retailer during the term of that contract; and
- d) is prohibited by that contract from retaining the information contained in or derived from those transactions and use tax records after that contract has expired.

SECTION 6. The information obtained by examination of Board records shall be used only for purposes related to the collection of City's sales, transactions and use taxes by the Board pursuant to the contracts between the City and Board.

SECTION 7. The City Clerk shall certify the passage and adoption of this resolution and enter it into the book of original resolutions.

APPROVED AND ADOPTED this 7<sup>th</sup> day of July, 2020.

\_\_\_\_\_  
LETICIA LOPEZ, Mayor

ATTEST:

\_\_\_\_\_  
LISA POPE, City Clerk  
(seal)

APPROVED AS TO FORM:

\_\_\_\_\_  
ARNOLD M. ALVAREZ-GLASMAN,  
Interim City Attorney

# City Council Agenda Item Report

Agenda Item No. COV-240-2020  
Submitted by: Mark Aumentado  
Submitting Department: Public Utilities  
Meeting Date: July 7, 2020

## **SUBJECT**

Acceptance of Work and Notice of Completion for Contract No. LP-0496: Well No. 22 Construction Project - Phase 1

## **Recommendation:**

Accept the work as complete and authorize the General Manager of Public Utilities to submit the Notice of Completion to the Los Angeles County Registrar-Recorder/County Clerk for Phase One of the Well No. 22 Construction Project, Contract No. LP-0496 completed by Zim Industries, Inc.

## **Background:**

On July 16, 2019, the City Council approved City Contract LP-0496 – Well No. 22 Construction Project to Zim Industries, Inc. (Zim) in the amount of \$2,018,796.00 for Phase One, drilling and casing of the new potable water production well, and granted the City Administrator authority to issue change orders up to a specified contingency amount if necessary. Once complete and operational, the water production well will serve to increase the productivity and reliability of the City's water supply. New well construction is a two-phase process, with the second phase equipping the well with its permanent pump, motor, and other equipment necessary to operate the well and provide potable water. Plans and specifications for Phase Two are being developed and construction is anticipated to begin January 2021. Once equipped and operational, the well is projected to produce approximately 2,000 gallons per minute of potable water.

The project specifications for Phase One identified a target depth of 1,600 feet below the ground surface for the new well. However, upon drilling a total depth of 1,165 feet, it was determined that the four aquifer zones specifically targeted for potable water were intercepted at a shallower depth. There was no benefit to drilling any additional depth and a cost savings was realized. A 25-foot bentonite seal was installed at the bottom of the drilled hole, and then the well was cased to a total depth of 1,120 feet below the ground surface.

On February 20, 2020 the City Administrator approved Change Order No. 1 extending the time for Zim to complete the project by thirty-two additional calendar days. The additional time was necessary as unforeseen conditions and problems encountered during the drilling and reaming processes as well as delays in laboratory test results ultimately led to delays in the procurement of the well casing. No further compensation was included in the change order. Development and test pumping activities concluded in March 2020. The final disinfection of the well was performed on April 6, 2020. On April 13, 2020, the well was capped to protect it in preparation for the second phase and future development. Construction work for the Phase One project was completed on April 13, 2020, in accordance with the project specifications and staff expectations. Remaining items including lab sample results have been received by staff and all invoices for the work have been processed with the exception of the retention. Once the Notice of Completion is recorded and the work accepted, staff will process payment for the retention accordingly.

The Notice of Completion (Attachment 1) was approved as to form by the City Attorney's Office.

**Fiscal Impact:**

Phase One of the Well No. 22 Construction Project was completed by Zim Industries, Inc. for a total amount of \$1,715,161.07, resulting in an amount of \$303,634.93 under the approved budgeted amount. There is no cost associated with submitting the Notice of Completion for recordation with the County Clerk.

**Attachments:**

1. [Notice of Completion - City Contract No. LP-0496](#)

Recording Requested By  
City of Vernon, Public Utilities Department  
Fee Waived Pursuant To Govt. Code 6103

When Recorded Mail To:  
City of Vernon  
Office of the City Clerk  
4305 Santa Fe Avenue  
Vernon, CA 90058

SPACE ABOVE THIS LINE RESERVED FOR RECORDER'S USE

## NOTICE OF COMPLETION

NOTICE OF COMPLETION IS HEREBY GIVEN that

1. The City of Vernon, whose address is 4305 Santa Fe Avenue, Vernon, California, as Owner of the public work of improvement known as the **Well No. 22 Construction Project**, located at 2828 East 50<sup>th</sup> Street, Vernon, CA 90058 as improved in accordance with **Contract No. LP-0496** between **Zim Industries, Inc.** whose address is: **4532 East Jefferson Avenue, Fresno, CA 93725** as CONTRACTOR, and the PUBLIC UTILITIES DEPARTMENT of the City of Vernon for the following work, to wit:

Furnish all transportation, equipment, materials, labor, supplies and services necessary **for drilling and casing a new potable water production well**, as described within the project specifications.

2. Notice is given that the Work of Contract No. **LP-0496**, as amended by Owner-approved changes, if any, was accepted on **July 7, 2020** by City Council, provided, however, this notice does not alter the responsibility of the Contractor for any failure to comply with the requirements of the Contract Documents including, but not limited to, Contractor's liability for any unauthorized or non-conforming work and does not constitute acceptance of any disputed claims.
3. The nature of the interest or state of owner is in fee.

This notice is given in accordance with the provisions of Section 3093 of the Civil Code of the State of California.

Dated: \_\_\_\_\_

PUBLIC UTILITIES DEPARTMENT  
CITY OF VERNON

ATTEST:

BY: \_\_\_\_\_  
Abraham Alemu,  
General Manager of Public Utilities

\_\_\_\_\_  
Lisa Pope, City Clerk

### VERIFICATION

I, Abraham Alemu, General Manager of Public Utilities, state that I am an officer of the City of Vernon; that I have read the foregoing Notice of Completion and know the contents thereof and that the same is true of my own knowledge, except as to the matters which are therein stated on information or belief, and as to those matters I believe them to be true. I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct. Executed in the City of Vernon on the above stated date.

Approved as to Form:

\_\_\_\_\_  
Abraham Alemu,  
General Manager of Public Utilities

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

# City Council Agenda Item Report

Agenda Item No. COV-236-2020

Submitted by: Adriana Ramos

Submitting Department: Fire Department

Meeting Date: July 7, 2020

## **SUBJECT**

Amendment No. 2 to Services Agreement with JSB Fire Protection, LLC.

## **Recommendation:**

Approve and authorize the City Administrator to execute Amendment No. 2 to the Services Agreement with JSB Fire Protection, LLC (JSB) in substantially the same form as submitted, granting up to a five (5) month extension for an amount not to exceed \$10,000 to cover anticipated fire plan check costs through the end of the proposed extension.

## **Background:**

On August 1, 2017, the City of Vernon entered into a three-year services agreement with JSB (Contract No. FD-0224), to provide On-Call Fire Protection Systems Plan Check Services. The three-year contract with JSB was for an amount not-to-exceed \$78,000 and a term ending date of July 31, 2020. On August 6, 2019, the City Council approved a contract for firefighting and fire related services with the Consolidated Fire District of the County of Los Angeles (District). On August 20, 2019, the City Council approved Amendment No. 1 to the services agreement with JSB, increasing the contract value from \$78,000 to \$163,000 to cover anticipated fire plan check costs through the end of the service contract.

The Vernon Fire Department is responsible for ensuring that fire protection and life safety systems are maintained in the City. With the pending transition to the District anticipated to occur by November 2020, an extension to the current agreement will ensure that there is no interruption in service. City staff is proposing to extend the agreement with JSB, with an effective date of August 1, 2020 through December 31, 2020, or until the transition with the District occurs; whichever comes first.

Amendment No. 2 would increase the contract cost from \$163,000 to \$173,000. Pursuant to Vernon Municipal Code Section 2.17.02(B), City Council approval is required since the total contract dollar amount would be in excess of \$100,000. Therefore, the Fire Department respectfully recommends that the City Council approve Amendment No. 2 to extend the Services Agreement with JSB and increase funds to the contract, as this will cover anticipated fire plan check costs through the end of the proposed extension. When the transition to the District occurs, the City can terminate its services with JSB upon fifteen (15) calendar days' written notice to JSB pursuant to Section 10.17 of the services agreement. The amendment has been reviewed and approved by the City Attorney's office.

## **Fiscal Impact:**

Amendment No. 2 would increase the agreement amount by \$10,000, resulting in a new total contract amount of \$173,000. Funds for this agreement have been included in Fiscal Year 2020-21 Budget - Account No. 011.1033.595200 - Professional Services Technical.

## **Attachments:**

1. [Amendment No. 2 - JSB Services Agreement](#)

**AMENDMENT NO. 2 TO THE SERVICES AGREEMENT BETWEEN THE CITY OF  
VERNON AND JSB FIRE PROTECTION, LLC REGARDING ON-CALL FIRE  
PROTECTION SYSTEMS PLAN CHECK SERVICES**

This Amendment (“Amendment No. 2”) to that certain Agreement for on-call fire protection systems plan check services dated August 1, 2017, (the “Agreement”), is made as of August 1, 2020 by and between the City of Vernon, a California charter city and municipal corporation (the “City”), and JSB Fire Protection, LLC (“Contractor”), a limited liability company.

WHEREAS, the City and Contractor are parties to a written Agreement dated August 1, 2017, as amended, under which Contractor provides on-call fire protection systems plan check services; and

WHEREAS, the Vernon City Council approved a contract for firefighting and fire related services with the Consolidated Fire District of the County of Los Angeles on August 6, 2019; and

WHEREAS, the City and Contractor desire to amend the Agreement to extend the Agreement, as set forth below, for a total amount not to exceed \$10,000.00.

NOW, THEREFORE, the parties to this Amendment No. 2 agree as follows:

1. The Agreement has been extended through December 31, 2020, or until the commencement date of City service by the Consolidated Fire District of the County of Los Angeles (the “District”), whichever occurs first. The Termination Date listed on the Cover Page and Section 4.0 of the Agreement is amended to December 31, 2020, or the commencement date of City service by the District, whichever occurs first.

2. Contractor’s grand total amount consideration for the period of August 1, 2017 through the Agreement end date shall not exceed a total amount of \$173,000.00.

3. Except as expressly modified by this Amendment No. 2, all provisions of the Agreement shall remain in full force and effect.

4. The provisions of this Amendment No. 2 shall constitute the entire agreement of the parties with respect to the subject matter included in this Amendment No. 2 and shall supersede any other agreement, understanding, or arrangement, whether written or oral, between the parties with respect to the subject matter of this Amendment No. 2, with the exception of joint representation and/or conflict waiver agreements related to matters handled by Contractor.

5. The person or persons executing this Amendment No. 2 on behalf of each of the parties warrants and represents that he or she has the authority to execute this Amendment No. 2 on behalf of that party and has the authority to bind that party to the performance of its obligations hereunder.

IN WITNESS WHEREOF, the parties have signed this Amendment No. 2 as of the date stated in the introductory clause.

[SIGNATURES FOLLOW ON NEXT PAGE]

CITY OF VERNON, a California charter city  
and municipal corporation

JSB Fire Protection, LLC, a limited liability  
company

By: \_\_\_\_\_  
Carlos Fandino, City Administrator

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

ATTEST:

\_\_\_\_\_  
Lisa Pope, City Clerk

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

APPROVED AS TO FORM:

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

# City Council Agenda Item Report

Agenda Item No. COV-245-2020  
Submitted by: Daniel Wall  
Submitting Department: Public Works  
Meeting Date: July 7, 2020

## **SUBJECT**

Public Works Street Operations Division Vehicles

## **Recommendation:**

Approve the purchase of a Ford F-550 with Knapheide dump body and equipment, and a Ford F-550 with Knapheide KUV body and equipment, through Sourcewell, for a total cost of \$141,151.87.

## **Background:**

The adopted Public Works Department Street Operations Division FY 2019/2020 budget included planned capital expenditures for the purchase of a new dump truck and new graffiti truck.

The dump truck and the graffiti truck are important pieces of equipment needed to allow the Street Operations Division to more effectively meet the needs of the City. The City of Vernon is a member of Sourcewell, formally the National Joint Powers Alliance, which offers members cooperative buying contracts. Pursuant to Vernon Municipal Code Chapter 2, Article IV, Section 2.17.12(A)(5), purchase of the proposed vehicles are exempt from competitive bidding since Sourcewell's practice ensures that members receive the lowest price available using competitive bidding. The quote secured for this potential purchase is with a company that sells equipment based on a Sourcewell contract and, in the opinion of the Finance Director, it is to the advantage of the City to procure the vehicle from the selected vendor.

Staff recommends approval of the purchase of a Ford F-550 with Knapheide dump body and equipment for \$64,996.01, and a Ford F-550 with Knapheide KUV body and equipment for \$76,155.86, through Sourcewell, for a total cost of \$141,151.87.

## **Fiscal Impact:**

The fiscal impact of the proposed purchase is \$141,151.87. If approved, the cost would be charged to the fund balance in capital account number 011.1043.900000, carried over from the FY 2019/2020 budget. The Street Operations Division had budgeted \$80,000 for the dump truck and \$250,000 for the graffiti truck.

## **Attachments:**

1. [Dump Truck Sourcewell Quote ID#23979 R4](#)
2. [Graffiti Truck Sourcewell Quote ID#13575 R1](#)



# National Auto Fleet Group

A Division of Chevrolet of Watsonville

490 Auto Center Drive, Watsonville, CA 95076

(855) 289-6572 • (831) 480-8497 Fax

Fleet@NationalAutoFleetGroup.com

4/30/2020

5/8/2020 Re-Configured

Quote ID: **23979 R4**

Order Cut Off Date: **TBA**

John Cordova  
City of Vernon  
Public Works

4305 Santa Fe Ave

Vernon , California, 90058

Dear John Cordova,

National Auto Fleet Group is pleased to quote the following vehicle(s) for your consideration.

**One (1) New/Unused (2020 Ford Super Duty F-550 DRW (F5G) XL 2WD Reg Cab 169" WB 84" CA, Knapheide Dump Body Proposal JM00000790)** and delivered to your specified location, each for

**One Unit**

Contract Price	\$41,449.50
Knapheide Dump Body Proposal JM00000790	\$17,898.00
Tax (9.5000 %)	\$5,638.01
Tire fee	\$10.50
Total	\$64,996.01

- per the attached specifications.

This vehicle(s) is available under the **Sourcewell (Formerly Known as NJPA) Contract 120716-NAF** . Please reference this Contract number on all purchase orders to National Auto Fleet Group. Payment terms are Net 20 days after receipt of vehicle.

Thank you in advance for your consideration. Should you have any questions, please do not hesitate to call.

Sincerely,

Jesse Cooper  
Account Manager  
Email: Fleet@NationalAutoFleetGroup.com  
Office: (855) 289-6572  
Fax: (831) 480-8497



**GMC**

**In order to Finalize your Quote, please submit this purchase packet to your governing body for Purchase Order Approval. Once you issue a Purchase Order please send by:**

**Fax: (831) 480-8497**

**Mail: National Auto Fleet Group  
490 Auto Center Drive  
Watsonville, CA 95076**

**Email: Fleet@NationalAutoFleetGroup.com**

**We will then send a W-9 if you need one**

**Please contact our main office with any questions:  
1-855-289-6572**

# KNAPHEIDE

SINCE 1848

Knapheide Truck Eq Co - CA  
 405 Gandy Dancer Rd  
 Tracy CA 95377  
 Phone: 209-855-8400  
 Fax: 209-835-2128  
 www.tracy.knapheide.com

## QUOTATION

Quote ID: JM00000790

Page 1 of 2

Customer: NATIONAL AUTO FLEET GROUP  
 490 AUTO CENTER DRIVE  
 WATSONVILLE CA 95076

Quote Number: JM00000790  
 Quote Date: 5/5/2020  
 Quote valid until: 6/4/2020

Contact: NEIL CARROLL  
 Phone: 855-289-6572  
 Fax: 1-831-480-8497

By: Prepared jmckenzie  
 Salesperson: MELVIN JACKSON  
 PO#:

**Enduser:**

Make: FORD	Model: F-550	Year: 2020	Single/Dual: DRW
Cab Type: REGULAR	Wheelbase: 169.0	Cab-to-Axle: 84.0	VIN: CUSTOMER SUPPLIED CHASSIS

QTY	PART NUMBER	DESCRIPTION	UNIT PRICE	AMOUNT
1		KDBDS1116A KNAPHEIDE MODEL DUMP BODY 11'.25" LONG X 87" ID, 96' WIDE 4.04 YARD CAPACITY WITH OUT POLY BOARD EXTENSIONS 1/4 CAB SHIELD PROTECTOR (TAPERED) WITH PUNCHED WINDOW 16" FOLD DOWN SIDES 22" TALL DOUBLE ACTING TAILGATE TWO PIECE 7 GAUGE HIGH TENSILE, FULL SEAM WELDED FLOOR 10 GAUGE FRONT AND 12 GAUGE SIDES KH-1520SF-ED ELECTRIC DOUBLE ACTING HOIST WITH PENDENT SWITCH CONTROL LED CLEARANCE LIGHT OVAL LED STOP/TURN/TAIL FLUSH MOUNT LIGHTS IN REAR POSTS BLACK FINISH SINGLE STAGE PAINT 97 dB BACK UP ALARM, IN CAB BED UP LIGHT INDICATOR CLASS V RECEIVER HITCH/ICC BUMPER WITH 7-WAY TRAILER PLUG MUD FLAPS WITH ANTI-SAIL BRACKETS & FUEL BRACKET KIT	\$14,065.00	\$14,065.00
1		WINDOW SHADE STYLE TARP, 84" X 16' MESH TARP	\$1,280.00	\$1,280.00
1		KNAPHEIDE STEEL UNDER BODY TOOLBOX 36"L X 18"H X 18"D, T- HANDLE LATCH, BLACK (1) MOUNTED UNDER EACH SIDE FRONT OF REAR AXLE	\$1,194.00	\$1,194.00
1		INSTALL OE BACKUP CAMERA	\$210.00	\$210.00
1		PDI	\$250.00	\$250.00
1		DELIVERY TO VERNON, CA	\$899.00	\$899.00

Quote Total: \$17,898.00  
 Discount: \$0.00

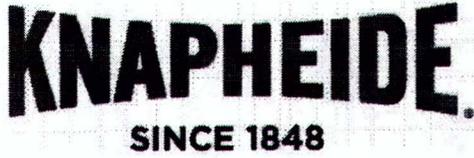
Total Due(Sales tax not included): \$17,898.00

**The following options may be added:**

QUANTITY	DESCRIPTION	PRICE EACH	AMOUNT	ADD TO QUOTE
1	METERING CHUTE IN 22" TAILGATE ON 3-4 YARD DUMP BODIES	\$365.00	\$365.00	Yes / No

**Notes:**

This Quote is subject to the following terms and conditions:



Knapheide Truck Eq Co - CA  
405 Gandy Dancer Rd  
Tracy CA 95377  
Phone: 209-855-8400  
Fax: 209-835-2128  
www.tracy.knapheide.com

**QUOTATION**

Quote ID: JM00000790

Page 2 of 2

**Credit Card Policy**

We do not accept credit cards for payment of any order in excess of \$3,000.00. For other orders, we do accept MasterCard, American Express, Visa and Discover cards for payment.

**Pricing Policy**

- Price Quotation is good on orders received through the expiration date.
- Pricing quoted applies to chassis make/model originally provided and quantity quoted. Any change may result in price change.
- Orders are subject to all applicable state, local and federal excise taxes. Applicable taxes will be applied on final billing to customer upon completion of order.

**Payment Policy**

- Payment Terms are due upon receipt of signed quote unless prior credit agreement has been established at the time of order.
- Payment terms for customers with an established credit account will be Net 30 from date of invoice.
- Knapheide has right to assess late charges at 1.5% per month on all invoices that are 60 days or more past due.

**Return Policy**

- All sales are final. Purchased parts or products are non returnable.

**Cancellation Policy**

- Payment is due in full upon cancellation of any orders for non-stocked parts or products (provided part/product has been ordered by Knapheide) and upon cancellation of installation orders, once product installation has begun.

Customer agrees and understands this Quote is an offer to sell subject to the terms and conditions above and any additional terms or modifications are hereby objected to, unless mutually agreed upon in writing by Customer and Knapheide. The undersigned represents and warrants that he/she is duly authorized to sign below on behalf of Customer and thereby accepts offer and Knapheide will begin processing the order.

Customer must fill out the information below before the order can be processed...

Signature & Print Accepted by:	
Date:	
P.O. number:	

## Vehicle Configuration Options

ENGINE	
Code	Description
99N	ENGINE: 7.3L 2V DEVCT NA PFI V8 GAS, (STD)
TRANSMISSION	
Code	Description
44G	TRANSMISSION: TORQSHIFT 10-SPEED AUTOMATIC, -inc: selectable drive modes: normal, tow/haul, eco, deep sand/snow and slippery (STD)
TIRES	
Code	Description
TGJ	TIRES: 225/70RX19.5G BSW A/P, (STD)
PRIMARY PAINT	
Code	Description
Z1	OXFORD WHITE
PAINT SCHEME	
Code	Description
___	STANDARD PAINT
SEAT TYPE	
Code	Description
AS	MEDIUM EARTH GRAY, HD VINYL 40/20/40 SPLIT BENCH SEAT, -inc: center armrest, cupholder, storage and driver's side manual lumbar
AXLE RATIO	
Code	Description
X8L	LIMITED SLIP W/4.88 AXLE RATIO
ADDITIONAL EQUIPMENT	
Code	Description
96V	XL VALUE PACKAGE, -inc: XL Decor Group, Chrome Front Bumper, Steering Wheel-Mounted Cruise Control
90L	POWER EQUIPMENT GROUP, -inc: Deletes passenger side lock cylinder, upgraded door-trim panel, Accessory Delay, Advanced Security Pack, SecuriLock Passive Anti-Theft System (PATS) and inclination/intrusion sensors, MyKey, owner controls feature, Power Locks, Remote Keyless Entry, Folding Trailer Tow Mirrors w/Power Heated Glass, manual telescoping, heated convex spotter mirror and integrated clearance lamps/turn signals, Power Front Side Windows, 1-touch up/down driver/passenger window
17F	XL DECOR GROUP, -inc: Chrome Front Bumper

67B	397 AMP ALTERNATORS
86M	DUAL 78 AH BATTERY
52B	TRAILER BRAKE CONTROLLER, -inc: smart trailer tow connector, Verified to be compatible w/electronic actuated drum brakes only
68M	GVWR: 19,500 LB PAYLOAD PLUS UPGRADE PACKAGE, -inc: upgraded frame, rear-axle and low deflection/high capacity springs, Increases max RGAWR to 14, 706, Note: See Order Guide Supplemental Reference for further details on GVWR
67X	EXTRA HEAVY-SERVICE SUSPENSION PACKAGE, -inc: pre-selected extra heavy-service front springs (see Order Guide Supplemental Reference for springs/FGAWR of specific vehicle configurations), Recommended only on vehicles which will permanently utilize aftermarket equipment such as heavy-duty winches, brush guards or other apparatus which loads the front axle to the specified Gross Axle Weight Rating (GAWR), NOTE 1: May result in a deterioration of ride quality, NOTE 2: Vehicle ride height will increase w/the addition of this package
76C	EXTERIOR BACKUP ALARM (PRE-INSTALLED), -inc: Custom accessory
512	SPARE TIRE, WHEEL & JACK, -inc: Excludes carrier, 6-Ton Hydraulic Jack
18B	PLATFORM RUNNING BOARDS
942	DAYTIME RUNNING LAMPS (DRL), -inc: The non-controllable 942 Daytime Running Lamps (DRL) replace the standard Daytime Running Lamps (DRL) on/off cluster controllable
61J	6-TON HYDRAULIC JACK
525	STEERING WHEEL-MOUNTED CRUISE CONTROL
872	REAR VIEW CAMERA & PREP KIT, -inc: Pre-installed content includes cab wiring and frame wiring to the rear most cross member, Upfitters kit includes camera w/mounting bracket, 20' jumper wire and camera mounting/aiming instructions
43C	110V/400W OUTLET, -inc: 1 in-dash mounted outlet
<b>OPTION PACKAGE</b>	
<b>Code</b>	<b>Description</b>
660A	ORDER CODE 660A

# 2020 Fleet/Non-Retail Ford Super Duty F-550 DRW XL 2WD Reg Cab 169" WB 84" CA

## WINDOW STICKER

2020 Ford Super Duty F-550 DRW XL 2WD Reg Cab 169" WB 84" CA

CODE	MODEL	MSRP
F5G	2020 Ford Super Duty F-550 DRW XL 2WD Reg Cab 169" WB 84" CA	\$40,870.00
<b>OPTIONS</b>		
99N	ENGINE: 7.3L 2V DEVCT NA PFI V8 GAS, (STD)	\$0.00
44G	TRANSMISSION: TORQSHIFT 10-SPEED AUTOMATIC, -inc: selectable drive modes: normal, tow/haul, eco, deep sand/snow and slippery (STD)	\$0.00
TGJ	TIRES: 225/70RX19.5G BSW A/P, (STD)	\$0.00
Z1	OXFORD WHITE	\$0.00
—	STANDARD PAINT	\$0.00
AS	MEDIUM EARTH GRAY, HD VINYL 40/20/40 SPLIT BENCH SEAT, -inc: center armrest, cupholder, storage and driver's side manual lumbar	\$0.00
X8L	LIMITED SLIP W/4.88 AXLE RATIO	\$360.00
96V	XL VALUE PACKAGE, -inc: XL Decor Group, Chrome Front Bumper, Steering Wheel-Mounted Cruise Control	\$395.00
90L	POWER EQUIPMENT GROUP, -inc: Deletes passenger side lock cylinder, upgraded door-trim panel, Accessory Delay, Advanced Security Pack, SecuriLock Passive Anti-Theft System (PATS) and inclination/intrusion sensors, MyKey, owner controls feature, Power Locks, Remote Keyless Entry, Folding Trailer Tow Mirrors w/Power Heated Glass, manual telescoping, heated convex spotter mirror and integrated clearance lamps/turn signals, Power Front Side Windows, 1-touch up/down driver/passenger window	\$915.00
17F	XL DECOR GROUP, -inc: Chrome Front Bumper	INC
67B	397 AMP ALTERNATORS	\$115.00
86M	DUAL 78 AH BATTERY	\$0.00
52B	TRAILER BRAKE CONTROLLER, -inc: smart trailer tow connector, Verified to be compatible w/electronic actuated drum brakes only	\$270.00
68M	GVWR: 19,500 LB PAYLOAD PLUS UPGRADE PACKAGE, -inc: upgraded frame, rear-axle and low deflection/high capacity springs, Increases max RGAWR to 14, 706, Note: See Order Guide Supplemental Reference for further details on GVWR	\$1,155.00
67X	EXTRA HEAVY-SERVICE SUSPENSION PACKAGE, -inc: pre-selected extra heavy-service front springs (see Order Guide Supplemental Reference for springs/FGAWR of specific vehicle configurations), Recommended only on vehicles which will permanently utilize aftermarket equipment such as heavy-duty winches, brush guards or other apparatus which loads the front axle to the specified Gross Axle Weight Rating (GAWR), NOTE 1: May result in a deterioration of ride quality, NOTE 2: Vehicle ride height will increase w/the addition of this package	\$125.00
76C	EXTERIOR BACKUP ALARM (PRE-INSTALLED), -inc: Custom accessory	\$140.00
512	SPARE TIRE, WHEEL & JACK, -inc: Excludes carrier, 6-Ton Hydraulic Jack	\$350.00
18B	PLATFORM RUNNING BOARDS	\$320.00
942	DAYTIME RUNNING LAMPS (DRL), -inc: The non-controllable 942 Daytime Running Lamps (DRL) replace the standard Daytime Running Lamps (DRL) on/off cluster controllable	\$45.00
61J	6-TON HYDRAULIC JACK	INC

525	STEERING WHEEL-MOUNTED CRUISE CONTROL	INC
872	REAR VIEW CAMERA & PREP KIT, -inc: Pre-installed content includes cab wiring and frame wiring to the rear most cross member, Upfitters kit includes camera w/mounting bracket, 20' jumper wire and camera mounting/aiming instructions	\$415.00
43C	110V/400W OUTLET, -inc: 1 in-dash mounted outlet	\$175.00
660A	ORDER CODE 660A	\$0.00

Please note selected options override standard equipment

<b>SUBTOTAL</b>	<b>\$45,650.00</b>
Advert/ Adjustments	\$0.00
Manufacturer Destination Charge	\$1,695.00
<b>TOTAL PRICE</b>	<b>\$47,345.00</b>

Est City: N/A MPG  
 Est Highway: N/A MPG  
 Est Highway Cruising Range: N/A mi

Any performance-related calculations are offered solely as guidelines. Actual unit performance will depend on your operating conditions.

## Standard Equipment

### MECHANICAL

Engine: 7.3L 2V DEVCT NA PFI V8 Gas
Transmission: TorqShift 10-Speed Automatic -inc: selectable drive modes: normal, tow/haul, eco, deep sand/snow and slippery
4.88 Axle Ratio
GVWR: 18,000 lbs Payload Package
50-State Emissions System
Transmission w/Oil Cooler
Rear-Wheel Drive
78-Amp/Hr 750CCA Maintenance-Free Battery w/Run Down Protection
HD 240 Amp Alternator
Towing Equipment -inc: Trailer Sway Control
Trailer Wiring Harness
11290# Maximum Payload
HD Shock Absorbers
Front And Rear Anti-Roll Bars
Firm Suspension
Hydraulic Power-Assist Steering
40 Gal. Fuel Tank
Single Stainless Steel Exhaust
Dual Rear Wheels
Front Suspension w/Coil Springs
Leaf Rear Suspension w/Leaf Springs
4-Wheel Disc Brakes w/4-Wheel ABS, Front And Rear Vented Discs and Brake Assist
Upfitter Switches

### EXTERIOR

Wheels: 19.5" x 6" Argent Painted Steel -inc: Hub covers/center ornaments not included
Tires: 225/70Rx19.5G BSW A/P
Clearcoat Paint
Black Front Bumper w/Black Rub Strip/Fascia Accent and 2 Tow Hooks
Black Fender Flares
Black Side Windows Trim and Black Front Windshield Trim
Black Door Handles
Black Manual Side Mirrors w/Manual Folding
Manual Extendable Trailer Style Mirrors
Fixed Rear Window
Light Tinted Glass

## Variable Intermittent Wipers

Aluminum Panels

Front Splash Guards

Black Grille

Front License Plate Bracket

Autolamp Fully Automatic Aero-Composite Halogen Daytime Running Lights Preference Setting  
Headlamps w/Delay-Off

Cab Clearance Lights

**ENTERTAINMENT**

Radio: AM/FM Stereo w/MP3 Player -inc: 4 speakers

Radio w/Seek-Scan

Fixed Antenna

SYNC Communications &amp; Entertainment System -inc: enhanced voice recognition, 911 Assist, 4.2" LCD center stack screen, AppLink, 1 smart-charging USB-C port and steering wheel audio controls

**INTERIOR**

4-Way Driver Seat -inc: Manual Recline and Fore/Aft Movement

4-Way Passenger Seat -inc: Manual Recline and Fore/Aft Movement

Manual Tilt/Telescoping Steering Column

Gauges -inc: Speedometer, Odometer, Oil Pressure, Engine Coolant Temp, Tachometer, Transmission Fluid Temp, Engine Hour Meter, Trip Odometer and Trip Computer

FordPass Connect 4G Mobile Hotspot Internet Access

Manual Air Conditioning

Illuminated Locking Glove Box

Interior Trim -inc: Chrome Interior Accents

Full Cloth Headliner

Urethane Gear Shifter Material

HD Vinyl 40/20/40 Split Bench Seat -inc: center armrest, cupholder, storage and driver's side manual lumbar

Day-Night Rearview Mirror

Passenger Visor Vanity Mirror

2 12V DC Power Outlets

Front Map Lights

Fade-To-Off Interior Lighting

Full Vinyl/Rubber Floor Covering

Underhood Lights

Smart Device Remote Engine Start

Instrument Panel Covered Bin and Dashboard Storage

Manual 1st Row Windows

Systems Monitor

Trip Computer
Outside Temp Gauge
Analog Display
Manual Adjustable Front Head Restraints
Air Filtration

**SAFETY**

Driveline Traction Control
Side Impact Beams
Dual Stage Driver And Passenger Seat-Mounted Side Airbags
Dual Stage Driver And Passenger Front Airbags w/Passenger Off Switch
Safety Canopy System Curtain 1st Row Airbags
Outboard Front Lap And Shoulder Safety Belts -inc: Height Adjusters



# National Auto Fleet Group

A Division of Chevrolet of Watsonville

490 Auto Center Drive, Watsonville, CA 95076

(855) 289-6572 • (831) 480-8497 Fax

Fleet@NationalAutoFleetGroup.com

5/8/2020

5/8/2020 Re-Configured

Quote ID: **13575 R1**

Order Cut Off Date: **TBA**

Mr John Cordova  
City of Vernon

4305 Santa Fe Ave

Vernon, California, 90058

Dear John Cordova,

National Auto Fleet Group is pleased to quote the following vehicle(s) for your consideration.

**One (1) New/Unused (2020 Ford Super Duty F-550 DRW (F5G) XL 2WD Reg Cab 205" WB 120" CA, Knapheide KUV Body Proposal JM00000789)** and delivered to your specified location, each for

	One Unit (MSRP)	One Unit	Total % Savings	Total Savings
Contract Price	\$47,695.00	\$41,788.14	12.385 %	\$5,906.86
Knapheide KUV Body Proposal JM00000789	\$27,751.00	\$27,751.00		
Tax (9.5000 %)		\$6,606.22		
Tire fee		\$10.50		
Total		\$76,155.86		

- per the attached specifications.

This vehicle(s) is available under the **Sourcewell (Formerly Known as NJPA) Contract 120716-NAF**. Please reference this Contract number on all purchase orders to National Auto Fleet Group. Payment terms are Net 20 days after receipt of vehicle.

Thank you in advance for your consideration. Should you have any questions, please do not hesitate to call.

Sincerely,

Jesse Cooper  
Account Manager  
Email: Fleet@NationalAutoFleetGroup.com  
Office: (855) 289-6572  
Fax: (831) 480-8497

Quoting Department  
Account Manager  
Fleet@NationalAutoFleetGroup.com  
(855) 289-6572



**GMC**

**In order to Finalize your Quote, please submit this purchase packet to your governing body for Purchase Order Approval. Once you issue a Purchase Order please send by:**

**Fax: (831) 480-8497**

**Mail: National Auto Fleet Group  
490 Auto Center Drive  
Watsonville, CA 95076**

**Email: Fleet@NationalAutoFleetGroup.com**

**We will then send a W-9 if you need one**

**Please contact our main office with any questions:  
1-855-289-6572**

# KNAPHEIDE

SINCE 1848

Knapheide Truck Eq Co - CA  
 405 Gandy Dancer Rd  
 Tracy CA 95377  
 Phone: 209-855-8400  
 Fax: 209-835-2128  
 www.tracy.knapheide.com

## QUOTATION

Quote ID: JM00000789

Page 1 of 2

Customer: NATIONAL AUTO FLEET GROUP  
 490 AUTO CENTER DRIVE  
 WATSONVILLE CA 95076

Quote Number: JM00000789  
 Quote Date: 5/4/2020  
 Quote valid until: 6/3/2020

Contact: NEIL CARROLL

Phone: 855-289-6572  
 Fax: 1-831-480-8497

By: Prepared jmckenzie  
 Salesperson: MELVIN JACKSON  
 PO#:

**Enduser:**

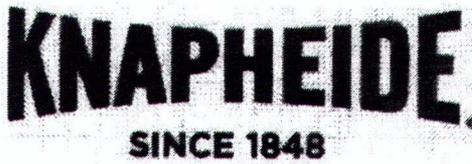
Make: FORD	Model: F-550	Year: 2020	Single/Dual: DRW
Cab Type:	Wheelbase: 205.0	Cab-to-Axis: 120.0	VIN: CUSTOMER SUPPLIED CHASSIS

Qty	Description	Unit Price	Total Price
1	KC169H2094 KUVcc BODY 14' HIGH ROOF BODY FITS 120CA DRW CHASSIS RIVETLESS ROTARY SLAM LATCHES STANDARD SHELVING PACKAGE KNAP-LINED GALVA-GRIP BUMPER WITH STEP WELL SURFACE MOUNT LED LIGHTS KNAP TIGHT REAR DOORS MASTER LOCKING SYSTEM TWO DOME LIGHTS SWITCHED AT RIGHT REAR K-COAT CORROSION PROTECTION WITH KNAPHEIDE'S EXCLUSIVE 12-STAGE ELECTRO-COATING PRIME PAINT SYSTEM BODY FULLY UNDERCOATED FINISH PAINTED SINGLE STAGE WHITE (EXTERIOR, CARGO AREA AND COMPARTMENT INTERIORS) REAR ACCESS DOORS, BOTH REAR END PANELS SOLID PANEL REAR DOORS (NO WINDOWS)	\$21,698.00	\$21,698.00
1	LED COMPARTMENT LIGHTS * NOT RECOMMENDED FOR USE ON BODIES EQUIPPED WITH BOTTLE GAS RETAINERS OR BODIES USED TO STORE FLAMMABLE MATERIALS	\$2,028.00	\$2,028.00
1	SIDE MOUNT LADDER RACK MOUNTED CURBSIDE PAINTED WHITE	\$996.00	\$996.00
1	CROSS OVER MIRROR INSTALLED STREETSIDE TOP REAR CORNER	\$180.00	\$180.00
1	REAR STROBES INTEGRATED IN SURFACE MOUNTED LED LIGHTS (2) FRONT GRILLE MOUNTED AMBER STROBES WIRED HOT TO UPFITTER SWITCH	\$695.00	\$695.00
1	97 dB BACK UP ALARM	\$80.00	\$80.00
1	12" GRAB HANDLE INSTALLED EACH REAR END PANEL	\$215.00	\$215.00
1	CLASS V RECEIVER HITCH WITH 7 WAY PLUG	\$500.00	\$500.00
1	INSTALL OE BACKUP CAMERA	\$210.00	\$210.00
1	PDI	\$250.00	\$250.00
1	DELIVERY TO VERNON, CA	\$899.00	\$899.00

Quote Total: \$27,751.00  
 Discount: \$0.00

Total Due(Sales tax not included): \$27,751.00

he following options may be added:



Knapheide Truck Eq Co - CA  
 405 Gandy Dancer Rd  
 Tracy CA 95377  
 Phone: 209-855-8400  
 Fax: 209-835-2128  
 www.tracy.knapheide.com

**QUOTATION**

Quote ID: JM00000789

Page 2 of 2

QUOTATION			
			Yes / No

**Notes:**

This Quote is subject to the following terms and conditions:

**Credit Card Policy**

We do not accept credit cards for payment of any order in excess of \$3,000.00. For other orders, we do accept MasterCard, American Express, Visa and Discover cards for payment.

**Pricing Policy**

- Price Quotation is good on orders received through the expiration date.
- Pricing quoted applies to chassis make/model originally provided and quantity quoted. Any change may result in price change.
- Orders are subject to all applicable state, local and federal excise taxes. Applicable taxes will be applied on final billing to customer upon completion of order.

**Payment Policy**

- Payment Terms are due upon receipt of signed quote unless prior credit agreement has been established at the time of order.
- Payment terms for customers with an established credit account will be Net 30 from date of invoice.
- Knapheide has right to assess late charges at 1.5% per month on all invoices that are 60 days or more past due.

**Return Policy**

- All sales are final. Purchased parts or products are non returnable.

**Cancellation Policy**

- Payment is due in full upon cancellation of any orders for non-stocked parts or products (provided part/product has been ordered by Knapheide) and upon cancellation of installation orders, once product installation has begun.

Customer agrees and understands this Quote is an offer to sell subject to the terms and conditions above and any additional terms or modifications are hereby objected to, unless mutually agreed upon in writing by Customer and Knapheide. The undersigned represents and warrants that he/she is duly authorized to sign below on behalf of Customer and thereby accepts offer and Knapheide will begin processing the order.

Customer must fill out the information below before the order can be processed...

