



AGENDA

Victor P. Lopez, Mayor
Diana Guerra Silva, Mayor Pro Tem
Josie Cervantes, Council Member
Roy Rodriguez, Council Member **Esperanza Rodriguez, Council Member**

Monday, January 14, 2019 - 6:30 P.M.
ORANGE COVE COMMUNITY CENTER
1705 Anchor Avenue, California 93646

A. CALL TO ORDER/WELCOME

Roll Call
Invocation
Flag Salute

B. CONFIRMATION OF AGENDA

C. PRESENTATIONS

1. Presentation by Mayor Lopez recognizing Mr. and Mrs. Ramshaw as the 2018 Grand Marshal

D. CONSENT CALENDAR

2. City Council Minutes of December 12, 2018

E. ADMINISTRATION

Chief of Police

3. **SUBJECT:** Police Department Monthly Report.

Recommendation: Informational item only, no action necessary

City Engineer

4. **SUBJECT:** Engineering Monthly Report.

Recommendation: For Information only, no action necessary.

5. **SUBJECT:** Affordable Housing and Sustainable Communities Program

Recommendation: Council to consider approving Resolution No. 2019-05 authorizing the City Manager to submit an application for the Affordable Housing and Sustainable Communities Program

6. **SUBJECT:** Resolution Approving Modifications to Engineering Agreements for Water Treatment Plant Expansion and Retention Basin Lining Planning Study with Yamabe & Horn Engineering, Inc. and AM Consulting Engineers

Recommendation: Council to consider approving Resolution No. 2019-04 Approving Addendums to Agreements for Engineering Services with Yamabe & Horn Engineering, Inc. and AM Consulting Engineers for the Water Treatment Plant Expansion and Retention Basin Lining SRF Planning Grant Project

Interim City Manager:

7. **SUBJECT:** Adoption of Resolution approving the Accounts Payable Policy

Recommendation: Council to consider approving Resolution No. 2019-01 Approving the Accounts Payable Policy

8. **SUBJECT:** Adoption of Resolution approving the Purchasing and Procedures Policy

Recommendation: Council to consider approving Resolution No. 2019-02 Approving the Purchasing and Procedures Policy

9. **SUBJECT:** Proposition 68 Grant Information

Recommendation: Informational Item only

10. SUBJECT: Amaya Village Apartment Development Sumner Avenue

Recommendation: Council to consider approving Resolution No. 2019-06: APPROVING AND AUTHORIZING AN AGREEMENT OF SALE, BETWEEN THE CITY OF ORANGE COVE, A MUNICIPAL CORPORATION AND ORANGE COVE AMAYA ASSOCIATES, A CALIFORNIA LIMITED PARTNERSHIP, FOR THE PURPOSE OF DEVELOPING AN 81 UNIT TWO STORY INCOME-RESTRICTED FAMILY APARTMENT COMPLEX ON CITY OWNED PROPERTY, LOCATED ON A 4.36 ACRE PARCEL ON SUMNER AVENUE, IN THE CITY OF ORANGE COVE (ASSESSOR'S PARCEL NUMBER 375-234-18)

11. SUBJECT: Review and Discussion of FOCAS Revised Agreement and Reinstatement/Approve Full Time Animal Control Officer

Recommendation: Staff is recommending City Council to approve the attached revised agreement with FOCAS and approve the full time Animal Control Officer Position

F. COUNCIL AND SUCCESOR AGENCY:

12. SUBJECT: Contract with Stradling Yocca Carlson & Rauth for Legal Services related to the Home Rehabilitation Grant Program

Recommendation: Council to consider approving the Contract with Stradling Yocca Carlson & Rauth for Legal Services related to the Home Rehabilitation Grant Program

G. PUBLIC FORUM

Members of the public wishing to address the City Council on an item that is not on the agenda may do so now. No action will be taken by the City Council this evening. But items presented may be referred to the City Manager for follow up and a report. In order to allow time for all comments, each individual is limited to three minutes. When addressing the Council, you are requested to come forward to the speakers microphone, state your name and address, and then proceed with your comments.