Signature & Print Accepted by:	
Date:	
P.O. number:	

## Vehicle Configuration Options

ENGINE	
Code	Description
99N	ENGINE: 7.3L 2V DEVCT NA PFI V8 GAS, (STD)
TRANSMISSION	
Code	Description
44G	TRANSMISSION: TORQSHIFT 10-SPEED AUTOMATIC, -inc: selectable drive modes: normal, tow/haul, eco, deep sand/snow and slippery (STD)
TIRES	
Code	Description
TGJ	TIRES: 225/70RX19.5G BSW A/P, (STD)
PRIMARY PAINT	
Code	Description
Z1	OXFORD WHITE
PAINT SCHEME	
Code	Description
___	STANDARD PAINT
SEAT TYPE	
Code	Description
AS	MEDIUM EARTH GRAY, HD VINYL 40/20/40 SPLIT BENCH SEAT, -inc: center armrest, cupholder, storage and driver's side manual lumbar
AXLE RATIO	
Code	Description
X8L	LIMITED SLIP W/4.88 AXLE RATIO
ADDITIONAL EQUIPMENT	
Code	Description
96V	XL VALUE PACKAGE, -inc: XL Decor Group, Chrome Front Bumper, Steering Wheel-Mounted Cruise Control
90L	POWER EQUIPMENT GROUP, -inc: Deletes passenger side lock cylinder, upgraded door-trim panel, Accessory Delay, Advanced Security Pack, SecuriLock Passive Anti-Theft System (PATS) and inclination/intrusion sensors, MyKey, owner controls feature, Power Locks, Remote Keyless Entry, Folding Trailer Tow Mirrors w/Power Heated Glass, manual telescoping, heated convex spotter mirror and integrated clearance lamps/turn signals, Power Front Side Windows, 1-touch up/down driver/passenger window
17F	XL DECOR GROUP, -inc: Chrome Front Bumper

67B	397 AMP ALTERNATORS
86M	DUAL 78 AH BATTERY
52B	TRAILER BRAKE CONTROLLER, -inc: smart trailer tow connector, Verified to be compatible w/electronic actuated drum brakes only
68M	GVWR: 19,500 LB PAYLOAD PLUS UPGRADE PACKAGE, -inc: upgraded frame, rear-axle and low deflection/high capacity springs, Increases max RGAWR to 14, 706, Note: See Order Guide Supplemental Reference for further details on GVWR
67X	EXTRA HEAVY-SERVICE SUSPENSION PACKAGE, -inc: pre-selected extra heavy-service front springs (see Order Guide Supplemental Reference for springs/FGAWR of specific vehicle configurations), Recommended only on vehicles which will permanently utilize aftermarket equipment such as heavy-duty winches, brush guards or other apparatus which loads the front axle to the specified Gross Axle Weight Rating (GAWR), NOTE 1: May result in a deterioration of ride quality, NOTE 2: Vehicle ride height will increase w/the addition of this package
76C	EXTERIOR BACKUP ALARM (PRE-INSTALLED), -inc: Custom accessory
512	SPARE TIRE, WHEEL & JACK, -inc: Excludes carrier, 6-Ton Hydraulic Jack
18B	PLATFORM RUNNING BOARDS
942	DAYTIME RUNNING LAMPS (DRL), -inc: The non-controllable 942 Daytime Running Lamps (DRL) replace the standard Daytime Running Lamps (DRL) on/off cluster controllable
61J	6-TON HYDRAULIC JACK
525	STEERING WHEEL-MOUNTED CRUISE CONTROL
872	REAR VIEW CAMERA & PREP KIT, -inc: Pre-installed content includes cab wiring and frame wiring to the rear most cross member, Upfitters kit includes camera w/mounting bracket, 20' jumper wire and camera mounting/aiming instructions
43C	110V/400W OUTLET, -inc: 1 in-dash mounted outlet
<b>OPTION PACKAGE</b>	
<b>Code</b>	<b>Description</b>
660A	ORDER CODE 660A

# 2020 Fleet/Non-Retail Ford Super Duty F-550 DRW XL 2WD Reg Cab 205" WB 120" CA

## WINDOW STICKER

2020 Ford Super Duty F-550 DRW XL 2WD Reg Cab 205" WB 120" CA

CODE	MODEL	MSRP
F5G	2020 Ford Super Duty F-550 DRW XL 2WD Reg Cab 205" WB 120" CA	\$41,220.00
<b>OPTIONS</b>		
99N	ENGINE: 7.3L 2V DEVCT NA PFI V8 GAS, (STD)	\$0.00
44G	TRANSMISSION: TORQSHIFT 10-SPEED AUTOMATIC, -inc: selectable drive modes: normal, tow/haul, eco, deep sand/snow and slippery (STD)	\$0.00
TGJ	TIRES: 225/70RX19.5G BSW A/P, (STD)	\$0.00
Z1	OXFORD WHITE	\$0.00
—	STANDARD PAINT	\$0.00
AS	MEDIUM EARTH GRAY, HD VINYL 40/20/40 SPLIT BENCH SEAT, -inc: center armrest, cupholder, storage and driver's side manual lumbar	\$0.00
X8L	LIMITED SLIP W/4.88 AXLE RATIO	\$360.00
96V	XL VALUE PACKAGE, -inc: XL Decor Group, Chrome Front Bumper, Steering Wheel-Mounted Cruise Control	\$395.00
90L	POWER EQUIPMENT GROUP, -inc: Deletes passenger side lock cylinder, upgraded door-trim panel, Accessory Delay, Advanced Security Pack, SecuriLock Passive Anti-Theft System (PATS) and inclination/intrusion sensors, MyKey, owner controls feature, Power Locks, Remote Keyless Entry, Folding Trailer Tow Mirrors w/Power Heated Glass, manual telescoping, heated convex spotter mirror and integrated clearance lamps/turn signals, Power Front Side Windows, 1-touch up/down driver/passenger window	\$915.00
17F	XL DECOR GROUP, -inc: Chrome Front Bumper	INC
67B	397 AMP ALTERNATORS	\$115.00
86M	DUAL 78 AH BATTERY	\$0.00
52B	TRAILER BRAKE CONTROLLER, -inc: smart trailer tow connector, Verified to be compatible w/electronic actuated drum brakes only	\$270.00
68M	GVWR: 19,500 LB PAYLOAD PLUS UPGRADE PACKAGE, -inc: upgraded frame, rear-axle and low deflection/high capacity springs, Increases max RGAWR to 14, 706, Note: See Order Guide Supplemental Reference for further details on GVWR	\$1,155.00
67X	EXTRA HEAVY-SERVICE SUSPENSION PACKAGE, -inc: pre-selected extra heavy-service front springs (see Order Guide Supplemental Reference for springs/FGAWR of specific vehicle configurations), Recommended only on vehicles which will permanently utilize aftermarket equipment such as heavy-duty winches, brush guards or other apparatus which loads the front axle to the specified Gross Axle Weight Rating (GAWR), NOTE 1: May result in a deterioration of ride quality, NOTE 2: Vehicle ride height will increase w/the addition of this package	\$125.00
76C	EXTERIOR BACKUP ALARM (PRE-INSTALLED), -inc: Custom accessory	\$140.00
512	SPARE TIRE, WHEEL & JACK, -inc: Excludes carrier, 6-Ton Hydraulic Jack	\$350.00
18B	PLATFORM RUNNING BOARDS	\$320.00
942	DAYTIME RUNNING LAMPS (DRL), -inc: The non-controllable 942 Daytime Running Lamps (DRL) replace the standard Daytime Running Lamps (DRL) on/off cluster controllable	\$45.00
61J	6-TON HYDRAULIC JACK	INC

525	STEERING WHEEL-MOUNTED CRUISE CONTROL	INC
872	REAR VIEW CAMERA & PREP KIT, -inc: Pre-installed content includes cab wiring and frame wiring to the rear most cross member, Upfitters kit includes camera w/mounting bracket, 20' jumper wire and camera mounting/aiming instructions	\$415.00
43C	110V/400W OUTLET, -inc: 1 in-dash mounted outlet	\$175.00
660A	ORDER CODE 660A	\$0.00

Please note selected options override standard equipment

<b>SUBTOTAL</b>	<b>\$46,000.00</b>
Advert/ Adjustments	\$0.00
Manufacturer Destination Charge	\$1,695.00
<b>TOTAL PRICE</b>	<b>\$47,695.00</b>

Est City: N/A MPG  
 Est Highway: N/A MPG  
 Est Highway Cruising Range: N/A mi

Any performance-related calculations are offered solely as guidelines. Actual unit performance will depend on your operating conditions.

## Standard Equipment

### MECHANICAL

Engine: 7.3L 2V DEVCT NA PFI V8 Gas
Transmission: TorqShift 10-Speed Automatic -inc: selectable drive modes: normal, tow/haul, eco, deep sand/snow and slippery
4.88 Axle Ratio
GVWR: 18,000 lbs Payload Package
50-State Emissions System
Transmission w/Oil Cooler
Rear-Wheel Drive
78-Amp/Hr 750CCA Maintenance-Free Battery w/Run Down Protection
HD 240 Amp Alternator
Towing Equipment -inc: Trailer Sway Control
Trailer Wiring Harness
11050# Maximum Payload
HD Shock Absorbers
Front And Rear Anti-Roll Bars
Firm Suspension
Hydraulic Power-Assist Steering
40 Gal. Fuel Tank
Single Stainless Steel Exhaust
Dual Rear Wheels
Front Suspension w/Coil Springs
Leaf Rear Suspension w/Leaf Springs
4-Wheel Disc Brakes w/4-Wheel ABS, Front And Rear Vented Discs and Brake Assist
Upfitter Switches

### EXTERIOR

Wheels: 19.5" x 6" Argent Painted Steel -inc: Hub covers/center ornaments not included
Tires: 225/70Rx19.5G BSW A/P
Clearcoat Paint
Black Front Bumper w/Black Rub Strip/Fascia Accent and 2 Tow Hooks
Black Fender Flares
Black Side Windows Trim and Black Front Windshield Trim
Black Door Handles
Black Manual Side Mirrors w/Manual Folding
Manual Extendable Trailer Style Mirrors
Fixed Rear Window
Light Tinted Glass

Variable Intermittent Wipers
------------------------------

Aluminum Panels
-----------------

Front Splash Guards
---------------------

Black Grille
--------------

Front License Plate Bracket
-----------------------------

Autolamp Fully Automatic Aero-Composite Halogen Daytime Running Lights Preference Setting Headlamps w/Delay-Off
--

Cab Clearance Lights
----------------------

## ENTERTAINMENT

Radio: AM/FM Stereo w/MP3 Player -inc: 4 speakers
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Radio w/Seek-Scan
-------------------

Fixed Antenna
---------------

SYNC Communications & Entertainment System -inc: enhanced voice recognition, 911 Assist, 4.2" LCD center stack screen, AppLink, 1 smart-charging USB-C port and steering wheel audio controls
---

## INTERIOR

4-Way Driver Seat -inc: Manual Recline and Fore/Aft Movement
--

4-Way Passenger Seat -inc: Manual Recline and Fore/Aft Movement
---

Manual Tilt/Telescoping Steering Column
---

Gauges -inc: Speedometer, Odometer, Oil Pressure, Engine Coolant Temp, Tachometer, Transmission Fluid Temp, Engine Hour Meter, Trip Odometer and Trip Computer
--

FordPass Connect 4G Mobile Hotspot Internet Access
--

Manual Air Conditioning
-------------------------

Illuminated Locking Glove Box
-------------------------------

Interior Trim -inc: Chrome Interior Accents
---

Full Cloth Headliner
----------------------

Urethane Gear Shifter Material
--------------------------------

HD Vinyl 40/20/40 Split Bench Seat -inc: center armrest, cupholder, storage and driver's side manual lumbar
---

Day-Night Rearview Mirror
---------------------------

Passenger Visor Vanity Mirror
-------------------------------

2 12V DC Power Outlets
------------------------

Front Map Lights
------------------

Fade-To-Off Interior Lighting
-------------------------------

Full Vinyl/Rubber Floor Covering
----------------------------------

Underhood Lights
------------------

Smart Device Remote Engine Start
----------------------------------

Instrument Panel Covered Bin and Dashboard Storage
--

Manual 1st Row Windows
------------------------

Systems Monitor
-----------------

Trip Computer
Outside Temp Gauge
Analog Display
Manual Adjustable Front Head Restraints
Air Filtration

**SAFETY**

Driveline Traction Control
Side Impact Beams
Dual Stage Driver And Passenger Seat-Mounted Side Airbags
Dual Stage Driver And Passenger Front Airbags w/Passenger Off Switch
Safety Canopy System Curtain 1st Row Airbags
Outboard Front Lap And Shoulder Safety Belts -inc: Height Adjusters

# City Council Agenda Item Report

Agenda Item No. COV-246-2020

Submitted by: Michael Earl

Submitting Department: Human Resources

Meeting Date: July 7, 2020

## **SUBJECT**

Annual Recommended Employee Reclassifications

### **Recommendation:**

Approve the recommended reclassification of incumbents in certain classifications effective July 19, 2020.

### **Background:**

As part of the annual classification review process, Human Resources received requests for reclassification from four employees in three separate classifications. Following thorough review, a total of three requests have been recommended for approval. Consistent with the City's Reclassification Policy, reclassification is defined as the reallocation of a position in one classification to a different classification as a result of a significant change in the duties, responsibilities, and/or qualification requirements of the position. A reclassification is typically recommended when the incumbent employee has been performing significantly different work or work at a different level of responsibility or complexity than is reflected in their current job description in excess of one year.

Staff is recommending the following: Reclassification of one Administrative Assistant, Senior (Salary Grade G17) to Account Clerk, Senior (Salary Grade G18) and two Water Maintenance Workers (Salary Grade G18) to Water Maintenance Worker, Senior (Salary Grade G22). The recommended reclassifications have been reviewed and approved by the City Administrator and are submitted to City Council for approval. Upon approval, these changes would be effective July 19, 2020. These recommendations were included as part of the May 5, 2020 preliminary budget presentation. However, the changes were not incorporated as part of the final budget approval on June 2, 2020.

### **Fiscal Impact:**

The additional estimated annual cost of the recommended reclassifications is \$13,316 including salary and salary related benefits. Due to existing vacancies, adequate funds are included in the 2020/2021 fiscal year budget to cover the additional costs associated with the recommendations included above and no additional appropriation is required at this time.

### **Attachments:**

# City Council Agenda Item Report

Agenda Item No. COV-254-2020  
Submitted by: Abraham Alemu  
Submitting Department: Public Utilities  
Meeting Date: July 7, 2020

## **SUBJECT**

Services Agreements for Natural Gas Support Services (Continued from June 16, 2020)

## **Recommendation:**

Approve and authorize the City Administrator to execute Service Agreements for Natural Gas Support Services for a grand total amount not-to-exceed \$610,000 over the three-year term of the agreements, effective July 1, 2020 with: a) NewGen Strategies & Solutions, LLC (NewGen) for Natural Gas Financial and Business Support Services, in an amount not-to-exceed \$210,000 over a three-year term of the agreement; and b) G2 Integrated Solutions, LLC (G2-IS) for Natural Gas Compliance Support Services, in an amount not-to-exceed \$400,000 over a three-year term of the agreement.

## **Background:**

On June 16, 2020, the City Council considered agreements for natural gas support services (Attachment 1) and deferred action to allow staff to provide information as to why the award amount was more/less than the bid amount; and provide information on the other bidders.

As previously noted, staff recommends the award of a contract to G2-IS for the service area of Regulatory Compliance Support, one of three service areas included in the Request for Proposals (RFP). Although the G2-IS proposal estimates \$211,000 for the RFP scope of work to be performed within one year, VPU staff is requesting approval of a three year service agreement for a total not-to-exceed amount of \$400,000 to complete the scope of work including compliance related tasks. The \$189,000 difference from the estimate included in the proposal submitted by G2-IS and the total amount requested by staff is based on staff's assessment of the Gas Division's compliance support needs and the rates provided by G2-IS in its proposal.

Compliance needs are dictated by changing regulations, and cannot be fully predicted. Thus, the RFP was issued for as-needed compliance consulting services to be billed based on the rates provided by respondents. Ultimately, VPU will only pay for services rendered. All respondents provided general estimates based on utility make-up, miles of pipeline, type of pipeline, operating pressures, and publicly available compliance history. As is a common practice with other utilities, VPU did not provide specific compliance program information in the RFP as such documents contain confidential infrastructure information. Moreover, due to the voluminous nature of compliance programs, it is uneconomic for respondents to make such significant investments of time to review compliance programs and provide exact quotes for work, when they may not be awarded a contract or opportunity to recoup their costs. Similar to a car repair, a mechanic will provide an initial estimate with the expectation that things will likely change once they are under the hood. Respondents make a best estimate, but it is not possible to quote exact costs until they fully examine our programs and records.

Staff believes this estimate of an additional \$189,000 to be a conservative representation of the Gas Division's compliance support needs as the frequency of audits is expected to increase significantly due to changes in regulatory authorities in recent years. While the Pipeline Hazardous Materials Safety

Administration (PHMSA) audits were previously conducted every two to three years, VPU has been notified by the California Public Utilities Commission (CPUC) to expect to be audited three to four times per year. This represents a dramatic increase in frequency as the CPUC audits will be performed by a team of technical experts, as opposed to PHMSA audits that were performed by a single inspector. Vernon may be a small city and the gas utility may only have 118 customers, but based on the volume of gas VPU delivers, the City is 15th in the country (Energy Information Administration 2017 EIA-Form 176); that makes VPU 2nd in the state, following Long Beach who has almost 250,000 customers. VPU is the only California municipal gas utility with high-pressure gas transmission pipeline. VPU is not a small, low-risk gas utility. But, with only four full-time employees the Gas Division relies heavily on outside support and technical expertise. This changing regulatory environment requires greater investments to maintain compliance with pipeline safety regulations and avoid costly penalties for non-compliance. The federal government has the authority to levy fines up to \$1 million a day, retroactive to the date of non-compliance.

In order to ensure the Gas Division is in full compliance with pertinent regulations, G2-IS services are needed to assist with related compliance tasks such as: completion of mitigations remaining from the 2019 Compliance Gap Analysis, addressing informal feedback provided by CPUC auditors, performing technical analysis, conducting studies and pipeline risk assessments that may be required for compliance with new and developing regulations, ongoing compliance management software support and performing general program maintenance consisting of required annual reviews during the next three years.

Staff also recommends award of a contract to NewGen for Natural Gas Financial and Business Support Services, in an amount not-to-exceed \$210,000 over a three-year term. The proposed agreement with NewGen is less than the \$255,175 estimate included in the proposal as NewGen will only be contracted for two of the three service areas included in the RFP and in the estimate. Like the proposed agreement with G2-IS, NewGen will provide services in each of the two aforementioned service areas on an as-needed basis and bill for such services in accordance with the rates included in the response to the RFP.

At the meeting of June 16, 2020, the City Council expressed concern that the out of state locations for both contractors would result in additional costs to the City and asked whether there were companies in California that could provide the required services. While two California based companies submitted proposals (TW King, and IGS), these firms were not deemed qualified. Selection was based on demonstrated competence in each subject area, and a cost-effective approach to design, conduct, and assist with the specific items defined in the RFP. Although location in California is not a specific consideration, VPU made best efforts to solicit as many proposals as possible by posting the RFP on PlanetBids, advertising through the American Public Gas Association, and sending the RFP directly to locally recommended firms. Unfortunately, there are not very many natural gas consulting firms in California because the demand is not as great in California as it is in the rest of the country. California's natural gas pipeline industry is limited to SoCalGas, Pacific Gas and Electric and the small municipal gas utilities in the cities of Palo Alto, Long Beach, and Vernon. California does not have the density of gas pipelines as the rest of the US, thus the majority of gas firms are located where the work is. G2-IS (the winning respondent for Compliance Services) is headquartered out of state, however the company has an office in Walnut, California.

#### **Fiscal Impact:**

The agreement with NewGen as the provider for Natural Gas Financial and Business Support Services is a cost not to exceed \$210,000 and the agreement with G2-IS for Natural Gas Compliance Support Services will not exceed \$400,000 for the three year period. The first year portion of the total \$610,000

has been included in the Fiscal Year 2020-21 Budget in the Account Nos. 056.5600.595200, 056.5600.596200, and 055.9000.595200. These agreements are three-year agreements and will be budgeted accordingly in subsequent years.

**Attachments:**

1. [20200616 Item No. 9](#)

# City Council Agenda Item Report

Agenda Item No. COV-209-2020  
Submitted by: Angela Kimmey  
Submitting Department: Public Utilities  
Meeting Date: June 16, 2020

## **SUBJECT**

Services Agreements for Natural Gas Support Services

## **Recommendation:**

Approve and authorize the City Administrator to execute Service Agreements for Natural Gas Support Services for a grand total amount not-to-exceed \$610,000 over the three-year term of the agreements, effective July 1, 2020 with:

- 1) NewGen Strategies & Solutions (NewGen) for Natural Gas Financial and Business Support Services, in an amount not-to-exceed \$210,000 over a three-year term of the agreement; and
- 2) G2 Integrated Solutions (G2-IS) for Natural Gas Compliance Support Services, in an amount not-to-exceed \$400,000 over a three-year term of the agreement

## **Background:**

On January 13, 2020, City staff issued the Request for Proposals (RFP) for Natural Gas Support Services for the Vernon Public Utilities Department (VPU), pursuant to Vernon Municipal Code Section 2.17.14 requirements. The RFP identified three specific Service Areas: Financial Support; Business Development; and Regulatory Compliance Support. The City received a total of seven (7) timely proposals from qualified firms including NewGen Strategies & Solutions (NewGen), Interstate Gas Services, Inc. (IGS), G2 Integrated Solutions (G2-IS), RCP, Sustainable Energy Ventures, TW King Analytics, and C&M Regulatory Pipeline Consultants.

Three panels of City staff were assembled based on their subject matter expertise, and collaborated to select the most suitable firm to perform services in each of the three service areas listed in the RFP. After thorough review, NewGen scored the highest for both Financial Support and Business Development Services and G2-IS scored highest in Regulatory Compliance Support. NewGen and G2-IS were found to be highly specialized in the gas industry and were qualified in the performance of the required work. These two firms scored the highest in the evaluation process in their respective areas of expertise and were selected as the successful respondents.

As a small gas utility with only four employees, Vernon maximizes the operational efficiency of its gas system by using full-time employees to handle daily operating requirements, while using outside expertise for other requirements that are periodic or otherwise specialized. This strategy maintains efficiencies, keeps internal costs competitive, and ensures the proper expertise and experience is available and applied when needed. The scope of the RFP covers many items that may be requested of NewGen and G2-IS. Proposals are designed such that the scope of work provided can be flexible based on Vernon's current and future needs.

The City of Vernon has been a provider of natural gas since 2005. The services of NewGen are needed to perform a cost of service study, develop a plan to grow the City's gas enterprise beyond its current 118 customers, and support the fiscally-sound delivery of natural gas services. NewGen has addressed the City's needs by providing a proposal to assume tasks related to natural gas operational support

services and has agreed to the scope of services detailed by the City in the published RFP. Tasks will include: financial forecasting, cost of service study, rate making, income/expense monitoring, support for wholesale gas transactions and agreements, business and strategic planning.

The pipeline industry is under heightened scrutiny by regulators, the media and the public. In 2018, the Pipeline Hazardous Materials Safety Administration (PHMSA) outsourced the California Pipeline Safety Audits to the California Public Utilities Commission (CPUC). As a result, VPU has been notified to expect to be audited 3-4 times a year. This represents a dramatic increase, as PHMSA audits were previously conducted every 2-3 years. The CPUC audits are performed by a team of technical experts, as opposed to PHMSA audits that were performed by a single inspector. Several factors necessitate the need for a significant increase in compliance services, including increased audit scrutiny, the need to develop and implement feedback received from PHMSA inspectors in 2019, and compliance with impactful new regulations.

G2-IS will provide compliance support for the development and implementation of new compliance programs, implementation of Compliance Management Software, development of processes and procedures to implement new programs and necessary mitigations to ensure compliance with pipeline safety regulations and preparation and support for a full audit of PHMSA regulations that will be conducted by the California Public Utilities Commission in 2020.

In light of NewGen and G2-IS providing the highest responding scores in the RFP evaluation process, it is recommended that Council approve the award of two contracts for three (3) year terms for a total amount not-to-exceed \$610,000. The proposed Services Agreements have been approved as to form by the City Attorney's office.

#### **Fiscal Impact:**

The cost to retain these services is as follows: 1) NewGen Strategies & Solutions (NewGen) as the primary provider for Natural Gas Financial and Business Support Services, not-to-exceed \$210,000 over a three-year term of the agreement. 2) G2 Integrated Solutions (G2-IS) for Natural Gas Compliance Support Services, not-to-exceed \$400,000 over a three-year term of the agreement.

The proposed "not-to-exceed" amount will be \$610,000 over a three-year term. The first year of the agreements have been incorporated in the approved VPU budget for fiscal year 2020-2021, and subsequent years will be budgeted accordingly.

#### **Attachments:**

- [1. Services Agreement with NewGen Strategies & Solutions](#)
- [2. Services Agreement with G2 Integrated Solutions](#)

SERVICES AGREEMENT BETWEEN THE CITY OF VERNON AND NEWGEN STRATEGIES AND SOLUTIONS, LLC FOR NATURAL GAS FINANCIAL SUPPORT AND BUSINESS DEVELOPMENT SERVICES

COVER PAGE

Contractor:	NewGen Strategies and Solutions, LLC
Responsible Principal of Contractor:	Tony Georgis, Managing Director, Energy Practice
Notice Information - Contractor:	NewGen Strategies and Solutions, LLC 225 Union Blvd., Suite 305 Lakewood, CO 80228 Attention: Tony Georgis, Managing Director
Energy Practice	Phone: 720-633-9496 Facsimile: 720-633-9535
Notice Information - City:	City of Vernon 4305 Santa Fe Avenue Vernon, CA 90058 Attention: Abraham Alemu, Utilities General Manager Telephone: (323) 583-8811 ext. 834 Facsimile: (323) 826-1408
Commencement Date:	July 1, 2020
Termination Date:	June 30, 2023
Consideration:	Total not to exceed \$210,000.00 (includes all applicable sales tax); and more particularly described in Exhibit C
Records Retention Period:	Three (3) years, pursuant to Section 11.20

SERVICES AGREEMENT BETWEEN THE CITY OF VERNON AND NEWGEN STRATEGIES AND SOLUTIONS, LLC FOR NATURAL GAS FINANCIAL SUPPORT AND BUSINESS DEVELOPMENT SERVICES

This Contract is made between the City of Vernon ("City"), a California charter City and California municipal corporation ("City"), and NewGen Strategies and Solutions, LLC, a Colorado limited liability company ("Contractor").

The City and Contractor agree as follows:

1.0 EMPLOYMENT OF CONTRACTOR. City agrees to engage Contractor to perform the services as hereinafter set forth as authorized by the City Council on June 16, 2020.

2.0 SCOPE OF SERVICES.

2.1 Contractor shall perform all work necessary to complete the services set forth in the Request for Proposals issued on or about January 13, 2020, Exhibit "A", and Contractor's proposal to the City ("Proposal") dated February 17, 2020, Exhibit "B", both of which are attached to and incorporated into this Contract, by reference.

2.2 All services shall be performed to the satisfaction of City.

2.3 All services shall be performed in a competent, professional, and satisfactory manner in accordance with the prevailing industry standards for such services.

3.0 PERSONNEL.

3.1 Contractor represents that it employs, or will employ, at its own expense, all personnel required to perform the services under this Contract.

3.2 Contractor shall not subcontract any services to be performed by it under this Contract without prior written approval of City.

3.3 All of the services required hereunder will be performed by Contractor or by City-approved subcontractors. Contractor, and all personnel engaged in the work, shall be fully qualified and authorized or permitted under State and local law to perform such services and shall be subject to approval by the City.

4.0 TERM.

The term of this Contract shall commence on July 1, 2020, and it shall continue until June 30, 2023, unless terminated at an earlier date pursuant to the provisions thereof.

5.0 COMPENSATION AND FEES.

5.1 Contractor has established rates for the City of Vernon which are comparable to and do not exceed the best rates offered to other governmental entities in and around Los Angeles County for the same services. For satisfactory and timely performance of the services, the City will pay Contractor in accordance with the payment schedule set forth in Exhibit "C" attached hereto and incorporated herein by reference.

5.2 Contractor's grand total compensation for the entire term of this Contract, shall not exceed \$210,000.00 without the prior authorization of the City, as appropriate, and written amendment of this Contract.

5.3 Contractor shall, at its sole cost and expense, furnish all necessary and incidental labor, material, supplies, facilities, equipment, and transportation which may be required for furnishing services pursuant to this Contract. Materials shall be of the highest quality. The above Contract fee shall include all staff time and all clerical, administrative, overhead, insurance, reproduction, telephone, air travel, auto rental, subsistence, and all related costs and expenses.

5.4 City shall reimburse Contractor only for those costs or expenses specifically approved in this Agreement, or specifically approved in writing in advance by City. Unless otherwise approved, such costs shall be limited and include nothing more than the following costs incurred by Contractor:

5.4.1 The actual costs of subcontractors for performance of any of the services that Contractor agrees to render pursuant to this Agreement, which have been approved in advance by City and awarded in accordance with this Agreement.

5.4.2 Approved reproduction charges.

5.4.3 Actual costs and/or other costs and/or payments specifically authorized in advance in writing and incurred by Contractor in the performance of this Agreement.

5.5 Contractor shall not receive any compensation for extra work performed without the prior written authorization of City. As used herein, "extra work" means any work that is determined by City to be necessary for the proper completion of the Project, but which is not included within the Scope of Services and which the parties did not reasonably anticipate would be necessary at the time of execution of this Agreement. Compensation for any authorized extra work shall be paid in accordance with the payment schedule as set forth in Exhibit "C," if the extra work has been approved by the City.

5.6 Licenses, Permits, Fees, and Assessments. Contractor shall obtain, at Contractor's sole cost and expense, such licenses, permits, and approvals as may be required by law for the performance of the services required by this Agreement. Contractor shall have the sole obligation to pay for any fees, assessments, and taxes, plus applicable penalties and interest, which may be imposed by law and which arise from or are necessary for the performance of the Services by this Agreement.

6.0 PAYMENT.

6.1 As scheduled services are completed, Contractor shall submit to the City an invoice for the services completed, authorized expenses, and authorized extra work actually performed or incurred according to said schedule.

6.2 Each such invoice shall state the basis for the amount invoiced, including a detailed description of the services completed, the number of hours spent, reimbursable expenses incurred and any extra work performed.

6.3 Contractor shall also submit a progress report with each invoice that describes in reasonable detail the services and the extra work, if any, performed in the immediately preceding calendar month.

6.4 Contractor understands and agrees that invoices which lack sufficient detail to measure performance will be returned and not processed for payment.

6.5 City will pay Contractor the amount invoiced within thirty (30) days after the City approves the invoice.

6.6 Payment of such invoices shall be payment in full for all services, authorized costs, and authorized extra work covered by that invoice.

7.0 CITY'S RESPONSIBILITY. City shall cooperate with Contractor as may be reasonably necessary for Contractor to perform its services; and will give any required decisions as promptly as practicable so as to avoid unreasonable delay in the progress of Contractor's services.

8.0 COORDINATION OF SERVICES. Contractor agrees to work closely with City staff in the performance of Services and shall be available to City's staff, consultants, and other staff at all reasonable times.

9.0 INDEMNITY. Contractor agrees to indemnify City, its officers, elected officials, employees and agents against, and will hold and save each of them harmless from, any and all actions, suits, claims, damages to persons or property, losses, costs, penalties, obligations, errors, omissions or liabilities (herein "claims or liabilities"), including but not limited to professional negligence, that may be asserted or claimed by any person, firm or entity arising out of or in connection with the work, operations or activities of Contractor, its agents, employees, subcontractors, or invitees, provided for herein, or arising from the acts or omissions of Contractor hereunder, or arising from Contractor's performance of or failure to perform any term, provision, covenant or condition of this Agreement, except to the extent such claims or liabilities arise from the gross negligence or willful misconduct of City, its officers, elected officials, agents or employees.

10.0 INSURANCE. Contractor shall, at its own expense, procure and maintain policies of insurance of the types and in the amounts set forth below, for the duration of the Contract, including any extensions thereto. The policies shall state that they afford primary

coverage.

i. Automobile Liability with minimum limits of at least \$1,000,000 combined single limit, including owned, hired, and non-owned liability coverage.

ii. Contractor agrees to subrogate automobile liability resulting from performance under this agreement by agreeing to defend, indemnify and hold harmless, the City, and its respective employees, agents, and City Council from and against all claims, liabilities, suits, losses, damages, injuries and expenses, including all costs and reasonable attorney's fees ("Claims"), which are attributable to any act or omission by the City under the performance of the services.

iii. General Liability with minimum limits of at least \$1,000,000 per occurrence and \$2,000,000 aggregate written on an Insurance Services Office (ISO) Comprehensive General Liability "occurrence" form or its equivalent for coverage on an occurrence basis. Premises/Operations and Personal Injury coverage is required. The City of Vernon, its directors, commissioners, officers, employees, agents, and volunteers must be endorsed on the policy as additional insureds as respects liability arising out of the Contractor's performance of this Contract.

- (1) If Contractor employs other contractors as part of the services rendered, Contractor's Protective Coverage is required. Contractor may include all subcontractors as insureds under its own policy or shall furnish separate insurance for each subcontractor, meeting the requirements set forth herein.
- (2) Contractor agrees to subrogate General Liability resulting from performance under this agreement by agreeing to defend, indemnify and hold harmless, the City, and its respective employees, agents, and City Council from and against all claims, liabilities, suits, losses, damages, injuries and expenses, including all costs and reasonable attorney's fees ("Claims"), which are attributable to any act or omission by the City under

the performance of the services.

iv. Professional Errors and Omissions coverage in a sum of at least \$1,000,000, where such risk is applicable. Applicable aggregates must be identified and claims history provided to determine amounts remaining under the aggregate. Contractor shall maintain such coverage for at least one (1) year after the termination of this Agreement.

v. Contractor shall comply with the applicable sections of the California Labor Code concerning workers' compensation for injuries on the job. In addition, Contractor shall require each subcontractor to similarly maintain workers' compensation insurance in accordance with the laws for California for all of the subcontractor's employees. Compliance is accomplished in one of the following manners:

- (1) Provide copy of permissive self-insurance certificate approved by the State of California; or
- (2) Secure and maintain in force a policy of workers' compensation insurance with statutory limits and Employer's Liability Insurance with a minimal limit of \$1,000,000 per accident. The policy shall be endorsed to waive all rights of subrogation against City, its directors, commissioners, officers, employees, and volunteers for losses arising from performance of this Contract; or
- (3) Provide a "waiver" form certifying that no employees subject to the Labor Code's Workers' Compensation provision will be used in performance of this Contract.

vi. Each insurance policy included in this clause shall be endorsed to state that coverage shall not be cancelled except after thirty (30) days' prior written notice to City.

vii. Insurance shall be placed with insurers with a Best's rating of no less than A-VIII.

viii. Prior to commencement of performance, Contractor shall furnish City with a certificate of insurance for each policy. Each certificate is to be signed by a person authorized by that insurer to bind coverage on its behalf. The certificate(s) must be in a form approved by

City. City may require complete, certified copies of any or all policies at any time.

ix. Failure to maintain required insurance at all times shall constitute a default and material breach. In such event, Contractor shall immediately notify City and cease all performance under this Contract until further directed by the City. In the absence of satisfactory insurance coverage, City may, at its option: (a) procure insurance with collection rights for premiums, attorney's fees and costs against Contractor by way of set-off or recoupment from sums due to Contractor, at City's option; (b) immediately terminate this Contract and seek damages from the Contract resulting from said breach; or (c) self-insure the risk, with all damages and costs incurred, by judgment, settlement or otherwise, including attorney's fees and costs, being collectible from Contractor, by way of set-off or recoupment from any sums due to Contractor.

#### 11.0 GENERAL TERMS AND CONDITIONS.

##### 11.1 INDEPENDENT CONTRACTOR.

11.1.1 It is understood that in the performance of the services herein provided for, Contractor shall be, and is, an independent contractor, and is not an agent, officer or employee of City and shall furnish such services in its own manner and method except as required by this Contract, or any applicable statute, rule, or regulation. Further, Contractor has and shall retain the right to exercise full control over the employment, direction, compensation and discharge of all persons employed by Contractor in the performance of the services hereunder. City assumes no liability for Contractor's actions and performance, nor assumes responsibility for taxes, bonds, payments, or other commitments, implied or explicit, by or for Contractor. Contractor shall be solely responsible for, and shall indemnify, defend and save City harmless from all matters relating to the payment of its employees, subcontractors and independent contractors, including compliance with social security, withholding and all other wages, salaries, benefits, taxes, exactions, and regulations of any nature whatsoever.

11.1.2 Contractor acknowledges that Contractor and any subcontractors, agents or employees employed by Contractor shall not, under any circumstances, be considered employees of the City, and that they shall not be entitled to any of the benefits or rights afforded employees of City, including, but not limited to, sick leave, vacation leave, holiday pay, Public Employees Retirement System benefits, or health, life, dental, long-term disability or workers' compensation insurance benefits.

11.2 CONTRACTOR NOT AGENT. Except as the City may authorize in writing, Contractor and its subcontractors shall have no authority, express or implied, to act on behalf of or bind the City in any capacity whatsoever as agents or otherwise.

11.3 OWNERSHIP OF WORK. All documents and materials furnished by the City to Contractor shall remain the property of the City and shall be returned to the City upon termination of this Agreement. All reports, drawings, plans, specifications, computer tapes, floppy disks and printouts, studies, memoranda, computation sheets, and other documents prepared by Contractor in furtherance of the work shall be the sole property of City and shall be delivered to City whenever requested at no additional cost to the City. Contractor shall keep such documents and materials on file and available for audit by the City for at least three (3) years after completion or earlier termination of this Contract. Contractor may make duplicate copies of such materials and documents for its own files or for such other purposes as may be authorized in writing by the City.

11.4 CORRECTION OF WORK. Contractor shall promptly correct any defective, inaccurate or incomplete tasks, deliverables, goods, services and other work, without additional cost to the City. The performance or acceptance of services furnished by Contractor shall not relieve the Contractor from the obligation to correct subsequently discovered defects, inaccuracy, or incompleteness.

11.5 RESPONSIBILITY FOR ERRORS. Contractor shall be responsible for its work and results under this Agreement. Contractor, when requested, shall furnish clarification and/or explanation as may be required by the City, regarding any services rendered under this

Agreement at no additional cost to City. In the event that an error or omission attributable to Contractor occurs, then Contractor shall, at no cost to City, provide all necessary design drawings, estimates and other Contractor professional services necessary to rectify and correct the matter to the sole satisfaction of City and to participate in any meeting required with regard to the correction.

11.6 WAIVER. The City's waiver of any term, condition, breach, or default of this Contract shall not be considered to be a waiver of any other term, condition, default or breach, nor of a subsequent breach of the one waived. The delay or failure of either party at any time to require performance or compliance by the other of any of its obligations or agreements shall in no way be deemed a waiver of those rights to require such performance or compliance. No waiver of any provision of this Agreement shall be effective unless in writing and signed by a duly authorized representative of the party against whom enforcement of a waiver is sought.

11.7 SUCCESSORS. This Contract shall inure to the benefit of, and shall be binding upon, the parties hereto and their respective heirs, successors, and/or assigns.

11.8 NO ASSIGNMENT. Contractor shall not assign or transfer this Contract or any rights hereunder without the prior written consent of the City and approval by the City Attorney, which may be withheld in the City's sole discretion. Any unauthorized assignment or transfer shall be null and void and shall constitute a material breach by the Contractor of its obligations under this Contract. No assignment shall release the original parties from their obligations or otherwise constitute a novation.

11.9 COMPLIANCE WITH LAWS. Contractor shall comply with all Federal, State, County and City laws, ordinances, rules and regulations, which are, as amended from time to time, incorporated herein and applicable to the performance hereof, including but without limitation, the Vernon Living Wage Ordinance. Violation of any law material to performance of this Contract shall entitle the City to terminate the Contract and otherwise pursue its remedies. Further, if the Contractor performs any work knowing it to be contrary to such laws, rules, and regulations Contractor shall be solely responsible for all costs arising therefrom.

11.10 ATTORNEY'S FEES. If any action at law or in equity is brought to enforce or interpret the terms of this Contract, the prevailing party shall be entitled to reasonable attorney's fees, costs, and necessary disbursements in addition to any other relief to which such party may be entitled.

11.11 INTERPRETATION.

11.11.1 Applicable Law. This Contract shall be deemed a contract and shall be governed by and construed in accordance with the laws of the State of California. Contractor agrees that the State and Federal courts which sit in the State of California shall have exclusive jurisdiction over all controversies and disputes arising hereunder, and submits to the jurisdiction thereof.

11.11.2 Entire Agreement. This Contract, including any exhibits attached hereto, constitutes the entire agreement and understanding between the parties regarding its subject matter and supersedes all prior or contemporaneous negotiations, representations, understandings, correspondence, documentation, and agreements (written or oral).

11.11.3 Written Amendment. This Contract may only be changed by written amendment signed by Contractor and the City Administrator or other authorized representative of the City, subject to any requisite authorization by the City Council. Any oral representations or modifications concerning this Contract shall be of no force or effect.

11.11.4 Severability. If any provision in this Contract is held by any court of competent jurisdiction to be invalid, illegal, void, or unenforceable, such portion shall be deemed severed from this Contract, and the remaining provisions shall nevertheless continue in full force and effect as fully as though such invalid, illegal, or unenforceable portion had never been part of this Contract.

11.11.5 Order of Precedence. In case of conflict between the terms of this Contract and the terms contained in any document attached as an Exhibit or otherwise

incorporated by reference, the terms of this Contract shall strictly prevail. The terms of the City's Request for Proposals shall control over the Contractor's Proposal.

11.11.6 Duplicate Originals. There shall be two (2) fully signed copies of this Contract, each of which shall be deemed an original.

11.11.7 Construction. In the event an ambiguity or question of intent or interpretation arises with respect to this Agreement, this Agreement shall be construed as if drafted jointly by the parties and in accordance with its fair meaning. There shall be no presumption or burden of proof favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Agreement.

11.12 TIME OF ESSENCE. Time is strictly of the essence of this contract and each and every covenant, term, and provision hereof.

11.13 AUTHORITY OF CONTRACTOR. The Contractor hereby represents and warrants to the City that the Contractor has the right, power, legal capacity, and authority to enter into and perform its obligations under this Contract, and its execution of this Contract has been duly authorized.

11.14 ARBITRATION OF DISPUTES. Any dispute for under \$25,000 arising out of or relating to the negotiation, construction, performance, non-performance, breach, or any other aspect of this Contract, shall be settled by binding arbitration in accordance with the Commercial Rules of the American Arbitration Association at Los Angeles, California and judgment upon the award rendered by the Arbitrators may be entered in any court having jurisdiction thereof. The City does not waive its right to object to the timeliness or sufficiency of any claim filed or required to be filed against the City and reserves the right to conduct full discovery.

11.15 NOTICES. Any notice or demand to be given by one party to the other must be given in writing and by personal delivery or prepaid first-class, registered or certified mail, addressed as follows. Notice simply to the City of Vernon or any other City department is not adequate notice.

If to the City:

City of Vernon  
Public Utilities Department  
Attention: Abraham Alemu, General Manager  
4305 Santa Fe Avenue  
Vernon, CA 90058

If to the Contractor:

NewGen Strategies and Solutions, LLC  
Attention: Tony Georgis, Managing Director, Energy Practice  
225 Union Blvd., Suite 305  
Lakewood, CO 80228

Any such notice shall be deemed to have been given upon delivery, if personally delivered, or, if mailed, upon receipt, or upon expiration of three (3) business days from the date of posting, whichever is earlier. Either party may change the address at which it desires to receive notice upon giving written notice of such request to the other party.

11.16 NO THIRD PARTY RIGHTS. This Agreement is entered into for the sole benefit of City and Contractor and no other parties are intended to be direct or incidental beneficiaries of this Agreement and no third party shall have any right or remedy in, under, or to this Agreement.

11.17 TERMINATION FOR CONVENIENCE (Without Cause). City may terminate this Contract in whole or in part at any time, for any cause or without cause, upon fifteen (15) calendar days' written notice to Contractor. If the Contract is thus terminated by City for reasons other than Contractor's failure to perform its obligations, City shall pay Contractor a prorated amount based on the services satisfactorily completed and accepted prior to the effective date of termination. Such payment shall be Contractor's exclusive remedy for termination without cause.

11.18 DEFAULT. In the event either party materially defaults in its obligations hereunder, the other party may declare a default and terminate this Contract by written notice to the defaulting party. The notice shall specify the basis for the default. The Contract shall terminate unless such default is cured before the effective date of termination stated in such

notice, which date shall be no sooner than ten (10) days after the date of the notice. In case of default by Contractor, the City reserves the right to procure the goods or services from other sources and to hold the Contractor responsible for any excess costs occasioned to the City thereby. Contractor shall not be held accountable for additional costs incurred due to delay or default as a result of Force Majeure. Contractor must notify the City immediately upon knowing that non-performance or delay will apply to this Contract as a result of Force Majeure. At that time Contractor is to submit in writing a Recovery Plan for this Contract. If the Recovery Plan is not acceptable to the City or not received within 10 days of the necessary notification of Force Majeure default, then the city may cancel this order in its entirety at no cost to the City, owing only for goods and services completed to that point.

11.19 TERMINATION FOR CAUSE. Termination for cause shall relieve the terminating party of further liability or responsibility under this Contract, including the payment of money, except for payment for services satisfactorily and timely performed prior to the service of the notice of termination, and except for reimbursement of (1) any payments made by the City for service not subsequently performed in a timely and satisfactory manner, and (2) costs incurred by the City in obtaining substitute performance. If this Agreement is terminated as provided herein, City may require, at no additional cost to City, that Contractor provide all finished or unfinished documents, data, and other information of any kind prepared by Contractor in connection with the performance of Services under this Agreement. Contractor shall be required to provide such document and other information within fifteen (15) days of the request.

11.19.1 Additional Services. In the event this Agreement is terminated in whole or in part as provided herein, City may procure, upon such terms and in such manner as it may determine appropriate, services similar to those terminated.