H. CITY MANAGER'S REPORT

I. CITY ATTORNEY'S REPORT

J. CITY COUNCIL COMMUNICATIONS

K. CLOSED SESSION

13. Conference with real property negotiator Government Code Section 54956.8
- a. Property: 46,560 Square Feet Parcel 378-030-40T20 Acres of Unimproved Land (located at corner of Anchor Avenue and Sumner Avenue); Fresno County
City Negotiator: Interim City Manager
Negotiating Parties: Hallaian Development, agent for HD Corcoran
Under Negotiation: Price and Terms of Payment
 - b. Property: Five Lots, Parcel 378-290-49T; 378-290-50T; 378-290-51T; 378-290-52T; 378-290-53T (located on Hope Avenue, Orange Cove, CA); Fresno County
City Negotiator: Interim City Manager
Negotiating Parties: Carlos Estrada, Estrada Real Estate
Under Negotiation: Price and Terms of Payment

L. RECONVENE CITY COUNCIL MEETING

M. ADJOURNMENT

ADA Notice: *In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the City Clerk at (559) 626-4488 ext. 214. Notification 48 hours prior to the meeting will enable the City to make arrangements to ensure accessibility to this meeting.*

Documents: *Any writings or documents provided to a majority of the City Council regarding any item on this agenda will be made available for public inspection at front counter at City Hall and at the Orange Cove Library located at 815 Park Blvd., Orange Cove, CA during normal business hours. In addition, most documents are posted on City's website at cityoforange Cove.com.*

STATEMENT ON RULES OF DECORUM AND ENFORCEMENT

The Brown Act provides that members of the public have a right to attend public meetings, to provide public comment on action items and under the public forum section of the agenda, and to criticize the policies, procedures, or services of the city or of the acts or omissions of the city council. The Brown Act also provides that the City Council has the right to exclude all persons who willfully cause a disruption of a meeting so that it cannot be conducted in an orderly fashion.

During a meeting of the Orange Cove City Council, there is a need for civility and expedition in the carrying out of public business in order to ensure that the public has a full opportunity to be heard and that the Council has an opportunity to conduct business in an orderly manner. The following is provided to place everyone on notice of the rules of decorum and enforcement.

GENERAL RULES OF DECORUM

While any meeting of the City Council is in session, the following rules of decorum shall be observed:

1. All remarks shall be addressed to the City Council as a whole and not to any single member, unless in response to a question from a member of the City Council.
2. A person who addresses the City Council under public comment for a specific agenda item or under the Public Forum section of the agenda may not engage in speech or conduct (i) which is likely to provoke others to violent or riotous behavior, (ii) which disturbs the peace of the meeting by loud and unreasonable noise, (iii) which is irrelevant or repetitive, or (iv) which disrupts, disturbs, or otherwise impedes the orderly conduct of any City Council meeting.
3. A person, other than members of the Council and the person, who has the floor, shall not be permitted to enter into the discussion unless requested by the Mayor to speak.
4. Members of the City Council may not interrupt a person who has the floor and is making public comments. Members of the City Council shall wait until a person completes his or her public comments before asking questions or commenting. The Mayor shall then ask Councilmembers if they have comments or questions.
5. No person in the audience at a Council meeting shall engage in disorderly or boisterous conduct, including the utterance of loud, threatening or abusive language, whistling, stamping of feet or other acts which disturb, disrupt or otherwise impede the orderly conduct of any Council meeting.

ENFORCEMENT OF DECORUM RULES

(Resolution No. 2012-16)

While the City Council is in session, all persons must preserve order and decorum. A person who addresses the City council under public comment for a specific agenda item or under the Public Forum section of the agenda may not engage in speech or conduct which is likely to provoke others to violent or riotous behavior, which disturbs the peace of the meeting by loud and unreasonable noise, which is irrelevant or repetitive, or which disrupts, disturbs, or otherwise impedes the orderly conduct of any City Council meeting.