11.20 MAINTENANCE AND INSPECTION OF RECORDS.

The City, or its authorized auditors or representatives, shall have access to and the right to audit and reproduce any of the Contractor's records to the extent the City deems necessary to insure it is receiving all money to which it is entitled under the Contract and/or is paying only the amounts to which Contractor is properly entitled under the Contract or for other purposes relating to the Contract.

The Contractor shall maintain and preserve all such records for a period of at least three (3) years after termination of the Contract.

The Contractor shall maintain all such records in the City of Vernon. If not, the Contractor shall, upon request, promptly deliver the records to the City of Vernon or reimburse the City for all reasonable and extra costs incurred in conducting the audit at a location other than the City of Vernon, including, but not limited to, such additional (out of the City) expenses for personnel, salaries, private auditors, travel, lodging, meals, and overhead.

11.21 CONFLICT. Contractor hereby represents, warrants, and certifies that no member, officer, or employee of the Contractor is a director, officer, or employee of the City of Vernon, or a member of any of its boards, commissions, or committees, except to the extent permitted by law.

11.22 HEADINGS. Paragraphs and subparagraph headings contained in this Agreement are included solely for convenience and are not intended to modify, explain or to be a full or accurate description of the content thereof and shall not in any way affect the meaning or interpretation of this Agreement.

11.23 ENFORCEMENT OF WAGE AND HOUR LAWS. Eight hours labor constitutes a legal day's work. The Contractor, or subcontractor, if any, shall forfeit twenty-five dollars (\$25) for each worker employed in the execution of this Agreement by the respective Contractor or subcontractor for each calendar day during which the worker is required or permitted to work more than 8 hours in any one calendar day and 40 hours in any one calendar week in violation of the provisions of Sections 1810 through 1815 of the California Labor Code

as a penalty paid to the City; provided, however, work performed by employees of contractors in excess of 8 hours per day, and 40 hours during any one week, shall be permitted upon compensation for all hours worked in excess of 8 hours per day at not less than 1½ times the basic rate of pay.

11.24 LIVING WAGES Contractor, and any Subcontractor(s), shall comply with the City's Living Wage Ordinance. The current Living Wage Standards are set forth in Exhibit "D". Upon the City's request, certified payroll records shall promptly be provided to the City

11.25 EQUAL EMPLOYMENT OPPORTUNITY PRACTICES. Contractor certifies and represents that, during the performance of this Contract, it and any other parties with whom it may subcontract shall adhere to equal employment opportunity practices to assure that applicants, employees and recipients of service are treated equally and are not discriminated against because of their race, religion, color, national origin, ancestry, disability, sex, age, medical condition, sexual orientation or marital status. Contractor further certifies that it will not maintain any segregated facilities. Contractor further agrees to comply with The Equal Employment Opportunity Practices provisions as set forth in Exhibit "E".

[Signatures Begin on Next Page].

IN WITNESS WHEREOF, the Parties have signed this Agreement as of the Commencement Date stated on the cover page.

City of Vernon, a California charter City and California municipal corporation

NewGen Strategies and Solutions, LLC, a Colorado limited liability company

By: \_\_\_\_\_  
Carlos Fandino, City Administrator

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

Name: \_\_\_\_\_

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

ATTEST:

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

\_\_\_\_\_  
Lisa Pope, City Clerk

Name: \_\_\_\_\_

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

APPROVED AS TO FORM:

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

EXHIBIT A  
REQUEST FOR PROPOSALS

**City of Vernon  
Request for Proposals (RFP)**

**Natural Gas Financial and Compliance  
Support Services**



**City of Vernon  
Public Utilities Department  
4305 Santa Fe Avenue, Vernon, CA 90058  
Phone: (323) 583-8811**

## 1. INTRODUCTION AND PROJECT

The City of Vernon is requesting proposals for Natural Gas Financial, Operational, and Compliance Services to conduct various specialized support activities beyond the daily operations of the gas system.

The City reserves the right to award contracts to multiple contractors as a result of this Request for Proposals (RFP). Alternatively, the City may select one contractor for the entirety of the requested services, however, no more than one contractor will be selected for each distinct Service Area listed below in Section 4. Selection will be based on demonstrated competence in each subject area, and a cost-effective approach to design, conduct, and assist with the specific items defined in this RFP.

## 2. BACKGROUND

The City of Vernon was founded in 1905, is approximately 5.2 square miles in size and is located approximately 5 miles southeast of downtown Los Angeles California. Over its long history, Vernon has been developed as an industrial community. At the turn of the 20<sup>th</sup> century the lands that make up Vernon were comprised largely of farmlands. The presence of three major rail lines in the area led influential business and property owners to encourage the railroad companies to run spur lines onto the farmlands. These rail extensions enabled the creation of an “exclusively industrial” city. By the 1920’s, Vernon was attracting large stockyards and meatpacking facilities. In the 1930’s, Vernon became the location of choice for many heavy industrial plants. As economic conditions changed over the decades, these large-scale industrial operations have relocated out of Southern California and Vernon has attracted smaller, lighter industrial facilities. The City’s business friendly environment, low cost utilities and key location for trucking and rail transport continue to position Vernon as an ideal location for industrial uses.

**City Government:** The City Council consists of five members, elected at-large, who serve five-year staggered terms. The City Council annually appoints a Mayor and a Mayor Pro Tem from its own membership to serve one-year terms.

**Labor Force:** Vernon has approximately 280 employees, and its departments include a Fire Department, Police Department, Finance Department, Public Works Department, Public Utilities Department and Health and Environmental Control Department. Present bargaining units recognized include the Vernon Police Officers Benefit Association, Vernon Police Management Association, Vernon Firemen’s Association, the Vernon Fire Management Association, International Brotherhood of Electrical Workers Local 47, and Teamsters Local 911.

## 3. OVERALL SERVICE

As a smaller gas utility, Vernon maximizes the operational efficiency of its gas system by using full-time employees to handle daily operating requirements, while using outside expertise for other requirements that are periodic or otherwise specialized. In this way, Vernon is able to leverage experience from the outside without having to hire full-time specialists that would not be fully utilized. The scope below covers many items that may be requested of the successful proposer. Proposals should be designed such that the scope of work provided can be flexible based on Vernon’s needs. The successful contractor will work with various personnel from the City: Field staff, the Natural Gas Superintendent, Compliance Administrator, the Engineering and Operations Managers, and occasionally the General Manager, City Administrator, and City Council.

### **Gas System Overview**

The City of Vernon Public Utilities (VPU) obtains its natural gas from various sources. The gas is odorized and delivered to Vernon by the Southern California Gas Company (SoCalGas). Vernon serves natural gas to approximately 115 commercial and industrial customers and has the infrastructure to serve approximately 900 customers within the City's service area. Gas is delivered to the City at two receiving stations. Vernon's transmission system became operational in 2005, and is a designated high-consequence area. It is comprised of 7 miles of 10-inch steel main. Vernon's distribution system became operational in 2006. It consists of approximately 44 miles of 6-inch Polyethylene (PE) pipe.

#### **4. SCOPE OF SERVICES REQUIRED**

The City of Vernon is seeking the services of highly qualified consulting firms to assist in:

##### **SERVICE AREA 1: Financial Services**

- A. Gas Tariff, Rates, and Comparison Analysis
  - 1. Recommend gas rate changes and other changes to Vernon gas tariff
  - 2. Prepare tariff documents for legal and council approval
  - 3. Prepare customer transportation and commodity agreements for execution, as required
- B. Gas Accounting and Income/Expense Monitoring
  - 1. Monitor Gas Enterprise income and expenses compared to budget
  - 2. Support preparation of annual gas enterprise budget
  - 3. Provide monthly commodity price for retail customers
- C. Natural Gas Marketers and SoCalGas
  - 1. Resolve technical issues with gas marketers and SoCalGas
  - 2. Monitor SoCalGas tariff for changes affecting Vernon
  - 3. Liaison to Resource Management regarding gas procurement matters
  - 4. Provide analysis for proposed NAESB gas purchase agreements

##### **SERVICE AREA 2: Business Development Services**

- A. Gas Customer Connections / Ongoing Customer Support
  - 1. Develop a municipal gas strategic plan and marketing plan
  - 2. Support ongoing marketing efforts
  - 3. Maintain updated savings comparison templates
  - 4. Evaluate connection economics
  - 5. Support equipment acquisition

##### **SERVICE AREA 3: Compliance Services**

- A. Pipeline Safety and DOT-PHMSA Compliance (Title 49- Parts 191, 192, and 199 CFR)
  - 1. Support preparation for DOT-PHMSA and/or CPUC audits and inspections
  - 2. Ongoing support for compliance with DOT-PHMSA requirements
  - 3. Streamline transmission and distribution pipeline integrity management programs, including pipeline threat & risk assessments
  - 4. Provide subject matter expertise in the documentation and development of processes, procedures and manuals for smaller utilities
    - a. Support implementation of compliance management software

Respondent may submit a proposal for all or may submit multiple proposals for each individual subset of the identified Service Areas. The Proposals shall clearly identify which subset of the identified Service Areas the Respondent is proposing. Proposals must include a proposed budget for each individual Service Area. Respondents will provide a logical breakdown of site visits and offsite analysis. All deliverables must be provided in both PDF and editable electronic formats. Contractor shall maintain a list of project action items, updated for all meetings.

VPU's gas pipeline system specifications and compliance programs are not included in this RFP due to their confidential nature. Upon contract award, Contractors will be required to execute a Non-Disclosure Agreement to cover all pertinent controlled documents.

## **5. QUALIFICATIONS & CRITERIA**

A. **Qualifications:** The City of Vernon will select one contractor for each Service Area in the outlined Scope of Service on the basis of qualifications, experience, and cost. The following are the minimum qualifications to be used to evaluate responses to this Request for Proposals:

1. Primary person handling each Service Area will have at least ten (10) years of natural gas experience related to the scope of services provided herein.
2. Proven success with similar services elsewhere, in particular with small utilities.
3. Four-year college degree or advanced degree in the physical sciences, engineering, or related field (as determined by the city).
4. Service Area 3 respondents must have experience in supporting PHMSA or California Public Utilities Commission (CPUC) gas audits.
5. Service Area 3 respondents shall have completed a minimum of two PHMSA compliance program audits resulting in finding of Satisfactory.

B. **Selection Criteria:** The City will conduct a comprehensive, fair, and impartial evaluation of proposals received in response to this RFP. All proposals received will be reviewed and evaluated by a committee of qualified personnel. The name, information, or experience of the individual members will not be made available to any proposer. The Evaluation Committee will first review and screen all proposals submitted, except for the cost proposals, according to the minimum qualifications set forth above. The following criteria will be used in reviewing and comparing the proposals and in determining the highest scoring bid:

1. 40% Qualifications, background and prior experience of the contractor in the Service Area(s) being proposed, experience of key staff assigned to oversee services provided to Vernon, evaluation of size and scope of similar work performed and success on that work.
2. 30% Cost and fees to the City for handling matters. Cost is not the sole determining factor but will be taken into consideration. Proposer must offer services at a rate comparable to the rate proposer offers to other governmental entities for similar work. Offering a higher rate to the City than the comparable rate is grounds for disqualification of the Proposer. If rates differ for different types or levels of service, or for different Service Areas, the Proposer should so state.
3. 10% Responsiveness to the RFP, and quality and responsiveness of the proposal.
4. 20% References including past performance of proposer.

## 6. **FORMAT AND DELIVERY OF RESPONSE**

Respondents are asked to submit one (1) unbound original, (4) hard copies and one (1) electronic copy (via email to [AKimmey@ci.vernon.ca.us](mailto:AKimmey@ci.vernon.ca.us)) of their proposals in sufficient detail to allow for a thorough evaluation and comparative analysis. The proposal should include, at a minimum, the following information in sectionalized format addressing all phases of the work in the RFP.

A. **Format:** Limit your proposal to 20 typed 8.5" X 11" pages, or fewer, on white bond paper of at least 20-pound weight single sided (excluding cover letter and attachments. You may attach a company brochure if you wish, but it must be as a separate attachment and independent from the required elements noted above.

1. Use a conventional typeface with a minimum font size of 12 points. Use a 1" margin on all borders.
2. Organize your submittal in the order described above.
3. Prominently label the package: "Natural Gas Support Services" and include the name of the primary contact for the respondent.

Deliver the response to:

City of Vernon

Attention: Angela Kimmey, Compliance Administrator

4305 Santa Fe Avenue

Vernon, CA 90058

4. Responses are due on or **before 5:00 p.m. on Monday February 17<sup>th</sup>, 2020**. Late response will not be accepted.
5. If you have any questions about this RFP, related to Service Areas 1 or 2 please contact Todd Dusenberry [TDusenberry@ci.vernon.ca.us](mailto:TDusenberry@ci.vernon.ca.us) (323) 583-8811 ext. 579. For questions related to Service Area 3, please contact Angela Kimmey [AKimmey@ci.vernon.ca.us](mailto:AKimmey@ci.vernon.ca.us) at (323) 583-8811 ext. 876. Please note that any questions asked and any response provided by Vernon will be sent to every person who will be submitting a proposal, to the extent the City is aware of them.

B. **Cover Letter:** All proposals shall include a cover letter which states that the proposal shall remain valid for a period of not less than ninety (90) days from the date of submittal. If the proposal contemplates the use of sub-contractors, the sub-contractors shall be identified in the cover letter. If the proposal is submitted by a business entity, the cover letter shall be signed by an officer authorized to contractually bind the business entity. With respect to the business entity, the cover letter shall also include: the identification of the business entity, including the name, address and telephone number of the business entity; and the name, title, address and telephone number of a contact person during the proposal evaluation period.

C. **Introduction:** Present an introduction of the proposal and your understanding of the assignment and significant steps, methods and procedures to be employed by the proposer to ensure quality deliverables that can be delivered within the required time frames and your identified budget.

D. **General Scope of Work:** Briefly summarize the scope of work as the proposer perceives or envisions it for each Service Area proposed.

- E. **Work Plan:** Present concepts for conducting the work plan and interrelationship of all projects. Define the scope of each task including the depth and scope of analysis or research proposed.
- F. **Fees and costs:** Although an important aspect of consideration, the financial cost estimate will not be the sole justification for consideration. Negotiations may or may not be conducted with the proposer; therefore, the proposal submitted should contain the proposer's most favorable terms and conditions, since selection and award may be made without discussion with any contractor. All prices should reflect "not to exceed" amounts per item. Proposer must offer services at a rate comparable to the rate proposer offers to other governmental entities for similar work. Offering a higher rate to the City than the comparable rate is grounds for disqualification of the Proposer.
- G. **Ability of the Proposer to Perform:** Provide a detailed description of the proposer and his/her/its qualifications, including names, titles, detailed professional resumes and past experience in similar work efforts/products of key personnel who will be working on the assignment. Provide a list of specific related work projects that have been completed by the proposer which are directly related to the assignment described in this RFP. Note the specific individuals who completed such project(s). Identify role and responsibility of each member of the project team. Include the amount of time key personnel will be involved in the respective portions of the assignment. Respondents are encouraged to supply relevant examples of their professional product. Provide a list of references.

The selected contractor shall not subcontract any work under the RFP nor assign any work without the prior written consent of the City.

- H. **Affidavit of Non-Collusion.** Proposer must submit a completed and signed, "Affidavit of Non-Collusion." (Copy attached as Exhibit A).

## 7. **ADDENDA, CHANGES, AND AMENDMENTS TO THIS SOLICITATION**

At any time prior to the due date for responses, the City may make changes, amendments, and addenda to this solicitation, including changing the date due to allow respondents time to address such changes. Addenda, changes, and amendments, if made, will be posted on the City's website ([www.cityofvernon.org](http://www.cityofvernon.org)), which is deemed adequate notice. A proposer may make a request to the City's project coordinator to be placed on a list of persons to receive notice of any such addenda, changes, or amendments. The preferred manner of communications is via e-mail due to its timeliness.

## 8. **CONDITIONS FOR RESPONSES TO RFP**

The following conditions apply to this RFP process:

- A. Nothing contained in this RFP shall create any contractual relationship between the respondent and the City.
- B. This RFP does not obligate the City to establish a list of service providers qualified as prime contractors, or award a contract to any respondent. The City reserves the right to amend or cancel this RFP without prior notice, at any time, at its sole discretion.
- C. The City shall not be liable for any expenses incurred by any individual or organization in connection with this RFP.

- D. No conversations or agreements with any officer, agent, or employee of the City shall affect or modify any terms of this RFP. Oral communications or any written/e-mail materials provided by any person other than designated contact staff of City shall not be considered binding.
- E. The City reserves the right, in its sole discretion, to accept or reject any or all Proposals without prior notice and to waive any minor irregularities or defects in a Proposal. The City reserves the right to seek clarification on a Proposal with any source.
- F. The dates, times, and sequence of events related to this RFP shall ultimately be determined by the City. The schedule shown above is subject to change, at the sole discretion of the City, although the City will attempt to follow it and, if it must be altered, will attempt to provide reasonable notice of the changes.
- G. Respondents shall not issue any news release pertaining to this RFP, or the City without prior written approval of the City.
- H. All submitted proposals and information included therein or attached thereto shall become public record upon delivery to the City.

**9. RIGHT BY THE CITY TO WITHDRAW THIS REQUEST**

The City may, at its sole discretion and for any reason whatsoever, withdraw this solicitation at any time.

**10. LIVING WAGE ORDINANCE**

The selected consultant shall pay qualifying employees a wage of not less than \$10.30 per hour with health benefits, or \$11.55 per hour without health benefits. The consultant shall also provide qualifying employees at least twelve days off per year for sick leave, vacation or personnel necessity, and an additional ten days a year of uncompensated time for sick leave. There shall be a prohibition on an employer retaliation against an employee's complaining to the City with regard to the employer's compliance with the living wage ordinance. Contractor, and any Subcontractor(s), shall comply with the City's Living Wage Ordinance. The current Living Wage Standards are set forth in Exhibit "D" of the standard form contract, attached hereto as Exhibit B. Upon the City's request, certified payroll records shall promptly be provided to the City.

**11. STANDARD TERMS AND CONDITIONS**

Prior to the award of any work hereunder, City and proposer shall enter into the written contract for services attached hereto as Exhibit B. Proposers responding to this RFP are strongly advised to review all the terms and conditions of the Contract. The term of the Contract shall not exceed three (3) years.

EXHIBIT A  
AFFIDAVIT OF NON-COLLUSION



EXHIBIT B  
STANDARD FORM CONTRACT

SERVICES AGREEMENT BETWEEN THE CITY OF VERNON AND [CONTRACTOR'S NAME] FOR [BRIEF DESCRIPTION OF SERVICES]

COVER PAGE

Contractor: [insert name of contractor]

Responsible Principal of Contractor: [insert name, title]

Notice Information - Contractor: [insert name of contractor]  
[insert street address]  
[insert city, state, zip code]  
Attention: [insert name, title]  
Phone: [insert phone number]  
Facsimile: [insert fax number]

Notice Information - City: City of Vernon  
4305 Santa Fe Avenue  
Vernon, CA 90058  
Attention: Abraham Alemu  
Utilities General Manager  
Telephone: (323) 583-8811 ext. 834  
Facsimile: (323) 826-1408

Commencement Date: [insert commencement date]

Termination Date: [insert termination date]

Consideration: Total not to exceed \$[insert amount]  
(includes all applicable sales tax); and more particularly described in Exhibit C

Records Retention Period Three (3) years, pursuant to Section 11.20

SERVICES AGREEMENT BETWEEN THE CITY OF VERNON AND [CONTRACTOR'S NAME]  
FOR [BRIEF DESCRIPTION OF SERVICES]

This Contract is made between the City of Vernon ("City"), a California charter City and California municipal corporation ("City"), and [Contractor's Name], a [State incorporated in] corporation ("Contractor").

The City and Contractor agree as follows:

1.0 EMPLOYMENT OF CONTRACTOR. City agrees to engage Contractor to perform the services as hereinafter set forth as authorized by the City Council on \_\_\_\_\_, \_\_\_\_\_.

2.0 SCOPE OF SERVICES.

2.1 Contractor shall perform all work necessary to complete the services set forth in the Request for Proposals dated \_\_\_\_\_, Exhibit "A", and Contractor's proposal to the City ("Proposal") dated \_\_\_\_\_, Exhibit "B", both of which are attached to and incorporated into this Contract, by reference.

2.2 All services shall be performed to the satisfaction of City.

2.3 All services shall be performed in a competent, professional, and satisfactory manner in accordance with the prevailing industry standards for such services.

3.0 PERSONNEL.

3.1 Contractor represents that it employs, or will employ, at its own expense, all personnel required to perform the services under this Contract.

3.2 Contractor shall not subcontract any services to be performed by it under this Contract without prior written approval of City.

3.3 All of the services required hereunder will be performed by Contractor or by City-approved subcontractors. Contractor, and all personnel engaged in the work, shall be fully qualified and authorized or permitted under State and local law to perform such services and shall be subject to approval by the City.

4.0 TERM.

The term of this Contract shall commence on [state date], and it shall continue until [state date which may not be more than three years from the commencement date], unless terminated at an earlier date pursuant to the provisions thereof.

5.0 COMPENSATION AND FEES.

5.1 Contractor has established rates for the City of Vernon which are comparable to and do not exceed the best rates offered to other governmental entities in and around Los Angeles County for the same services. For satisfactory and timely performance of the services, the City will pay Contractor in accordance with the payment schedule set forth in Exhibit "C" attached hereto and incorporated herein by reference.

5.2 Contractor's grand total compensation for the entire term of this Contract, shall not exceed [state amount] without the prior authorization of the City, as appropriate, and written amendment of this Contract.

5.3 Contractor shall, at its sole cost and expense, furnish all necessary and incidental labor, material, supplies, facilities, equipment, and transportation which may be required for furnishing services pursuant to this Contract. Materials shall be of the highest quality. The above Contract fee shall include all staff time and all clerical, administrative, overhead, insurance, reproduction, telephone, air travel, auto rental, subsistence, and all related costs and expenses.

5.4 City shall reimburse Contractor only for those costs or expenses specifically approved in this Agreement, or specifically approved in writing in advance by City. Unless otherwise approved, such costs shall be limited and include nothing more than the following costs incurred by Contractor:

5.4.1 The actual costs of subcontractors for performance of any of the services that Contractor agrees to render pursuant to this Agreement, which have been approved in advance by City and awarded in accordance with this Agreement.

5.4.2 Approved reproduction charges.

5.4.3 Actual costs and/or other costs and/or payments specifically authorized in advance in writing and incurred by Contractor in the performance of this Agreement.

5.5 Contractor shall not receive any compensation for extra work performed without the prior written authorization of City. As used herein, "extra work" means any work that is determined by City to be necessary for the proper completion of the Project, but which is not included within the Scope of Services and which the parties did not reasonably anticipate would be necessary at the time of execution of this Agreement. Compensation for any authorized extra work shall be paid in accordance with the payment schedule as set forth in Exhibit "C," if the extra work has been approved by the City.

5.6 Licenses, Permits, Fees, and Assessments. Contractor shall obtain, at Contractor's sole cost and expense, such licenses, permits, and approvals as may be required by law for the performance of the services required by this Agreement. Contractor shall have the sole obligation to pay for any fees, assessments, and taxes, plus applicable penalties and interest, which may be imposed by law and which arise from or are necessary for the performance of the Services by this Agreement.

## 6.0 PAYMENT.

6.1 As scheduled services are completed, Contractor shall submit to the City an invoice for the services completed, authorized expenses, and authorized extra work actually performed or incurred according to said schedule.

6.2 Each such invoice shall state the basis for the amount invoiced, including a detailed description of the services completed, the number of hours spent, reimbursable expenses incurred and any extra work performed.

6.3 Contractor shall also submit a progress report with each invoice that describes in reasonable detail the services and the extra work, if any, performed in the immediately preceding calendar month.

6.4 Contractor understands and agrees that invoices which lack sufficient detail to measure performance will be returned and not processed for payment.

6.5 City will pay Contractor the amount invoiced within thirty (30) days after the City approves the invoice.

6.6 Payment of such invoices shall be payment in full for all services, authorized costs, and authorized extra work covered by that invoice.

7.0 CITY'S RESPONSIBILITY. City shall cooperate with Contractor as may be reasonably necessary for Contractor to perform its services; and will give any required decisions as promptly as practicable so as to avoid unreasonable delay in the progress of Contractor's services.

8.0 COORDINATION OF SERVICES. Contractor agrees to work closely with City staff in the performance of Services and shall be available to City's staff, consultants, and other staff at all reasonable times.

9.0 INDEMNITY. Contractor agrees to indemnify City, its officers, elected officials, employees and agents against, and will hold and save each of them harmless from, any and all actions, suits, claims, damages to persons or property, losses, costs, penalties, obligations, errors, omissions or liabilities (herein "claims or liabilities"), including but not limited to professional negligence, that may be asserted or claimed by any person, firm or entity arising out of or in connection with the work, operations or activities of Contractor, its agents, employees, subcontractors, or invitees, provided for herein, or arising from the acts or omissions of Contractor hereunder, or arising from Contractor's performance of or failure to perform any term, provision, covenant or condition of this Agreement, except to the extent such claims or liabilities arise from the gross negligence or willful misconduct of City, its officers, elected officials, agents or employees.

10.0 INSURANCE. Contractor shall, at its own expense, procure and maintain policies of insurance of the types and in the amounts set forth below, for the duration of the Contract, including any extensions thereto. The policies shall state that they afford primary

coverage.

i. Automobile Liability with minimum limits of at least \$1,000,000 combined single limit, including owned, hired, and non-owned liability coverage.

ii. Contractor agrees to subrogate automobile liability resulting from performance under this agreement by agreeing to defend, indemnify and hold harmless, the City, and its respective employees, agents, and City Council from and against all claims, liabilities, suits, losses, damages, injuries and expenses, including all costs and reasonable attorney's fees ("Claims"), which are attributable to any act or omission by the City under the performance of the services.

iii. General Liability with minimum limits of at least \$1,000,000 per occurrence and \$2,000,000 aggregate written on an Insurance Services Office (ISO) Comprehensive General Liability "occurrence" form or its equivalent for coverage on an occurrence basis.

Premises/Operations and Personal Injury coverage is required. The City of Vernon, its directors, commissioners, officers, employees, agents, and volunteers must be endorsed on the policy as additional insureds as respects liability arising out of the Contractor's performance of this Contract.

(1) If Contractor employs other contractors as part of the services rendered, Contractor's Protective Coverage is required. Contractor may include all subcontractors as insureds under its own policy or shall furnish separate insurance for each subcontractor, meeting the requirements set forth herein.

(2) Contractor agrees to subrogate General Liability resulting from performance under this agreement by agreeing to defend, indemnify and hold harmless, the City, and its respective employees, agents, and City Council from and against all claims, liabilities, suits, losses, damages, injuries and expenses, including all costs and reasonable attorney's fees ("Claims"), which are attributable to any act or omission by the City under

the performance of the services.

iv. Professional Errors and Omissions coverage in a sum of at least \$1,000,000, where such risk is applicable. Applicable aggregates must be identified and claims history provided to determine amounts remaining under the aggregate. Contractor shall maintain such coverage for at least one (1) year after the termination of this Agreement.

v. Contractor shall comply with the applicable sections of the California Labor Code concerning workers' compensation for injuries on the job. In addition, Contractor shall require each subcontractor to similarly maintain workers' compensation insurance in accordance with the laws for California for all of the subcontractor's employees. Compliance is accomplished in one of the following manners:

- (1) Provide copy of permissive self-insurance certificate approved by the State of California; or
- (2) Secure and maintain in force a policy of workers' compensation insurance with statutory limits and Employer's Liability Insurance with a minimal limit of \$1,000,000 per accident. The policy shall be endorsed to waive all rights of subrogation against City, its directors, commissioners, officers, employees, and volunteers for losses arising from performance of this Contract; or
- (3) Provide a "waiver" form certifying that no employees subject to the Labor Code's Workers' Compensation provision will be used in performance of this Contract.

vi. Each insurance policy included in this clause shall be endorsed to state that coverage shall not be cancelled except after thirty (30) days' prior written notice to City.

vii. Insurance shall be placed with insurers with a Best's rating of no less than A-VIII.

viii. Prior to commencement of performance, Contractor shall furnish City with a certificate of insurance for each policy. Each certificate is to be signed by a person authorized by that insurer to bind coverage on its behalf. The certificate(s) must be in a form approved by

City. City may require complete, certified copies of any or all policies at any time.

ix. Failure to maintain required insurance at all times shall constitute a default and material breach. In such event, Contractor shall immediately notify City and cease all performance under this Contract until further directed by the City. In the absence of satisfactory insurance coverage, City may, at its option: (a) procure insurance with collection rights for premiums, attorney's fees and costs against Contractor by way of set-off or recoupment from sums due to Contractor, at City's option; (b) immediately terminate this Contract and seek damages from the Contract resulting from said breach; or (c) self-insure the risk, with all damages and costs incurred, by judgment, settlement or otherwise, including attorney's fees and costs, being collectible from Contractor, by way of set-off or recoupment from any sums due to Contractor.

#### 11.0 GENERAL TERMS AND CONDITIONS.

##### 11.1 INDEPENDENT CONTRACTOR.

11.1.1 It is understood that in the performance of the services herein provided for, Contractor shall be, and is, an independent contractor, and is not an agent, officer or employee of City and shall furnish such services in its own manner and method except as required by this Contract, or any applicable statute, rule, or regulation. Further, Contractor has and shall retain the right to exercise full control over the employment, direction, compensation and discharge of all persons employed by Contractor in the performance of the services hereunder. City assumes no liability for Contractor's actions and performance, nor assumes responsibility for taxes, bonds, payments, or other commitments, implied or explicit, by or for Contractor. Contractor shall be solely responsible for, and shall indemnify, defend and save City harmless from all matters relating to the payment of its employees, subcontractors and independent contractors, including compliance with social security, withholding and all other wages, salaries, benefits, taxes, exactions, and regulations of any nature whatsoever.

11.1.2 Contractor acknowledges that Contractor and any subcontractors,

agents or employees employed by Contractor shall not, under any circumstances, be considered employees of the City, and that they shall not be entitled to any of the benefits or rights afforded employees of City, including, but not limited to, sick leave, vacation leave, holiday pay, Public Employees Retirement System benefits, or health, life, dental, long-term disability or workers' compensation insurance benefits.

11.2 CONTRACTOR NOT AGENT. Except as the City may authorize in writing, Contractor and its subcontractors shall have no authority, express or implied, to act on behalf of or bind the City in any capacity whatsoever as agents or otherwise.

11.3 OWNERSHIP OF WORK. All documents and materials furnished by the City to Contractor shall remain the property of the City and shall be returned to the City upon termination of this Agreement. All reports, drawings, plans, specifications, computer tapes, floppy disks and printouts, studies, memoranda, computation sheets, and other documents prepared by Contractor in furtherance of the work shall be the sole property of City and shall be delivered to City whenever requested at no additional cost to the City. Contractor shall keep such documents and materials on file and available for audit by the City for at least three (3) years after completion or earlier termination of this Contract. Contractor may make duplicate copies of such materials and documents for its own files or for such other purposes as may be authorized in writing by the City.

11.4 CORRECTION OF WORK. Contractor shall promptly correct any defective, inaccurate or incomplete tasks, deliverables, goods, services and other work, without additional cost to the City. The performance or acceptance of services furnished by Contractor shall not relieve the Contractor from the obligation to correct subsequently discovered defects, inaccuracy, or incompleteness.

11.5 RESPONSIBILITY FOR ERRORS. Contractor shall be responsible for its work and results under this Agreement. Contractor, when requested, shall furnish clarification and/or explanation as may be required by the City, regarding any services rendered under this Agreement at no additional cost to City. In the event that an error or omission attributable to

Contractor occurs, then Contractor shall, at no cost to City, provide all necessary design drawings, estimates and other Contractor professional services necessary to rectify and correct the matter to the sole satisfaction of City and to participate in any meeting required with regard to the correction.

11.6 WAIVER. The City's waiver of any term, condition, breach, or default of this Contract shall not be considered to be a waiver of any other term, condition, default or breach, nor of a subsequent breach of the one waived. The delay or failure of either party at any time to require performance or compliance by the other of any of its obligations or agreements shall in no way be deemed a waiver of those rights to require such performance or compliance. No waiver of any provision of this Agreement shall be effective unless in writing and signed by a duly authorized representative of the party against whom enforcement of a waiver is sought.

11.7 SUCCESSORS. This Contract shall inure to the benefit of, and shall be binding upon, the parties hereto and their respective heirs, successors, and/or assigns.

11.8 NO ASSIGNMENT. Contractor shall not assign or transfer this Contract or any rights hereunder without the prior written consent of the City and approval by the City Attorney, which may be withheld in the City's sole discretion. Any unauthorized assignment or transfer shall be null and void and shall constitute a material breach by the Contractor of its obligations under this Contract. No assignment shall release the original parties from their obligations or otherwise constitute a novation.

11.9 COMPLIANCE WITH LAWS. Contractor shall comply with all Federal, State, County and City laws, ordinances, rules and regulations, which are, as amended from time to time, incorporated herein and applicable to the performance hereof, including but without limitation, the Vernon Living Wage Ordinance. Violation of any law material to performance of this Contract shall entitle the City to terminate the Contract and otherwise pursue its remedies. Further, if the Contractor performs any work knowing it to be contrary to such laws, rules, and regulations Contractor shall be solely responsible for all costs arising therefrom.

11.10 ATTORNEY'S FEES. If any action at law or in equity is brought to

enforce or interpret the terms of this Contract, the prevailing party shall be entitled to reasonable attorney's fees, costs, and necessary disbursements in addition to any other relief to which such party may be entitled.

11.11 INTERPRETATION.

11.11.1 Applicable Law. This Contract shall be deemed a contract and shall be governed by and construed in accordance with the laws of the State of California. Contractor agrees that the State and Federal courts which sit in the State of California shall have exclusive jurisdiction over all controversies and disputes arising hereunder, and submits to the jurisdiction thereof.

11.11.2 Entire Agreement. This Contract, including any exhibits attached hereto, constitutes the entire agreement and understanding between the parties regarding its subject matter and supersedes all prior or contemporaneous negotiations, representations, understandings, correspondence, documentation, and agreements (written or oral).

11.11.3 Written Amendment. This Contract may only be changed by written amendment signed by Contractor and the City Administrator or other authorized representative of the City, subject to any requisite authorization by the City Council. Any oral representations or modifications concerning this Contract shall be of no force or effect.

11.11.4 Severability. If any provision in this Contract is held by any court of competent jurisdiction to be invalid, illegal, void, or unenforceable, such portion shall be deemed severed from this Contract, and the remaining provisions shall nevertheless continue in full force and effect as fully as though such invalid, illegal, or unenforceable portion had never been part of this Contract.

11.11.5 Order of Precedence. In case of conflict between the terms of this Contract and the terms contained in any document attached as an Exhibit or otherwise incorporated by reference, the terms of this Contract shall strictly prevail. The terms of the City's Request for Proposals shall control over the Contractor's Proposal.

11.11.6 Duplicate Originals. There shall be two (2) fully signed copies of this Contract, each of which shall be deemed an original.

11.11.7 Construction. In the event an ambiguity or question of intent or interpretation arises with respect to this Agreement, this Agreement shall be construed as if drafted jointly by the parties and in accordance with its fair meaning. There shall be no presumption or burden of proof favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Agreement.

11.12 TIME OF ESSENCE. Time is strictly of the essence of this contract and each and every covenant, term, and provision hereof.

11.13 AUTHORITY OF CONTRACTOR. The Contractor hereby represents and warrants to the City that the Contractor has the right, power, legal capacity, and authority to enter into and perform its obligations under this Contract, and its execution of this Contract has been duly authorized.

11.14 ARBITRATION OF DISPUTES. Any dispute for under \$25,000 arising out of or relating to the negotiation, construction, performance, non-performance, breach, or any other aspect of this Contract, shall be settled by binding arbitration in accordance with the Commercial Rules of the American Arbitration Association at Los Angeles, California and judgment upon the award rendered by the Arbitrators may be entered in any court having jurisdiction thereof. The City does not waive its right to object to the timeliness or sufficiency of any claim filed or required to be filed against the City and reserves the right to conduct full discovery.

11.15 NOTICES. Any notice or demand to be given by one party to the other must be given in writing and by personal delivery or prepaid first-class, registered or certified mail, addressed as follows. Notice simply to the City of Vernon or any other City department is not adequate notice.

If to the City:

City of Vernon  
Public Utilities Department  
Attention: Abraham Alemu, General Manager

4305 Santa Fe Avenue  
Vernon, CA 90058

If to the Contractor:

Any such notice shall be deemed to have been given upon delivery, if personally delivered, or, if mailed, upon receipt, or upon expiration of three (3) business days from the date of posting, whichever is earlier. Either party may change the address at which it desires to receive notice upon giving written notice of such request to the other party.

11.16 NO THIRD PARTY RIGHTS. This Agreement is entered into for the sole benefit of City and Contractor and no other parties are intended to be direct or incidental beneficiaries of this Agreement and no third party shall have any right or remedy in, under, or to this Agreement.

11.17 TERMINATION FOR CONVENIENCE (Without Cause). City may terminate this Contract in whole or in part at any time, for any cause or without cause, upon fifteen (15) calendar days' written notice to Contractor. If the Contract is thus terminated by City for reasons other than Contractor's failure to perform its obligations, City shall pay Contractor a prorated amount based on the services satisfactorily completed and accepted prior to the effective date of termination. Such payment shall be Contractor's exclusive remedy for termination without cause.

11.18 DEFAULT. In the event either party materially defaults in its obligations hereunder, the other party may declare a default and terminate this Contract by written notice to the defaulting party. The notice shall specify the basis for the default. The Contract shall terminate unless such default is cured before the effective date of termination stated in such notice, which date shall be no sooner than ten (10) days after the date of the notice. In case of default by Contractor, the City reserves the right to procure the goods or services from other sources and to hold the Contractor responsible for any excess costs occasioned to the City

thereby. Contractor shall not be held accountable for additional costs incurred due to delay or default as a result of Force Majeure. Contractor must notify the City immediately upon knowing that non-performance or delay will apply to this Contract as a result of Force Majeure. At that time Contractor is to submit in writing a Recovery Plan for this Contract. If the Recovery Plan is not acceptable to the City or not received within 10 days of the necessary notification of Force Majeure default, then the city may cancel this order in its entirety at no cost to the City, owing only for goods and services completed to that point.

11.19 TERMINATION FOR CAUSE. Termination for cause shall relieve the terminating party of further liability or responsibility under this Contract, including the payment of money, except for payment for services satisfactorily and timely performed prior to the service of the notice of termination, and except for reimbursement of (1) any payments made by the City for service not subsequently performed in a timely and satisfactory manner, and (2) costs incurred by the City in obtaining substitute performance. If this Agreement is terminated as provided herein, City may require, at no additional cost to City, that Contractor provide all finished or unfinished documents, data, and other information of any kind prepared by Contractor in connection with the performance of Services under this Agreement. Contractor shall be required to provide such document and other information within fifteen (15) days of the request.

11.19.1 Additional Services. In the event this Agreement is terminated in whole or in part as provided herein, City may procure, upon such terms and in such manner as it may determine appropriate, services similar to those terminated.

11.20 MAINTENANCE AND INSPECTION OF RECORDS.

The City, or its authorized auditors or representatives, shall have access to and the right to audit and reproduce any of the Contractor's records to the extent the City deems necessary to insure it is receiving all money to which it is entitled under the Contract and/or is paying only the amounts to which Contractor is properly entitled under the Contract or for other purposes relating to the Contract.

The Contractor shall maintain and preserve all such records for a period of at least three (3) years after termination of the Contract.

The Contractor shall maintain all such records in the City of Vernon. If not, the Contractor shall, upon request, promptly deliver the records to the City of Vernon or reimburse the City for all reasonable and extra costs incurred in conducting the audit at a location other than the City of Vernon, including, but not limited to, such additional (out of the City) expenses for personnel, salaries, private auditors, travel, lodging, meals, and overhead.

11.21 CONFLICT. Contractor hereby represents, warrants, and certifies that no member, officer, or employee of the Contractor is a director, officer, or employee of the City of Vernon, or a member of any of its boards, commissions, or committees, except to the extent permitted by law.

11.22 HEADINGS. Paragraphs and subparagraph headings contained in this Agreement are included solely for convenience and are not intended to modify, explain or to be a full or accurate description of the content thereof and shall not in any way affect the meaning or interpretation of this Agreement.

11.23 ENFORCEMENT OF WAGE AND HOUR LAWS. Eight hours labor constitutes a legal day's work. The Contractor, or subcontractor, if any, shall forfeit twenty-five dollars (\$25) for each worker employed in the execution of this Agreement by the respective Contractor or subcontractor for each calendar day during which the worker is required or permitted to work more than 8 hours in any one calendar day and 40 hours in any one calendar week in violation of the provisions of Sections 1810 through 1815 of the California Labor Code as a penalty paid to the City; provided, however, work performed by employees of contractors in excess of 8 hours per day, and 40 hours during any one week, shall be permitted upon compensation for all hours worked in excess of 8 hours per day at not less than 1½ times the basic rate of pay.

11.24 LIVING WAGES Contractor, and any Subcontractor(s), shall comply with the City's Living Wage Ordinance. The current Living Wage Standards are set forth in Exhibit "D". Upon the City's request, certified payroll records shall promptly be provided to the City

11.25 EQUAL EMPLOYMENT OPPORTUNITY PRACTICES. Contractor certifies and represents that, during the performance of this Contract, it and any other parties with whom it may subcontract shall adhere to equal employment opportunity practices to assure that applicants, employees and recipients of service are treated equally and are not discriminated against because of their race, religion, color, national origin, ancestry, disability, sex, age, medical condition, sexual orientation or marital status. Contractor further certifies that it will not maintain any segregated facilities. Contractor further agrees to comply with The Equal Employment Opportunity Practices provisions as set forth in Exhibit "E".

[Signatures Begin on Next Page].

IN WITNESS WHEREOF, the Parties have signed this Agreement as of the Commencement Date stated on the cover page.

City of Vernon, a California charter City and California municipal corporation

[CONTRACTOR'S NAME, a [State incorporated in] corporation

By: \_\_\_\_\_  
Carlos Fandino, City Administrator

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

Name: \_\_\_\_\_

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

ATTEST:

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

\_\_\_\_\_  
Lisa Pope, City Clerk

Name: \_\_\_\_\_

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

APPROVED AS TO FORM:

\_\_\_\_\_  
Hema Patel, City Attorney

EXHIBIT A  
REQUEST FOR PROPOSALS

EXHIBIT B  
PROPOSAL

EXHIBIT C  
SCHEDULE

## EXHIBIT D

### LIVING WAGE PROVISIONS

#### **Minimum Living Wages:**

A requirement that Employers pay qualifying employees a wage of no less than \$10.30 per hour with health benefits, or \$11.55 per hour without health benefits.

#### **Paid and Unpaid Days Off:**

Employers provide qualifying employees at least twelve compensated days off per year for sick leave, vacation, or personal necessity, and an additional ten days a year of uncompensated time for sick leave.

#### **No Retaliation:**

A prohibition on employer retaliation against employees complaining to the City with regard to the employer's compliance with the living wage ordinance. Employees may bring an action in Superior Court against an employer for back pay, treble damages for willful violations, and attorney's fees, or to compel City officials to terminate the service contract of violating employers.

EXHIBIT E  
EQUAL EMPLOYMENT OPPORTUNITY  
PRACTICES PROVISIONS

- A. Contractor certifies and represents that, during the performance of this Agreement, the contractor and each subcontractor shall adhere to equal opportunity employment practices to assure that applicants and employees are treated equally and are not discriminated against because of their race, religious creed, color, national origin, ancestry, handicap, sex, or age. Contractor further certifies that it will not maintain any segregated facilities.
- B. Contractor agrees that it shall, in all solicitations or advertisements for applicants for employment placed by or on behalf of Contractor, state that it is an "Equal Opportunity Employer" or that all qualified applicants will receive consideration for employment without regard to their race, religious creed, color, national origin, ancestry, handicap, sex or age.
- C. Contractor agrees that it shall, if requested to do so by the City, certify that it has not, in the performance of this Agreement, discriminated against applicants or employees because of their membership in a protected class.
- D. Contractor agrees to provide the City with access to, and, if requested to do so by City, through its awarding authority, provide copies of all of its records pertaining or relating to its employment practices, except to the extent such records or portions of such records are confidential or privileged under state or federal law.
- E. Nothing contained in this Agreement shall be construed in any manner as to require or permit any act which is prohibited by law.

EXHIBIT B  
PROPOSAL



# NATURAL GAS FINANCIAL AND COMPLIANCE SUPPORT SERVICES

City of Vernon, CA



PREPARED BY:





February 17, 2020

Ms. Angela Kimmey  
Compliance Administrator  
Recipient Name  
4305 Santa Fe Avenue  
Vernon, CA 90058

**Subject: Natural Gas Support Services**

Dear Ms. Kimmey:

NewGen's proposal shall remain valid for a period of not less than ninety (90) days from the date of submittal. We do not intend to use subcontractors on this assignment. Our office and contact information throughout the proposal process is as follows:

Business Entity	Contact
NewGen Strategies and Solutions 225 Union Blvd., Suite 305 Lakewood, CO 80228 720-633-9496	Tony Georgis – Managing Director, Energy Practice 225 Union Blvd., Suite 305 Lakewood, CO 80228 720-633-9496

We look forward to the prospect of working with the City of Vernon in the role of a rate consultant. If you have questions concerning this proposal or would like additional information, please contact me at (720) 633-9496 or [tgeorgis@newgenstrategies.net](mailto:tgeorgis@newgenstrategies.net).

Sincerely,

**NewGen Strategies and Solutions, LLC**



Tony Georgis  
Energy Practice, Managing Director



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## INTRODUCTION

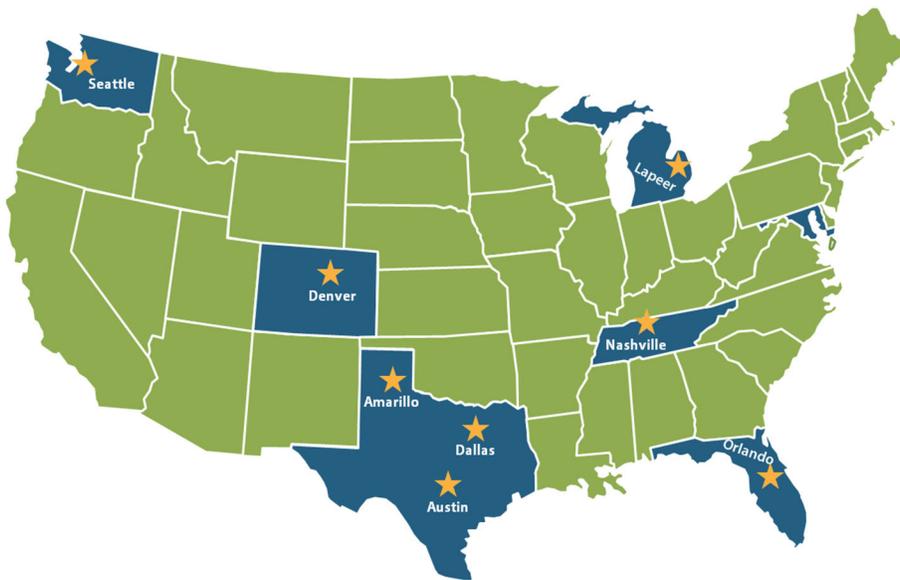
NewGen Strategies and Solutions, LLC (NewGen) is a management and economic consulting firm specializing in serving the utility industry and market. NewGen primarily serves public sector utilities and provides nationally recognized expertise in strategic planning, utility cost of service (COS) and rate design studies, depreciation and appraisal studies, litigation support for state and federal regulatory proceedings, utility business and financial planning, and stakeholder engagement for electric, water, wastewater, solid waste, and natural gas utilities.



NewGen was created by consultants who are dedicated to our client’s mission and recognized as experts in our respective fields of service. **“Thoughtful Decision Making for Uncertain Times”** succinctly describes our capability to provide our clients solutions and recommendations tempered with our keen insight into the growing role of

stakeholders, resource availability, environmental concerns, cost of providing utility services, and economic conditions. This ensures an integrated approach to delivering our products and services.

NewGen employs 42 professional and administrative staff, with 10 ownership members (e.g. Directors), and a Board. NewGen’s offices are located nationwide.



### Rod Walker and Associates

NewGen has included Rod Walker and Associates (RWA) as a strategic teaming partner on this project. NewGen, its staff on this project, and RWA have a long, proven history of working together for municipal utilities and natural gas systems. RWA provides utility and natural gas industry executives with technical expertise and business acumen combined with executive management experience to lead organizations and serve as a trusted advisor to clients in the energy industry domestically and worldwide. RWA has been included in our proposal to provide natural gas utility operational and compliance subject matter expertise.

## Understanding and Approach

The City of Vernon is requesting support for its Natural Gas Utility and, specifically, financial, operational, and regulatory compliance services. The Natural Gas Utility is operated to maximize efficiency and optimize its current staff for ongoing operational needs. As periodic, intermittent, or specialized expertise and capacity is required, the Utility augments its internal staff with consultants or outside expertise. This strategy maintains efficiencies, keeps internal costs competitive, and ensures the proper expertise and experience is available and applied when needed. NewGen's approach to the scope of work and requested services is flexible, provides the required expertise, applies our institutional knowledge of Vernon's Public Utilities Department (VPU), and tailors the experts to meet VPU's needs.

**Local Knowledge and Experience with VPU:** Our project manager has institutional knowledge and experience with VPU gained over the past six years, with multiple utility projects in addition to extensive California utility market experience in strategic planning, stakeholder engagement, rate making, and financial planning. We are familiar with VPU's unique customer base of commercial and industrial customers and your mission to have the lowest rates in the state by 2030.

**Integrated Strategy, Finance and Compliance Expertise:** the NewGen Team includes a unique integration of expertise and experience including all three Service Areas: Financial, Strategy, and Compliance. Furthermore, our Team has proven experience working together implementing the same work as identified in the three Service Areas in California. By integrating the expertise in each of the Service Areas in each of the tasks and overall effort, our proposal will deliver added value and further ensure the proper recommendations and a successful implementation. For example, our strategy lead has deep experience in both strategy and rate making and plans to include our natural gas utility operations and compliance lead in the strategic planning effort for added technical expertise and insight.

**Tailored and Flexible Experts that Align with VPU's Needs:** We have specifically tailored and selected our team members to provide the best expert, with deep California utility experience, to meet VPU's needs as outlined in the scope of services. NewGen has extensive experience and expertise with rates and strategic planning in the California municipal market. In addition, we have included our long-term strategic teaming partner, Rod Walker Associates, to integrate deep technical expertise, experience with the California natural gas regulatory environment, and national expertise with gas utilities, audits, operational assessments, and strategy.

## SCOPE OF WORK

The Tasks below are summarized by the Service Areas as defined in the scope of services. NewGen is proposing on all Service Areas; however, we understand that VPU may select multiple vendors or separate vendors for each Service Area. NewGen does not require selection for all three Service Areas for the below scope of work or related cost estimates to remain valid. NewGen is available to work on individual or all Service Areas.

## **Service Area 1: Financial Services**

Financial Services will include three key services: financial forecast/rate making, income/expense monitoring, and support for wholesale gas purchasing/agreements. NewGen has assumed the Service Area 1 tasks and ongoing financial, budgetary and financial monitoring related services to include one year from the execution of the contract or notice to proceed. NewGen recommends the following tasks for Service Area 1.

### **Task 1: Kickoff Meeting with VPU and Data Request**

NewGen recommends an onsite kickoff meeting to serve the entire effort and all tasks or Service Areas. The purpose of the meeting would be to develop and confirm a more detailed schedule with input from VPU, define communication protocols and frequency, identify the key points of contact for each Service Area or Task, and discuss initial data needs. A key discussion during the kickoff meeting will focus on VPU's critical needs and overall goals for the project. Additional elements of the project to be discussed include: Strategic Planning team; prioritization of financial, strategy, and compliance work; and timing for compliance software integration.

NewGen also plans to demonstrate and illustrate our modeling capabilities and eventual use by VPU. While NewGen will lead the development, maintenance, and update of all models as needed by the Tasks included in this proposal, VPU will have the ability to utilize the models during the project and in a real-time basis as models are developed and applicable. For example, as the financial forecast model and budgeting tool is developed, VPU will have access and can run their own scenarios or reporting as needed during the engagement.

Based on outcome of the kickoff meeting, NewGen will develop an initial data request to support the efforts of each Service Area or refine and stage the data requests aligned with VPU's priorities, goals or immediate needs for the project. This data request will likely include VPU accounting information and data, plant data, customer contracts, wholesale/gas provider contracts, prior regulatory audits, existing SOPs/documentation, and/or any marketing plans.

### **Task 2: Financial Forecast and Cost of Service**

NewGen will develop a Microsoft Excel-based gas utility financial model based on the utility's budgeting system and accounts to support periodic updates and alignment with the COS and models. The financial model will forecast revenues by customer class and expenses for five years (or other planning period as determined in the kickoff meeting) to evaluate potential rate, debt, gas market costs, regulatory, operational, or capital impacts. A key element to guiding the financial model and eventual revenue requirement for the COS will be the selection of key financial metrics such as cash reserve targets, debt to cash funded capital, and debt service coverage ratios. These metrics will inform financial decisions and drive financial decisions or scenario analyses in the model.

Our model includes a dashboard designed to manage, manipulate, and evaluate large amounts of data. The dashboard easily conveys the key financial metrics, consumption changes, customer impacts, and rate structures to customers, staff, and Boards. The dashboard allows us to quickly perform scenario analyses which provides VPU flexibility in determining the appropriate mix of

rate changes, capital projects, and debt issuances to meet budgetary or capital constraints and to support utility decision making. The customized tools allow for dynamic and complete analysis of the various aspects of the Study and produce easy to understand tables and graphs that aid VPU in communicating to various stakeholders engaged in the project. During the model development process, designated utility staff will be included in periodic progress updates and provide feedback on draft versions of the model. The results of the financial model will be summarized in a report and presented to VPU staff.

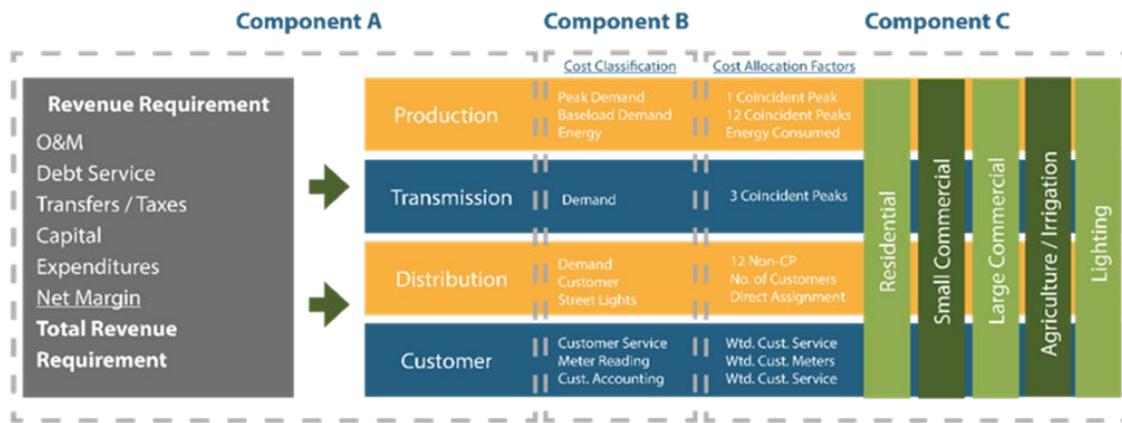
The model will include a Proforma operating results worksheet, a balance sheet, the aforementioned dashboard, capital improvement plan sheet, debt service schedule, and up to six (6) scenarios as defined by VPU. The scenario analyses could be a key element in evaluating any prior prepaid or bond financed gas purchase contract risks, financial performance, or management over time. As this financial model is based on VPU's budgetary system and chart of accounts, it will also serve to facilitate the development of VPU's annual gas enterprise budget as noted in Task 4.

NewGen will work with VPU management and staff to select a single historical or budgeted year with known and measurable adjustments as an appropriate test year (TY) Revenue Requirement to use as the basis for the COS. An average of multiple forecasted years (e.g., 2021–2025) could also be used as the basis for the TY Revenue Requirement and will be discussed during the kickoff meeting. The use of pass-through/commodity charges and capital/financing plans will also significantly influence the selection and calculation of the TY Revenue Requirement. We propose the cash approach to develop the TY revenue requirement for the basis for the COS. The cash-based revenue requirement represents all cash-based costs that must be recovered through the VPU's gas utility rates. This includes the cash needs to achieve debt service coverage ratios, a reasonable margin for operating reserves, cash funded capital improvements, and adequate inventories.

After completing the TY Revenue Requirement there are three key steps to completing the COS: 1) unbundle or functionalize the revenue requirement into utility functions (e.g., production/storage, transmission, distribution, and customer), 2) classify costs (e.g., commodity, demand, customer related), and 3) allocate the costs to the customer classes. Included throughout the three steps of the COS is the creation of allocation factors to support the allocation of shared costs to different functions or classifications and the eventual customer class allocation factors to allocate the final COS to each customer class.

Once the detailed TY Revenue Requirement has been established, the amount is assigned to the production, transmission, distribution, and customer functions. Assignments are made either through direct assignments or other allocation methodology. The functionalized and classified TY revenue requirement is then allocated to each of the rate classes using various customer class allocation methodologies. These allocation methodologies, or allocators, are developed in alignment with the cost classification. For example, production demand costs are often allocated utilizing the customer's contributions to system demand, such as average and peak demand method, and commodity costs are often allocated by customer class total gas consumption. The total COS allocated costs to each customer class will be compared to TY revenues for each

customer class to determine COS based adjustments needed. The illustration below summarizes the process.



Work Papers for supporting adjustments and allocations are included in the COS model for reference. These Work Papers generally include TY adjustments and supporting calculations, such as customer class contributions to system load and peak demands, minimum system calculations for customer and demand classifications of the Distribution costs, asset-related data, and/or purchased gas cost breakdown. A Work Paper will also likely be created to provide a calculation for the commodity pricing and pass through. Our unbundled COS model structure will quickly and easily provide and track the detailed components to create base rates, commodity gas cost adjustment rates, and public benefits charge pass throughs, if or when desired. The COS and financial models will be provided to VPU for their use, if desired.

**Task 3: Rate Making, Tariffs, and Support Customer Contracts/Agreements**

NewGen will develop a rate and revenue model as well as rate comparison sheets to assist in the development of rates and ensure that proposed rates provide sufficient revenue recovery. To support the development of recommended rates, we will include benchmarking to SoCalGas retail rates to ensure competitive rates for VPU and align with the Utility’s Mission. After completing the recommended rates, the revenue adequacy of the new rates will be proven by forecasting and calculating the annual rate revenue generated for each customer class and comparing it to the class and total system COS. Average bills and full customer class related impacts for each class will automatically be calculated to compare existing, COS-based, and recommended new rates. These models have proven effective in communicating VPU’s competitive position in prior Electric Utility COS work with VPU.

The results of the initial rate design will be presented and discussed via web-based conference call with VPU management and staff. Based on feedback from the rate review we will revise or provide an optional or alternative rate design strategy such as a phase-in of rate changes or adjustments in customer/demand/consumption rate components. The rate design model will be delivered to VPU for their ongoing and future use, as needed.

**Task 4: Support Gas Accounting and Budgeting Activities**

For Task 4 the NewGen Team plans on leveraging the financial model developed in Task 2 that is based on the VPU budgeting system. As that model is used to develop the revenue requirement for the gas system and related forecast, we will also use it to track the budget to actual performance of the utility. NewGen is a market leader in model development and will ensure the model is easy to use and quickly integrates VPU’s existing enterprise software systems. The model will track budget to actual and automate updates/uploads of data as it is available from VPU. The dashboard included in the initial development of the financial model will be augmented to also provide budget to actual evaluations and assessments of performance. VPU will have continuous access to the model and NewGen can host the model on a cloud server for VPU staff to ensure the most recent model and data is always available to the client.

Similar to tracking budget to actual performance for VPU, the NewGen team further plans to leverage the work in Task 2 to facilitate the development of the gas systems annual budgets for a planning period as needed by VPU (e.g., 5 years). This comprehensive, dynamic tool will allow for the development of the revenue requirement, an initial budget, tracking of monthly budget to actuals, and “proforma” types of analyses such as adjusting dashboard variables (e.g., capital investment schedules, natural gas price forecast, debt issues, consumption, etc.). The financial model will provide multiple staff and departments insight into the gas system’s current and projected performance and financial key performance indicators. Examples of prior models are included below.



Finally, Task 4 will include the development of a separate model to monitor, track, and calculate monthly commodity costs, rates, and Purchased Gas Adjustment to pass through to VPU's customers. The model will ensure total cost recovery, include the effect of timing differentials for cost incurrence/forecasted consumption/historical revenues received. The model will account for spot purchases, long term contracts, monthly indexes, and bond financed prepaid gas where applicable. Integrating the timing and multiple sources for gas procurement is a key component to ensuring VPU is properly recovering all costs associated with the acquisition and delivery of the gas commodity to customers. The model will also help inform the financial departments and leadership's decisions regarding cash reserve levels and possible rate stabilization for the commodity adjustment rate.

### **Task 5: Support Wholesale Gas Transactions and Agreements**

For Task 5, the NewGen Team will facilitate, support, and augment VPU staff as needed to resolve technical issues or terms/conditions with gas marketers, monitor SoCalGas tariffs for changes, provide a liaison to Resource Planning for power generation support, and analyze/tailor NAESB contracts for current and proposed gas purchases. The NewGen Team has significant and direct experience with municipal gas utility contracting, contract review, and optimization of terms/conditions to benefit or project our clients.

To begin Task 5, we will collaborate with VPU staff and review existing and recently proposed contracts to gain a common understanding of the gas system's current position. We will compare the current state at VPU to industry benchmarks and our prior experience to identify any risks, gaps, or issues to address. We will apply lessons learned from past client work to VPU to improve the gas system's position where possible. Where issues are identified, we will develop a template for future gas contracting, including best practices and recommendations to mitigate risks or manage the contract issues in the future. This template and memo report will also include recommendations for tailoring or analysis in support of applying NAESB standard contracts.

To support ongoing VPU operations in the electric and gas utility, we will monitor SoCalGas's tariffs for any changes and impacts to operations and costs at each utility. In our fee estimate, we have assumed approximately one hour per month for one year to review SoCalGas's tariff and identify and impacts to VPU. Furthermore, we will act as a liaison from the gas system to resource management to apply our expert insight in the natural gas and power supply markets with the goal of reducing costs and improving operations where possible in gas procurement. NewGen has significant experience supporting larger utilities or power agencies in gas and power procurement strategies and operations. We will apply lessons learned and best practices from those effort to remain efficient and effective at VPU. In providing ongoing support for VPU, we have assumed an average of approximately four hours per month for one year for ongoing coordination with the resource management group.

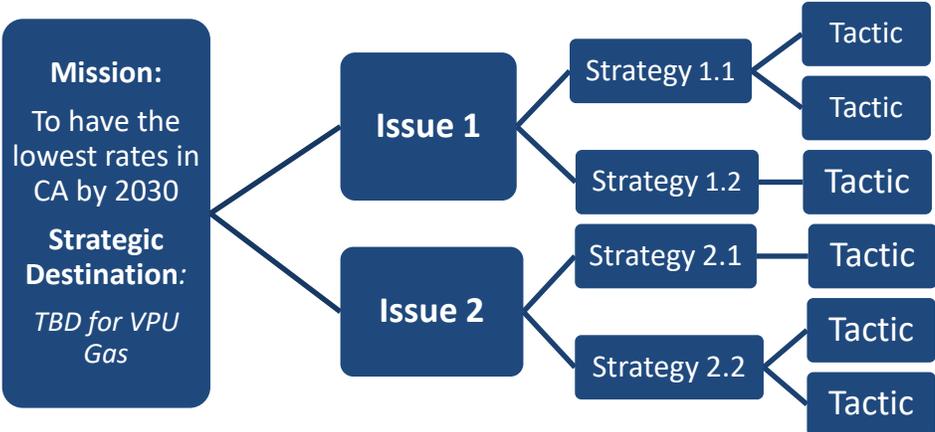
## **Service Area 2: Business Development Services**

Business Development Service includes development of a VPU Gas strategic plan, support of marketing efforts, customer acquisition support, and equipment acquisition support.

**Task 6: Strategic Plan**

The NewGen Team proposes to develop a Strategic Plan for VPU’s gas utility that aligns with the broader Mission of VPU and the goal to have the lowest rates in California by 2030. We plan on utilizing a national and local market scan of the utility and municipal natural gas business environment, facilitating a strengths, weaknesses, opportunities, and threats (SWOT) analysis, developing key plan elements (as seen in the Strategic Plan illustration below), and prioritizing a tactical action plan that will include a tactical marketing plan. Both our Project Manager and key support experts have national utility market experience, and significant experience with the California market and natural gas utilities.

The first step in developing the strategic plan for VPU’s natural gas system is to identify the Strategic Destination, or where VPU’s gas system desires to be in 10 years (aligned with the broader Mission of VPU). After identifying the Strategic Destination, we will identify the key Issues we need to address to achieve or reach that Strategic Destination. It is expected one of the key Issues will be the Marketing Plan. Strategies and Tactics are then developed for each Issue to create the Tactical Action Plan and resolve each of the Issues identified. The Plan will be a living document and we recommend updating or refreshing the Plan every two to three years as different elements of the Plan are completed, or progress is made.



In developing the Strategic Plan, NewGen will:

- Provide a comprehensive Plan and document reflecting the changing conditions, Strategic Destination, and Tactical Action Plan for achieving the destination for VPU’s gas system
- Further link the VPU’s broader strategy to the gas system and develop tools to ensure VPU’s gas system aligns all levels of the organization with the Plan.
- Engage stakeholders periodically for feedback on VPU’s gas system progress, future issues, plan elements, and final updated Plan.

NewGen’s approach to VPU’s gas system Strategic Plan includes development of the Plan, engaging internal and external stakeholders, and development of implementation tools. NewGen’s approach utilizes an internal VPU core planning team (CPT) of approximately 5-10 individuals, workshops with the CPT for plan development/refinement, and an external

stakeholder advisory panel or board workshops for feedback on the plan and refinements. The external stakeholder advisory panel can utilize an existing panel or group that VPU routinely uses for feedback and insights on VPU's strategic efforts.

The overall process and work plan includes four, half-day (4-5 hour) workshops for the development of the Strategic Plan with the CPT. There are three external stakeholder workshops scheduled for approximately two hours each for feedback on the plan as it develops. NewGen intends and suggests that the external stakeholder workshops be scheduled the day prior to or the day after the internal CPT workshops to maintain efficiency and costs for the project.

### **Task 7: Market and Customer Service Support**

Task 7 includes general marketing and customer support, including general support for VPU's marketing efforts, maintaining customer rate/utility cost comparison models, evaluation of customer acquisition economics, and supporting equipment acquisition. The NewGen Team will provide general marketing support on an as-needed basis; however, we have assumed approximately eight hours per month of general support for one year in our fee estimate.

To initially support marketing efforts, the NewGen Team will perform a review of marketing and customer service plans, customer satisfaction survey results/trends, existing customer acquisition practices (e.g., line extensions), communication plan(s), and benchmarking information where available to gain a general understanding of VPU's current and past efforts. Given the large commercial and industrial customer base in Vernon, we expect the ongoing general marketing support to focus on aligning/implementing the strategic plan developed in Task 6 to marketing activities, marketing collateral, communications, data for key account representative's use, and support for economic development/customer acquisition.

Other services included in Task 7 are maintaining or enhancing the customer savings comparison and benchmarking templates or models. This will provide valuable data for key account representatives and/or economic development pursuits of new customers. Similarly, we will evaluate customer connection economics (e.g., line extensions) in pursuit of new customers or existing customer expanding services. NewGen proposes developing a model (or enhancing one currently available) that will quickly and consistently analyze customer connections for VPU.

### **Service Area 3: Compliance Services**

Compliance services will focus on regulatory compliance efforts, pipeline safety compliance, audits, threat and risk assessments, and development of standard operating procedures.

### **Task 8: Support Pipeline Safety, Regulatory Audit, Compliance & Pipeline Integrity Management**

Included in Task 8 is general audit support, supporting the preparation for audits and inspections, ongoing support for compliance, and an evaluation/gap analysis of existing VPU audit processes. This evaluation also includes evaluating the pipeline integrity management programs for opportunities to improve or streamline the process. To kickoff Task 8, Rod Walker and the Project Manager will hold an onsite meeting to review the current compliance conditions and VPU staff concerns. To facilitate the general audit support and preparation, the NewGen Team will

perform a review and evaluation of VPU's current audit processes, including a jurisdictional review, audit of manuals and related documents, and ongoing support for DOT-PHMSA and/or CPUC audits. The jurisdictional review will include the identification or confirmation of regulated assets and applicable requirements of Title 49, Parts 191, 192, and 199 CFR with granularity at the Subpart and Section level. Some subparts may not be applicable. The NewGen Team, with input from VPU, will determine which subparts are not applicable. Subparts that are not applicable will be properly documented as such in the Compliance Summary Report. The review and report will include the following: a table of VPU's assets identifying regulatory status, a compliance matrix, and a prioritized report of findings, gaps, recommended mitigations, and process improvements.

The NewGen Team will also audit existing manuals, forms, procedures, plans, and a sampling of records to ensure they meet or exceed the requirements of Title 49, Parts 191, 192, and 199 CFR to ensure VPU auditable compliance with these requirements. Assessment will include, but are not limited to:

- Drug and Alcohol Testing
- Emergency Plans
- Operations & Maintenance
- Operator Qualification
- Public Awareness

In addition to the above assessment areas, the NewGen Team will evaluate the transmission and distribution pipeline integrity management program to identify best practices and opportunities to streamline the process and programs. Specific efforts will include:

- Transmission pipelines:
  - Conduct Threat Assessment/Risk Assessment in accordance with ASME 831.8S-2004 for identifying and evaluating system threats, collecting pipeline and system data and a risk ranking methodology.
  - Identification of additional metrics to determine program effectiveness. (VPU's pipeline has not experienced any incidents of the threats identified in Part 192, making these traditional metrics inadequate to capture whether Vernon's program is effective in assessing and evaluating the integrity of each covered segment.)
- Distribution pipelines:
  - Conduct Threat Assessment/Risk Assessment
  - Develop process separate from the Simple Handy Risk-Based Integrity Management Plan (SHRIMP) to evaluate system threats and rank risks
  - Identify measures to reduce the risk of distribution pipeline failures

The NewGen Team shall provide Mitigation and Improvement recommendations and other recommendations as needed for each of the above noted areas in the assessment. We realize that the programs listed above may or may not need improvement until the assessment and gap analysis is performed. We also recommend that the effort and estimated costs to make program improvements be revisited after the gap analysis is complete and adjusted accordingly. The

NewGen Team will hold a draft Compliance Summary Report review onsite with VPU staff and representatives. Based on feedback and insights from VPU, a final report will be delivered. The time and cost estimates listed for such work in this proposal are based without any knowledge of the condition of VPU's programs and are based on an average cost of bringing each program into compliance based on previous projects the NewGen Team has worked on.

During the course of the assessment and gap analysis and completion of the report, the NewGen Team will provide general support in the preparation and development of DOT-PHMSA or CPUC audits and inspections. Our experts will facilitate the preparation for audits with VPU staff, review necessary documentation and records, and support the audit process throughout the term of the project.

### **Task 9: Facilitate and Develop Standard Operating Procedures and Support Compliance Software Implementation**

From the review of the manuals and procedures listed above in Task 7, NewGen will take the gap analysis of compliance areas needing attention related to processes, procedures, and manuals and leverage its deep natural gas operations experience to identify changes that need to be made to each as appropriate. The suggested changes will meet the balance of clear processes and procedures that can be used by VPU staff in daily tasks while meeting State and Federal regulatory requirements. NewGen will review the list of suggested changes with VPU to gain consensus and then make the appropriate changes and/or assist VPU staff with these changes.

Additionally, NewGen subject matter experts will assist VPU staff in the identification, selection, and implementation of compliance management software that have been proven at utilities to provide a user-friendly system for tracking and maintaining compliance activities.

## **WORK PLAN**

Our work plan is straight forward and ensures collaboration, coordination and integration across all tasks. The more detailed tasks descriptions are included in the Scope of Work. Tony Georgis, the project manager, will lead and coordinate the entire effort and remain the key point of contact for all Service Areas. In addition, Mr. Georgis is an expert in financial forecasting, modeling, COS, and strategy. He will play a key role in the first two Service areas to maintain institutional knowledge of VPU and the project. Mr. Georgis will be assisted by Brown Thornton, who has similar expertise and has been involved with similar compliance efforts and natural gas utility strategy work. The three Service Area leads were selected to align best with VPU's and the project's needs. The three leads and the Project Manager and Assistant Project manager all have nearly a decade of experience working together on similar efforts at NewGen.

In addition to key experts and team members integrated throughout the three Service Areas, the Project Team will maintain weekly internal coordination meetings across the key leads on the team. The NewGen Team will also maintain bi-weekly calls with VPU to maintain consistency across the different tasks and efforts and keep the client informed on progress, any data needs, and results as applicable. After the kickoff meeting, and the initial schedule of key deliverables is drafted, we will set the bi-weekly coordination calls.

## FEES AND COSTS

Item:	Labor Cost	Expenses	Total
<b>Service Area 1: Financial Services</b>			
Task 1: Project Kickoff	\$9,850	\$3,025	\$12,875
Task 2: Financial Model and COS	\$38,950	\$1,550	\$40,500
Task 3: Rate Design and Tariffs	\$14,700	\$1,075	\$15,775
Task 4: Support for Accounting and Budgeting	\$14,400	\$0	\$14,400
Task 5: Support Gas Contracts and Agreements	\$26,350	\$0	\$26,350
Service Area 1 Subtotal:	<b>\$104,250</b>	<b>\$5,650</b>	<b>\$109,900</b>
<b>Service Area 2: Business Development</b>			
Task 6: Strategic Plan	\$46,800	\$9,275	\$56,075
Task 7: Marketing and Customer Service Support	\$31,800	\$0	\$31,800
Service Area 2 Subtotal:	<b>\$78,600</b>	<b>\$9,275</b>	<b>\$87,875</b>
<b>Service Area 3: Compliance Services</b>			
Task 8: Support Pipeline Safety/Audit	\$33,250	\$1,075	\$34,325
Task 9: Facilitate SOP and Compliance Software	\$22,000	\$1,075	\$23,075
Service Area 3 Subtotal:	<b>\$55,250</b>	<b>\$2,150</b>	<b>\$57,400</b>
<b>Total All Service Areas</b>	<b>\$238,100</b>	<b>\$17,075</b>	<b>\$255,175</b>

Note: all Service Area costs are based on NewGen's 2020 billing rates.

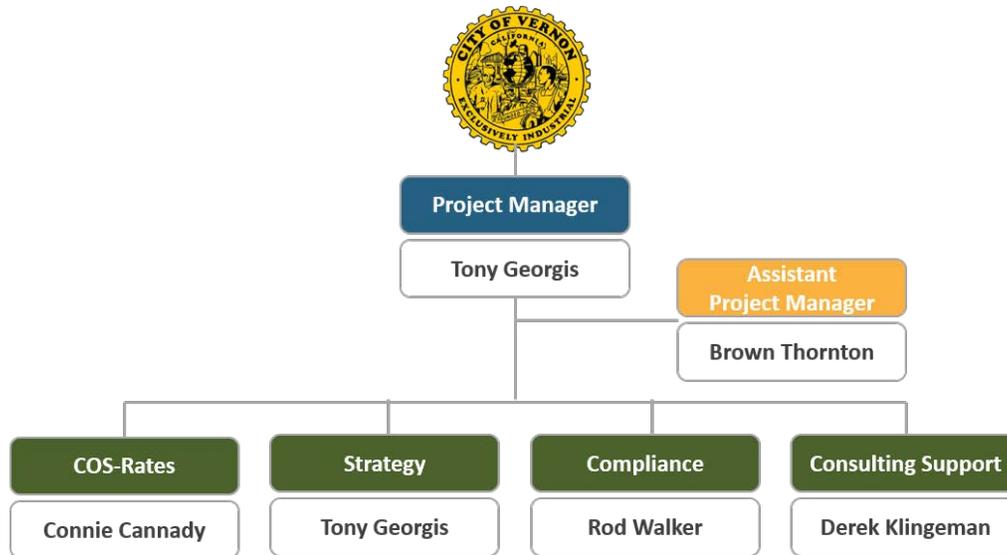
## ABILITY OF PROPOSER TO PERFORM

### Project Team Qualifications

The NewGen Team and staff meet the qualifications to perform the work as specified in the RFP. The NewGen Team has substantial experience navigating the dynamic energy markets, regulatory landscape, and business environments in the state of California, primarily with municipal utility clients who maintain diligent benchmarking against the state's Investor Owned Utilities (IOU). Our experience includes multiple COS and rate studies completed for municipal utilities in California, as well as strategic planning efforts, depreciation studies, and performance benchmarking studies. In addition, NewGen is supporting multiple communities in evaluating assets for possible acquisition from



California IOUs. Our work spans from working with three of the largest cities in California (Los Angeles, San Francisco, and San Diego), to irrigation districts, to cities just starting their municipal utility departments (Moreno Valley). The proposed NewGen Team is shown below, with an overview of each team member’s experience and qualifications. Please note the percentages of total project hours do not add up to 100%, as the remaining minimal hours are related to analytical support or administrative positions. Detailed resumes for individual team members are provided in Appendix A.



**Tony Georgis, Managing Director,  
 Energy Practice**  
 Project Role: Project Manager/Strategy  
 Lead

Mr. Tony Georgis brings more than 20 years of experience in engineering and economic analyses for the energy, water, and waste resources industries. His work includes various assignments for private industry, local governments, and utilities including sustainability strategy, strategic planning studies,

stakeholder engagement, financial and economic analyses, COS and rate studies, energy efficiency, and market research. Tony has also provided expert witness testimony in two states in multiple electric utility proceedings. In addition, Tony has managed multiple utility COS, strategy, and financial projects in the state of California. Tony also served as the project manager for the previous financial analysis and COS studies for VPU and is very familiar with the utility, stakeholders, and business environment.



**Brown Thornton, Director**  
 Project Role: Asst. Project Manager  
 % of total project hours: 8%

Mr. Brown Thornton brings over 35 years of consulting experience in the energy and water infrastructure markets. He specializes in utility management, financial management, and analysis, wholesale and retail rate studies, power supply and transmission service, and

strategic business planning for municipal and consumer-owned utility clients. Mr. Thornton leverages his broad experience base to work with utility management and governing bodies in engagements involving strategic planning, examination of complex issues, and decision making.



**Rod Walker, Executive Consultant**

**Project Role: Compliance Lead**

**% of total project hours: 25%**

and tactical leadership to organizations. Mr. Walker has significant experience with all aspects of natural gas system planning, capital planning, replacement program evaluation, and designing and building infrastructure, as well as assessing, recommending, and implementing organizational performance improvements addressing people, process, data, technology, financial infrastructure, regulatory, and enterprise risk issues. Mr. Walker is an expert witness in the states of Arkansas, California, Delaware, Rhode Island, and the District of Columbia on natural gas industry matters.

Rod Walker is an industry executive with 35 years of technical expertise and executive management experience. His breadth of experience in the natural gas industry at utilities, as a management consultant, and engineer allows him to provide strong strategic



**Connie Cannady, Executive Consultant**

**Project Role: COS-Rate Design Lead**

**% of total project hours: 5%**

telecommunications, and cable television providers. Ms. Cannady has been an expert witness in numerous regulatory proceedings concerning natural gas and electric rates. She has provided testimony participated in cases before the regulatory commissions in Texas, Indiana, Maryland, North Carolina, Arizona, Oklahoma, New Mexico, Colorado, Alabama, and the Federal Regulatory Commission. With respect to natural gas utilities, Ms. Cannady's experience includes both interstate and intrastate pipeline operations and local distribution system operations.

With over 35 years of financial, managerial, and regulatory consulting experience, Ms. Connie Cannady is an expert in the areas of utility regulation and franchising of utility services, at the local, state, and federal levels. Ms. Cannady has been involved in numerous financial studies involving water, wastewater, electric, gas,



**Derek Klingeman, Staff Consultant**

**Project Role: Consulting Support**

**% of total project hours: 31%**

to study usage trends, uptake in various programs, and to model the impact of proposed rate changes. He recently graduated with a master's degree in economics from Colorado School of Mines.

Mr. Derek Klingeman specializes in COS and rate design for electric utilities and provides pro forma financial analysis, valuation, and economic impact analysis on a wide variety of projects for NewGen. Mr. Klingeman has worked extensively with large billing databases

## **Similar Projects**

### **City of Vernon – Cost of Service and Impact of Distributed Generation on Rate Payers**

**Project Team: Tony Georgis and Andy Reger**

NewGen provided COS and Rate design services for the past two Electric System Rate Studies for the City of Vernon's Public Utilities (VPU). In the first Study, NewGen developed rates that protected the utilities' financial strength and minimized cost shifting between customer classes

due to the adoption of conventional and renewable distributed generation technologies on the VPU system. The focus of the Study was evaluating and projecting financial impacts of distributed generation on the system using a ten-year financial forecast and related COS. The forecast included a projection of customer loads, system revenues, operation and maintenance expense, capital improvement program, debt service, City transfers, and other financial requirements of VPU. The model allowed for selecting penetration levels of varying types of distributed generation (e.g. conventional gas engines or rooftop solar). Subsequent to the first Study, NewGen completed an additional COS and Rate Study in 2019 updating previous models and financial forecasts to develop rates for a five-year period.

**City of Palo Alto Utilities – Strategic Plan (Palo Alto, CA)**

**Project Team: Tony Georgis and Rebecca Shiflea**

NewGen was contracted to facilitate the update and refresh of the City of Palo Alto Utilities' (CPAU) strategic plan. The project updated CPAU's strategic direction and enhanced the existing plan elements to improve organizational alignment, implementation, reporting, and overall plan success. A key element to the project was an added focus on organizational alignment and plan implementation tools to ensure all levels of staff are engaged, aligned with, and contributing to the Plan. The Plan elements included the development of a strategic direction, the key priorities CPAU must address to achieve the strategic direction, and strategies/actions to support the implementation. The Plan development process included facilitated CPAU staff workshops, multiple external stakeholder engagement workshops, periodic updates to the Utilities Advisory Commission, and integration of robust organizational or employee engagement and feedback.

**City of Charlottesville, Virginia – Natural Gas Cost of Service and Rate Design Studies**

**Project Team: Mike Lane, Connie Cannady, Derek Klingeman, and Zak Wright**

The City of Charlottesville, VA retained NewGen to conduct a number of studies related to its municipal natural gas utility. In 2016, NewGen was tasked with the development of a separate transportation rate to be charged to a large customer that had been taking service pursuant to an interruptible full-service rate. The primary issues were to ensure that the rate was cost based, would continue to provide a sufficient revenue stream to the utility based on the loss of full service load, and to provide a rate that was competitive with alternative third party transport services. In 2018, NewGen was retained to perform a complete cost of service and rate design study for the natural gas operations. The study included an analysis of the service activities required distinctly for inside and outside of the city limits to determine the likely trend in cost and infrastructure needs. In addition, the Project team developed a five-year cost of service and rate model to provide updates with respect to the accuracy of rates approved each year given actual customer usages, capital needs, and revised budgets. In 2019, the Project Team updated the model to include a module for financial planning for the overall natural gas utility operations.

**Puget Sound Energy – Due Diligence Review**

**Project Team: Rod Walker**

Mr. Walker served as the Project Leader of the Gas Due Diligence team that was asked to provide an independent review of the key areas of the gas utility, including financial condition, operations processes, organizational performance/management review, customer service practices,

operations and maintenance practices, regulatory compliance, technical best practices and standards, engineering, infrastructure condition, and environmental areas. From this extensive due diligence review, the team assessed and described the existing condition of the gas utility's infrastructure, operations, management, and technical aspects and suggested ways to optimize performance of the assets, company operations, and personnel, including identifying any red flags and risks associated to the Utility. The independent review identified impacts on the financial aspects of the deal, different types of risks or opportunities, and ways to mitigate those risks.

**California Energy Commission (CEC) Energy Reliability/ Hydraulic Modeling Project**  
**Project Team: Rod Walker**

Mr. Walker continues to be retained by the California Energy Commission (CEC) to support staff in the continuing review of the reliability of energy (natural gas and power) in California and effect on infrastructure issues on safety and rates to rate payers and the public in general. The support includes presentations at various CEC workshops and training and support of CEC staff in using hydraulic modeling to evaluate the natural gas transmission backbone models of PG&E and SoCal Gas independently for issues related to reliability of the natural gas system, especially in light of the Aliso Canyon storage field leak and pending shutdown near the LA Basin. The CEC staff will be called upon to answer the questions around natural gas reliability in relation to electric power generation and integration of renewables in the state.

**Aliso Canyon Technical Committee – Independent Review Team Member**  
**Project Team: Rod Walker**

Since the Aliso Canyon storage field leak in October 2015, Mr. Walker has served as an Independent Review team member along with the Los Alamos National Labs (LANL) staff on the Aliso Canyon Technical Committee to review the reliability of electricity and natural gas in the LA Basin for Summer 2016, Winter 2016, and Summer 2017. The committee is comprised of major agencies, power, and gas systems in California, including CPUC, CEC, CaISO, LADWP, and SoCalGas. Mr. Walker, with the LANL team, produced a report and facilitated a public workshop of analysis of the hydraulic analysis performed by SoCalGas, operator of Aliso Canyon and the natural gas distribution system network serving the LA Basin, to support the reliability studies titled "Independent Review of Hydraulic Modeling" in 2016, with a similar report in 2017. Mr. Walker was also an author on a report written to analyze regulations affecting natural gas storage fields since the Aliso Canyon event and potential alternatives to provide natural gas for the LA Basin by the California Council on Science and Technology (CSST), along with subject matter experts national wide.