The Mayor or other presiding officer shall request that a person who is breaching the rules of decorum cease such conduct. If after receiving such a warning, the person persists in breaching the rules of decorum, the Mayor or other presiding officer may order the person to leave the City Council meeting. If such person does not leave, the Mayor or presiding officer may request any law enforcement officer who is on duty at the meeting as sergeant-at-arms to remove the person from the Council Chambers. In

the event there is no one from law enforcement present, the Mayor or presiding officer may direct the City Manager to contact law enforcement.

In accordance with the Point of Order Rule 4.6, the majority of the Council may overrule the Mayor if the majority of the Council believes the Mayor or other presiding officer is not applying the rules of decorum appropriately.



MINUTES

Victor P. Lopez, Mayor

Diana Guerra Silva, Mayor Pro Tem
Roy Rodriguez, Council Member

Gilbert Garcia, Council Member
Josie Cervantes, Council Member

Wednesday, December 12, 2018 - 6:30 P.M.
Orange Cove Council Chambers
633 6th Street, Orange Cove, California 93646

A. Call to Order/Welcome

COUNCIL PRESENT: Mayor Victor P. Lopez
Mayor Pro Tem Diana Guerra Silva
Councilmember Gilbert Garcia (Absent)
Councilmember Roy Rodriguez
Councilmember Josie Cervantes

STAFF PRESENT: Interim City Manager/Financial Consultant Rudy Hernandez
Police Chief Marty Rivera
City Attorney, Dan McCloskey
City Clerk June V. Bracamontes

INVOCATION: Mayor Pro Tem Diana Guerra Silva

FLAG SALUTE: Mayor Victor P. Lopez

B. Confirmation of Agenda

Interim City Manager Rudy Hernandez asked to move item #20 under Administration.

By Consensus Council approved.

C. Presentations

- 1. Presentation by Mayor Lopez "Key to the City" to Airean J. Raguidin**

Mayor Lopez presented a plaque honoring Airean J. Raguidin for his performance on T.V. "World of Dance".

D. Consent Calendar

2. Minutes of the November 19, 2018 special City Council meeting.

Upon the Motion by Mayor Pro Tem Silva and seconded by Councilman Rodriguez, Council approved the Consent Calendar as presented.

E. Administration

20. **SUBJECT:** Residential Rehabilitation Loan Program Overview and Considerations

Recommendation: Staff recommends that the Successor Agency Board inform staff and RSG of its preferences as described in the staff report

(This item was approved to be moved)

Suzy Kim from RSG presented to Council the Residential Rehabilitation Loan Program Overview and Considerations. The Successor Agency to the former Orange Cove Redevelopment Agency has approximately \$330,000 of housing bond proceeds available to fund affordable housing activities.

Program could start in January 2019.

Council directed to staff to move forward

Chief of Police

3. **SUBJECT:** Police Department Monthly Report.

Recommendation: For Information only, no action necessary

Chief presented the monthly statistics Report for the month of November 2018 as presented.

4. **SUBJECT:** Annual Dispatching Agreement and Resolution

Recommendation: Council to consider approving the Annual Dispatching Agreement with Fresno County Sheriff's Department and Resolution 2018-48

Upon the motion by Mayor Pro Tem Silva and seconded by Councilman Rodriguez, Council approved the Annual Dispatching Agreement with Fresno County Sheriff's Department and Resolution 2018-48

YES: Lopez, Silva, Rodriguez, Cervantes
NOES: None
ABSENT: Garcia
ABSTAIN: None

Public Works:

5. **SUBJECT:** Public Works Monthly Report.

Recommendation: For Information only, no action necessary.

Interim Public Works Superintendent Joe Estrada presented to Council the following

- Events: Christmas Tree Ceremony; Electric Parade; Christmas Toy Give Away
- Public Works: Street repair; Paving at City Hall; Annual Preventive Maintenance Gym Flooring
- Water Facility: November monthly Water Facility and Water Distribution Monitoring
- Wastewater Facility: Reports up to date.

City Engineer

6. **SUBJECT:** Engineering Monthly Report.

Recommendation: For Information only, no action necessary.