**Fairbanks, Alaska Interior Gas Utility – Utility Acquisition Support and Due Diligence**  
**Project Team: Brown Thornton, Zak Wright, and Max Bernt**

The Interior Gas Utility (IGU) was created as a public utility in 2012 with the primary objective of providing low cost, clean burning, natural gas to customers in the greater Fairbanks North Star Borough (FNSB). NewGen has been engaged with IGU since 2015, providing assistance on a variety of matters relating to the startup of the natural gas utility and the purchase of Fairbanks Natural Gas (FNG), including an existing liquefied natural gas (LNG) production facility, LNG

storage facility, and existing natural gas distribution system. Key tasks include review and analysis of customer conversion and demand studies, financial forecast and capital plan modeling, development of a business plan, due diligence services for the purchase of a natural gas utility, negotiation of a financial agreement for the purchase of FNG and initial capital program funding, optimization studies for LNG production and storage, and preparation of a consulting engineer's report for tax-exempt bond financing. The financial planning model supports decision-making with scenario analysis related to rate levels, operating costs, capital improvements, reserve levels, and debt issuances for the combined IGU-FNG utility. Due diligence support included an independent review of FNG's governance, organization and management, natural gas supply and pipeline contracts, LNG production, LNG facilities, LNG transportation agreements, service territory, distribution system and operations, and historical financial results. Current activities include assistance with the planned issuance of tax-exempt bond financing to fund increased LNG production capacity, expansion of gas mains, and new customer connections.

**Philadelphia Gas Works – Due Diligence Review**  
**Project Team: Rod Walker**

Mr. Walker led teams that performed full due diligence of PGW, the largest municipal gas company in the US, for two separate potential infrastructure funds who were on the short list of potentials to invest and acquire the utility in one of the largest M&A auctions in recent US history. The teams reviewed all aspects of the Utility, including operations, management, regulatory compliance, maintenance, key technology to support operations, procurement, engineering, and environmental areas. The team reviewed and reported on the condition of the operations, management, and technical aspects of the utilities, as well as provided an assessment of assets, and the risks to the Utility associated with the assets. The independent review included impacts on the pro forma, different types of risks or opportunities, and ways to mitigate those risks. The specific review targeted PGW's capital replacement program and its accompanying financial rate rider for PGW's aging, leak-prone infrastructure, cast iron and unprotected bare steel, which are some of the largest amounts of each in the country.

**Glendale Water & Power Department – Electric Cost of Service and Rate Design**  
**Project Team: Tony Georgis and Jill Schuepbach**

NewGen has supported Glendale Water and Power's (GWP) financial modeling and cost of service efforts since 2017. GWP is considering multiple options for replacing the aging Grayson power plant. The NewGen team created a five-year financial forecast to assist GWP in projecting revenues and expenses in addition to understanding the effects of the repowering project on rates, debt, and reserve balances. The forecast model included scenario analysis and comparisons, dashboards, and financial reporting to summarize performance, selected financial metrics, and KPIs. The COS process and model included functionalization, classification, and allocation of costs to each customer class. The resulting costs to serve each class were compared to projected revenues to recommend rate changes. AMI data is also used in an innovative TOU rate design model that includes an interactive and dynamic dashboard to select the months and hours for the specific rate design while evaluating the expected shift in consumption and evaluating bill impacts.

**Other Representative Projects Include:**

- Alameda Municipal Power – Strategic Plan
- Philadelphia Gas Works – Organizational Assessment
- City of Riverside – COS and Rate Study
- Centerpoint Energy Entex – Expert Testimony on behalf of Coastal Cities
- Las Cruces, NM – Gas Rate Review
- Source Gas – Capital Program and Organizational Review
- Anaheim Public Utilities – COS and Rate Study
- US Dept. of Defense – Expert Testimony in BG&E rate case
- Lake Apoka, FL – Gas Utility Risk Assessment
- Western Area Power Administration – Strategic Roadmap
- Alameda Municipal Power – COS and Rate Study
- Spearman, TX – Gas COS and Rate Study

**Work Product Examples**

Examples of recently completed projects for both natural gas and electric utilities are provided in Appendix B.

**References**

NewGen encourages the City to contact the representative professional references listed below. These clients can speak to our ability to provide quality work similar to the services being requested by the City.

Reference / Project	Contact Information
<b>Glendale Water and Power</b> Financial Forecast, COS and Rate Study	Craig Kuennen - Deputy General Manager – Business Operations 141 N. Glendale Ave., Level 4 Glendale, CA 91206 (818) 548-3369; ckuennen@glendaleca.gov
<b>Fairbanks Natural Gas, LLC</b> Utility Acquisition Support and Due Diligence	Dan Britton 3408 International Way Fairbanks, AK 99701 (907) 452-7111; dwbritton@fngas.com
<b>Lake Apopka Natural Gas (LANGD)</b> Risk Assessment and Organizational Assessment	Mr. Sam Davis 1320 Winter Garden- Vineland Rd. Winter Garden, FL (407) 656-2734; sdavis@langd.org

**AFFIDAVIT OF NON-COLLUSION**

NewGen’s completed Affidavit of Non-Collusion is attached as Appendix C.

## **APPENDIX A – RESUMES**

Tony Georgis brings 20 years of experience in the consulting/utilities industry focusing on the energy, water, and waste resources industries. He is the Managing Director of NewGen Strategy and Solutions, LLC's Energy Practice. His work includes various assignments for utilities, local governments, and private industry, including sustainability strategy, strategic planning studies, expert witness testimony, financial and economic analyses, cost of service and rate studies, energy efficiency, and market research.

In support of sustainability strategy projects, Tony has developed frameworks, optimization, and decision models for sustainability program prioritization and monetization of climate change regulatory, market, and physical impacts. He has also been published in trade journals such as Resource Recycling, Utility Automation and Engineering T&D and has spoken on this topic at several industry conferences.

## EDUCATION

- Master of Business Administration, Finance Specialization, Texas A&M University
- Bachelor of Science in Mechanical Engineering, Texas A&M University

## PROFESSIONAL REGISTRATIONS / CERTIFICATIONS

- Registered Professional Engineer (PE) Mechanical, Colorado
- Registered Professional Engineer (PE) Mechanical, Louisiana

## KEY EXPERTISE

- Sustainability
- Strategic Planning
- Financial / Economic Analysis
- Cost of Service and Rate Design

## RELEVANT EXPERIENCE

### Sustainability, Energy Strategy, and Strategic Planning

Mr. Georgis has led and managed the development of strategic plans and Roadmaps for utilities, energy agencies and municipal governments to guide decision making in increasing complex business environments. His strategic planning experience includes energy, water, wastewater, and solid waste utilities in addition to local government entities. In support of strategic planning engagements, Mr. Georgis often facilitates internal planning teams and external stakeholder engagement activities to facilitate broad and/or targeted stakeholder input to the plans. Strategic plan or Roadmap development typically include overarching strategic elements such as the organization's vision/mission; tactical components such as projects and activities supporting and ensuring implementation; and tracking/reporting tools for the organization's measurement of progress to the plan.

Mr. Georgis has also led the development of clean energy and sustainability (or CSR) plans for cities, counties and utilities to improve triple bottom line (economic, environmental, and social) and energy performance. Mr. Georgis utilizes an enterprise-wide approach to sustainability in order to manage regulatory, customer, and financial demands while improving the triple bottom line. He has facilitated the development of city-wide sustainability plans, serving as a sustainability subject matter expert while forging collaboration among internal and external stakeholders including city/utility staff, key department managers, community representatives, utility customers, and non-profit or non-governmental organizations (NGOs). In support of sustainability planning efforts, Mr. Georgis has developed optimization models to prioritize and identify the "next best dollar spent" in pursuit of sustainability

## Tony Georgis

### President, Energy Practice

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goals while estimating total costs to implement. He has also implemented sustainability auditing/reporting tools such as GHG inventories/reporting and development of a utility-tailored version of the Global Reporting Initiative (GRI).

Mr. Georgis' clients for sustainability, energy strategy, and strategic planning include:

- City of Fort Collins, Colorado
- Fort Collins Utilities, Colorado
- Loudoun County, Virginia
- Tampa Bay Water, Florida
- City of Colorado Springs, Colorado
- City of Longmont, Colorado
- City of El Paso, Texas
- Western Area Power Administration, Colorado
- Lakeland Electric, Florida
- City of Palo Alto Utilities, California

### Cost of Service and Rate Design

In his role as senior consultant and project manager, Mr. Georgis leads numerous utility financial planning, cost of service, and rate design projects. Specific tasks typically include the development of the revenue requirement, functionalization of costs, allocation of costs to customer classes, review of existing customer class criteria, evaluation of line extension and facilities charges, rate design, and transitioning of models for the client's future use. He has also led the development of financial forecasting models to support long-term capital, expense, and revenue budgeting and decision making. Mr. Georgis routinely facilitates workshops in support of developing utility rate strategies or rate studies and presents study and financial recommendations to governing bodies, boards, and city councils. Mr. Georgis' clients for cost of service and rate design include:

- American Samoa Power Authority
- U.S. Army; Huntsville, Alabama
- Colorado Springs Utilities, Colorado
- La Plata Electric Association, Colorado
- Vernon Gas and Electric, California
- Anaheim Public Utilities, California
- Merced Irrigation District, California
- Alameda Municipal Power, California
- Glendale Water and Power, California
- Lafayette Utilities System, Louisiana
- Farmington Electric Utility, New Mexico
- Lubbock Power and Light, Texas
- City of Weatherford, Texas
- New Braunfels Utilities, Texas
- Austin Energy, Texas
- City of Garland, Texas
- Benton Public Utility District, Washington
- Arizona Public Service, Arizona

### Economic, Financial or Market Analyses

Mr. Georgis often provides technical, financial, and advisory support services for various energy and utility related projects. He is an expert in developing financial pro formas, bond financings, performing scenario analyses, and evaluating market conditions to support project financing or feasibility decision making. He has analyzed technical assumptions, optimized project financing, performed scenario/sensitivity analyses, and assisted clients in bidding processes. He has provided economic analyses of utility scale renewable energy projects, power plant fuel conversions, LNG terminals, conventional/renewable distributed energy resources, and DSM/demand response program benefits. Mr. Georgis' clients for economic, financial or market analyses include:

- Terrebonne Parrish, Louisiana
- Hawaii Gas Company, Oahu, Hawai'i
- U.S. Army; Huntsville, Alabama
- Water and Power Authority, US Virgin Islands
- Solid Waste Authority of Central Ohio, Ohio
- Freeport Container Port, Grand Bahama

- Florida Municipal Power Agency, Florida
- Austin Energy, Texas
- CalRecycle, California
- Arizona Power Authority, Arizona
- Maryland Energy Administration, Maryland
- ISO-New England, Massachusetts
- Niobrara Energy Development, Colorado
- Fort Collins Utilities, Colorado

## PRESENTATIONS AND PUBLICATIONS

Mr. Georgis has presented at numerous industry associations and conferences, providing training for utility staff, and published several trade journal articles. These presentations, articles, and training have focused on utility finance, strategic planning, market trends/opportunities, and sustainability. Mr. Georgis' presentations and publications are displayed below.

### Industry Presentations

- Tire Industry Association Recycling Conference 2008: *Selling Tire-derived Products to the Architectural and Construction Markets*
- Tire Industry Association Recycling Conference 2009: *Carbon Credits and Recycling Products*
- Energy Utility and Environmental Conference 2010: *Evolution and Optimization of Energy Efficiency and Smart Grid Measures*
- Tire Industry Association Scrap to Profit 2010: *Evolution of the Carbon Markets and Opportunities for the Scrap Tire Industry*
- Inter-American Development Bank 2010: *Transportation Sustainability and Climate Change Seminar*
- University of Colorado Denver Managing for Sustainability 2012: *Regulatory Drivers for Sustainability*
- Global Commerce Conference 2010: *Leadership in Sustainability – Sustainability Decision Making, Implementation and Reporting*
- Platts Energy Markets Webinar 2010: *SEC Guidance on Climate Change Disclosures*
- Association of Climate Change Officers 2010: *SEC Climate Change Disclosure Guidance*
- Harvard University Zofnass Program for Sustainable Infrastructure 2011: *Tools and Frameworks to Drive the Business Case for Sustainability*
- Washington PUD Association Finance Officers 2016: *Balancing Aging Infrastructure, Rates, and Residential Demand*

### Industry Publications and Articles

- *Growing Role for Demand Response in ISO Operations*. Utility Automation and Engineering T&D, November 2008
- *Recycling and Climate Change: A Primer*. Resource Recycling, August 2009
- *Recycling and Climate Change: Opportunities for Recycling as a Climate Change Strategy*. Resource Recycling, September 2009

Mr. Brown Thornton brings over 35 years of consulting experience in the energy and water infrastructure markets. He specializes in utility management, financial management and analysis, wholesale and retail rate studies, power supply and transmission service, and strategic business planning for municipal and consumer-owned utility clients. Mr. Thornton leverages his broad experience base to work with utility management and governing bodies in engagements involving strategic planning, examination of complex issues, and decision making.

Prior to joining NewGen Strategies and Solutions, Mr. Thornton worked for MWH Global as Vice President, Americas Sector Leader, Energy (2 years) and R. W. Beck, Inc. (including its acquisition by SAIC) as Vice President of Utility Consulting and Principal (20 years). Earlier in his career, he worked in operations, project management, power delivery, and power contracts for the Tennessee Valley Authority, a major generation and transmission electrical utility (11 years).

## EDUCATION

- Master of Business Administration, Vanderbilt University
- Bachelor of Science in Electrical Engineering, Tennessee Technological University

## PROFESSIONAL REGISTRATIONS/ CERTIFICATIONS

- Registered Professional Engineer (PE), Tennessee

## KEY EXPERTISE

- Management Advisory Services
- Business and Financial Planning
- Strategic planning and utility management
- System planning and contract negotiation
- Power Supply Planning
- Transmission Services
- System Valuation
- Cost of Service and Rates

## RELEVANT EXPERIENCE

### Power Supply and Transmission Planning

Mr. Thornton has provided power supply and transmission planning supply assistance to numerous public power systems, electric cooperatives, and private utilities. His breadth of experience includes power supply studies, generation resource portfolio planning, financial and feasibility analysis, examining wholesale and retail rate implications, and purchased power transaction negotiations. Transmission-related experience includes examining transmission alternatives, obtaining transmission service arrangements and reviewing delivery point facility requirements. Service contract experience includes reviewing and developing power supply and delivery agreements for municipal systems and for large commercial/industrial customers.

Mr. Thornton's system planning clients include the following:

- City of Williamstown, KY
- Clark County REMC, IN
- Golden Spread Electric Cooperative, TX
- Hartselle Utilities, AL
- Meriwether Lewis Electric Cooperative, TN
- Millennium Energy, KY.
- Mountain Electric Cooperative, TN
- North Virginia Electric Cooperative, VA

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Director

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- Hoosier Energy Cooperatives, IN
- Kentucky Municipal Energy Agency, KY
- Kentucky Municipal Power Agency, KY
- Kentucky Municipal Systems, KY
- Lee County Electric Cooperative, FL
- Rayburn Country Electric Cooperative, TX
- Southeastern Power Administration (SEPA) – Hydropower Customer Group, GA
- Whitewater Valley REMC, IN
- WIN Energy REMC, IN

## Expert Testimony and Litigation Support

Mr. Thornton has offered expert testimony regarding cost of service rate design and ratemaking issues before state and local regulatory bodies and courts. He has national experience providing litigation support regarding ratemaking matters at wholesale and retail levels in Alabama, Florida, Indiana, Kentucky, Tennessee, and Virginia. Preparation and support of expert testimony includes the following:

### Indiana Utility Regulatory Commission (1994-1998)

- Whitewater Valley REMC – Electric Rates
- Harrison County REMC – Electric Rates
- Jackson County REMC – Electric Rates

### Kentucky Public Service Commission (1996-2002)

- Frankfort Plant Board – Wholesale Water Sales
- City of Franklin – Wholesale Water Sales

### Federal Energy Regulatory Commission (FERC) (1996-present)

- Kentucky Municipal Power Agency – LG&E/KU Elimination of MISO Transmission De-Pancaking
- Kentucky Municipals – Wholesale Power Contract and Formula Rates
- Kentucky Municipals – LG&E/KU Merger

## Rate and Pricing Studies

Mr. Thornton has managed the preparation of numerous cost of service and rate design studies for electric, water, wastewater, and gas clients. His experience includes development of revenue requirements, the functionalization, classification, and allocation process, and design of cost-based rates. He regularly instructs or presents materials related to ratemaking including rate and revenue planning, cost allocation, and rate design. The bulk of recent rate work includes preparation of unbundled rate studies, competitive rate comparisons, development of market-based rates, and analysis of distribution service charges as a separate component. Mr. Thornton's financial management clients include:

- AMP-Ohio (and Member Systems), OH
- Arizona Public Service Company, AZ
- Berea College Utilities, KY
- Buckeye Power Cooperative, OH
- City of Bardstown, KY
- City of Franklin, KY
- City of Madisonville Municipal Utilities, KY
- City of St. Charles, IL
- City of Williamstown, KY
- Clark County REMC, Indiana
- Huntsville Utilities, AL
- Illinois Municipal Electric Agency, IL
- Indiana Municipal Power Agency, IN
- ISO-New England, MA
- Jackson County REMC, IN
- Johnson City Power Board, TN
- Meriwether Lewis Electric Cooperative, TN
- Navajo Tribal Utility Authority, NM
- New Hampshire Electric Cooperative, NH
- Northern Virginia Electric Cooperative, VA

- Decatur Utilities, Alabama
- Duck River EMC, TN
- Frankfort Plant Board, KY
- Georgetown Municipal Water and Sewer Service, KY
- Harrison County REMC, IN
- Hoosier Energy Cooperatives, IN
- Humboldt Utilities, TN
- Rayburn Country Electric Cooperative, TX
- Southeast Power Administration (SEPA) – Hydro Power Customers, GA
- Wabash Valley Power Association, IN
- Warren RECC, KY
- West Tennessee Correctional Facility, TN
- Whitewater Valley REMC, IN
- WIN Energy REMC, IN

### **Financial Management and Analysis**

Mr. Thornton has managed preparation of long-range financial plans for utilities, including analysis of operating and capital requirements and evaluation of alternative sources of funds for planned debt financing. Other financial services include assistance relative to the development of annual operating budgets, capital improvement plans, and economic feasibility studies. Mr. Thornton’s financial management clients include:

- Clark County REMC, IN
- Columbia Power System, TN
- Glasgow Electric Plant Board, KY
- Lawrenceburg Power System, TN
- Upper Cumberland Gas Utility District, TN

### **Strategic Business Planning**

Mr. Thornton assists clients in the development of comprehensive business plans, including complete analysis of the company and its external operating environment, as well as strategy recommendations for each functional business area. The breadth of Mr. Thornton’s project experience includes the following:

- **Business Planning** – Based on information gathered from external and internal sources, he provides assistance in the development of comprehensive business plans that incorporate mission statements, goals and objectives, implementation strategies, program description and approach, marketing plan, staffing and equipment needs, training, and projected financial results.
- **Benchmarking Studies** – Conducts benchmarking activities for utilities, including an examination of key business processes and methods of operation. Best practices are identified and used to establish goals for improvement and to measure progress over time.
- **Technical Requirements** – Investigates specific industry practices, including analysis and interpretation of results for complex business and organizational processes.

Mr. Thornton’s strategic planning clients include:

- American Municipal Power, OH
- Buckeye Rural Electric Cooperative, OH
- Delaware Municipal Electric Corporation, DE
- Harrison County REMC, IN
- Lee County Electric Cooperative, FL
- Michigan South Central Power Agency, MI
- Nashville Electric Service, TN

### **Process Review and Organizational Studies**

Mr. Thornton works closely with utilities nationwide and is familiar with wide-ranging issues affecting utility services. He has conducted comprehensive reviews for utilities, including management, staffing, operational practices,

# Brown D. Thornton

Director

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financial planning, and capital improvement plans. Mr. Thornton assists clients in functional and technical reviews of organizational systems, processes, and communication practices and in the implementation of recommended changes.

Mr. Thornton's organizational management clients include:

- Berea College Utilities, KY
- Buckeye Rural Electric Cooperative, OH
- City of Madisonville, KY
- Hartselle Utilities Board, AL
- Harrison County REMCo, IN
- Jay County Rural Electric Membership Corporation, IN
- Lenoir City Utilities Board, TN
- Meriwether Lewis Electric Cooperative, TN
- Warren Rural Electric Cooperative Corporation, KY

## WORKSHOPS AND PRESENTATIONS

Mr. Thornton has given numerous presentations and participated in training and workshops in several states. These activities have focused on power supply, strategic planning, cost of service, ratemaking, and competitive issues. Selected topics Mr. Thornton presented are displayed below.

### Electric Utility Consultants, Inc.

- *Introduction to Cost of Service Concepts and Techniques for Electric Utilities – 2-day Course taught semi-annually*
- *Introduction to Rate Design for Electric Utilities – 2-day Course taught semi-annually*

### Various Utility Clients

- *Direct Access and Unbundled Rates*
- *Dynamic Rates*
- *Time of Use Billing*
- *Cost of Service and Rate Strategy with AMI Data*

### New Hampshire Electric Cooperative

- *Two-day strategy and training program pertaining to rate design and cost of service*

### Indiana Rural Electric Cooperatives

- *Strategic Planning Workshop*
- *Power Supply Planning*
- *Cost of Service and Rate Design*

### Kentucky Municipal Systems

- *Review of Power Supply Alternatives*
- *Joint Action Agency Workshop*
- *Financial Forecasting and Rate Planning*
- *Cost of Service and Rate Design*

### TVA Distribution Systems (Tennessee, Kentucky, Alabama, Virginia)

- *Power Supply Planning Workshop*
  - *Overview of the Power Industry*
  - *Fundamentals of Power Supply Planning*
  - *Generation Technologies and Operational Issues*
  - *Effects of a Transition in Power Supply Sources*
- *Examination of Transmission Services and Alternatives*
- *Understanding Electric Utility Operations*
- *Determining a Utility's Fair Market Value*

*Mr. Rod Walker is an affiliate member and consultant of NewGen Strategies and Solutions.*

Rod Walker is an industry executive with 35 years of technical expertise and business acumen, combined with executive management experience leading organizations and serving as a trusted advisor to clients in the energy industry domestically and worldwide. His breadth of experience in the natural gas industry at an investor-owned gas utility and two municipal utilities, combined with his engineering background and management consultancy work, allows him to provide strong strategic and tactical leadership to organizations to evaluate and provide technical and business solutions to issues they face. Mr. Walker has significant experience with all aspects of natural gas system planning, capital planning, replacement program evaluation, and designing and building infrastructure, as well as assessing, recommending, and implementing organizational performance improvements addressing people, process, data, technology, financial infrastructure, regulatory, and enterprise risk issues. Mr. Walker is an expert witness in the states of Arkansas, California, Delaware, Rhode Island, and the District of Columbia on natural gas industry matters.

## EDUCATION

- Bachelor of Science in Civil Engineering, Clemson University

## KEY EXPERTISE

Mr. Walker has extensive experience in the following areas of the Natural Gas Industry:

- C-Level Advisory
- Imbedded Management team member to address Company issues
- Due Diligence/Merger & Acquisition (M&A) Advisory
- Capital Improvement Program Review
- Organizational Structure/Issues Review
- Process and Procedures
- Financial including Probability and Sustainability
- Enterprise Risk Assessment
- Infrastructure Condition
- Hydraulic Modeling
- Regulatory Compliance
- System Modeling and Reliability
- Data Collection Practices
- Technology to support Operations i.e. GIS, CIS, Mobile Workforce, Asset Management systems
- Safety Culture and Risk Mitigation
- Engineering Standards
- Procurement
- Construction Practices
- Operations and Maintenance

## RELEVANT EXPERIENCE

### Lake Apopka, FL Natural Gas District | Gas Utility Risk Assessment

Mr. Walker's team performed an Operations, Engineering and Management Risk Assessment for LANGD. The objective was to provide an outside independent review of the utility's operations in order to give a high-level view of the overall health of the utility's operations, including its infrastructure and the utility's ability to operate, maintain and sustain the system safely and prudently. The team was also tasked with identifying exposures to operations risk including identifying risks to public, employees, infrastructure and company, identify potential problems, perform comparative benchmarking/best practices with peer utilities and make recommendations for remediation including potential solutions and suggested timeframe to mediate. Our recommendations were presented in report form and served as a basis for new LANGD initiatives to improve the operations of the utility.

## **Rod Walker**

Affiliate Member/Executive Consultant

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### **Knoxville TN Utilities Board | Gas Utility Risk Assessment**

Mr. Walker's team performed an Operations, Engineering and Management Risk Assessment for KUB. KUB requested an outside independent review of the utility's operations in order to give a high-level view of the overall health of the utility's operations, including its infrastructure and the utility's ability to operate, maintain and sustain the system safely and prudently. The team was also tasked with identifying exposures to operations risk including identifying risks to public, employees, infrastructure and company, identify potential problems, perform comparative benchmarking/best practices with peer utilities and make recommendations for remediation including potential solutions and suggested timeframe to mediate. The recommendations were presented to KUB leadership and served as a basis for new KUB process and organizational initiatives to improve the operations of the utility.

### **Rocky Mount, NC Utilities | Gas Utility Risk Assessment**

Mr. Walker's team performed an Operations, Engineering and Management Risk Assessment for the City of Rocky Mount NC's Gas Utility. The objective was to provide an outside independent review of the utility's operations in order to give a high-level view of the overall health of the utility's operations, including its infrastructure and the utility's ability to operate, maintain and sustain the system safely and prudently. The team was also tasked with identifying exposures to operations risk including identifying risks to public, employees, infrastructure and company, identify potential problems, perform comparative benchmarking/best practices with peer utilities and make recommendations for remediation including potential solutions and suggested timeframe to mediate. Our recommendations were presented in report form and served as a basis for new initiatives to improve the operations of the utility.

### **Contanda Terminals (formerly Westway Group) | Contract Management-VP-Engineering and Construction**

Hired to turn around the engineering and construction group within Westway Group, which overran projects previously from \$40 million to \$90 million with focus on changing people, process and data. E&C group now stable and projects are being executed in an industry best practices manner with projects (\$20-29 million annual). Since Mr. Walker took the helm, all projects were on time and within budget. Initially hired as Interim position then hired as fulltime member of management team with equity position in company.

### **Aliso Canyon Technical Committee | Independent Review Team Member**

Since the Aliso Canyon storage field leak in October, 2015, Mr. Walker has served as an Independent Review team member along with the Los Alamos National Labs (LANL) staff on the Aliso Canyon Technical Committee to review the reliability of electricity and natural gas in the LA Basin for the Summer 2016, Winter 2016 and currently is reviewing the outlook for the Summer 2017. The committee is comprised of major agencies, power and gas systems in California, including California Public Utilities Commission (CPUC), California Energy Commission (CEC), California Independent System Operator (CalISO), Los Angeles Water and Power District (LAWPD) and Southern California Gas Company (SoCalGas).

To this end, Mr. Walker, with LANL team, has produced a report and facilitated a public workshop of analysis of the hydraulic analysis performed by SoCalGas, operator of Aliso Canyon and the natural gas distribution system network serving the LA Basin, to support the reliability studies titled "Independent Review of Hydraulic Modeling" in 2016 and is writing a similar report and facilitating a public workshop on the subject in May 2017.

Also, Mr. Walker is an author on a report being written to analyze regulations affecting natural gas storage fields since the Aliso Canyon event and potential alternatives to provide natural gas for the LA Basin by the California Council on Science and Technology (CSST) along with subject matter experts national wide. The report is due to be published in the fall 2017.

**Source Gas | C-Level Advisory-Capital Program, Organizational, Procedures Review**

Mr. Walker led a team that reviewed the Capital Improvement Program for the Company across its four-state footprint which included a review of key organization groups, process and procedures associated with the Capital Program as an advisor for the CEO. Interviews were held with key groups i.e. Engineering, Construction, Procurement, Legal, Operations, Corporate and State Management to provide a Roadmap to CEO and Board for recommendations and changes to be made to meet company goals including organizational, process, Capital Program (PMO) and project execution changes. Staff was imbedded in key areas to ensure changes being made were effective and to fill resource gaps in the organization.

**Summit Natural Gas | C-level Advisory/Contract PMO Management-Maine Natural Gas System Development and Implementation**

Mr. Walker was retained by client to provide an independent review for the Company Sponsor and Senior Management of a planned greenfield natural gas pipeline, distribution development and construction project in northern New England. The proposed Project involved the construction of a 75+ mile natural gas transmission steel mainline and 1,500+ miles of associated distribution system. Mr. Walker's team reviewed documents, data and methodology used to evaluate market conditions concerning the use of natural gas in the project area including potential types of customers, proposed conversion rates and short, mid and long term outlook for system development and growth. Project schedule to convert customers to natural gas was reviewed for reasonableness given local market conditions with alternative fuels and service providers.

The team, led by Mr. Walker assessed the engineering and design of the proposed gas system and evaluated the proposed market, terrain and distribution areas in relation to proposed gas facilities for constructability and ability to serve. Proposed gas system design basis and design calculations for proposed facilities were reviewed against Project objectives for short, mid and long term including: gate stations, regulator stations, mains, services, and cathodic protection systems. The team evaluated proposed gas transmission and distribution system layout from maps, flow studies, design drawings, etc. for reasonableness to meet Project objectives including flexibility for expansion as system load growth occurs. In addition, the design/engineering contract was reviewed to give an opinion on reasonableness and content.

The team reviewed all aspects of the proposed construction plan and agreements to evaluate reasonableness as well as the Project team and organization including staffing. The construction plan, schedule and contractor selection process were reviewed for ability to meet Project objectives for design, cost, and schedule. Budget estimates were evaluated for reasonableness to meet Project objectives, schedule, and to accommodate local conditions including terrain, weather, and rural and city construction sites. Permitting and ROW status were reviewed for any indications of issues or risks that could impact the Project. Team members were imbedded for 18-24 months during design and construction to address critical needs for management and implementation of the new gas system and to address resource gaps in the organization.

**Patriots Energy Group | Critical Infrastructure/SCADA System Review**

Mr. Walker's team performed a detailed review of the PEG transmission pipeline. The pipeline is operated by PEG and is jointly owned by three natural gas authorities. They are: Chester County Natural Gas Authority, Lancaster County Natural Gas Authority and York County Natural Gas Authority (Authorities). The focus of the engagement was to review the PEG system planning process, perform an independent network analysis of PEG's transportation capabilities utilizing GL Noble Denton's network analysis software (Stoner) and recommend areas of improvements in term of process and physical pipeline enhancements. Based on Mr. Walker's work additional enhancement projects were initiated and process changes enacted.

Mr. Walker also performed a detailed review of PEG's existing SCADA systems, as well as future SCADA needs for each of Chester, Lancaster and York Natural Gas Authorities. Mr. Walker identified a high-level SCADA system design, identify potential systems and made recommendations for selection and implementation and assisted in developing

## **Rod Walker**

Affiliate Member/Executive Consultant

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cost estimates for the CapEx budget. Mr. Walker has been a trusted advisor to YCNGA, CCNGA, LCNGA and PEG attended several annual planning sessions for the utilities as they prepare to address strategic and tactical issues facing each utility and PEG as a whole.

### **Puget Sound Energy, Macquarie Securities Inc. | Due Diligence Review**

Project Leader of the Gas Due Diligence Team. Provided an independent review and prepared a report on the operations, management, regulatory compliance, technical, engineering and environmental areas of the utility, whose assets included natural gas distribution and electric generation, transmission, and distribution. Reviewed and reported on the condition of the operations, management and technical aspects of the utilities as well as provided an assessment of assets, the performance of the assets, and the risks to the Utility associated with the assets. The independent review included impacts on the pro forma, different types of risks or opportunities and ways to mitigate those risks. The specific review tasks included capital budgets; operations and maintenance budgets; asset condition with an eye toward operations and maintenance costs, obsolescence risk, equipment failure risks and risks associated with “Acts of God” and/or opportunities to modernize; asset performance and 10-year plans to evaluate adequacy of capital budgets and risks to higher capital outlays due to higher than expected load growth, higher than expected obsolescence, new generation interconnection, changes in mandatory reliability criteria or other causes; environmental risks. The independent review identified issues uncovered during the review and proposed an approach to resolve each issue.

### **Philadelphia Gas Works, Liberty Energy Trust LLC and Macquarie Securities | Due Diligence Review**

Mr. Walker led teams that performed full due diligence of PGW, the largest municipal gas company in the US, for two separate potential infrastructure funds who were on the short list of potential to invest in and acquire the utility in one of the largest M&A auctions in recent US history. The teams reviewed all aspects of the Utility including operations, management, regulatory compliance, maintenance, key technology to support operations, procurement, engineering and environmental areas. The team reviewed and reported on the condition of the operations, management and technical aspects of the utilities as well as provided an assessment of assets, the performance of the assets, and the risks to the Utility associated with the assets. The independent review included impacts on the pro forma, different types of risks or opportunities and ways to mitigate those risks. The specific review targeted PGW’s capital replacement program and its accompanying financial rate rider for PGW’s aging, leak-prone infrastructure, cast iron and unprotected bare steel, which are some of the largest amounts of each in the country.

### **JP Morgan | Southern Missouri Natural Gas (SMNG), Review of Critical Infrastructure Expansion Projects**

Mr. Walker led the team that provided an Independent Engineering review of the SMNG expansion projects, which were critical infrastructure for the SMNG utility. The team identified numerous issues with the design and installation of the Lebanon gas pipeline project, which was already under construction. Recommendations were made to correct the contractors’ project construction practices with the Lebanon expansion project and led to the second phase for the Branson expansion project being removed from the initial contractor and existing SMNG technical management and re-designed and re-bid by Mr. Walker’s team. The project team that re-designed and re-bid the 55-mile Branson expansion in 2 months and provided the project management until new SMNG personnel were in place to guide the project to its completion in the fall of 2010. Mr. Walker’s team also provided organizational development/restructuring consulting, operations consulting and advisory services to JP Morgan for the operations and management of the SMNG utility.

## **ERCOT | Evaluation of Impact of Natural Gas Generation to Electric System Reliability**

Mr. Walker worked on the team that provided an Independent Engineering review of the issues related to several ERCOT electricity reliability events over the course of several years that apparently stemmed from congestion on the Texas state natural gas “grid” that served electric generation in the state. The team reviewed how the natural gas grid could be modeled using the Synergee (Stoner) gas modeling software working with the numerous gas pipeline and gas distribution companies to analyze the natural gas congestion issues related to key dates that affected electric reliability on those dates and future events. In addition, the team reviewed the impact to natural gas prices and what drove the behavior of key clients using natural gas during the events that could be reviewed for potential policy, pricing controls changes that could be affected at the state and national levels.

## **Confidential Natural Gas Utility | Alinda Capital Partners, Due Diligence Review**

Mr. Walker led the team that performed a review of the Project’s CAPEX methodology as well as a full due diligence review of the utility to identify red flags. This review helped to determine the reasonableness of the Project’s operational, engineering, procurement and capital budgets. Furthermore, the team reviewed the Target’s current and future Capital Improvement Plan (CIP). They were able to advise on the periodic and ongoing inspection programs, operations program, as well as necessary and mandated and infrastructure replacement programs. They also review the proposed CIP against capital projects budgets and annual CAPEX to identify fatal flaws, variances, or deletions with respect to the industry norms. The team reviewed, as necessary, the technical assumptions and formulas used in the Project’s pro-forma. They verified what technical assumptions aligned with the design of the project, expected operation scenarios, and Project agreement.

## **Confidential Gas Utility | J. P. Morgan; Due Diligence Advisory Services**

Mr. Walker and his team provided JPM with technical and environmental due diligence, operational assessment and advisory services to support a potential investment in a Target Gas Utility. In reviewing the available project documentation, the team advised the client as to the quality and granularity of source documents as related to the review. Based on this the team provided a high-level red flag review to assess any apparent technical, operational or gas supply issues. They continued the analysis to include a review of the schedule, budget, environmental, or business risks that might be associated with the potential investment in the Target utility.

## **T. W. Phillips Gas Company | Steelriver Infrastructure Partners; Due Diligence Advisory Services**

Mr. Walker provided an independent review for due diligence and a report on the operations, management, technical, engineering, regulatory compliance and environmental areas of the utility, whose assets included natural gas distribution and transmission, storage and production wells. Reviewed and reported on the condition of the operations, management and technical aspects of the utility as well as provided a condition assessment of assets, the performance of the assets, and the risks to the Buyer associated the operations, management and engineering practices of the target utility company and its assets.

## **Mountaineer Gas Company | ICON Infrastructure (London)**

Mr. Walker performed an independent review for due diligence and a report on the operations, management, technical, engineering, regulatory compliance and environmental areas of the utility, whose assets included natural gas distribution and transmission. Reviewed and reported on the condition of the operations, management and technical aspects of the utility as well as provided a condition assessment of assets, the performance of the assets, and the risks to the buyer associated the operations, management and engineering practices of the target utility company and its assets.

## **Rod Walker**

Affiliate Member/Executive Consultant

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### **Confidential Utility Clients | Utility Assets and Operation Review, Marcellus Shale Area; West Virginia, SW Pennsylvania**

Project Manager/Project Lead of the Due Diligence Team. Provided an independent review for due diligence and a report on the operations, management, technical, engineering, regulatory compliance and environmental areas of these utilities, whose assets included natural gas distribution and transmission, storage and production wells. Reviewed and reported on the condition of the operations, management and technical aspects of the utilities as well as provided an assessment of assets, the performance of the assets, and the risks to the Buyer associated the operations, management and engineering practices of the target utility company and its assets.

### **AEI, LLC, Confidential Utilities | Due Diligence; Turkey and Egypt**

Project Manager/Project Lead of the Due Diligence Team. Provided an independent review for due diligence of and a report on operations, management, technical, engineering, regulatory compliance and environmental areas of these utilities, whose assets included natural gas distribution and transmission. Reviewed and reported on the condition of the operations, management and technical aspects of the utilities as well as provided an assessment of assets, the performance of the assets, and the risks to the Buyer associated with the operations, management and engineering practices of the target utility company and its assets.

### **AEI Portfolio of Utilities | Risk Based Operations, Management and Engineering (OME) Audits. Environmental Resources Management; El Salvador, Peru, Colombia, Chile, Argentina and China**

Client manager/subject matter expert as a sub-consultant to Environmental Resources Management. Led teams that performed a risk based operations, management and engineering (OME) audit of the various power generation, power transmission, and distribution and natural gas utilities owned by AEI in emerging countries. Mr. Walker was the lead natural auditor on the audits of natural gas utilities in China, Peru and Colombia. The audits determined findings of high level risks associated with the operations of utilities based on data review, staff interviews, site visits of assets and discussions with management with regard to AEI procedures, applicable regulations, and industry best practices and standards.

### **Woodside Natural Gas | Review of LNG Infrastructure Impact to SoCal Gas System**

Mr. Walker worked on the team that provided an Independent Engineering review of the proposed infrastructure needed to integrate a proposed offshore LNG mobile terminal into the SoCal gas distribution system. Mr. Walker reviewed SoCal Gas' modeling of the impact of the Woodside LNG input into the gas system and provided comments on SoCal Gas' view of the technical impact to the system and the need for additional infrastructure to enhance the SoCal Gas system to accept the Woodside LNG flows. The modeling review included a detailed review of the Stoner gas modeling scenarios used to assess the impact of the LNG to the SoCal Gas system and the assumptions underlying those scenarios with the SoCal Gas Transmission department at the SoCal gas offices' in LA. The team provided a report to the client that summarized the findings and recommendations for the client to move ahead with the project and provide gas to the LA Basin.

## **PUBLICATIONS AND PAPERS**

Mr. Walker has published numerous papers as listed below.

- *"Strategic Directions in the Natural Gas Industry"*-co-contributor (2012-2015)  
Black & Veatch annual survey and report on state of and issues affecting natural gas industry
- *"Lessons learned from the San Bruno incident"* (2012, 2014)  
Presentation presented at American Public Gas Association (APGA) Operations conference

- *“Why Risk Assessments Are Important for Utilities”* (2013)  
Presentation presented at the Western Energy Institute (WEI) Annual Conference
- *“Validating Maximum Allowable Operating Pressures (MAOP)”* (2012)  
Presentation presented at the Energy Association of Pennsylvania (EAP) Spring Meeting
- *“Black & Veatch Aims to Ease Pipeline Challenges”* North American Oil & Gas Pipelines (2014)
- *“Independent Review of Hydraulic Modeling”* Report (2016, 2017)  
(SoCal Gas System modeling of Alison Canyon Storage outage effect on reliability of power and gas in the LA Basin) co-authored with Los Alamos National Labs
- *“Institutional Knowledge Hides the Blind Spots in an Organization”* (2018)

With over thirty-five years of financial and managerial consulting experience, Connie Cannady is an expert in the areas of utility regulation and franchising of utility services, both at the local and state level. Prior to joining NewGen Strategies and Solutions, Ms. Cannady was the Founder and President of C2 Consulting Services, Inc., a woman-owned business enterprise. Ms. Cannady's previous experience also includes serving as a Manager at Reed-Stowe & Co. Inc.; Manager of Accounting and Control for the Information Services Division of Blue Cross of California; Senior Consultant for Touché Ross & Co. (now Deloitte); and Management Auditor for the U.S. General Accounting Office.

## EDUCATION

- Master of Public Affairs, University of Texas
- Bachelor of Arts in Political Science, Vanderbilt University

## KEY EXPERTISE

- Expert Witness and Litigation Support
- Utility ROW Franchising and Compensation
- Regulatory Proceedings
- Cost Allocation Models

## RELEVANT EXPERIENCE

### Expert Witness and Litigation Support

Ms. Cannady serves as project manager and lead analyst for numerous regulatory proceedings for rates, assisting clients by providing expert testimony and litigation support regarding utility rate and regulatory issues before state and local regulatory bodies and courts. She frequently works with coalitions of cities served by investor-owned utilities and provides analyses and expert witness support related to the utilities' requests for rate increases. Ms. Cannady also provides support services to the U.S. Army Corp of Engineers concerning rate proceedings impacting utility rates at U.S. Army installations.

Her direct experience includes conducting analyses with respect to the reasonableness of various rate base issues, including the prudence of costs. Areas of analysis and provided testimony include:

- Reasonableness of certain rate based costs related to benefits and other operating reserves
- Calculation of Accumulated deferred income taxes
- Reasonableness of operations and maintenance expenses related to labor expense, benefits expense, including health and welfare, pension, deferred compensation, ESOPs and other savings plans, corporate overhead cost allocation methodologies, call center operations, bonuses and other long and short-term incentive pay programs, taxes other than income and federal income taxes.
- Reasonableness of affiliated transaction expenses
- Computation of fuel factors and purchase power factors to be used in the collection of power costs
- Reasonableness of certain advanced meter investments
- Reasonableness of requested inclusion of certain regulatory assets
- Analysis of the "used and useful" nature of requested plant additions
- Analysis of customer class cost allocation methodologies

Ms. Cannady's expert witness and litigation support clients include:

# Connie Cannady

## Executive Consultant

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### **Maryland Public Service Commission**

- U.S. Army Installations Served by Baltimore Gas & Electric; Case Nos. 9355 and 9406

### **New York Public Service Commission**

- U.S. Army Installations Served by Orange & Rockland Utilities; Case Nos. 14-E-0493 and 14-G-0494

### **Public Utility Commission of Texas**

- Cities Served by CenterPoint Energy Houston Electric; Dockets Nos. 48266, 45747 and 12065
- Cities Served by Southwestern Electric Power Company (SWEPCO), Texas; Docket Nos. 37364, 39708, 40443, 40446
- Cities Served by AEP Texas Central Company, Texas; Docket No. 33309
- Cities Served by AEP Texas North Company, Texas; Docket Nos. 33310, 4202 and 4716
- Cities Served by Sharyland Utilities, Texas; State Office of Administrative Hearings (SOAH); Docket No. 473-99-2566
- Cities Served by Texas-New Mexico Power Company, Texas; Docket Nos. 15560, 12900, 10200, 22636, 36025, 22745
- Cities served by Oncor Electric Delivery Company, Texas; Docket Nos. 48325, 48231, 5640
- Cities served by Entergy Texas; Docket No. 48371 and 4510
- Cities Served by General Telephone Company of the Southwest (Verizon); Docket Nos. 4300 and 5011
- Project No. 14400 - Integrated Resource Planning
- Office of Public Utility Counsel – AEP Texas, Inc. Docket No. 49494
- Office of Public Utility Counsel – SPS Docket No. 49831

### **North Carolina Utilities Commission**

- Duke Energy Progress – Docket No. E-2 SUB 1142

### **Oklahoma Corporation Commission**

- Arkansas Oklahoma Gas Corporation; Cause No. PUD 001346

### **Railroad Commission of Texas**

- CenterPoint Energy Entex; Docket GUD Nos. 9654, 9902, 10038, 10182, 10432, 10567, and 10920
- Atmos Energy; Docket GUD Nos. 9670, 10000, 10170, 10174, 10359, 10580, and 10900
- Texas Gas Services, Docket GUD Nos. 10488, 10526 and 10766
- TXU Gas; Docket No. GUD 9400
- TXU Gas Transmission; Docket No. GUD 8935
- Lone Star Gas Company Gate Rate; Docket No. GUD 8664
- Lone Star Gas Company Gate Rate; Docket No. GUD 3543

### **Arizona Corporation Commission**

- Arizona Public Service Company, Arizona; Docket No. U-1345-82-266.

### **New Mexico State Corporation Commission**

- Continental Telephone Company of the West; Docket No. 942
- General Telephone Company of the Southwest; Docket No. 990

### **Colorado Public Utilities Commission**

- Southern Colorado Power - Cost Allocation Study

### **Alabama Public Service Commission**

- Alabama Power Company - Fuel Procurement Review

### **Indiana Regulatory Commission**

- Northern Indiana Public Service Company – Cause No. 44733-TDSIC-2
- Northern Indiana Public Service Company- Cause No. 44733-TDSIC-3
- Northern Indiana Public Service Company Cause No. 45159
- Indiana Michigan Power Company Cause No. 45325

**FERC**

- NESCOE, Docket No. ER18-1639 regarding Constellation Mystic Power, LLC

## **Cost Allocation Modeling**

Ms. Cannady has conducted cost allocation modeling for municipal utility clients. She has developed a cost allocation model (CAM) for allocating all utility overhead as well as the city's general fund overhead to the functions of production, distribution and transmission. The objectives of these studies were to more accurately reflect the fully loaded transmission costs to be separated from distribution costs in deregulated utility markets. The CAM models also include functionalizing the aggregated capitalized interest so that the value of the utility assets can be more accurately reported. Ms. Cannady has also assisted municipal clients in developing a cost allocation model to be used by the city to allocate general fund costs to each of its enterprise operations, including the electric utility, water and wastewater, and solid waste. Finally, Ms. Cannady has reviewed the appropriateness of cost allocation methodologies used by utility operations when developing rates. Her cost allocation projects include:

- Develop CAM model for Garland Power & Light, Garland, Texas
- Develop CAM model for Water and Wastewater Operations - City of Garland, Texas
- Review of Overhead Cost Allocations – Lower Colorado River Authority
- Review of Cost Allocation for Maintenance Activities – San Jacinto River Authority
- Develop Indirect Cost Allocation Model – City of Greenville, Texas
- Develop Indirect Cost Allocation Model – City of Denton Texas
- Develop Indirect Cost Allocation Model – City of Terrell, Texas
- Develop Indirect Cost Allocation Model – City of Brenham, Texas

## **Franchising of Utility Service in Municipal Right-of-Way**

Ms. Cannady has assisted numerous municipalities/counties in negotiating franchises that allow utility service providers to construct in the municipalities' rights-of-way. In addition, Ms. Cannady has assisted in reviewing the actual payments made by the utilities to determine the accuracy of such payments in accordance with franchise terms or state and federal laws. She has assisted municipalities/counties in Texas, California, Washington, New York, Missouri, Illinois, and Kentucky. The majority of the projects concern the payment of cable services, but many of the projects have also involved review of franchising terms and payments from natural gas utility operations, electric service operations and telecommunications services.

## **Right-of-Way Costs**

Ms. Cannady has conducted analysis of the costs incurred by municipalities in allowing utilities to have ubiquitous access to the Right-of-Way. Her clients include:

- City of Durham, North Carolina
- City of Atlanta, Georgia
- City of Cheyenne, Wyoming
- City of Tucson, Arizona
- Texas Municipal League, Texas

# Connie Cannady

Executive Consultant

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## WORKSHOPS AND PRESENTATIONS

Ms. Cannady is an instructor on behalf of Electric Utility Consultants, Inc. (EUCI), co-authoring and presenting witness preparation materials at multiple conferences and speaking on related topics at industry forums. Her experience includes:

### **NARUC Staff Subcommittee on Accounting & Finance**

- *Expert Witness Techniques*

### **Electric Utility Consultants, Inc. (EUCI)**

- *EUCI Witness Preparation Training Conferences*  
(five conferences in 2013, 2014, 2016, 2017  
2018, and 2019)

### **Government Finance Officers Association of Texas**

- *Franchise Fees – Accuracy and Compliance*
- *Franchise Fees, Identifying the Issues*

### **Texas Association of Telecommunications Officers and Advisors**

- *Effective Competition: A Case Study - The City of Denton*
- *Issues Regarding Cable Television Franchise Payments*
- *Customer Service Issues*

### **National Association of Telecommunications Officers and Advisors**

- *Hooray for Competition*
- *Prime Real Estate: Managing the Public Rights-of-Way*

### **The ABC's of Energy Conference**

- *Rate Making Issues*

### **Oklahoma Municipal League**

- *Cable Rights*

### **Federal Bar Association**

- *Basics of Cable Television Regulation*

### Record of Testimony Submitted by Connie Cannady

Utility	Proceeding	Subject of Testimony	Before	Client	Date
1. Southwestern Public Service Company – Xcel Energy	Docket No. 49831	Cost recovery of production related assets for coal and wind facilities and incentive compensation for direct and service company employees	Public Utility Commission of Texas	Office of Public Utility Counsel	2020
2. CenterPoint Energy Entex Beaumont/East Texas Division	GUD No. 10920	Treatment of labor related incentive compensation, pension and OPEB benefits, amortization of regulatory assets, and treatment of non-qualified pension benefits	Railroad Commission of Texas	East Texas Coalition of Cities	2020
3. Atmos West Texas Triangle Pipeline	GUD No. 10900	Treatment of labor related incentive compensation and excess deferred taxes from passage of TCJA	Railroad Commission of Texas	West Texas Cities	2019
4. Indiana Michigan Power Company	Cause No. 45235	Treatment of Tax Rate Change and EDIT Refund, Nuclear Decommissioning Fund, Recovery of Plant Investment, AMI Deployment	Indiana Utility Regulatory Commission	Cities of Marion and Fort Wayne, Indiana	2019
5. AEP Texas, Inc	Docket No. 49494	Revenue Requirements, labor and labor related expenses, storm reserve, impacts of TCJA	Public Utility Commission of Texas	Office of Public Utility Counsel	2019
6. Northern Indiana Public Service Company	Cause No. 45159	Treatment of Corporate Tax Rate Change and EDIT and Depreciation on Early Plant Retirement	Indiana Utility Regulatory Commission	U.S. Steel Corporation	2019
7. Constellation Mystic Power, LLC	Docket No. ER18-1639	Cash Working Capital, Overtime Expense, Incentive Pay, TCJA Impacts and True-Up Protocols	Federal Energy Regulatory Commission	New England States Committee on Electricity	2018
8. Entergy Texas, Inc.	Docket No. 48371	Post Test Year Adjustment, Storm Regulatory Assets, Retired Plant, Employee Benefits, Treatment of Excess Deferred Income Taxes	Public Utility Commission of Texas	Office of Public Utility Counsel	2018
9. Oncor Electric Service Company	Docket No. 48325	Proposed amortization of excess deferred income taxes, refund of income tax overcharges since January	Public Utility Commission of Texas	Alliance of Oncor Cities	2018

**Record of Testimony Submitted by Connie Cannady**

		1, 2018 and appropriate carrying charges			
10. Oncor Electric Service Company	Docket No. 48231	Proposed CIS Depreciation Rate and treatment of Corporate Tax Rate Change in Distribution Cost Recovery Tracker Rate	Public Utility Commission of Texas	Alliance of Oncor Cities	2018
11. CenterPoint Energy Houston Electric	Docket No. 48226	Treatment of Corporate Tax Rate Change in Distribution Cost Recovery Tracker Rate	Public Utility Commission of Texas	Texas Coast Utilities Coalition	2018
12. CenterPoint Energy Entex South Division	GUD No. 10669	Rate Base and Operating Income Issues, Affiliated Charges, Treatment of Excess Deferred Income Taxes (Settled)	Railroad Commission of Texas	Alliance of CenterPoint Municipalities	2018
13. Northern Indiana Public Service Company	Cause No. 44733-TDSIC-3	Treatment of Corporate Tax Rate Change and EDIT	Indiana Utility Regulatory Commission	U.S. Steel Corporation	2018
14. Duke Energy Progress	Docket No. E-2 SUB 1142	Cancelled Plant Prudency, Deferred Asset Treatment, Benefits	North Carolina Utilities Commission	U.S. Dept. of Defense and Other Federal Agencies	2017
15. Northern Indiana Public Service Company	Cause No. 44733-TDSIC-2	Tax Gross-Up Treatment in Investment Tracker	Indiana Utility Regulatory Commission	U.S. Steel Corporation	2017
16. Atmos Pipeline Texas	GUD No. 10580	Rate Base and Operating Income Issues, ADIT NOL	Railroad Commission of Texas	Atmos Cities Steering Committee	2017
17. CenterPoint Energy Entex Texas Gulf Division	GUD No. 10567	Rate Base and Operating Income Issues, Affiliated Charges	Railroad Commission of Texas	Gulf Coast Coalition of Cities	2017
18. CenterPoint Energy Houston Electric	Docket No. 45747	Allocation of Certain Corporate Costs included in DCRF rate adder	Public Utility Commission of Texas	Texas Coast Utilities Coalition	2016
19. CenterPoint Energy Entex	GUD No. 10432	Rate Base and Operating Income Issues, Affiliated Charges	Railroad Commission of Texas	Texas Coast Utilities Coalition	2015
20. Baltimore Gas and Electric	Case No. 9355	Rate Base and Operating Income Issues, Cost Allocation Issues	Maryland Public Service Commission	U.S. Dept. of Defense and Other Federal Agencies	2014
21. Atmos Energy	Docket No. 10359	Rate Base and Operating Income Issues	Railroad Commission of Texas	Atmos Cities Steering Committee	2014

**Record of Testimony Submitted by Connie Cannady**

22. SWEPCO	Docket No. 40443	Rate Base and Operating Income Issues	Public Utility Commission of Texas	Cities Served by SWEPCO	2012
23. CenterPoint Energy Entex	GUD No. 10182	Rate Base and Operating Income Issues	Railroad Commission of Texas Case Settled Before Hearing	East Texas Cities	2012
24. Atmos Energy	GUD No. 10174	Rate Base and Operating Income Issues	Railroad Commission of Texas	West Texas Cities Steering Committee	2012
25. Atmos Energy	GUD No. 10170	Rate Base and Operating Income Issues	Railroad Commission of Texas	Atmos Cities Steering Committee	2012
26. CenterPoint Energy Entex	GUD No. 10038	Rate Base and Operating Income Issues	Railroad Commission of Texas	Steering Committee of Cities Served by CenterPoint South Texas Division	2011
27. Atmos Energy	GUD No. 10000	Rate Base and Operating Income Issues	Railroad Commission of Texas	Atmos Cities Steering Committee	2010
28. Texas-New Mexico Power Company	Docket No. 38480	Rate Base and Operating Income Issues	Public Utility Commission of Texas	Cities Served by TNMP	2010
29. CenterPoint Energy Entex	GUD No. 9902	Labor Costs, Group Benefits, and Valorem Taxes	Railroad Commission of Texas	Gulf Coast Coalition of Cities Served by CenterPoint Houston Division	2009
30. AEP – Texas Central Company	Docket No. 33309	Labor Costs, Group Benefits, and Energy Efficiency Program Costs	Public Utility Commission of Texas	Cities Served by AEP Texas Central Company	2007
31. AEP – Texas North Company	Docket No. 33310	Labor Costs, Group Benefits, and Energy Efficiency Program Costs	Public Utility Commission of Texas	Cities Served by AEP Texas North Company	2007
32. Atmos Energy	Docket No. GUD 9670	Operations and Maintenance Expenses and Summary Schedules	Railroad Commission of Texas	Atmos Cities Steering Committee	2006
33. TXU Gas	Docket No. GUD 9400	Rate Base and Present Revenue Computation	Railroad Commission of Texas	Allied Coalition of Cities	2003
34. Texas-New Mexico Power Company	Docket No. 22745	Fuel Costs and Recovery	Public Utility Commission of Texas	Cities Served by TNMP	2001
35. Lone Star Gas Company	Docket No. GUD 8935	Purchased Gas Adjustment Clause	Railroad Commission of Texas Case Settled Before Hearing	Allied Coalition of Cities	1999

**Record of Testimony Submitted by Connie Cannady**

36. Garland Independent School District v. Lone Star Gas Company	Cause No. 97-00070-A	Natural Gas Billings based on Contractual Rates	Texas State District Court	Garland Independent School District	1997
37. Houston Lighting & Power Company	Docket No. 12065	Appropriate Rate Treatment of Fuel Inventories and Fuel Expense	Public Utility Commission of Texas	Gulf Coast Coalition of Cities	1994
38. Texas Electric Utilities Company	Docket No. 5640	Appropriate Rate Base to be Included in Rates	Public Utility Commission of Texas	Cities Steering Committee	1985

Derek Klingeman assists on cost of service and rate design studies and provides pro forma financial analysis, valuation, and economic impact analysis on a wide variety of projects for NewGen. Mr. Klingeman has worked extensively with large billing databases and hourly/interval load data for cost allocation and rate design purposes. Additionally, he has a background in cash flow analysis and forecasting. Prior to joining NewGen, Mr. Klingeman worked as an energy management consultant for industrial clients with a focus on distributed generation. He holds a master's degree in Mineral and Energy Economics where he studied energy markets and finance.

## EDUCATION

- Master of Science in Mineral and Energy Economics, Colorado School of Mines
- Bachelor of Business Administration in Finance, University of New Mexico

## RELEVANT EXPERIENCE

### Cost of Service and Rate Design – Electric

Mr. Klingeman assists on cost of service and rate design studies for electric utility clients. For cost of service studies, he has forecasted revenue requirement, unbundled revenue requirement into utility functions and subsequent cost categories, and allocated costs to customer classes by deriving allocation factors that support the assignment of shared costs to different functions or classifications. For rate design studies he has modeled the impact to revenues and customer bills of proposed rate changes, including load impacts from the introduction of demand charges and time-of-use rates. He has also evaluated energy consumption profiles, billing accuracy, base operations, contract terms, rate options, asset / facilities upgrades (e.g., energy efficiency/demand response), distributed generation options, and tenant billing recovery for the US Army.

Mr. Klingeman's cost of service and rate design projects include:

- Lafayette Utilities System, Louisiana
- Merced Irrigation District, California
- Riverside Public Utilities, California
- United Power Electric Cooperative, Colorado
- Turlock Irrigation District, California
- Glendale Water & Power, California
- City of Dover, Delaware
- City of Vernon, California

*The following represents experience prior to joining NewGen.*

- **National Renewable Energy Laboratory (NREL) – Commercial Licensing Intern.** Performed economic, technological, and market feasibility assessments for nascent NREL innovations, developed patenting and licensing strategies for select NREL technologies, and helped establish and negotiate patent license financial terms with industry partners.
- **Navigant Consulting – Industry Analyst.** Authored report on the status of renewable energy in the mining industry. Responsibilities included conducting interviews with subject matter experts and mining industry leaders, researching mining power consumption and power generation trends, and developing detailed 10-year investment forecasts.
- **Remote Energy Solutions – Research Analyst.** Analyzed energy consumption and energy savings opportunities for large industrial clients. Modeled and performed cash flow analysis of energy efficiency and distributed generation investment opportunities. Researched alternative markets for gas and electricity and incentives for select technologies.



## **APPENDIX B – WORK PRODUCT SAMPLES**

See accompanying document for Appendix B.



**APPENDIX C – AFFIDAVIT OF NON-COLLUSION BY CONTRACTOR**



EXHIBIT C  
SCHEDULE

Contractor shall be paid upon City's receipt of an invoice issued by Contractor, after each deliverable, pursuant to Section 6.0 as follows:

**FEES AND COSTS**

Item:	Labor Cost	Expenses	Total
<b>Service Area 1: Financial Services</b>			
Task 1: Project Kickoff	\$9,850	\$3,025	\$12,875
Task 2: Financial Model and COS	\$38,950	\$1,550	\$40,500
Task 3: Rate Design and Tariffs	\$14,700	\$1,075	\$15,775
Task 4: Support for Accounting and Budgeting	\$14,400	\$0	\$14,400
Task 5: Support Gas Contracts and Agreements	\$26,350	\$0	\$26,350
Service Area 1 Subtotal:	<b>\$104,250</b>	<b>\$5,650</b>	<b>\$109,900</b>
<b>Service Area 2: Business Development</b>			
Task 6: Strategic Plan	\$46,800	\$9,275	\$56,075
Task 7: Marketing and Customer Service Support	\$31,800	\$0	\$31,800
Service Area 2 Subtotal:	<b>\$78,600</b>	<b>\$9,275</b>	<b>\$87,875</b>

NewGen Strategies & Solutions  
2020 Billing Rates

Position	Hourly Billing Rate
President/CEO	\$345
Managing Director (Energy Practice, Environmental Practice)	\$300
Director / Vice President / Executive Consultant	\$215 - \$345
Senior Consultant	\$185 - \$215
Staff Consultant	\$130 - \$185
Analyst	\$125 - \$130
Administrative Assistant	\$100

## EXHIBIT D

### LIVING WAGE PROVISIONS

#### **Minimum Living Wages:**

A requirement that Employers pay qualifying employees a wage of no less than \$10.30 per hour with health benefits, or \$11.55 per hour without health benefits.

#### **Paid and Unpaid Days Off:**

Employers provide qualifying employees at least twelve compensated days off per year for sick leave, vacation, or personal necessity, and an additional ten days a year of uncompensated time for sick leave.

#### **No Retaliation:**

A prohibition on employer retaliation against employees complaining to the City with regard to the employer's compliance with the living wage ordinance. Employees may bring an action in Superior Court against an employer for back pay, treble damages for willful violations, and attorney's fees, or to compel City officials to terminate the service contract of violating employers.

EXHIBIT E  
EQUAL EMPLOYMENT OPPORTUNITY  
PRACTICES PROVISIONS

- A. Contractor certifies and represents that, during the performance of this Agreement, the contractor and each subcontractor shall adhere to equal opportunity employment practices to assure that applicants and employees are treated equally and are not discriminated against because of their race, religious creed, color, national origin, ancestry, handicap, sex, or age. Contractor further certifies that it will not maintain any segregated facilities.
- B. Contractor agrees that it shall, in all solicitations or advertisements for applicants for employment placed by or on behalf of Contractor, state that it is an "Equal Opportunity Employer" or that all qualified applicants will receive consideration for employment without regard to their race, religious creed, color, national origin, ancestry, handicap, sex or age.
- C. Contractor agrees that it shall, if requested to do so by the City, certify that it has not, in the performance of this Agreement, discriminated against applicants or employees because of their membership in a protected class.
- D. Contractor agrees to provide the City with access to, and, if requested to do so by City, through its awarding authority, provide copies of all of its records pertaining or relating to its employment practices, except to the extent such records or portions of such records are confidential or privileged under state or federal law.
- E. Nothing contained in this Agreement shall be construed in any manner as to require or permit any act which is prohibited by law.

SERVICES AGREEMENT BETWEEN THE CITY OF VERNON AND G2 INTEGRATED SOLUTIONS, LLC FOR NATURAL GAS COMPLIANCE SERVICES

COVER PAGE

Contractor: G2 Integrated Solutions, LLC

Responsible Principal of Contractor: John F. Kill, General Manager, GCRO

Notice Information - Contractor: G2 Integrated Solutions, LLC  
10850 Richmond Avenue, Suite 200  
Houston, Texas 77042  
Attention: John F. Kill, General Manager  
Phone: 713-260-4000  
Email: [contracts@g2-is.com](mailto:contracts@g2-is.com)

Notice Information - City: City of Vernon  
4305 Santa Fe Avenue  
Vernon, CA 90058  
Attention: Abraham Alemu  
Utilities General Manager  
Telephone: (323) 583-8811 ext. 834  
Facsimile: (323) 826-1408

Commencement Date: July 1, 2020

Termination Date: June 30, 2023

Consideration: Total not to exceed \$400,000.00 (includes all applicable sales tax); and more particularly described in Exhibit C

Records Retention Period: Three (3) years, pursuant to Section 11.20

SERVICES AGREEMENT BETWEEN THE CITY OF VERNON AND G2 INTEGRATED SOLUTIONS, LLC FOR NATURAL GAS COMPLIANCE SERVICES

This Contract is made between the City of Vernon ("City"), a California charter City and California municipal corporation ("City"), and G2 Integrated Solutions, LLC, a Texas limited liability company ("Contractor").

The City and Contractor agree as follows:

1.0 EMPLOYMENT OF CONTRACTOR. City agrees to engage Contractor to perform the services as hereinafter set forth as authorized by the City Council on June 16, 2020.

2.0 SCOPE OF SERVICES.

2.1 Contractor shall perform all work necessary to complete the services set forth in the Request for Proposals dated January 13, 2020, Exhibit "A", and Contractor's proposal to the City ("Proposal") dated March 2, 2020, Exhibit "B", both of which are attached to and incorporated into this Contract, by reference.

2.2 All services shall be performed to the satisfaction of City.

2.3 All services shall be performed in a competent, professional, and satisfactory manner in accordance with the prevailing industry standards for such services.

3.0 PERSONNEL.

3.1 Contractor represents that it employs, or will employ, at its own expense, all personnel required to perform the services under this Contract.

3.2 Contractor shall not subcontract any services to be performed by it under this Contract without prior written approval of City.

3.3 All of the services required hereunder will be performed by Contractor or by City-approved subcontractors. Contractor, and all personnel engaged in the work, shall be fully qualified and authorized or permitted under State and local law to perform such services and shall be subject to approval by the City.

4.0 TERM.

The term of this Contract shall commence on July 1, 2020, and it shall continue until June 30, 2023, unless terminated at an earlier date pursuant to the provisions thereof.

5.0 COMPENSATION AND FEES.

5.1 Contractor has established rates for the City of Vernon which are comparable to and do not exceed the best rates offered to other governmental entities in and around Los Angeles County for the same services. For satisfactory and timely performance of the services, the City will pay Contractor in accordance with the payment schedule set forth in Exhibit "C" attached hereto and incorporated herein by reference.

5.2 Contractor's grand total compensation for the entire term of this Contract, shall not exceed \$400,000.00 without the prior authorization of the City, as appropriate, and written amendment of this Contract.

5.3 Contractor shall, at its sole cost and expense, furnish all necessary and incidental labor, material, supplies, facilities, equipment, and transportation which may be required for furnishing services pursuant to this Contract. Materials shall be of the highest quality. The above Contract fee shall include all staff time and all clerical, administrative, overhead, insurance, reproduction, telephone, air travel, auto rental, subsistence, and all related costs and expenses.

5.4 City shall reimburse Contractor only for those costs or expenses specifically approved in this Agreement, or specifically approved in writing in advance by City. Unless otherwise approved, such costs shall be limited and include nothing more than the following costs incurred by Contractor:

5.4.1 The actual costs of subcontractors for performance of any of the services that Contractor agrees to render pursuant to this Agreement, which have been approved in advance by City and awarded in accordance with this Agreement.

5.4.2 Approved reproduction charges.

5.4.3 Actual costs and/or other costs and/or payments specifically authorized in advance in writing and incurred by Contractor in the performance of this Agreement.

5.5 Contractor shall not receive any compensation for extra work performed without the prior written authorization of City. As used herein, “extra work” means any work that is determined by City to be necessary for the proper completion of the Project, but which is not included within the Scope of Services and which the parties did not reasonably anticipate would be necessary at the time of execution of this Agreement. Compensation for any authorized extra work shall be paid in accordance with the payment schedule as set forth in Exhibit “C,” if the extra work has been approved by the City.

5.6 Licenses, Permits, Fees, and Assessments. Contractor shall obtain, at Contractor’s sole cost and expense, such licenses, permits, and approvals as may be required by law for the performance of the services required by this Agreement. Contractor shall have the sole obligation to pay for any fees, assessments, and taxes, plus applicable penalties and interest, which may be imposed by law and which arise from or are necessary for the performance of the Services by this Agreement.

6.0 PAYMENT.

6.1 As scheduled services are completed, Contractor shall submit to the City an invoice for the services completed, authorized expenses, and authorized extra work actually performed or incurred according to said schedule.

6.2 Each such invoice shall state the basis for the amount invoiced, including a detailed description of the services completed, the number of hours spent, reimbursable expenses incurred and any extra work performed.

6.3 Contractor shall also submit a progress report with each invoice that describes in reasonable detail the services and the extra work, if any, performed in the immediately preceding calendar month.

6.4 Contractor understands and agrees that invoices which lack sufficient detail to measure performance will be returned and not processed for payment.

6.5 City will pay Contractor the amount invoiced within thirty (30) days after the City approves the invoice.

6.6 Payment of such invoices shall be payment in full for all services, authorized costs, and authorized extra work covered by that invoice.

7.0 CITY'S RESPONSIBILITY. City shall cooperate with Contractor as may be reasonably necessary for Contractor to perform its services; and will give any required decisions as promptly as practicable so as to avoid unreasonable delay in the progress of Contractor's services.

8.0 COORDINATION OF SERVICES. Contractor agrees to work closely with City staff in the performance of Services and shall be available to City's staff, consultants, and other staff at all reasonable times.

9.0 INDEMNITY. Contractor agrees to indemnify City, its officers, elected officials, employees and agents against, and will hold and save each of them harmless from, any and all actions, suits, claims, damages to persons or property, losses, costs, penalties, obligations, errors, omissions or liabilities (herein "claims or liabilities"), including but not limited to professional negligence, that may be asserted or claimed by any person, firm or entity arising out of or in connection with the work, operations or activities of Contractor, its agents, employees, subcontractors, or invitees, provided for herein, or arising from the acts or omissions of Contractor hereunder, or arising from Contractor's performance of or failure to perform any term, provision, covenant or condition of this Agreement, except to the extent such claims or liabilities arise from the gross negligence or willful misconduct of City, its officers, elected officials, agents or employees.

10.0 INSURANCE. Contractor shall, at its own expense, procure and maintain policies of insurance of the types and in the amounts set forth below, for the duration of the Contract, including any extensions thereto. The policies shall state that they afford primary coverage.

i. Automobile Liability with minimum limits of at least \$1,000,000 combined single limit, including owned, hired, and non-owned liability coverage.

ii. Contractor agrees to subrogate automobile liability resulting from performance

under this agreement by agreeing to defend, indemnify and hold harmless, the City, and its respective employees, agents, and City Council from and against all claims, liabilities, suits, losses, damages, injuries and expenses, including all costs and reasonable attorney's fees ("Claims"), which are attributable to any act or omission by the City under the performance of the services.

iii. General Liability with minimum limits of at least \$1,000,000 per occurrence and \$2,000,000 aggregate written on an Insurance Services Office (ISO) Comprehensive General Liability "occurrence" form or its equivalent for coverage on an occurrence basis. Premises/Operations and Personal Injury coverage is required. The City of Vernon, its directors, commissioners, officers, employees, agents, and volunteers must be endorsed on the policy as additional insureds as respects liability arising out of the Contractor's performance of this Contract.

(1) If Contractor employs other contractors as part of the services rendered, Contractor's Protective Coverage is required. Contractor may include all subcontractors as insureds under its own policy or shall furnish separate insurance for each subcontractor, meeting the requirements set forth herein.

(2) Contractor agrees to subrogate General Liability resulting from performance under this agreement by agreeing to defend, indemnify and hold harmless, the City, and its respective employees, agents, and City Council from and against all claims, liabilities, suits, losses, damages, injuries and expenses, including all costs and reasonable attorney's fees ("Claims"), which are attributable to any act or omission by the City under the performance of the services.

iv. Professional Errors and Omissions coverage in a sum of at least \$1,000,000, where such risk is applicable. Applicable aggregates must be identified and claims history provided to determine amounts remaining under the aggregate. Contractor shall maintain such

coverage for at least one (1) year after the termination of this Agreement.

v. Contractor shall comply with the applicable sections of the California Labor Code concerning workers' compensation for injuries on the job. In addition, Contractor shall require each subcontractor to similarly maintain workers' compensation insurance in accordance with the laws for California for all of the subcontractor's employees. Compliance is accomplished in one of the following manners:

- (1) Provide copy of permissive self-insurance certificate approved by the State of California; or
- (2) Secure and maintain in force a policy of workers' compensation insurance with statutory limits and Employer's Liability Insurance with a minimal limit of \$1,000,000 per accident. The policy shall be endorsed to waive all rights of subrogation against City, its directors, commissioners, officers, employees, and volunteers for losses arising from performance of this Contract; or
- (3) Provide a "waiver" form certifying that no employees subject to the Labor Code's Workers' Compensation provision will be used in performance of this Contract.

vi. Each insurance policy included in this clause shall be endorsed to state that coverage shall not be cancelled except after thirty (30) days' prior written notice to City.

vii. Insurance shall be placed with insurers with a Best's rating of no less than A-VIII.

viii. Prior to commencement of performance, Contractor shall furnish City with a certificate of insurance for each policy. Each certificate is to be signed by a person authorized by that insurer to bind coverage on its behalf. The certificate(s) must be in a form approved by City. City may require complete, certified copies of any or all policies at any time.

ix. Failure to maintain required insurance at all times shall constitute a default and material breach. In such event, Contractor shall immediately notify City and cease all performance under this Contract until further directed by the City. In the absence of satisfactory

insurance coverage, City may, at its option: (a) procure insurance with collection rights for premiums, attorney's fees and costs against Contractor by way of set-off or recoupment from sums due to Contractor, at City's option; (b) immediately terminate this Contract and seek damages from the Contract resulting from said breach; or (c) self-insure the risk, with all damages and costs incurred, by judgment, settlement or otherwise, including attorney's fees and costs, being collectible from Contractor, by way of set-off or recoupment from any sums due to Contractor.

11.0 GENERAL TERMS AND CONDITIONS.

11.1 INDEPENDENT CONTRACTOR.

11.1.1 It is understood that in the performance of the services herein provided for, Contractor shall be, and is, an independent contractor, and is not an agent, officer or employee of City and shall furnish such services in its own manner and method except as required by this Contract, or any applicable statute, rule, or regulation. Further, Contractor has and shall retain the right to exercise full control over the employment, direction, compensation and discharge of all persons employed by Contractor in the performance of the services hereunder. City assumes no liability for Contractor's actions and performance, nor assumes responsibility for taxes, bonds, payments, or other commitments, implied or explicit, by or for Contractor. Contractor shall be solely responsible for, and shall indemnify, defend and save City harmless from all matters relating to the payment of its employees, subcontractors and independent contractors, including compliance with social security, withholding and all other wages, salaries, benefits, taxes, exactions, and regulations of any nature whatsoever.

11.1.2 Contractor acknowledges that Contractor and any subcontractors, agents or employees employed by Contractor shall not, under any circumstances, be considered employees of the City, and that they shall not be entitled to any of the benefits or rights afforded employees of City, including, but not limited to, sick leave, vacation leave, holiday pay, Public Employees Retirement System benefits, or health, life, dental, long-term disability or workers' compensation insurance benefits.

11.2 CONTRACTOR NOT AGENT. Except as the City may authorize in writing, Contractor and its subcontractors shall have no authority, express or implied, to act on behalf of or bind the City in any capacity whatsoever as agents or otherwise.

11.3 OWNERSHIP OF WORK. All documents and materials furnished by the City to Contractor shall remain the property of the City and shall be returned to the City upon termination of this Agreement. All reports, drawings, plans, specifications, computer tapes, floppy disks and printouts, studies, memoranda, computation sheets, and other documents prepared by Contractor in furtherance of the work shall be the sole property of City and shall be delivered to City whenever requested at no additional cost to the City. Contractor shall keep such documents and materials on file and available for audit by the City for at least three (3) years after completion or earlier termination of this Contract. Contractor may make duplicate copies of such materials and documents for its own files or for such other purposes as may be authorized in writing by the City.

11.4 CORRECTION OF WORK. Contractor shall promptly correct any defective, inaccurate or incomplete tasks, deliverables, goods, services and other work, without additional cost to the City. The performance or acceptance of services furnished by Contractor shall not relieve the Contractor from the obligation to correct subsequently discovered defects, inaccuracy, or incompleteness.

11.5 RESPONSIBILITY FOR ERRORS. Contractor shall be responsible for its work and results under this Agreement. Contractor, when requested, shall furnish clarification and/or explanation as may be required by the City, regarding any services rendered under this Agreement at no additional cost to City. In the event that an error or omission attributable to Contractor occurs, then Contractor shall, at no cost to City, provide all necessary design drawings, estimates and other Contractor professional services necessary to rectify and correct the matter to the sole satisfaction of City and to participate in any meeting required with regard to the correction.

11.6 WAIVER. The City's waiver of any term, condition, breach, or default of this Contract shall not be considered to be a waiver of any other term, condition, default or breach, nor of a subsequent breach of the one waived. The delay or failure of either party at any time to require performance or compliance by the other of any of its obligations or agreements shall in no way be deemed a waiver of those rights to require such performance or compliance. No waiver of any provision of this Agreement shall be effective unless in writing and signed by a duly authorized representative of the party against whom enforcement of a waiver is sought.

11.7 SUCCESSORS. This Contract shall inure to the benefit of, and shall be binding upon, the parties hereto and their respective heirs, successors, and/or assigns.

11.8 NO ASSIGNMENT. Contractor shall not assign or transfer this Contract or any rights hereunder without the prior written consent of the City and approval by the City Attorney, which may be withheld in the City's sole discretion. Any unauthorized assignment or transfer shall be null and void and shall constitute a material breach by the Contractor of its obligations under this Contract. No assignment shall release the original parties from their obligations or otherwise constitute a novation.

11.9 COMPLIANCE WITH LAWS. Contractor shall comply with all Federal, State, County and City laws, ordinances, rules and regulations, which are, as amended from time to time, incorporated herein and applicable to the performance hereof, including but without limitation, the Vernon Living Wage Ordinance. Violation of any law material to performance of this Contract shall entitle the City to terminate the Contract and otherwise pursue its remedies. Further, if the Contractor performs any work knowing it to be contrary to such laws, rules, and regulations Contractor shall be solely responsible for all costs arising therefrom.

11.10 ATTORNEY'S FEES. If any action at law or in equity is brought to enforce or interpret the terms of this Contract, the prevailing party shall be entitled to reasonable attorney's fees, costs, and necessary disbursements in addition to any other relief to which such party may be entitled.

11.11 INTERPRETATION.

11.11.1 Applicable Law. This Contract shall be deemed a contract and shall be governed by and construed in accordance with the laws of the State of California. Contractor agrees that the State and Federal courts which sit in the State of California shall have exclusive jurisdiction over all controversies and disputes arising hereunder, and submits to the jurisdiction thereof.

11.11.2 Entire Agreement. This Contract, including any exhibits attached hereto, constitutes the entire agreement and understanding between the parties regarding its subject matter and supersedes all prior or contemporaneous negotiations, representations, understandings, correspondence, documentation, and agreements (written or oral).

11.11.3 Written Amendment. This Contract may only be changed by written amendment signed by Contractor and the City Administrator or other authorized representative of the City, subject to any requisite authorization by the City Council. Any oral representations or modifications concerning this Contract shall be of no force or effect.

11.11.4 Severability. If any provision in this Contract is held by any court of competent jurisdiction to be invalid, illegal, void, or unenforceable, such portion shall be deemed severed from this Contract, and the remaining provisions shall nevertheless continue in full force and effect as fully as though such invalid, illegal, or unenforceable portion had never been part of this Contract.

11.11.5 Order of Precedence. In case of conflict between the terms of this Contract and the terms contained in any document attached as an Exhibit or otherwise incorporated by reference, the terms of this Contract shall strictly prevail. The terms of the City's Request for Proposals shall control over the Contractor's Proposal.

11.11.6 Duplicate Originals. There shall be two (2) fully signed copies of this Contract, each of which shall be deemed an original.

11.11.7 Construction. In the event an ambiguity or question of intent or interpretation arises with respect to this Agreement, this Agreement shall be construed as if drafted jointly by the parties and in accordance with its fair meaning. There shall be no presumption or burden of proof favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Agreement.

11.12 TIME OF ESSENCE. Time is strictly of the essence of this contract and each and every covenant, term, and provision hereof.

11.13 AUTHORITY OF CONTRACTOR. The Contractor hereby represents and warrants to the City that the Contractor has the right, power, legal capacity, and authority to enter into and perform its obligations under this Contract, and its execution of this Contract has been duly authorized.

11.14 ARBITRATION OF DISPUTES. Any dispute for under \$25,000 arising out of or relating to the negotiation, construction, performance, non-performance, breach, or any other aspect of this Contract, shall be settled by binding arbitration in accordance with the Commercial Rules of the American Arbitration Association at Los Angeles, California and judgment upon the award rendered by the Arbitrators may be entered in any court having jurisdiction thereof. The City does not waive its right to object to the timeliness or sufficiency of any claim filed or required to be filed against the City and reserves the right to conduct full discovery.

11.15 NOTICES. Any notice or demand to be given by one party to the other must be given in writing and by personal delivery or prepaid first-class, registered or certified mail, addressed as follows. Notice simply to the City of Vernon or any other City department is not adequate notice.

If to the City:

City of Vernon  
Public Utilities Department  
Attention: Abraham Alemu, General Manager  
4305 Santa Fe Avenue  
Vernon, CA 90058

If to the Contractor:

G2 Integrated Solutions, LLC  
Attn: John F. Kill, General Manager, GCRO  
10850 Richmond Avenue, Suite 200  
Houston, TX 77042

Any such notice shall be deemed to have been given upon delivery, if personally delivered, or, if mailed, upon receipt, or upon expiration of three (3) business days from the date of posting, whichever is earlier. Either party may change the address at which it desires to receive notice upon giving written notice of such request to the other party.

11.16 NO THIRD PARTY RIGHTS. This Agreement is entered into for the sole benefit of City and Contractor and no other parties are intended to be direct or incidental beneficiaries of this Agreement and no third party shall have any right or remedy in, under, or to this Agreement.

11.17 TERMINATION FOR CONVENIENCE (Without Cause). City may terminate this Contract in whole or in part at any time, for any cause or without cause, upon fifteen (15) calendar days' written notice to Contractor. If the Contract is thus terminated by City for reasons other than Contractor's failure to perform its obligations, City shall pay Contractor a prorated amount based on the services satisfactorily completed and accepted prior to the effective date of termination. Such payment shall be Contractor's exclusive remedy for termination without cause.

11.18 DEFAULT. In the event either party materially defaults in its obligations hereunder, the other party may declare a default and terminate this Contract by written notice to the defaulting party. The notice shall specify the basis for the default. The Contract shall terminate unless such default is cured before the effective date of termination stated in such notice, which date shall be no sooner than ten (10) days after the date of the notice. In case of default by Contractor, the City reserves the right to procure the goods or services from other sources and to hold the Contractor responsible for any excess costs occasioned to the City thereby. Contractor shall not be held accountable for additional costs incurred due to delay or default as a result of Force Majeure. Contractor must notify the City immediately upon knowing

that non-performance or delay will apply to this Contract as a result of Force Majeure. At that time Contractor is to submit in writing a Recovery Plan for this Contract. If the Recovery Plan is not acceptable to the City or not received within 10 days of the necessary notification of Force Majeure default, then the city may cancel this order in its entirety at no cost to the City, owing only for goods and services completed to that point.

11.19 TERMINATION FOR CAUSE. Termination for cause shall relieve the terminating party of further liability or responsibility under this Contract, including the payment of money, except for payment for services satisfactorily and timely performed prior to the service of the notice of termination, and except for reimbursement of (1) any payments made by the City for service not subsequently performed in a timely and satisfactory manner, and (2) costs incurred by the City in obtaining substitute performance. If this Agreement is terminated as provided herein, City may require, at no additional cost to City, that Contractor provide all finished or unfinished documents, data, and other information of any kind prepared by Contractor in connection with the performance of Services under this Agreement. Contractor shall be required to provide such document and other information within fifteen (15) days of the request.

11.19.1 Additional Services. In the event this Agreement is terminated in whole or in part as provided herein, City may procure, upon such terms and in such manner as it may determine appropriate, services similar to those terminated.

11.20 MAINTENANCE AND INSPECTION OF RECORDS.

The City, or its authorized auditors or representatives, shall have access to and the right to audit and reproduce any of the Contractor's records to the extent the City deems necessary to insure it is receiving all money to which it is entitled under the Contract and/or is paying only the amounts to which Contractor is properly entitled under the Contract or for other purposes relating to the Contract.

The Contractor shall maintain and preserve all such records for a period of at least three (3) years after termination of the Contract.

The Contractor shall maintain all such records in the City of Vernon. If not, the Contractor shall, upon request, promptly deliver the records to the City of Vernon or reimburse the City for all reasonable and extra costs incurred in conducting the audit at a location other than the City of Vernon, including, but not limited to, such additional (out of the City) expenses for personnel, salaries, private auditors, travel, lodging, meals, and overhead.

11.21 CONFLICT. Contractor hereby represents, warrants, and certifies that no member, officer, or employee of the Contractor is a director, officer, or employee of the City of Vernon, or a member of any of its boards, commissions, or committees, except to the extent permitted by law.

11.22 HEADINGS. Paragraphs and subparagraph headings contained in this Agreement are included solely for convenience and are not intended to modify, explain or to be a full or accurate description of the content thereof and shall not in any way affect the meaning or interpretation of this Agreement.

11.23 ENFORCEMENT OF WAGE AND HOUR LAWS. Eight hours labor constitutes a legal day's work. The Contractor, or subcontractor, if any, shall forfeit twenty-five dollars (\$25) for each worker employed in the execution of this Agreement by the respective Contractor or subcontractor for each calendar day during which the worker is required or permitted to work more than 8 hours in any one calendar day and 40 hours in any one calendar week in violation of the provisions of Sections 1810 through 1815 of the California Labor Code as a penalty paid to the City; provided, however, work performed by employees of contractors in excess of 8 hours per day, and 40 hours during any one week, shall be permitted upon compensation for all hours worked in excess of 8 hours per day at not less than 1½ times the basic rate of pay.