Mr. Alfonso Manrique presented the Project Progress Update Report:

- a. **Site Plan Reviews**
- b. **FHWA Project**
- c. **EDA Off-Site Improvement at Northwest Corner of Park Blvd. Anchor Avenue**
- d. **Water Enterprise**

7. **SUBJECT:** Awarding bid for the 2015 Orange Cove School Crossing Safety Improvements Projects

Recommendation: Council to consider approving the Resolution 2018-49 the construction of the Orange Cove School Crossing Safety Improvements Project to JT2 In. DBA Todd Companies for \$223,750.00 and Authorizing the Interim City Manager to Sign the Agreement on behalf of the City of Orange Cove, and allocate \$33,780 from Measure C funds to pay the remaining construction costs.

Upon the motion by Councilwoman Cervantes and seconded by Mayor Pro Tem Silva, Council approved Resolution 2018-49 the construction of the Orange Cove School Crossing Safety Improvements Project to JT2 In. DBA Todd Companies for \$223,750.00 and Authorizing the Interim City Manager to Sign the Agreement on behalf of the City of Orange Cove, and allocate

\$33,780 from Measure C funds to pay the remaining construction costs.

8. **SUBJECT:** Notice of Appeal of Planning Commission's decision regarding the approval of a Conditional Use Permit No. 2018-02

Recommendation: Staff is recommending the City Council to consider the Notice of Appeal of the Planning Commission's decision filed with the County Clerk on November 29, 2018. The Appeal wishes to appeal the Planning Commission's decision to approve the Conditional Use Permit No. 2018-02

Upon the motion by Mayor Pro Tem Silva and seconded by Councilwoman Cervantes, Council wishes to appeal the Planning Commission's decision to --approve the Condition Use Permit No. 2018-02 located at the corner of 252 Park Blvd. submitted by Mr. Gutierrez.

YES: Lopez, Silva, Rodriguez, Cervantes
NOES: None
ABSENT: Garcia
ABSTAIN: None

9. **SUBJECT:** Transit Related Expenses for ADA related Improvements Agreement by and between the City of Orange Cove and Adventist Health

Recommendation: Council considered approving the Notice of Appeal of the Planning Commission's decision filed with the County Clerk on November 29, 2018 and wishes to appeal the Planning Commission's decision to approve the Conditional Use Permit No. 2018-02

Upon the motion by Mayor Pro Tem Silva and seconded by Councilwoman Cervantes Council approved the Notice of Appeal of the Planning Commission's decision filed with the County Clerk on November 29, 2018 and wishes to appeal the Planning Commission's decision to approve the Conditional Use Permit No. 2018-02

Lopez, Lopez, Silva, Rodriguez, Cervantes
NOES: None
ABSENT: Garcia
ABSTAIN: None

10. **SUBJECT:** Amaya Development and 2019 Affordable Housing and Sustainable Communities Grant

Recommendation: Council to approve the continued collaboration between the City Engineer and the Community Development Resource Group in preparing and submitting the 2019 Affordable Housing and Sustainable Communities (AHSC) Program Application

Upon the motion by Councilman Rodriguez and seconded by Mayor Pro Tem Silva, Council approved the continued collaboration between the City Engineer and the Community Development Resource Group in preparing and submitting the 2019 Affordable Housing and Sustainable Communities (AHSC) Program Application

YES: Lopez, Silva, Rodriguez, Cervantes
NOES: None
ABSENT: Garcia
ABSTAIN: None

Interim City Manager:

11. **SUBJECT:** Agreement with Fresno County Superior Court for Court Services in the City of Orange Cove (This item was moved before item #9)

Recommendation: Council to consider to approve the agreement with Fresno County Superior Court Services in the City of Orange Cove

Upon the motion by Councilman Rodriguez and seconded by Mayor Pro Tem Silva, Council approved the Agreement with Fresno County Superior Court for Court Services in the City of Orange Cove

YES: Lopez, Silva, Rodriguez, Cervantes
NOES: None
ABSENT: Garcia
ABSTAIN: None

12. **SUBJECT:** Budget calendar for Fiscal Year 2019-2020

Recommendation: Staff recommends the City Council to approve the Budget Calendar for the Fiscal Year 2019-2020

Upon the motion by Mayor Pro Tem Silva and seconded by Councilwoman Cervantes, Council approved the Budget Calendar for the Fiscal Year 2019-2020.