11.24 LIVING WAGES Contractor, and any Subcontractor(s), shall comply with the City's Living Wage Ordinance. The current Living Wage Standards are set forth in Exhibit "D". Upon the City's request, certified payroll records shall promptly be provided to the City

11.25 EQUAL EMPLOYMENT OPPORTUNITY PRACTICES. Contractor certifies and represents that, during the performance of this Contract, it and any other parties with whom it may subcontract shall adhere to equal employment opportunity practices to assure that applicants, employees and recipients of service are treated equally and are not discriminated against because of their race, religion, color, national origin, ancestry, disability, sex, age, medical condition, sexual orientation or marital status. Contractor further certifies that it will not maintain any segregated facilities. Contractor further agrees to comply with The Equal Employment Opportunity Practices provisions as set forth in Exhibit "E".

[Signatures Begin on Next Page].

IN WITNESS WHEREOF, the Parties have signed this Agreement as of the Commencement Date stated on the cover page.

City of Vernon, a California charter City and California municipal corporation

G2 Integrated Solutions, LLC, a Texas limited liability company

By: \_\_\_\_\_  
Carlos R. Fandino, City Administrator

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

Name: \_\_\_\_\_

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

ATTEST:

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

\_\_\_\_\_  
Lisa Pope, City Clerk

Name: \_\_\_\_\_

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

APPROVED AS TO FORM:

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

EXHIBIT A  
REQUEST FOR PROPOSALS

**City of Vernon  
Request for Proposals (RFP)**

**Natural Gas Financial and Compliance  
Support Services**



**City of Vernon  
Public Utilities Department  
4305 Santa Fe Avenue, Vernon, CA 90058  
Phone: (323) 583-8811**

## 1. INTRODUCTION AND PROJECT

The City of Vernon is requesting proposals for Natural Gas Financial, Operational, and Compliance Services to conduct various specialized support activities beyond the daily operations of the gas system.

The City reserves the right to award contracts to multiple contractors as a result of this Request for Proposals (RFP). Alternatively, the City may select one contractor for the entirety of the requested services, however, no more than one contractor will be selected for each distinct Service Area listed below in Section 4. Selection will be based on demonstrated competence in each subject area, and a cost-effective approach to design, conduct, and assist with the specific items defined in this RFP.

## 2. BACKGROUND

The City of Vernon was founded in 1905, is approximately 5.2 square miles in size and is located approximately 5 miles southeast of downtown Los Angeles California. Over its long history, Vernon has been developed as an industrial community. At the turn of the 20<sup>th</sup> century the lands that make up Vernon were comprised largely of farmlands. The presence of three major rail lines in the area led influential business and property owners to encourage the railroad companies to run spur lines onto the farmlands. These rail extensions enabled the creation of an “exclusively industrial” city. By the 1920’s, Vernon was attracting large stockyards and meatpacking facilities. In the 1930’s, Vernon became the location of choice for many heavy industrial plants. As economic conditions changed over the decades, these large-scale industrial operations have relocated out of Southern California and Vernon has attracted smaller, lighter industrial facilities. The City’s business friendly environment, low cost utilities and key location for trucking and rail transport continue to position Vernon as an ideal location for industrial uses.

**City Government:** The City Council consists of five members, elected at-large, who serve five-year staggered terms. The City Council annually appoints a Mayor and a Mayor Pro Tem from its own membership to serve one-year terms.

**Labor Force:** Vernon has approximately 280 employees, and its departments include a Fire Department, Police Department, Finance Department, Public Works Department, Public Utilities Department and Health and Environmental Control Department. Present bargaining units recognized include the Vernon Police Officers Benefit Association, Vernon Police Management Association, Vernon Firemen’s Association, the Vernon Fire Management Association, International Brotherhood of Electrical Workers Local 47, and Teamsters Local 911.

## 3. OVERALL SERVICE

As a smaller gas utility, Vernon maximizes the operational efficiency of its gas system by using full-time employees to handle daily operating requirements, while using outside expertise for other requirements that are periodic or otherwise specialized. In this way, Vernon is able to leverage experience from the outside without having to hire full-time specialists that would not be fully utilized. The scope below covers many items that may be requested of the successful proposer. Proposals should be designed such that the scope of work provided can be flexible based on Vernon’s needs. The successful contractor will work with various personnel from the City: Field staff, the Natural Gas Superintendent, Compliance Administrator, the Engineering and Operations Managers, and occasionally the General Manager, City Administrator, and City Council.

### **Gas System Overview**

The City of Vernon Public Utilities (VPU) obtains its natural gas from various sources. The gas is odorized and delivered to Vernon by the Southern California Gas Company (SoCalGas). Vernon serves natural gas to approximately 115 commercial and industrial customers and has the infrastructure to serve approximately 900 customers within the City's service area. Gas is delivered to the City at two receiving stations. Vernon's transmission system became operational in 2005, and is a designated high-consequence area. It is comprised of 7 miles of 10-inch steel main. Vernon's distribution system became operational in 2006. It consists of approximately 44 miles of 6-inch Polyethylene (PE) pipe.

#### **4. SCOPE OF SERVICES REQUIRED**

The City of Vernon is seeking the services of highly qualified consulting firms to assist in:

##### **SERVICE AREA 1: Financial Services**

- A. Gas Tariff, Rates, and Comparison Analysis
  - 1. Recommend gas rate changes and other changes to Vernon gas tariff
  - 2. Prepare tariff documents for legal and council approval
  - 3. Prepare customer transportation and commodity agreements for execution, as required
- B. Gas Accounting and Income/Expense Monitoring
  - 1. Monitor Gas Enterprise income and expenses compared to budget
  - 2. Support preparation of annual gas enterprise budget
  - 3. Provide monthly commodity price for retail customers
- C. Natural Gas Marketers and SoCalGas
  - 1. Resolve technical issues with gas marketers and SoCalGas
  - 2. Monitor SoCalGas tariff for changes affecting Vernon
  - 3. Liaison to Resource Management regarding gas procurement matters
  - 4. Provide analysis for proposed NAESB gas purchase agreements

##### **SERVICE AREA 2: Business Development Services**

- A. Gas Customer Connections / Ongoing Customer Support
  - 1. Develop a municipal gas strategic plan and marketing plan
  - 2. Support ongoing marketing efforts
  - 3. Maintain updated savings comparison templates
  - 4. Evaluate connection economics
  - 5. Support equipment acquisition

##### **SERVICE AREA 3: Compliance Services**

- A. Pipeline Safety and DOT-PHMSA Compliance (Title 49- Parts 191, 192, and 199 CFR)
  - 1. Support preparation for DOT-PHMSA and/or CPUC audits and inspections
  - 2. Ongoing support for compliance with DOT-PHMSA requirements
  - 3. Streamline transmission and distribution pipeline integrity management programs, including pipeline threat & risk assessments
  - 4. Provide subject matter expertise in the documentation and development of processes, procedures and manuals for smaller utilities
    - a. Support implementation of compliance management software

Respondent may submit a proposal for all or may submit multiple proposals for each individual subset of the identified Service Areas. The Proposals shall clearly identify which subset of the identified Service Areas the Respondent is proposing. Proposals must include a proposed budget for each individual Service Area. Respondents will provide a logical breakdown of site visits and offsite analysis. All deliverables must be provided in both PDF and editable electronic formats. Contractor shall maintain a list of project action items, updated for all meetings.

VPU's gas pipeline system specifications and compliance programs are not included in this RFP due to their confidential nature. Upon contract award, Contractors will be required to execute a Non-Disclosure Agreement to cover all pertinent controlled documents.

## **5. QUALIFICATIONS & CRITERIA**

A. **Qualifications:** The City of Vernon will select one contractor for each Service Area in the outlined Scope of Service on the basis of qualifications, experience, and cost. The following are the minimum qualifications to be used to evaluate responses to this Request for Proposals:

1. Primary person handling each Service Area will have at least ten (10) years of natural gas experience related to the scope of services provided herein.
2. Proven success with similar services elsewhere, in particular with small utilities.
3. Four-year college degree or advanced degree in the physical sciences, engineering, or related field (as determined by the city).
4. Service Area 3 respondents must have experience in supporting PHMSA or California Public Utilities Commission (CPUC) gas audits.
5. Service Area 3 respondents shall have completed a minimum of two PHMSA compliance program audits resulting in finding of Satisfactory.

B. **Selection Criteria:** The City will conduct a comprehensive, fair, and impartial evaluation of proposals received in response to this RFP. All proposals received will be reviewed and evaluated by a committee of qualified personnel. The name, information, or experience of the individual members will not be made available to any proposer. The Evaluation Committee will first review and screen all proposals submitted, except for the cost proposals, according to the minimum qualifications set forth above. The following criteria will be used in reviewing and comparing the proposals and in determining the highest scoring bid:

1. 40% Qualifications, background and prior experience of the contractor in the Service Area(s) being proposed, experience of key staff assigned to oversee services provided to Vernon, evaluation of size and scope of similar work performed and success on that work.
2. 30% Cost and fees to the City for handling matters. Cost is not the sole determining factor but will be taken into consideration. Proposer must offer services at a rate comparable to the rate proposer offers to other governmental entities for similar work. Offering a higher rate to the City than the comparable rate is grounds for disqualification of the Proposer. If rates differ for different types or levels of service, or for different Service Areas, the Proposer should so state.
3. 10% Responsiveness to the RFP, and quality and responsiveness of the proposal.
4. 20% References including past performance of proposer.

## 6. **FORMAT AND DELIVERY OF RESPONSE**

Respondents are asked to submit one (1) unbound original, (4) hard copies and one (1) electronic copy (via email to [AKimmey@ci.vernon.ca.us](mailto:AKimmey@ci.vernon.ca.us)) of their proposals in sufficient detail to allow for a thorough evaluation and comparative analysis. The proposal should include, at a minimum, the following information in sectionalized format addressing all phases of the work in the RFP.

A. **Format:** Limit your proposal to 20 typed 8.5" X 11" pages, or fewer, on white bond paper of at least 20-pound weight single sided (excluding cover letter and attachments. You may attach a company brochure if you wish, but it must be as a separate attachment and independent from the required elements noted above.

1. Use a conventional typeface with a minimum font size of 12 points. Use a 1" margin on all borders.
2. Organize your submittal in the order described above.
3. Prominently label the package: "Natural Gas Support Services" and include the name of the primary contact for the respondent.

Deliver the response to:

City of Vernon

Attention: Angela Kimmey, Compliance Administrator

4305 Santa Fe Avenue

Vernon, CA 90058

4. Responses are due on or **before 5:00 p.m. on Monday February 17<sup>th</sup>, 2020**. Late response will not be accepted.
5. If you have any questions about this RFP, related to Service Areas 1 or 2 please contact Todd Dusenberry [TDusenberry@ci.vernon.ca.us](mailto:TDusenberry@ci.vernon.ca.us) (323) 583-8811 ext. 579. For questions related to Service Area 3, please contact Angela Kimmey [AKimmey@ci.vernon.ca.us](mailto:AKimmey@ci.vernon.ca.us) at (323) 583-8811 ext. 876. Please note that any questions asked and any response provided by Vernon will be sent to every person who will be submitting a proposal, to the extent the City is aware of them.

B. **Cover Letter:** All proposals shall include a cover letter which states that the proposal shall remain valid for a period of not less than ninety (90) days from the date of submittal. If the proposal contemplates the use of sub-contractors, the sub-contractors shall be identified in the cover letter. If the proposal is submitted by a business entity, the cover letter shall be signed by an officer authorized to contractually bind the business entity. With respect to the business entity, the cover letter shall also include: the identification of the business entity, including the name, address and telephone number of the business entity; and the name, title, address and telephone number of a contact person during the proposal evaluation period.

C. **Introduction:** Present an introduction of the proposal and your understanding of the assignment and significant steps, methods and procedures to be employed by the proposer to ensure quality deliverables that can be delivered within the required time frames and your identified budget.

D. **General Scope of Work:** Briefly summarize the scope of work as the proposer perceives or envisions it for each Service Area proposed.

- E. **Work Plan:** Present concepts for conducting the work plan and interrelationship of all projects. Define the scope of each task including the depth and scope of analysis or research proposed.
- F. **Fees and costs:** Although an important aspect of consideration, the financial cost estimate will not be the sole justification for consideration. Negotiations may or may not be conducted with the proposer; therefore, the proposal submitted should contain the proposer's most favorable terms and conditions, since selection and award may be made without discussion with any contractor. All prices should reflect "not to exceed" amounts per item. Proposer must offer services at a rate comparable to the rate proposer offers to other governmental entities for similar work. Offering a higher rate to the City than the comparable rate is grounds for disqualification of the Proposer.
- G. **Ability of the Proposer to Perform:** Provide a detailed description of the proposer and his/her/its qualifications, including names, titles, detailed professional resumes and past experience in similar work efforts/products of key personnel who will be working on the assignment. Provide a list of specific related work projects that have been completed by the proposer which are directly related to the assignment described in this RFP. Note the specific individuals who completed such project(s). Identify role and responsibility of each member of the project team. Include the amount of time key personnel will be involved in the respective portions of the assignment. Respondents are encouraged to supply relevant examples of their professional product. Provide a list of references.

The selected contractor shall not subcontract any work under the RFP nor assign any work without the prior written consent of the City.

- H. **Affidavit of Non-Collusion.** Proposer must submit a completed and signed, "Affidavit of Non-Collusion." (Copy attached as Exhibit A).

## 7. **ADDENDA, CHANGES, AND AMENDMENTS TO THIS SOLICITATION**

At any time prior to the due date for responses, the City may make changes, amendments, and addenda to this solicitation, including changing the date due to allow respondents time to address such changes. Addenda, changes, and amendments, if made, will be posted on the City's website ([www.cityofvernon.org](http://www.cityofvernon.org)), which is deemed adequate notice. A proposer may make a request to the City's project coordinator to be placed on a list of persons to receive notice of any such addenda, changes, or amendments. The preferred manner of communications is via e-mail due to its timeliness.

## 8. **CONDITIONS FOR RESPONSES TO RFP**

The following conditions apply to this RFP process:

- A. Nothing contained in this RFP shall create any contractual relationship between the respondent and the City.
- B. This RFP does not obligate the City to establish a list of service providers qualified as prime contractors, or award a contract to any respondent. The City reserves the right to amend or cancel this RFP without prior notice, at any time, at its sole discretion.
- C. The City shall not be liable for any expenses incurred by any individual or organization in connection with this RFP.

- D. No conversations or agreements with any officer, agent, or employee of the City shall affect or modify any terms of this RFP. Oral communications or any written/e-mail materials provided by any person other than designated contact staff of City shall not be considered binding.
- E. The City reserves the right, in its sole discretion, to accept or reject any or all Proposals without prior notice and to waive any minor irregularities or defects in a Proposal. The City reserves the right to seek clarification on a Proposal with any source.
- F. The dates, times, and sequence of events related to this RFP shall ultimately be determined by the City. The schedule shown above is subject to change, at the sole discretion of the City, although the City will attempt to follow it and, if it must be altered, will attempt to provide reasonable notice of the changes.
- G. Respondents shall not issue any news release pertaining to this RFP, or the City without prior written approval of the City.
- H. All submitted proposals and information included therein or attached thereto shall become public record upon delivery to the City.

**9. RIGHT BY THE CITY TO WITHDRAW THIS REQUEST**

The City may, at its sole discretion and for any reason whatsoever, withdraw this solicitation at any time.

**10. LIVING WAGE ORDINANCE**

The selected consultant shall pay qualifying employees a wage of not less than \$10.30 per hour with health benefits, or \$11.55 per hour without health benefits. The consultant shall also provide qualifying employees at least twelve days off per year for sick leave, vacation or personnel necessity, and an additional ten days a year of uncompensated time for sick leave. There shall be a prohibition on an employer retaliation against an employee's complaining to the City with regard to the employer's compliance with the living wage ordinance. Contractor, and any Subcontractor(s), shall comply with the City's Living Wage Ordinance. The current Living Wage Standards are set forth in Exhibit "D" of the standard form contract, attached hereto as Exhibit B. Upon the City's request, certified payroll records shall promptly be provided to the City.

**11. STANDARD TERMS AND CONDITIONS**

Prior to the award of any work hereunder, City and proposer shall enter into the written contract for services attached hereto as Exhibit B. Proposers responding to this RFP are strongly advised to review all the terms and conditions of the Contract. The term of the Contract shall not exceed three (3) years.

EXHIBIT A  
AFFIDAVIT OF NON-COLLUSION



EXHIBIT B  
STANDARD FORM CONTRACT

SERVICES AGREEMENT BETWEEN THE CITY OF VERNON AND [CONTRACTOR'S NAME] FOR [BRIEF DESCRIPTION OF SERVICES]

COVER PAGE

Contractor: [insert name of contractor]

Responsible Principal of Contractor: [insert name, title]

Notice Information - Contractor: [insert name of contractor]  
[insert street address]  
[insert city, state, zip code]  
Attention: [insert name, title]  
Phone: [insert phone number]  
Facsimile: [insert fax number]

Notice Information - City: City of Vernon  
4305 Santa Fe Avenue  
Vernon, CA 90058  
Attention: Abraham Alemu  
Utilities General Manager  
Telephone: (323) 583-8811 ext. 834  
Facsimile: (323) 826-1408

Commencement Date: [insert commencement date]

Termination Date: [insert termination date]

Consideration: Total not to exceed \$[insert amount]  
(includes all applicable sales tax); and more particularly described in Exhibit C

Records Retention Period Three (3) years, pursuant to Section 11.20

SERVICES AGREEMENT BETWEEN THE CITY OF VERNON AND [CONTRACTOR'S NAME]  
FOR [BRIEF DESCRIPTION OF SERVICES]

This Contract is made between the City of Vernon ("City"), a California charter City and California municipal corporation ("City"), and [Contractor's Name], a [State incorporated in] corporation ("Contractor").

The City and Contractor agree as follows:

1.0 EMPLOYMENT OF CONTRACTOR. City agrees to engage Contractor to perform the services as hereinafter set forth as authorized by the City Council on \_\_\_\_\_, \_\_\_\_\_.

2.0 SCOPE OF SERVICES.

2.1 Contractor shall perform all work necessary to complete the services set forth in the Request for Proposals dated \_\_\_\_\_, Exhibit "A", and Contractor's proposal to the City ("Proposal") dated \_\_\_\_\_, Exhibit "B", both of which are attached to and incorporated into this Contract, by reference.

2.2 All services shall be performed to the satisfaction of City.

2.3 All services shall be performed in a competent, professional, and satisfactory manner in accordance with the prevailing industry standards for such services.

3.0 PERSONNEL.

3.1 Contractor represents that it employs, or will employ, at its own expense, all personnel required to perform the services under this Contract.

3.2 Contractor shall not subcontract any services to be performed by it under this Contract without prior written approval of City.

3.3 All of the services required hereunder will be performed by Contractor or by City-approved subcontractors. Contractor, and all personnel engaged in the work, shall be fully qualified and authorized or permitted under State and local law to perform such services and shall be subject to approval by the City.

4.0 TERM.

The term of this Contract shall commence on [state date], and it shall continue until [state date which may not be more than three years from the commencement date], unless terminated at an earlier date pursuant to the provisions thereof.

5.0 COMPENSATION AND FEES.

5.1 Contractor has established rates for the City of Vernon which are comparable to and do not exceed the best rates offered to other governmental entities in and around Los Angeles County for the same services. For satisfactory and timely performance of the services, the City will pay Contractor in accordance with the payment schedule set forth in Exhibit "C" attached hereto and incorporated herein by reference.

5.2 Contractor's grand total compensation for the entire term of this Contract, shall not exceed [state amount] without the prior authorization of the City, as appropriate, and written amendment of this Contract.

5.3 Contractor shall, at its sole cost and expense, furnish all necessary and incidental labor, material, supplies, facilities, equipment, and transportation which may be required for furnishing services pursuant to this Contract. Materials shall be of the highest quality. The above Contract fee shall include all staff time and all clerical, administrative, overhead, insurance, reproduction, telephone, air travel, auto rental, subsistence, and all related costs and expenses.

5.4 City shall reimburse Contractor only for those costs or expenses specifically approved in this Agreement, or specifically approved in writing in advance by City. Unless otherwise approved, such costs shall be limited and include nothing more than the following costs incurred by Contractor:

5.4.1 The actual costs of subcontractors for performance of any of the services that Contractor agrees to render pursuant to this Agreement, which have been approved in advance by City and awarded in accordance with this Agreement.

5.4.2 Approved reproduction charges.

5.4.3 Actual costs and/or other costs and/or payments specifically authorized in advance in writing and incurred by Contractor in the performance of this Agreement.

5.5 Contractor shall not receive any compensation for extra work performed without the prior written authorization of City. As used herein, "extra work" means any work that is determined by City to be necessary for the proper completion of the Project, but which is not included within the Scope of Services and which the parties did not reasonably anticipate would be necessary at the time of execution of this Agreement. Compensation for any authorized extra work shall be paid in accordance with the payment schedule as set forth in Exhibit "C," if the extra work has been approved by the City.

5.6 Licenses, Permits, Fees, and Assessments. Contractor shall obtain, at Contractor's sole cost and expense, such licenses, permits, and approvals as may be required by law for the performance of the services required by this Agreement. Contractor shall have the sole obligation to pay for any fees, assessments, and taxes, plus applicable penalties and interest, which may be imposed by law and which arise from or are necessary for the performance of the Services by this Agreement.

## 6.0 PAYMENT.

6.1 As scheduled services are completed, Contractor shall submit to the City an invoice for the services completed, authorized expenses, and authorized extra work actually performed or incurred according to said schedule.

6.2 Each such invoice shall state the basis for the amount invoiced, including a detailed description of the services completed, the number of hours spent, reimbursable expenses incurred and any extra work performed.

6.3 Contractor shall also submit a progress report with each invoice that describes in reasonable detail the services and the extra work, if any, performed in the immediately preceding calendar month.

6.4 Contractor understands and agrees that invoices which lack sufficient detail to measure performance will be returned and not processed for payment.

6.5 City will pay Contractor the amount invoiced within thirty (30) days after the City approves the invoice.

6.6 Payment of such invoices shall be payment in full for all services, authorized costs, and authorized extra work covered by that invoice.

7.0 CITY'S RESPONSIBILITY. City shall cooperate with Contractor as may be reasonably necessary for Contractor to perform its services; and will give any required decisions as promptly as practicable so as to avoid unreasonable delay in the progress of Contractor's services.

8.0 COORDINATION OF SERVICES. Contractor agrees to work closely with City staff in the performance of Services and shall be available to City's staff, consultants, and other staff at all reasonable times.

9.0 INDEMNITY. Contractor agrees to indemnify City, its officers, elected officials, employees and agents against, and will hold and save each of them harmless from, any and all actions, suits, claims, damages to persons or property, losses, costs, penalties, obligations, errors, omissions or liabilities (herein "claims or liabilities"), including but not limited to professional negligence, that may be asserted or claimed by any person, firm or entity arising out of or in connection with the work, operations or activities of Contractor, its agents, employees, subcontractors, or invitees, provided for herein, or arising from the acts or omissions of Contractor hereunder, or arising from Contractor's performance of or failure to perform any term, provision, covenant or condition of this Agreement, except to the extent such claims or liabilities arise from the gross negligence or willful misconduct of City, its officers, elected officials, agents or employees.

10.0 INSURANCE. Contractor shall, at its own expense, procure and maintain policies of insurance of the types and in the amounts set forth below, for the duration of the Contract, including any extensions thereto. The policies shall state that they afford primary

coverage.

i. Automobile Liability with minimum limits of at least \$1,000,000 combined single limit, including owned, hired, and non-owned liability coverage.

ii. Contractor agrees to subrogate automobile liability resulting from performance under this agreement by agreeing to defend, indemnify and hold harmless, the City, and its respective employees, agents, and City Council from and against all claims, liabilities, suits, losses, damages, injuries and expenses, including all costs and reasonable attorney's fees ("Claims"), which are attributable to any act or omission by the City under the performance of the services.

iii. General Liability with minimum limits of at least \$1,000,000 per occurrence and \$2,000,000 aggregate written on an Insurance Services Office (ISO) Comprehensive General Liability "occurrence" form or its equivalent for coverage on an occurrence basis.

Premises/Operations and Personal Injury coverage is required. The City of Vernon, its directors, commissioners, officers, employees, agents, and volunteers must be endorsed on the policy as additional insureds as respects liability arising out of the Contractor's performance of this Contract.

(1) If Contractor employs other contractors as part of the services rendered, Contractor's Protective Coverage is required. Contractor may include all subcontractors as insureds under its own policy or shall furnish separate insurance for each subcontractor, meeting the requirements set forth herein.

(2) Contractor agrees to subrogate General Liability resulting from performance under this agreement by agreeing to defend, indemnify and hold harmless, the City, and its respective employees, agents, and City Council from and against all claims, liabilities, suits, losses, damages, injuries and expenses, including all costs and reasonable attorney's fees ("Claims"), which are attributable to any act or omission by the City under

the performance of the services.

iv. Professional Errors and Omissions coverage in a sum of at least \$1,000,000, where such risk is applicable. Applicable aggregates must be identified and claims history provided to determine amounts remaining under the aggregate. Contractor shall maintain such coverage for at least one (1) year after the termination of this Agreement.

v. Contractor shall comply with the applicable sections of the California Labor Code concerning workers' compensation for injuries on the job. In addition, Contractor shall require each subcontractor to similarly maintain workers' compensation insurance in accordance with the laws for California for all of the subcontractor's employees. Compliance is accomplished in one of the following manners:

- (1) Provide copy of permissive self-insurance certificate approved by the State of California; or
- (2) Secure and maintain in force a policy of workers' compensation insurance with statutory limits and Employer's Liability Insurance with a minimal limit of \$1,000,000 per accident. The policy shall be endorsed to waive all rights of subrogation against City, its directors, commissioners, officers, employees, and volunteers for losses arising from performance of this Contract; or
- (3) Provide a "waiver" form certifying that no employees subject to the Labor Code's Workers' Compensation provision will be used in performance of this Contract.

vi. Each insurance policy included in this clause shall be endorsed to state that coverage shall not be cancelled except after thirty (30) days' prior written notice to City.

vii. Insurance shall be placed with insurers with a Best's rating of no less than A-VIII.

viii. Prior to commencement of performance, Contractor shall furnish City with a certificate of insurance for each policy. Each certificate is to be signed by a person authorized by that insurer to bind coverage on its behalf. The certificate(s) must be in a form approved by

City. City may require complete, certified copies of any or all policies at any time.

ix. Failure to maintain required insurance at all times shall constitute a default and material breach. In such event, Contractor shall immediately notify City and cease all performance under this Contract until further directed by the City. In the absence of satisfactory insurance coverage, City may, at its option: (a) procure insurance with collection rights for premiums, attorney's fees and costs against Contractor by way of set-off or recoupment from sums due to Contractor, at City's option; (b) immediately terminate this Contract and seek damages from the Contract resulting from said breach; or (c) self-insure the risk, with all damages and costs incurred, by judgment, settlement or otherwise, including attorney's fees and costs, being collectible from Contractor, by way of set-off or recoupment from any sums due to Contractor.

#### 11.0 GENERAL TERMS AND CONDITIONS.

##### 11.1 INDEPENDENT CONTRACTOR.

11.1.1 It is understood that in the performance of the services herein provided for, Contractor shall be, and is, an independent contractor, and is not an agent, officer or employee of City and shall furnish such services in its own manner and method except as required by this Contract, or any applicable statute, rule, or regulation. Further, Contractor has and shall retain the right to exercise full control over the employment, direction, compensation and discharge of all persons employed by Contractor in the performance of the services hereunder. City assumes no liability for Contractor's actions and performance, nor assumes responsibility for taxes, bonds, payments, or other commitments, implied or explicit, by or for Contractor. Contractor shall be solely responsible for, and shall indemnify, defend and save City harmless from all matters relating to the payment of its employees, subcontractors and independent contractors, including compliance with social security, withholding and all other wages, salaries, benefits, taxes, exactions, and regulations of any nature whatsoever.

11.1.2 Contractor acknowledges that Contractor and any subcontractors,

agents or employees employed by Contractor shall not, under any circumstances, be considered employees of the City, and that they shall not be entitled to any of the benefits or rights afforded employees of City, including, but not limited to, sick leave, vacation leave, holiday pay, Public Employees Retirement System benefits, or health, life, dental, long-term disability or workers' compensation insurance benefits.

11.2 CONTRACTOR NOT AGENT. Except as the City may authorize in writing, Contractor and its subcontractors shall have no authority, express or implied, to act on behalf of or bind the City in any capacity whatsoever as agents or otherwise.

11.3 OWNERSHIP OF WORK. All documents and materials furnished by the City to Contractor shall remain the property of the City and shall be returned to the City upon termination of this Agreement. All reports, drawings, plans, specifications, computer tapes, floppy disks and printouts, studies, memoranda, computation sheets, and other documents prepared by Contractor in furtherance of the work shall be the sole property of City and shall be delivered to City whenever requested at no additional cost to the City. Contractor shall keep such documents and materials on file and available for audit by the City for at least three (3) years after completion or earlier termination of this Contract. Contractor may make duplicate copies of such materials and documents for its own files or for such other purposes as may be authorized in writing by the City.

11.4 CORRECTION OF WORK. Contractor shall promptly correct any defective, inaccurate or incomplete tasks, deliverables, goods, services and other work, without additional cost to the City. The performance or acceptance of services furnished by Contractor shall not relieve the Contractor from the obligation to correct subsequently discovered defects, inaccuracy, or incompleteness.

11.5 RESPONSIBILITY FOR ERRORS. Contractor shall be responsible for its work and results under this Agreement. Contractor, when requested, shall furnish clarification and/or explanation as may be required by the City, regarding any services rendered under this Agreement at no additional cost to City. In the event that an error or omission attributable to

Contractor occurs, then Contractor shall, at no cost to City, provide all necessary design drawings, estimates and other Contractor professional services necessary to rectify and correct the matter to the sole satisfaction of City and to participate in any meeting required with regard to the correction.

11.6 WAIVER. The City's waiver of any term, condition, breach, or default of this Contract shall not be considered to be a waiver of any other term, condition, default or breach, nor of a subsequent breach of the one waived. The delay or failure of either party at any time to require performance or compliance by the other of any of its obligations or agreements shall in no way be deemed a waiver of those rights to require such performance or compliance. No waiver of any provision of this Agreement shall be effective unless in writing and signed by a duly authorized representative of the party against whom enforcement of a waiver is sought.

11.7 SUCCESSORS. This Contract shall inure to the benefit of, and shall be binding upon, the parties hereto and their respective heirs, successors, and/or assigns.

11.8 NO ASSIGNMENT. Contractor shall not assign or transfer this Contract or any rights hereunder without the prior written consent of the City and approval by the City Attorney, which may be withheld in the City's sole discretion. Any unauthorized assignment or transfer shall be null and void and shall constitute a material breach by the Contractor of its obligations under this Contract. No assignment shall release the original parties from their obligations or otherwise constitute a novation.

11.9 COMPLIANCE WITH LAWS. Contractor shall comply with all Federal, State, County and City laws, ordinances, rules and regulations, which are, as amended from time to time, incorporated herein and applicable to the performance hereof, including but without limitation, the Vernon Living Wage Ordinance. Violation of any law material to performance of this Contract shall entitle the City to terminate the Contract and otherwise pursue its remedies. Further, if the Contractor performs any work knowing it to be contrary to such laws, rules, and regulations Contractor shall be solely responsible for all costs arising therefrom.

11.10 ATTORNEY'S FEES. If any action at law or in equity is brought to

enforce or interpret the terms of this Contract, the prevailing party shall be entitled to reasonable attorney's fees, costs, and necessary disbursements in addition to any other relief to which such party may be entitled.

11.11 INTERPRETATION.

11.11.1 Applicable Law. This Contract shall be deemed a contract and shall be governed by and construed in accordance with the laws of the State of California. Contractor agrees that the State and Federal courts which sit in the State of California shall have exclusive jurisdiction over all controversies and disputes arising hereunder, and submits to the jurisdiction thereof.

11.11.2 Entire Agreement. This Contract, including any exhibits attached hereto, constitutes the entire agreement and understanding between the parties regarding its subject matter and supersedes all prior or contemporaneous negotiations, representations, understandings, correspondence, documentation, and agreements (written or oral).

11.11.3 Written Amendment. This Contract may only be changed by written amendment signed by Contractor and the City Administrator or other authorized representative of the City, subject to any requisite authorization by the City Council. Any oral representations or modifications concerning this Contract shall be of no force or effect.

11.11.4 Severability. If any provision in this Contract is held by any court of competent jurisdiction to be invalid, illegal, void, or unenforceable, such portion shall be deemed severed from this Contract, and the remaining provisions shall nevertheless continue in full force and effect as fully as though such invalid, illegal, or unenforceable portion had never been part of this Contract.

11.11.5 Order of Precedence. In case of conflict between the terms of this Contract and the terms contained in any document attached as an Exhibit or otherwise incorporated by reference, the terms of this Contract shall strictly prevail. The terms of the City's Request for Proposals shall control over the Contractor's Proposal.

11.11.6 Duplicate Originals. There shall be two (2) fully signed copies of this Contract, each of which shall be deemed an original.

11.11.7 Construction. In the event an ambiguity or question of intent or interpretation arises with respect to this Agreement, this Agreement shall be construed as if drafted jointly by the parties and in accordance with its fair meaning. There shall be no presumption or burden of proof favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Agreement.

11.12 TIME OF ESSENCE. Time is strictly of the essence of this contract and each and every covenant, term, and provision hereof.

11.13 AUTHORITY OF CONTRACTOR. The Contractor hereby represents and warrants to the City that the Contractor has the right, power, legal capacity, and authority to enter into and perform its obligations under this Contract, and its execution of this Contract has been duly authorized.

11.14 ARBITRATION OF DISPUTES. Any dispute for under \$25,000 arising out of or relating to the negotiation, construction, performance, non-performance, breach, or any other aspect of this Contract, shall be settled by binding arbitration in accordance with the Commercial Rules of the American Arbitration Association at Los Angeles, California and judgment upon the award rendered by the Arbitrators may be entered in any court having jurisdiction thereof. The City does not waive its right to object to the timeliness or sufficiency of any claim filed or required to be filed against the City and reserves the right to conduct full discovery.

11.15 NOTICES. Any notice or demand to be given by one party to the other must be given in writing and by personal delivery or prepaid first-class, registered or certified mail, addressed as follows. Notice simply to the City of Vernon or any other City department is not adequate notice.

If to the City:

City of Vernon  
Public Utilities Department  
Attention: Abraham Alemu, General Manager

4305 Santa Fe Avenue  
Vernon, CA 90058

If to the Contractor:

Any such notice shall be deemed to have been given upon delivery, if personally delivered, or, if mailed, upon receipt, or upon expiration of three (3) business days from the date of posting, whichever is earlier. Either party may change the address at which it desires to receive notice upon giving written notice of such request to the other party.

11.16 NO THIRD PARTY RIGHTS. This Agreement is entered into for the sole benefit of City and Contractor and no other parties are intended to be direct or incidental beneficiaries of this Agreement and no third party shall have any right or remedy in, under, or to this Agreement.

11.17 TERMINATION FOR CONVENIENCE (Without Cause). City may terminate this Contract in whole or in part at any time, for any cause or without cause, upon fifteen (15) calendar days' written notice to Contractor. If the Contract is thus terminated by City for reasons other than Contractor's failure to perform its obligations, City shall pay Contractor a prorated amount based on the services satisfactorily completed and accepted prior to the effective date of termination. Such payment shall be Contractor's exclusive remedy for termination without cause.

11.18 DEFAULT. In the event either party materially defaults in its obligations hereunder, the other party may declare a default and terminate this Contract by written notice to the defaulting party. The notice shall specify the basis for the default. The Contract shall terminate unless such default is cured before the effective date of termination stated in such notice, which date shall be no sooner than ten (10) days after the date of the notice. In case of default by Contractor, the City reserves the right to procure the goods or services from other sources and to hold the Contractor responsible for any excess costs occasioned to the City

thereby. Contractor shall not be held accountable for additional costs incurred due to delay or default as a result of Force Majeure. Contractor must notify the City immediately upon knowing that non-performance or delay will apply to this Contract as a result of Force Majeure. At that time Contractor is to submit in writing a Recovery Plan for this Contract. If the Recovery Plan is not acceptable to the City or not received within 10 days of the necessary notification of Force Majeure default, then the city may cancel this order in its entirety at no cost to the City, owing only for goods and services completed to that point.

11.19 TERMINATION FOR CAUSE. Termination for cause shall relieve the terminating party of further liability or responsibility under this Contract, including the payment of money, except for payment for services satisfactorily and timely performed prior to the service of the notice of termination, and except for reimbursement of (1) any payments made by the City for service not subsequently performed in a timely and satisfactory manner, and (2) costs incurred by the City in obtaining substitute performance. If this Agreement is terminated as provided herein, City may require, at no additional cost to City, that Contractor provide all finished or unfinished documents, data, and other information of any kind prepared by Contractor in connection with the performance of Services under this Agreement. Contractor shall be required to provide such document and other information within fifteen (15) days of the request.

11.19.1 Additional Services. In the event this Agreement is terminated in whole or in part as provided herein, City may procure, upon such terms and in such manner as it may determine appropriate, services similar to those terminated.

11.20 MAINTENANCE AND INSPECTION OF RECORDS.

The City, or its authorized auditors or representatives, shall have access to and the right to audit and reproduce any of the Contractor's records to the extent the City deems necessary to insure it is receiving all money to which it is entitled under the Contract and/or is paying only the amounts to which Contractor is properly entitled under the Contract or for other purposes relating to the Contract.

The Contractor shall maintain and preserve all such records for a period of at least three (3) years after termination of the Contract.

The Contractor shall maintain all such records in the City of Vernon. If not, the Contractor shall, upon request, promptly deliver the records to the City of Vernon or reimburse the City for all reasonable and extra costs incurred in conducting the audit at a location other than the City of Vernon, including, but not limited to, such additional (out of the City) expenses for personnel, salaries, private auditors, travel, lodging, meals, and overhead.

11.21 CONFLICT. Contractor hereby represents, warrants, and certifies that no member, officer, or employee of the Contractor is a director, officer, or employee of the City of Vernon, or a member of any of its boards, commissions, or committees, except to the extent permitted by law.

11.22 HEADINGS. Paragraphs and subparagraph headings contained in this Agreement are included solely for convenience and are not intended to modify, explain or to be a full or accurate description of the content thereof and shall not in any way affect the meaning or interpretation of this Agreement.

11.23 ENFORCEMENT OF WAGE AND HOUR LAWS. Eight hours labor constitutes a legal day's work. The Contractor, or subcontractor, if any, shall forfeit twenty-five dollars (\$25) for each worker employed in the execution of this Agreement by the respective Contractor or subcontractor for each calendar day during which the worker is required or permitted to work more than 8 hours in any one calendar day and 40 hours in any one calendar week in violation of the provisions of Sections 1810 through 1815 of the California Labor Code as a penalty paid to the City; provided, however, work performed by employees of contractors in excess of 8 hours per day, and 40 hours during any one week, shall be permitted upon compensation for all hours worked in excess of 8 hours per day at not less than 1½ times the basic rate of pay.

11.24 LIVING WAGES Contractor, and any Subcontractor(s), shall comply with the City's Living Wage Ordinance. The current Living Wage Standards are set forth in Exhibit "D". Upon the City's request, certified payroll records shall promptly be provided to the City

11.25 EQUAL EMPLOYMENT OPPORTUNITY PRACTICES. Contractor certifies and represents that, during the performance of this Contract, it and any other parties with whom it may subcontract shall adhere to equal employment opportunity practices to assure that applicants, employees and recipients of service are treated equally and are not discriminated against because of their race, religion, color, national origin, ancestry, disability, sex, age, medical condition, sexual orientation or marital status. Contractor further certifies that it will not maintain any segregated facilities. Contractor further agrees to comply with The Equal Employment Opportunity Practices provisions as set forth in Exhibit "E".

[Signatures Begin on Next Page].

IN WITNESS WHEREOF, the Parties have signed this Agreement as of the Commencement Date stated on the cover page.

City of Vernon, a California charter City and California municipal corporation

[CONTRACTOR'S NAME, a [State incorporated in] corporation

By: \_\_\_\_\_  
Carlos Fandino, City Administrator

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

Name: \_\_\_\_\_

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

ATTEST:

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

\_\_\_\_\_  
Lisa Pope, City Clerk

Name: \_\_\_\_\_

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

APPROVED AS TO FORM:

\_\_\_\_\_  
Hema Patel, City Attorney

EXHIBIT A  
REQUEST FOR PROPOSALS

EXHIBIT B  
PROPOSAL

EXHIBIT C  
SCHEDULE

## EXHIBIT D

### LIVING WAGE PROVISIONS

#### **Minimum Living Wages:**

A requirement that Employers pay qualifying employees a wage of no less than \$10.30 per hour with health benefits, or \$11.55 per hour without health benefits.

#### **Paid and Unpaid Days Off:**

Employers provide qualifying employees at least twelve compensated days off per year for sick leave, vacation, or personal necessity, and an additional ten days a year of uncompensated time for sick leave.

#### **No Retaliation:**

A prohibition on employer retaliation against employees complaining to the City with regard to the employer's compliance with the living wage ordinance. Employees may bring an action in Superior Court against an employer for back pay, treble damages for willful violations, and attorney's fees, or to compel City officials to terminate the service contract of violating employers.

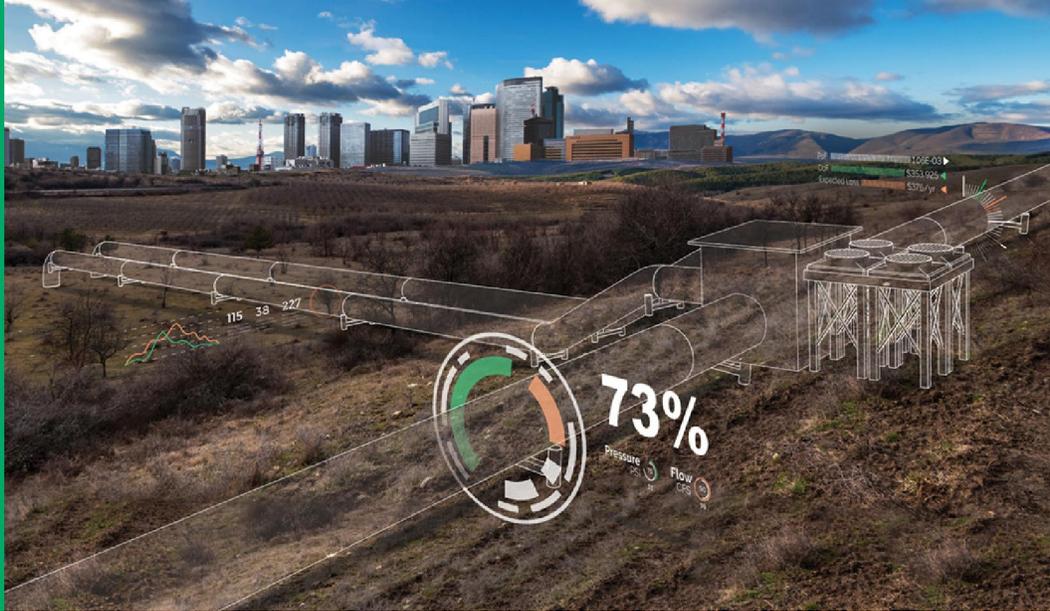
EXHIBIT E  
EQUAL EMPLOYMENT OPPORTUNITY  
PRACTICES PROVISIONS

- A. Contractor certifies and represents that, during the performance of this Agreement, the contractor and each subcontractor shall adhere to equal opportunity employment practices to assure that applicants and employees are treated equally and are not discriminated against because of their race, religious creed, color, national origin, ancestry, handicap, sex, or age. Contractor further certifies that it will not maintain any segregated facilities.
- B. Contractor agrees that it shall, in all solicitations or advertisements for applicants for employment placed by or on behalf of Contractor, state that it is an "Equal Opportunity Employer" or that all qualified applicants will receive consideration for employment without regard to their race, religious creed, color, national origin, ancestry, handicap, sex or age.
- C. Contractor agrees that it shall, if requested to do so by the City, certify that it has not, in the performance of this Agreement, discriminated against applicants or employees because of their membership in a protected class.
- D. Contractor agrees to provide the City with access to, and, if requested to do so by City, through its awarding authority, provide copies of all of its records pertaining or relating to its employment practices, except to the extent such records or portions of such records are confidential or privileged under state or federal law.
- E. Nothing contained in this Agreement shall be construed in any manner as to require or permit any act which is prohibited by law.