YES: Lopez, Silva, Rodriguez, Cervantes
NOES: None
ABSENT: Garcia
ABSTAIN: None

13. **SUBJECT:** Debit/Credit Card Services Program for City of Orange Cove residents

Recommendation: Staff recommends that the City Council approve the Debit/Credit Card Services Program. If approved by the City Council, the

Debit/Credit Card Services Program will take effect on Monday January 7, 2019

Upon the motion Mayor Pro Tem Silva and seconded by Councilwoman Cervantes, Council approved the Debit/Credit Card Services Program will take effect on Monday January 7, 2019

YES: Lopez, Silva, Rodriguez, Cervantes
NOES: None
ABSENT: Garcia
ABSTAIN: None

14. SUBJECT: Update on Financial Issues

Recommendation: Informational Item only, no action needed

Rudy Hernandez presented to Council the List of Financial Projects in process or will be starting soon as follows:

- a. Monthly Revenue/Expenditure Reports
- b. Update Purchasing Policy
- c. Prepare/Update Master Fee Schedule (by February)
- d. Submit monthly check registers starting January 9, 2019
- e. Sustainability plans for General and Enterprise Funds
- f. Wrap up FY 2017-2018 annual audit.
- g. Purchase and financing of Street Sweeper (Part of SB1 funding)
- h. Purchase and financing of Generator

15. SUBJECT: Consideration and necessary action for the Invoice register dated December 3, 2018 (A831629-41148) and Invoice register dated December 4, 2018 (502269973-00B81201)

Recommendation: Council to approve the Invoice Register dated December 3, 2018 (A831629-41148) and Invoice register dated December 4, 2018 (502269973-00B81201)

Upon the motion by Mayor Pro Tem Silva and seconded by Councilwoman Cervantes, Council approved the Invoice Register dated December 3, 2018 (A831629-41148) and Invoice register dated December 4, 2018 (502269973-00B81201)

YES: Lopez, Silva, Rodriguez, Cervantes
NOES: None
ABSENT: Garcia
ABSTAIN: None

16. **SUBJECT:** Review and Discussion of FOCAS Contract

Recommendation: Staff is recommending that the City Council terminate the FOCUS Agreement and direct staff to explore other alternatives to provide animal control services in the City of Orange Cove

Mr. Rudy Hernandez presented to Council that the FOCUS Group are on a Suspension Status with the State of California did not file taxes and is recommending that the City Council terminate the FOCUS Agreement.

Council by consensus approved to terminate the FOCUS Agreement with the City of Orange Cove due to being non-compliance (license has been suspended); 90 days to become in compliance; reapply, and pro-rate the cost.

YES: Lopez, Silva, Rodriguez, Cervantes
NOES: None
ABSENT: Garcia
ABSTAIN: None

17. **SUBJECT:** Consideration and necessary action regarding the Events Committee

Recommendation: Appointment of new members and update of special events

David Lopez and Sabrina Portillo are requesting to join the Events Committee and needed Council approval. Also presented the Christmas Toy Give Away on December 21, 2018.

Upon the motion by Mayor Pro Tem Silva and seconded by Councilman Rodriguez, Council approve to add Mr. David Lopez and Sabrina Portillo to the events committee.

YES: Lopez, Silva, Rodriguez, Cervantes
NOES: None
ABSENT: Garcia
ABSTAIN: None

18. **SUBJECT:** Cancellation of the second City Council Meeting in December 2018

Recommendation: Council to approve to cancel the second City Council Meeting in December 2018

Upon the motion by Mayor Pro Tem Silva and seconded by Councilman Rodriguez, Council approve to cancel the second City Council Meeting in December 2018.

YES: Lopez, Silva, Rodriguez, Cervantes
NOES: None
ABSENT: Garcia
ABSTAIN: None

19. SUBJECT: City Manager's Position

Recommendation: Council to approve to advertise for the City Manager's Position

Council recommended staff to advertise for the City Manager's Position and Mayor requested that the resumes be sent to him.

YES: Lopez, Silva, Rodriguez, Cervantes
NOES: None
ABSENT: Garcia
ABSTAIN: None

F. City Council & Successor Agency

21. SUBJECT: Designated authorized signers on the LAIF Account

Recommendation: Successor Agency to approve the RDA Resolution SA 2018-04 authorizing signers on the LAIF Account

Upon the motion by Councilwoman Cervantes and seconded by Mayor Pro Tem Silva, Council approved the RDA Resolution SA 2018-04 authorizing signers on the LAIF Account

YES: Lopez, Silva, Rodriguez, Cervantes
NOES: None
ABSENT: Garcia
ABSTAIN: None

G. Public Forum

Members of the public wishing to address the City Council on an item that is not on the agenda may do so now. No action will be taken by the City Council this evening. But items presented may be referred to the City Manager for follow up and a report. In order to allow time for all comments, each individual is limited to three minutes. When addressing the Council, you are requested to come forward to the speakers microphone, state your name and address, and then proceed with your comments.

H. City Manager's Report

None.

I. City Attorney's Report

City Attorney indicated that the FOCAS Group need to help themselves and appreciate Mayor for handling the meeting with FOCAS

J. City Council Communications

Councilman Josie Cervantes

Thanked for employees for their hard work.

Mayor Pro Tem Silva:

Thank Employees and Dan and Rudy.

Interim City Manager Rudy Hernandez invited Council to the Christmas Luncheon

Mayor Victor P. Lopez:

Mayor thanked everyone who supported and voting for Hope Rodriguez, Roy Rodriguez and Mayor Lopez

K. Adjournment

Mayor Lopez adjourned the City Council Meeting at 9:40 p.m.

RESPECTFULLY SUBMITTED:

June V. Bracamontes, City Clerk
City of Orange Cove

PRESENTED TO COUNCIL:

DATE: _____

ACTION: _____

POLICE DEPARTMENT MONTHLY REPORT

January 14, 2019

STAFF LEVELS

Staff levels remain the same. 10 plus myself. Reserve Officers Urrea filling shifts. Reserve Officer Ngo on call when needed to fill a shift. Officer Jurado applied at Kings County Sheriff's Office. Sgt Pena applied at Clovis PD.

Events Next should be Easter time.

K-9

Explorer Program No changes

Grants

Training MK 43 training started will continue. We need to start considering replacements for the MDTs that are old and should be replaced.

Cameras

Vehicles Two SUVs. Delayed. Expect arrival mid-February. After arrival they still need to be painted Black and White and then retro-fitted.