EXHIBIT B  
PROPOSAL



**INTEGRATED  
SOLUTIONS**



City of Vernon RFP, January 13, 2020

# Support Services: Natural Gas Financial, Operational, and Compliance Services



**Submitted on:** March 2, 2020

**Submitted to** Angela Kimmey, Compliance Administrator, 323-583-8811 ext. 876,  
[AKimmey@ci.vernon.ca.us](mailto:AKimmey@ci.vernon.ca.us)

**Submitted by:** Stephenie Gaudet, Vice President, 202-870-1600,  
[Stephenie.Gaudet@g2-is.com](mailto:Stephenie.Gaudet@g2-is.com)

**Tracking codes:** OPP01875

(Prices are valid for 90 days from the date of submittal)

Version	Date	Author	Approved by	Summary
1.1	2/17/2020	Alanna Herron	John F. Kill	Initial Proposal to Client
2.1	3/2/2020	Alanna Herron	John F. Kill	Proposal Revision

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## **ABOUT G2-IS**

G2 Integrated Solutions (G2-IS) delivers expertise to pipeline operators, utility companies, and other energy stakeholders in eight specialized service disciplines:

- Asset Integrity
- Engineering
- Regulatory and Strategic Consulting
- Geospatial
- Field Assurance
- Programmatic Management Solutions
- Safety and Risk Management
- Software and Technology

### Quality

G2-IS maintains a Quality Management System in accordance with the principles of ISO 9001:2015. G2-IS works within controlled management systems to drive continual improvement and ensure customer satisfaction through the reliable delivery of high-quality products, services and outcomes. By delivering in a consistent manner along with appropriate management and employee focus, G2-IS improves efficiency, reduces waste, and ultimately saves money for its customers.

### Health, Safety and Environment

G2-IS is committed to maintaining a safe and incident-free working environment for our people and our customers, and to sound environmental stewardship. G2-IS is committed to this by reducing and eliminating workplace hazards and adopting a proactive approach, improving investigation processes, increasing employee participation, and ensuring necessary and legislative awareness and compliance.

G2-IS abides by the Health and Safety principles of OHSAS 18001 and the Environmental philosophies of ISO 14001, and will be pursuing an independent assessment of our systems to obtain Health and Safety certification, and Environmental certification.

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## 1.0 Introduction

The City of Vernon Public Utilities (VPU) has issued the City of Vernon Natural Gas Financial and Compliance Support Services Request for Proposals (RFP) dated January 13, 2020 to conduct various specialized support activities related to financial, operational, and compliance support. The RFP notes that respondents may submit a proposal for one or all of the service areas identified. While G2-IS is able to assist VPU with certain functions of Service Area 1: Financial Services and Service Area 2: Business Development Services, G2-IS is best suited to performing the tasks outlined for Service Area 3: Compliance Services. Therefore, the following response outlines G2-IS' approach and cost to perform only Service Area 3: Compliance Services tasks.

G2-IS is ideally suited to perform the compliance support services for VPU as many of the G2-IS regulatory team members have worked for the U.S. Department of Transportation's (DOT) Pipeline and Hazardous Materials Safety Administration (PHMSA) in the recent past, and all have decades of experience working with PHMSA and state regulatory requirements. Our combination of deep engineering expertise with industry-leading operational, integrity, and regulatory experience in transmission and distribution systems enables us to efficiently provide solutions that meet the everyday operational needs of system operators, as well as being engineered to industry-leading standards of safety and quality excellence.

G2-IS' many years of experience on both the regulator side and operator side of the audit/inspection experience, ensures a thorough understanding of how to prepare for and successfully execute regulatory audits. G2-IS' subject-matter experts (SMEs) will be invaluable resources for preparing VPU to undergo state and federal inspections. Preparation begins with having and maintaining compliant regulatory programs. G2-IS' SMEs have developed, maintained, and audited numerous DOT-PHMSA compliance program manuals, procedures, policies, and forms for many operators, both large and small. As this proposal details, G2-IS will work with stakeholders to ensure that VPU compliance program documentation and records meet PHMSA and California Public Utilities Commission (CPUC) requirements, as well as being designed in accordance with industry best practices. Additionally, G2-IS regulatory and SharePoint SMEs will work with VPU stakeholders in the implementation of the compliance management software by ensuring that compliance tasks are accurately tracked and documented.

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## 2.0 General Scope of Work

G2-IS has chosen to only respond to Service Area 3: Compliance Services as this is a core area of expertise for G2-IS. Based on the RFP provided to G2-IS by VPU, the overall goal is to assist VPU stakeholders with the following activities:

- Preparation for DOT-PHMSA and/or CPUC audits and inspections
- Provide compliance support for DOT-PHMSA requirements (49 CFR Parts 191, 192, and 199)
  - Assist VPU in the documentation and development of processes, procedures, and manuals related to its DOT-PHMSA compliance program
- Revision of transmission and distribution pipeline integrity management programs, including pipeline threat and risk assessments
- Support implementation of existing compliance management software by ensuring that compliance tasks are adequately tracked and documented as required by regulation

## 3.0 Work Plan

G2-IS proposes the following project tasks and deliverables related to Service Area 3: Compliance Services.

### 3.1 State and Federal Audit Support

G2-IS' Regulatory Compliance staff has many years of experience performing federal (PHMSA) audits, training federal and state inspectors, and supporting pipeline and facility operators to successfully prepare for and execute such regulatory audits. As part of this scope of work, G2-IS will work with key VPU stakeholders to review and update, as needed, compliance program manuals, procedures, forms, and records to ensure compliance with 49 CFR Parts 191, 192, and 199, as well as applicable CPUC requirements. This task is focused on audit/inspection support; therefore, once G2-IS has been notified by VPU of an upcoming audit, G2-IS will conduct a mock audit (in advance) specific to the regulatory program to be inspected to ensure that VPU procedures and records are compliant, as well as perform field observations, as appropriate.

The mock audits will be conducted by one or more SMEs and will be based on the most current inspection protocols provided by, or available from, the regulatory agency. Additionally, G2-IS will work with VPU stakeholders to address any identified

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gaps in compliance programs or record-keeping practices and to respond to information requests from regulatory agencies prior to the audit. G2-IS SMEs also will be available to assist VPU during the audit to support discussions and review field and compliance records.

Deliverables associated with this task include (on an as-needed basis):

- Support preparation for compliance audit(s)
- Mock audit and compliance gap analysis report(s)
- Onsite state or federal audit(s) support

Support associated with this task will be on an “as-needed” basis, determined by notification of impending state or federal audits. If there are no audits identified during the contract period, there will be no charges to this task. For purposes of this RFP, G2-IS has provided a quote for an estimated **three (3)** state or federal audits per year, including transmission and distribution assets. A change order will need to be executed if additional audit support is required.

### **3.2 Compliance Program Support**

In accordance with 49 CFR 192, most regulatory program manuals are to be reviewed annually, not to exceed fifteen (15) months. Unless the program is being reviewed as part of a mock audit (Task 3.1), G2-IS will work with VPU stakeholders to ensure that all processes, procedures, and manuals are compliant current 49 CFR 191, 192, 196, and 199 requirements, and appropriate records are being generated and maintained. Current PHMSA inspection protocols for gas transmission and distribution pipelines will be the basis for assessment for each program. Annual program evaluations will be staggered throughout the year based on schedules, while ensuring that evaluations are completed within timeframes dictated by the regulations. Each program and its associated procedures will be evaluated separately; gaps will be identified and prioritized (if any); and, an assessment report will be provided to VPU stakeholders.

VPU will have the opportunity to review, make comments on, request edits to, and address any concerns with report findings prior to report finalization. All reports will include recommended mitigation, which may require development of missing processes or forms, or revisions to improve processes or documentation standards. G2-IS will work with VPU stakeholders to finalize reports and identify key decision points.

Of particular note, all compliance manuals and procedures will be reviewed, and updates recommended, based on the recent gas transmission final rule, published in the Federal Register on October 1, 2019, with a rule effective date of July 1, 2020.

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Based on any deficiencies of the identified manuals and procedures, G2-IS will provide VPU a remediation plan to address gaps. The remediation plan will need to be reviewed and approved by VPU prior to implementation of recommended revisions. The remediation plan will include an estimate for G2-IS to mitigate identified compliance deficiencies, if any.

Unless the required annual review has been completed as part of Tasks 3.1 or 3.5, compliance programs (manuals and procedures) to be reviewed as a part of this task include:

- Operations and Maintenance (O&M) Program
- Distribution Pipeline Integrity Program
- Transmission Pipeline Integrity Program
- Emergency Response Plan
- Operator Qualification Program
- Public Awareness Program
- Drug and Alcohol Testing Program

Deliverables associated with this task include:

- Applicable PHMSA inspection forms or protocols (MS Word)
- Compliance gap report and remediation plan
- Support with development or revision of existing processes, procedures, and manuals

### **3.3 Integrity Management Program Revision**

VPU has requested that the selected vendor streamline VPU's transmission and distribution pipeline integrity management programs (IMPs), including pipeline threat and risk assessments. G2-IS' asset integrity and regulatory compliance SMEs have experience assisting operators of all sizes with implementation of their IMPs, from those with thousands of miles of pipelines and multiple facilities to those with minimal mileage that are nonetheless regulated due to product and location. G2-IS' SMEs will use this experience and expertise to guide VPU in the revision of the transmission and distribution IMPs. G2-IS will provide recommendations to VPU for ensuring that pipeline threat and risk assessments are focused and integrated, as well as being forward-looking to regulatory changes that are currently under consideration. G2-IS

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will work with VPU stakeholders to ensure IMPs that can be efficiently implemented on a scale appropriate for a small utility with limited physical and financial resources, while upholding VPU's safety, compliance, and asset integrity goals.

G2-IS proposes to conduct a transmission and distribution pipeline IMP (TIMP/DIMP) workshop with VPU stakeholders at VPU's offices to discuss program history, performance, effectiveness, and other metrics prior to revision of the programs. This workshop will be used to create a "road map" of the streamlined programs and clarify VPU's objectives and expected outcomes. The workshop is expected to last no more than two and a half (2.5) days. Following the workshop, G2-IS will provide revised IMPs based on changes discussed and within the timeframe agreed on during the workshop.

Deliverables associated with this task include:

- Onsite workshop with VPU stakeholders (2.5 days)
- Review and revision of VPU's transmission and distribution pipeline IMPs

### **3.4 Compliance Management Software Implementation Support**

Based on conversations with VPU, a new compliance management software has been implemented to track and manage PHMSA compliance tasks. G2-IS offers such software and has experience working with operators establishing and implementing new compliance tracking tools. Additionally, G2-IS is experienced with establishing, configuring, and maintaining SharePoint platforms, both internally and for clients. G2-IS' SMEs will assist VPU in setting up appropriate compliance tasks, timeframe, notifications, etc., to ensure that the software is managed and maintained to address all PHMSA requirements applicable to VPU assets. G2-IS will work with VPU to translate hardcopy policies and procedures into compliant electronic processes, and with developing electronic forms (as needed) to accurately document O&M activities.

Deliverables associated with this task include:

- Support identifying and converting compliance tasks to electronic processes
- Ensure compliance of, or develop, field forms for data capture
- Collect and input data (as needed)

As support associated with this task will be on an "as-needed" basis, determined by requests from VPU personnel, G2-IS has provided a quote for an **estimated** number of support and data entry hours per year. A change order will need to be executed if additional support is required.

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### **3.5 Review the Operations, Inspection and Maintenance Plan and Procedures**

G2-IS will conduct a thorough review of VPU's Natural Gas System Operations, Inspection and Maintenance (OIM) Plan dated July 2019 and the natural gas procedures. As VPU has recently completed a successful audit of this document, G2-IS will not complete a compliance audit but, per VPU's request, will assess the OIM Plan and procedures to determine the best organization of the material. G2-IS will also work with key VPU stakeholders to customize the OIM Plan and procedures to VPU's operations.

G2-IS will identify areas of improvement in the current OIM Plan and procedures and work with VPU to create a plan to correct any deficiencies identified. G2-IS will work with VPU's Gas Superintendent to capture actual compliance documentation (records/forms) associated with field performance of operations and maintenance procedures to ensure compliant records are being generated. G2-IS anticipates spending three (3) days onsite with VPU personnel to review procedures and observe operations and maintenance activities. This assessment will be critical to ensuring procedures and forms are compliant and specific to VPU's operations. G2-IS will provide a written assessment report that will include remediation recommendations for any deficiencies found.

Deliverable:

- OIM Plan Assessment Report

### **3.6 Revise OIM Plan and Procedures**

Based on the changes identified in Task 3.2, G2-IS will revise the OIM Plan based on code requirements and industry best practices while ensuring the document is applicable to VPU's current operations. G2-IS's SME, working with VPU, will ensure that the OIM Plan includes all appropriate procedures based on operations and that appropriate records or forms are generated to document compliance.

G2-IS will submit a draft, revised OIM Plan and procedures to VPU for one consolidated review all documents for VPU edits or acceptance. A meeting will be scheduled to review the documents and answer any questions or open issues. Appropriate VPU stakeholders will need to be available. Based on this review, appropriate changes will be compiled and integrated into final documents.

Deliverables:

- Revised OIM Plan (draft and final)
- Revised, OIM Procedures

## 4.0 Fees and Costs

**Table 4-1: Pricing**

<b>Task</b>	<b>Sub-task Price</b>	<b>Task Price Estimate</b>
3.1 State and Federal Audit Support (3)	–	\$46,368.00*
3.2 Compliance Program Support	–	\$58,426.00*
General Support (estimate of hours)	\$7,875.00*	
DIMP Audit	\$7,060.00	
OQ Audit (including onsite evaluation)	\$13,734.00	
TIMP Audit	\$9,156.00	
Emergency Response Audit	\$6,867.00	
Public Awareness Audit	\$6,867.00	
Drug and Alcohol Program Audit	\$6,867.00	
3.3 Integrity Management Program Revision		\$27,825.00
3.4 Compliance Management Software Implementation Support		\$19,530.00*
3.5 Review the Operations, Inspection and Maintenance Plan and Procedures		\$22,155.00
3.6 Revise OIM Plan and Procedures		\$22,575.00
Project Management and Controls		\$14,517.00
Expenses (based on required travel)		TBD
<b>FINAL</b>		<b>\$211,396.00</b>

*\* Hours estimated for support tasks will be at VPU's direction. Support tasks will be billed on an as needed basis based on rates listed in Appendix A - 2020 Schedule of Rates.*

## 5.0 Ability of Proposer to Perform

G2-IS will assign a project team with the necessary skills and expertise to perform the work required for the project (See Appendix D – Biographies). The project team key roles will include regulatory compliance and asset integrity SMEs, project management, technical writers, and project controls. G2-IS may, at its discretion, substitute staff on the project with other individuals of comparable skill and ability; however, key personnel will not be changed without agreement between G2-IS and VPU.

G2-IS has conducted numerous mock-PHMSA compliance audits for clients nationwide and has supported a large California utility operator with preparation for

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California Public Utility Commission (CPUC) audits. Appendix C – Relevant Experience outlines the relevant G2-IS project experience with state and federal compliance audits. Due to confidentiality concerns, client names and contacts have been omitted as this RFP response shall become public record on delivery to VPU. This information will be provided following execution of a Non-Disclosure Agreement.

## 6.0 Project Assumptions

Following is a list of key assumptions that could influence the price, schedule, and resources necessary to successfully complete this project:

- VPU system and compliance program data, as requested by G2-IS, is electronically available and is submitted in a timely manner
- Timely feedback and availability of stakeholders to review findings and data, and attend the onsite audit(s)
- One consolidated review per applicable deliverable; consolidated reviews comprise VPU gathering comments/questions from all VPU participants or reviewers
- While not included or priced within this scope of work, at the direction of VPU, G2-IS will provide a quote to support execution of O&M program or TIMP/DIMP activities, such as:
  - High consequence area (HCA) analysis or class location studies
  - Risk assessment and risk management activities
  - Establishing a Baseline Assessment Plan
  - Developing and implementing preventative and mitigative measures

Changes to the project scope will be managed via a change order process agreed on between the parties. As multiple tasks will be performed on an “as-needed” basis, price estimates have been provided (Table 4-1) based on an estimated number of hours.

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## 7.0 Proposal Acceptance

In accordance with the RFP, this request for services, initiated by VPU, will be executed under a written contract for services to be executed prior to commencement of work.

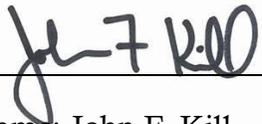
Unless executed by G2-IS and VPU, this proposal is non-binding and prices are valid for ninety (90) days from the date of submittal. After that date, G2-IS reserves the right to review the pricing and schedule prior to entering into an agreement to perform the work. Work will not begin until an authorization agreement is executed. G2-IS appreciates the opportunity to provide our consulting services to VPU. Please indicate your acceptance of this proposal by signing below.

**Project Name:** Support Services: Natural Gas Financial, Operational, and Compliance Services

**Price Estimate:** based on multiple support tasks with an estimated number of hours. All support will be billed as accrued on a time and materials basis and will not exceed estimates given on Table 4-1 without prior approval of VPU.

**G2 Integrated Solutions, LLC**

Signature: \_\_\_\_\_



Printed Name: John F. Kill

Title: General Manager, GCRO

Date: March 2, 2020

**City of Vernon Public Utilities**

Signature: \_\_\_\_\_

Printed Name: \_\_\_\_\_

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

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

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## Appendices

**Appendix A - 2020 Schedule of Rates**

**G2 Integrated Solutions**  
**2020 SCHEDULE OF RATES**

<u>Categories</u>	<u>Labor Billing Rate</u> <u>Per Hour (\$USD)</u>
Assistant Technician / Administrator	\$75
Technician / Specialist / Project Controls	\$90
Lead Specialist / Lead Controls	\$125
Sr. Specialist / Project Manager	\$170
Principal Specialist / Sr. Project Manager	\$225
Director	\$325
Technical Authority	\$375
Software & Technology Developers	\$215
 <u>Activities</u>	
<ul style="list-style-type: none"> <li>• <i>Asset Integrity</i></li> <li>• <i>Engineering</i></li> <li>• <i>Field Services</i></li> <li>• <i>Geospatial</i></li> </ul>	<ul style="list-style-type: none"> <li>• <i>Project Services &amp; Support</i></li> <li>• <i>Regulatory Compliance Support</i></li> <li>• <i>Software &amp; Technology</i></li> <li>• <i>Consulting and Technical Services</i></li> </ul>
<i>Administrative Fee (Admin Fee)</i>	5%
<i>Applied to labor for all time and material basis projects.</i>	
<i>Advanced Software Fee (ASF)</i>	\$10.00/Labor Hour
<i>Charged per hour for specialized software used for services.</i>	
<i>Subcontracted Services and Project Expenses</i>	Cost + 15%

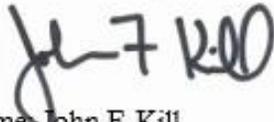
## Appendix B – Affidavit of Non-Collusion

To whom it may concern:

The undersigned certifies under penalties of perjury that this bid is in all respects bon ~~afide~~, fair and without collusion or fraud with any other person. As used in this section the word 'person' means any natural person, joint venture, partnership, corporation or other business or legal entity. Further, I certify that the items to be supplied by my firm will meet or exceed the specifications as listed in this request for bid.

**G2 Integrated Solutions, LLC**

Signature:

A handwritten signature in black ink, appearing to read "John F. Kill". The signature is written in a cursive style with a large initial "J" and "K".

Printed Name: John F. Kill

Title: General Manager, GCRO

Date: February 17, 2020

## **Appendix C – Relevant Experience**

### **Alaska Oil and Gas Pipeline Operator**

G2 Personnel: Wallace McGaughey, TK Akins

G2-IS was enlisted to perform a regulatory audit, gap analysis, and comparison to recently published pipeline safety regulations of a gas pipeline operators Operations and Maintenance Manual (O&M) and its Transmission Integrity Management Program (TIMP). As part of the scope of work G2-IS provided the client with recommendations to close any identified gaps.

References available upon execution of non-disclosure agreement.

### **Texas Hazardous Liquid Pipeline Operator**

G2 Personnel: TK Akins, Hamood Rehman

G2-IS was commissioned by a hazardous liquid operator to provide expertise in writing an inaugural Integrity Management Plan (IMP) for an airport fuel delivery pipeline system in Houston, Texas.

References available upon execution of non-disclosure agreement.

### **Pennsylvania Gas Pipeline Operator**

G2-IS Personnel: Hamood Rehman, TK Akins

G2-IS was enlisted to perform a regulatory review, reformat and gap identification of operators Operation and Maintenance, Integrity Management Plan, and Operator Qualification Plan. To this end G2-IS provided remediation recommendations per current PHMSA regulations and best industry practices.

References available upon execution of non-disclosure agreement.

### **California Public Utility**

G2-IS Personnel: Geoff Morgan

G2-IS has provided CPUC audit preparation support for a large California utility operator in the areas of Aerial Patrol/Transmission IMP, Cross Bore Inspection/DIMP, and a full audit of DIMP QC of Video inspections for Cross Bore; consisting of two separate Cross Bore audits/sets of data with very different objectives.

References available upon execution of non-disclosure agreement.

#### Additional Regulatory Experience:

G2-IS Personnel: Wallace McGaughey (Director of Regulatory Compliance) was enlisted to perform a regulatory gap analysis and remediation plan for a Liquid Pipeline Operator regarding their Control Room Management Program and facilitate the upgrade of their SCADA system including increasing the number of control consoles.

G2-IS Personnel: Wallace McGaughey was enlisted to perform a regulatory gap analysis and remediation plan for a liquid pipeline operator regarding their Operator Qualification program, including determining covered task development, evaluation processes, training solutions and field performance evaluations.

G2-IS Personnel: Wallace McGaughey was enlisted to conduct Regulatory Compliance Training for a pipeline operator's field, operations, maintenance and compliance personnel to prepare the staff for upcoming PHMSA audits following the Integrated Inspection protocols and processes.

## Appendix D – Biographies



### **Wallace McGaughey**

*Director, Regulatory Compliance*

[Wallace.McGaughey@g2-is.com](mailto:Wallace.McGaughey@g2-is.com)

#### **AREAS OF EXPERTISE**

- Pipeline Regulation & Enforcement
- Regulatory Audit Support
- DOT / PHMSA Jurisdictional Determination
- Environmental & Safety
- Pipeline Safety Inspection
- Integrity Management
- Training Program Development & Implementation

Wallace “Wally” McGaughey is a native of Pennsylvania but has lived most of his life in Louisiana where he gained experience in the petro-chemical, petroleum, and pipeline industries. He has over 40 years of energy industry experience and is a frequent lecturer at state pipeline safety seminars, as well as at industry organization functions (e.g., SGA, LGA, ANGA, and the Pipeline Safety Trust).

Wally serves as Director of Regulatory Compliance for G2 Integrated Solutions, specializing in regulatory compliance consulting, inspections, audit support, and training based on Code of Federal Regulations requirements related to liquid and natural gas pipeline systems, chemical plants, and refineries. In addition, Wally has developed numerous compliance manuals & procedures, conducted mock inspections, facilitated federal and state regulatory inspections, assisted operators with required compliance filings, and served as a liaison with regulatory agencies.

Prior to joining G2-IS, Wally served as a Senior Pipeline Safety Specialist, Instructor with PHMSA Training and Qualifications (TQ) in Oklahoma City, OK. Duties included instruction in several of the compliance training programs for federal and state Pipeline Safety Inspectors. As well as serving as Team Lead of the PHMSA Operator Qualification (OQ) Team and on the Implementation Team for Natural Gas Underground Storage developing an inspector training program and inspection materials for PHMSA.

Wally joined Veriforce LLC in February of 2013 as a Senior Regulatory Compliance Specialist to assist Operators with their OQ programs, be an active member of the Common Covered Task (CCT) List Committee, and to be directly involved in the development of CCT computer-based training modules.

Wally originally joined the PHMSA TQ team in December of 2007 as a Pipeline Safety Specialist and provided instruction in the requirements of PHMSA Pipeline Safety Regulations to federal and state Pipeline Safety Inspectors and to industry personnel through seminars and public meetings.

Wally graduated from ITI Technical College in 1989 with a Certificate in Industrial Instrumentation and Process Control and began teaching there in 1990. He also serves as a voting member of the ASME B31Q Qualification of Pipeline Personnel, Technical Standards Committee, working to maintain the ASME Standard.



**TK Akins**

*Principal Integrity Consultant*

[Tk.Akins@g2-is.com](mailto:Tk.Akins@g2-is.com)

**AREAS OF EXPERTISE**

- Project Development
- Project Management
- Strategic Planning
- Risk Management
- Lean Six Sigma
- Project Engineering
- Asset Management
- Pipeline Integrity
- Business Development
- Gas Plant Operations

TK Akins is a Principal Integrity Consultant for G2 Integrated Solutions. He has many years of project management experience, and over the course of his career has focused on systematically driving the continuous improvement of integrity management strategies for several gas and liquid operators. His experience in asset integrity ranges from inline inspection, internal & external risk-based inspections (RBI) optimization and developing and executing reliability programs.

He has supported various integrity projects including Integrity assessments, maximum allowable operating pressure (MAOP/MOP) verification projects, integrity management program maintenance and development, and provided general advice and interpretation of ASME B31.3, B31.4, B31.8S and regulations 49 CFR Parts 192, 193 and 195.

Most recently, TK worked for Pinnacle Advanced Reliability Technologies as a Client Solutions Engineer, where he focused primarily on developing mechanical integrity, inspections, and reliability programs for clients in the oil and gas, chemicals, and process industries.

TK also worked for Willbros Engineers and Industrial Gases – Praxair Inc. where he worked as a Senior Pipeline Integrity Engineer, managing several integrity management projects, serving as ECDA SME, performing failure for service, long seam failure susceptibility (LSFS), and stress corrosion cracking (SCC) calculations and analysis. He also had overall responsibility for several gas, liquid, and chemical pipelines, including data integration, HCA and threat identification, risk assessment, inspections, P&M, and continuous improvement activities.

TK Akins holds a Bachelor of Science Degree in Chemical Engineering from the University of Maryland, College Park. He is also a certified Six Sigma Green Belt and Process Owner holder.



**Hamood Rehman, PMP**

*Principal Engineer*

[Hamood.Rehman@g2-is.com](mailto:Hamood.Rehman@g2-is.com)

#### AREAS OF EXPERTISE

- Project Management
- ILLI Analysis
- Pipeline Integrity
- Engineering Design,  
Manufacturing, & Assessment

Hamood Rehman is a Principal Engineer for G2 Integrated Solutions with over 15 years of experience in project engineering, pipeline integrity and engineering, asset integrity engineering services, non-destructive testing, and manufacturing. This history provides a solid knowledge-base that is an asset to a variety of projects. At G2-IS, he's worked on gas to NGL conversion front-end engineering analysis, including hydraulic modelling, integrity review, design, construction review, and regulatory review/analysis. He's also participated in facilities integrity management plan creation/implementation. He was also involved with design, construction, and engineering specification development and consolidation which focused on consolidating, combining, updating and developing multiple US and Canadian specifications and standards into one specification for a major North American pipeline operator. Similarly, he has developed and updated IMP, corrosion and welding manuals for multiple pipeline operators.

Mr. Hamood provides engineering support to compliance and ILLI, ECDA, DA support by performing ILLI/DA data correlation and corrosion growth rate/reassessment interval calculations, and assistance with numerous hydrostatic test and replacement projects.

Prior to joining G2-IS, Hamood worked as a Project Manager/Pipeline Integrity and Technology Development Engineer for Applus RTD and Kiefner and Associates. There, he managed several development, commercial, and pipeline integrity projects. He provided engineering support for pipeline integrity projects, including fitness for service assessments, burst pressure calculations, strain analysis, and assessment of pipeline threats (corrosion, dents, SCC and seam cracks). He also worked on the evaluation/analysis of ILLI data for dig list assessments for pipeline operators and on the external corrosion assessment and remaining strength prediction analysis of hundreds of liquids and gas lines with Handyscan 3D scanner, utilizing Polyworks and Corropro software. Hamood also managed a multi-million dollar PHMSA/DOT project on SCC detection and sizing, and another project that pioneered high resolution digital in-ditch assessment of Mechanical Damage in pipelines, including dent strain analysis. He was also a supporting author on PHMSA leak detection study.

Hamood received his Bachelor of Science in Metallurgical Engineering and Materials Science from the University of Engineering and Technology, Lahore and earned his Master of Science in Industrial and Manufacturing Systems Engineering from The University of Texas at Arlington. In addition, he is a Certified Project Management Professional (PMP) and a Six Sigma Black Belt. He is also a published author and presenter at API, PPIM and IPC conferences.



**Geoff Morgan**

*Senior Vice President*

[Geoff.Morgan@g2-is.com](mailto:Geoff.Morgan@g2-is.com)

**AREAS OF EXPERTISE**

- Corporate Vision
- Strategic Planning
- Team Management
- Resource Recruitment
- Operational Management
- Business Development
- Project Management
- Sales & Marketing
- Key Accounts

Geoff Morgan is Senior Vice President for G2 Integrated Solutions. With over 30 years of successful leadership and management experience in revenue generation, growth, team leadership, and increased corporate value, Geoff provides executive leadership, business development, and account management to the Western Region in support of providing turnkey solutions for utility companies.

Geoff's role is focused on leading the team's involvement with major G2 clients in the Western Region, providing big-picture solutions to day-to-day issues from production to executive. He is responsible for multi-million-dollar budgets in managing major gas and electric utility accounts, where he has led the execution and delivery of key projects, including Crossbore and Aerial Patrol. Geoff establishes project control and management methodologies, benchmarking, research criteria, QC standards, software development, and governance of each project he leads. Key attributes include evolving concept methods for new program establishment, process management, lead development of custom tools and dashboards, and improved process automation solutions.

Geoff works with his corporate management team to build functional business plans, financial models, and infrastructure to support growth and public communications.

Geoff's dedication to high-level results is partly derived from spending six years in the Navy as an Anti-Submarine Warfare Operator.

EXHIBIT C  
SCHEDULE

Contractor shall be paid upon City's receipt of an invoice issued by Contractor, after each deliverable, pursuant to Section 6.0 as follows:

**4.0 Fees and Costs**

Table 4-1: Pricing

Task	Sub-task Price	Task Price Estimate
3.1 State and Federal Audit Support (3)	-	\$46,368.00*
3.2 Compliance Program Support	-	\$58,426.00*
General Support (estimate of hours)	\$7,875.00*	
DIMP Audit	\$7,060.00	
OQ Audit (including onsite evaluation)	\$13,734.00	
TIMP Audit	\$9,156.00	
Emergency Response Audit	\$6,867.00	
Public Awareness Audit	\$6,867.00	
Drug and Alcohol Program Audit	\$6,867.00	
3.3 Integrity Management Program Revision		\$27,825.00
3.4 Compliance Management Software Implementation Support		\$19,530.00*
3.5 Review the Operations, Inspection and Maintenance Plan and Procedures		\$22,155.00
3.6 Revise OIM Plan and Procedures		\$22,575.00
Project Management and Controls		\$14,517.00
Expenses (based on required travel)		TBD
<b>FINAL</b>		<b>\$211,396.00</b>

\* Hours estimated for support tasks will be at VPU's direction. Support tasks will be billed on an as needed basis based on rates listed in Appendix A - 2020 Schedule of Rates.

**G2 Integrated Solutions  
2020 SCHEDULE OF RATES**

<u>Categories</u>	<u>Labor Billing Rate Per Hour (SUSD)</u>
Assistant Technician / Administrator	\$75
Technician / Specialist / Project Controls	\$90
Lead Specialist / Lead Controls	\$125
Sr. Specialist / Project Manager	\$170
Principal Specialist / Sr. Project Manager	\$225
Director	\$325
Technical Authority	\$375
Software & Technology Developers	\$215
 <u>Activities</u>	
<ul style="list-style-type: none"> <li>• Asset Integrity</li> <li>• Engineering</li> <li>• Field Services</li> <li>• Geospatial</li> </ul>	<ul style="list-style-type: none"> <li>• Project Services &amp; Support</li> <li>• Regulatory Compliance Support</li> <li>• Software &amp; Technology</li> <li>• Consulting and Technical Services</li> </ul>
Administrative Fee (Admin Fee) <i>Applied to labor for all time and material basis projects.</i>	5%
Advanced Software Fee (ASF) <i>Charged per hour for specialized software used for services.</i>	\$10.00/Labor Hour
Subcontracted Services and Project Expenses	Cost + 15%

## EXHIBIT D

### LIVING WAGE PROVISIONS

#### **Minimum Living Wages:**

A requirement that Employers pay qualifying employees a wage of no less than \$10.30 per hour with health benefits, or \$11.55 per hour without health benefits.

#### **Paid and Unpaid Days Off:**

Employers provide qualifying employees at least twelve compensated days off per year for sick leave, vacation, or personal necessity, and an additional ten days a year of uncompensated time for sick leave.

#### **No Retaliation:**

A prohibition on employer retaliation against employees complaining to the City with regard to the employer's compliance with the living wage ordinance. Employees may bring an action in Superior Court against an employer for back pay, treble damages for willful violations, and attorney's fees, or to compel City officials to terminate the service contract of violating employers.

## EXHIBIT E

### EQUAL EMPLOYMENT OPPORTUNITY

#### PRACTICES PROVISIONS

- A. Contractor certifies and represents that, during the performance of this Agreement, the contractor and each subcontractor shall adhere to equal opportunity employment practices to assure that applicants and employees are treated equally and are not discriminated against because of their race, religious creed, color, national origin, ancestry, handicap, sex, or age. Contractor further certifies that it will not maintain any segregated facilities.
- B. Contractor agrees that it shall, in all solicitations or advertisements for applicants for employment placed by or on behalf of Contractor, state that it is an "Equal Opportunity Employer" or that all qualified applicants will receive consideration for employment without regard to their race, religious creed, color, national origin, ancestry, handicap, sex or age.
- C. Contractor agrees that it shall, if requested to do so by the City, certify that it has not, in the performance of this Agreement, discriminated against applicants or employees because of their membership in a protected class.
- D. Contractor agrees to provide the City with access to, and, if requested to do so by City, through its awarding authority, provide copies of all of its records pertaining or relating to its employment practices, except to the extent such records or portions of such records are confidential or privileged under state or federal law.
- E. Nothing contained in this Agreement shall be construed in any manner as to require or permit any act which is prohibited by law.

# City Council Agenda Item Report

Agenda Item No. COV-255-2020

Submitted by: Veronica Petrosyan

Submitting Department: Health and Environmental Control Department

Meeting Date: July 7, 2020

## **SUBJECT**

Memorandum of Understanding with the University of Southern California (USC) for COVID-19 Contact Tracing Services

## **Recommendation:**

Approve the Memorandum of Understanding between the City of Vernon and USC in substantially the same form as submitted, for COVID-19 contact tracing services.

## **Background:**

On March 14, 2020, the City of Vernon declared a local and public health emergency in response to the increased spread of the Coronavirus-2019 (COVID-19) across the country. To support its ongoing efforts in combating COVID-19, the City is in need of volunteers to perform contact tracing to identify and follow-up with persons who may have come into contact with an infected person.

Contact tracing is used by health departments to prevent the spread of infectious disease. In general, contact tracing involves identifying people who have an infectious disease (cases) and people who they came in contact with (contacts) and working with them to interrupt disease spread. This includes instructing people with COVID-19 to isolate and their close contacts to quarantine at home.

Therefore, staff recommends that the City Council approve the Memorandum of Understanding with USC for contact tracing services to address COVID-19 positive cases.

The proposed Memorandum of Understanding has been reviewed and approved as to form by the Office of the City Attorney.

## **Fiscal Impact:**

The contact tracers provided by USC are volunteers and will not pose a fiscal impact to the City. The Department of Health and Environmental Control may submit future requests for approval for additional resources that may have a fiscal impact to the City.

## **Attachments:**

1. [MOU with USC for contact tracing](#)

**CITY OF VERNON  
MEMORANDUM OF UNDERSTANDING  
BETWEEN  
CITY OF VERNON  
AND  
UNIVERSITY OF SOUTHERN CALIFORNIA**

**PREFACE**

This Memorandum of Understanding (MOU) is entered into as of June 19, 2020, by and between the City of Vernon and the University of Southern California (hereafter referred to as "Provider").

**BACKGROUND**

On March 14, 2020, the City of Vernon declared a local and public health emergency in response to the increased spread of the coronavirus-2019 (COVID-19) across the country. To support its ongoing efforts in combating COVID-19, the City requires volunteers to perform contact tracing to identify and follow-up with persons who may have come into contact with an infected person.

**I. TERM OF MOU**

This MOU will be effective upon the date written above and shall continue through June 30, 2021, unless sooner terminated according to Section III, "Termination".

**II. DISPUTE**

Any disputes between City of Vernon and Provider regarding the performance of services reflected in this MOU will be brought to the attention of the City Administrator of the City of Vernon. Any such dispute(s) shall be resolved by the City Administrator of the City of Vernon, or designee, and the decision will be final.

**III. TERMINATION**

Either party may terminate this MOU at any time, with or without cause, upon giving at least thirty (30) calendar days' advance written notice to the other party. Any written notice of termination shall state the future date that termination shall become effective.

**IV. INDEMNIFICATION**

Provider agrees to indemnify, defend save and hold harmless the City of Vernon, its officials, agents, and employees from any and all claims, lawsuits, or liability arising out of, in connection with, or incident to any loss, damage or injury to persons or property, including death, or from any wrongful or negligent act, error, or omission of Provider, its agents, volunteers, employees, subcontractors or

invitees while engaging in the activities pursuant to this MOU, except for the wrongful or negligent acts of the City of Vernon.

## **V. DESCRIPTION OF SERVICES**

### **A. PROVIDER RESPONSIBILITIES**

Provider shall perform all of the following duties as part of its obligation under this MOU with City of Vernon:

- Designate a responsible party on behalf of the agency for all communications related to this MOU. This will be Dr. Wendy Cozen, Professor of Preventive Medicine, Keck School of Medicine at USC.
- Screen volunteers to be referred to the City of Vernon to conduct contact tracing activities. A list of the requirements and duties for the volunteers are outlined in the attached Duty Statements attached hereto and incorporated herein by reference (Attachment A).
- Provide training on contact tracing for volunteers.
- Refer screened qualified volunteers to City of Vernon to conduct Contact Tracing
  - a. Volunteers should be willing to commit to a minimum of 3 hours per week for no less than 3 months. This will include weekend shifts.

### **B. CITY OF VERNON RESPONSIBILITIES**

City of Vernon shall perform all of the following duties as part of its obligation under this MOU with Provider:

- Designate a City of Vernon responsible party for all communications related to this MOU and, to coordinate all activities for volunteers, including onboarding, training, and any other needs in order to allow volunteers to conduct contact tracing activities.
- Ensure each volunteer completes the City-required Volunteer packet prior to beginning services under this MOU.
- Provide training to volunteers on the following subjects to include, but may not be limited to:
  - a. Health Insurance Portability and Accountability Act (HIPAA). All volunteers providing services under this MOU will be HIPAA trained and certified prior to beginning services.

- If applicable, provide any required Personal Protective Equipment that may be necessary in the performance of contact tracing.

## VI. AMENDMENTS

It is mutually agreed that this MOU may be modified or amended by mutual consent, and such modification shall be in writing and effective upon the execution of a written amendment of this MOU by both parties hereto.

## VII. COST

No reimbursement or compensation will be made by either party to the other for responsibilities described herein.

## VIII. DESIGNATION OF RESPONSIBLE PARTIES

The following persons, identified by position and title, have been designated as the responsible parties for all communications, including required notices, related of this MOU:

### **City of Vernon Contacts:**

Name: Freddie Agyin, MA, REHS  
Title: Director of Health and Environmental Control  
Address: 4305 South Santa Fe Avenue, Vernon, CA 90058  
Phone: (323) 826-1448  
E-mail: [fagyin@ci.vernon.ca.us](mailto:fagyin@ci.vernon.ca.us)

### **University of Southern California Contact:**

Name: Wendy Cozen, D.O., M.P.H., Student Supervisor  
Title: Professor, Department of Preventive Medicine  
Address: 1441 Eastlake Ave. MC 9175 Los Angeles, CA 90089-9175  
Phone: 323 865-0447  
E-mail: [wcozen@med.usc.edu](mailto:wcozen@med.usc.edu)

IN WITNESS HEREOF, THE PARTIES HERETO HAVE CAUSED THIS MOU TO BE DULY EXECUTED ON THE DAY MONTH, AND YEAR INDICATED ON PAGE 1.

SIGNATURES:

CITY OF VERNON

\_\_\_\_\_  
Carlos R. Fandino Jr.  
City Administrator

\_\_\_\_\_  
Date

ATTEST:

APPROVED AS TO FORM:

\_\_\_\_\_  
Lisa Pope, City Clerk

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

UNIVERSITY OF SOUTHERN CALIFORNIA

\_\_\_\_\_  
Provider Signature & Title

\_\_\_\_\_  
Date

## Attachment A

Duty Statement for Students and Volunteers:

Position Description Summary - Under the supervision of the USC –City of Vernon Program Coordinator, and working in conjunction with the Health and Environmental Control Department of the City of Vernon, the student or volunteer will provide a variety of special key functions in order to fulfill epidemiologic and contact tracing investigations relating to contacts of COVID -19 cases as well as other epidemiologic and wellness programs as needed.

Duties and Responsibility of the Position include but are not limited to:

- Contact tracing of COVID -19 positive individuals
- Entering contact information into a data base if needed
- Review and analysis of documents relating to epidemiologic investigations as needed
- Review and possible development of health education materials to ensure the wellness and health of the workers in Vernon and City residents
- Filing, labeling, and other manual processes of sorting documents as needed

Desirable: knowledge of Microsoft Outlook and Microsoft applications (Word, Excel/Access/Powerpoint)

Students will check-in at least weekly with USC Supervisor Dr. Wendy Cozen (USC Contact).