ORANGE COVE POLICE DEPARTMENT

DECEMBER 2018 MONTHLY STATISTICS

CHIEF OF POLICE - MARTY RIVERA



PART 1 CRIMES						
	NOV	DEC	%	YTD	YTD	
	2018	2018	Change	2017	2018	
Homicide	0	0	0%	5	1	
Rape	0	0	0%	1	3	
Attempted Murder	0	0	0%	1	0	
Robbery	0	0	0%	4	3	
Assault	1	0	-100%	51	22	
Burglary	2	3	50%	17	25	
Grand Theft Auto	5	2	-60%	23	27	
Total Part 1 Crimes	8	5	-38%	102	81	
PART 2 CRIMES						
	NOV	DEC	%	YTD	YTD	
	2018	2018	Change	2017	2018	
Sex Crimes	0	2	200%	8	11	
Narcotics	2	2	0%	25	29	
Child Abuse	1	0	-100%	2	6	
Runaways	3	0	-100%	3	12	
Total Part 2 Crimes	6	4	-33%	38	58	
TRAFFIC STATISTICS						
	NOV	DEC	%	YTD	YTD	
	2018	2018	Change	2017	2018	
Total Traffic Collisions	3	7	133%	67	68	
Fatalities	0	0	0%	1	2	
Injury	0	1	100%	10	7	
Non Injury	1	4	300%	42	37	
Hit & Run	2	2	0%	14	22	
ENFORCEMENT STATISTICS						
	NOV	DEC	%	YTD	YTD	
	2018	2018	Change	2017	2018	
Total Traffic Citations	24	40	67%	352	620	
Total Vehicle Stops	68	119	75%	1,133	1,580	
Seatbelt Violations	1	0	-100%	10	27	
Unsafe Speed Violations	0	2	200%	17	12	
Fail To Obey Stop Sign/Light	2	2	0%	71	85	
Driving Under the Influence	2	3	50%	22	33	
Gang Arrests - Felony	1	0	-100%	17	11	
Gang Arrests - Misdemeanor	0	1	100%	26	11	
Gang Field Interview Cards	2	1	-50%	49	34	
Juvenile Detentions/Arrests	3	0	-100%	8	12	
Adult Arrests	16	23	44%	334	340	

	NOV	DEC	%	YTD	YTD
	2018	2018	Change	2017	2018
5150	2	1	-50%	36	35
Agency Assist	14	17	21%	290	136
Battery	3	2	-33%	24	22
Evading/Obstructing Officer	0	2	200%	11	20
Fraud	0	0	0%	5	4
Identity Theft	1	0	-100%	7	6
Spousal Abuse	6	4	-33%	64	64
Graffiti/Vandalism	2	8	300%	72	63
Veh. Burglaries	0	1	100%	14	8
General Incidents	13	10	-23%	147	205
Weapons Confiscated	3	0	-100%	12	28
Petty Theft	3	5	67%	51	51
Public Intoxication	2	0	-100%	9	11
Suspended License	0	4	400%	23	23
Unlicensed Drivers	8	5	-38%	61	93
Vehicles Towed	12	11	-8%	102	171
Vehicles Released	6	5	-17%	40	82
Case Number Drawn	104	120	15%	1,521	1749

ENGINEER'S REPORT

TO: CITY OF ORANGE COVE CITY COUNCIL

FROM: ALFONSO MANRIQUE, PE
AM CONSULTING ENGINEERS, INC.

SUBJECT: PROJECT PROGRESS UPDATE

DATE: JANUARY 14, 2019

This Engineer's Report provides an update on the progress of the various projects that we are currently working on:

1. Site Plan Reviews

a. Stars & Stripes Towing Yard

The revised site plan approval letter has been mailed to the owner, currently waiting on building plans.

b. Burger King Improvements

Owner has been issued grading permit. Project is currently under construction.

c. Pizza Parlor

A comment letter on this site plan has been sent to the developer. The City Engineer has been contracted by the developer regarding the removal of the existing water dispenser.

d. Smog Shop

The appeal was heard at the Council meeting on December 12, 2018. City Council approved the Conditional Use Permit for the Smog Shop.

e. Adventist Health

City Council approved the use of transit related expenses for ADA related improvements by and between the City and Adventist Health at the December 12, 2018 City Council meeting. The City has received a bid proposal from Florez Construction for \$1,950.00 to construct the ADA ramp. Staff will be issuing a notice to proceed to begin construction of the ramp.

f. ADA Improvements on Park Blvd.

A comment letter on this site plan has been sent to the owner. Engineer is currently waiting on a response.

g. Dollar General ABC License

The Interim City Manager has signed the ABC Form 245, which has been submitted to the developer.

2. FHWA Projects

a. Adams Avenue Reconstruction from Friant-Kern Canal to Hills Valley Road

This project consists of reconstructing the existing pavement and the installation of asphalt concrete dikes, street lights, and pavement striping and markings. The Preliminary Environmental Study (PES) has been submitted to Caltrans. The Location Hydraulic Study and Summary Floodplain Encroachment Report have been completed. Gateway Engineering is developing project specifications and has completed the plans. Gateway Engineering is preparing the right of way certification. We will submit a Request for Authorization for Construction in May after Fresno COG approves formal amendments. Invoice No. 3 was submitted on December 28, 2018 and is currently being reviewed by Caltrans.

b. Adams Avenue Reconstruction from Jacobs Avenue to 4th Street

This project consists of roadway reconstruction, replacing curb and gutter, and miscellaneous concrete repair. Gateway Engineering estimates the plans are 40% complete. Gateway Engineering will prepare and submit the PES, right of way certification, and technical specifications. We will submit a Request for Authorization for Construction once these documents are completed.

c. 2015 ATP School Safety Improvements

This project consists of constructing bulb-outs at three intersections, installing enhanced visibility crosswalks at four intersections, and installing eight rectangular rapid flashing beacons. Gateway Engineering estimates the plans are 70% complete. Gateway Engineering will prepare and submit the PES, right of way certification, and technical specifications. City Council awarded the construction of the project to JT2 Inc. DBA Todd Companies on December 12, 2018. Engineer issued the Notice of Award and has received an executed Construction Agreement. Engineer is working with Todd Companies to schedule a pre-construction meeting in the upcoming weeks.

d. D Street Sidewalks from 9th Street to Center Street

This project consists of constructing sidewalks and ADA-compliant curb ramps on the south side of D Street. Gateway Engineering estimates the plans are 10% complete. Gateway Engineering will prepare and submit the PES, right of way certification, and technical specifications. We will submit a Request for Authorization for Construction once these documents are completed.

e. Pavement Management System

NCE is reviewing the field surveys. Data is being uploaded into the management software.

f. SB1 Projects

AM Consulting Engineers submitted the FY17/18 Expenditure Report ahead of the October 1 deadline. No funds were expended on SB1 projects during the 17/18 fiscal year. The only project for the 17/18 fiscal year was a sidewalk repair project on Park Blvd. This project has not been designed yet due to budget concerns. The project has been deferred to the 18/19 fiscal year.

AM Consulting has confirmed that the list of projects can be modified as needed. Paving the Parking lot would be eligible.

3. EDA Off-site Improvements at Northwest Corner of Park Blvd and Anchor Ave

The EDA has reviewed the application for completeness. The Engineer has been working with City staff to obtain the dates and council meeting agendas for when the project was presented to the public. The application will be submitted by January 4, 2019.

4. Water Enterprise

a. Friant Kern Canal Shut-down

Engineer has prepared and submit the DWSRF Application. To complete the application, we will need the CEQA process to be complete. Jose Robledo at the State Water Boards has been contacted to confirm if the City is eligible to receive DWSRF funding. He has stated that the City is eligible to receive funding to install liners in the existing basins but will not be eligible to receive funding for the construction on a new retention basin.

5. Sewer Enterprise

The NOC was filed with the County. Final Payment to Dawson Mauldin needs to be made.

6. Housing Element Update

The City Planer Greg Collins has made corrections to the Housing Element. Two public hearing has been scheduled for the approval of the Housing Element; the first will be held before the Orange Cove Planning Commission on January 15, 2019, and the second will be held before the Orange Cove City Council on January 23, 2019. Engineer will recommend that the City Council approve the update to the Housing Element at the January 23rd meeting.

7. 2019 Affordable Housing Sustainable Communities (AHSC) Program

The City is working with the developers to prepare an application to the 2019 AHSC Program. Engineer has developed pedestrian and bike facilities improvements and prepared a capital construction cost estimate. The developer's consultant has requested that the City adopt a resolution authorizing the City of Orange Cove to submit an application for the AHSC Program. Engineer has prepared a staff report and resolution to be adopted during tonight's meeting. An appraisal of the property will be completed by January 15th or prior to the City Council Meeting. The Interim City Manager and Developer have prepared a resolution for the sale of the property for fair market value to be adopted during tonight's meeting.

8. Modifications to Engineering Agreements for Water Treatment Plant Expansion and Retention Basin Lining Planning Study with Yamabe & Horn Engineering, Inc. and AM Consulting Engineers

The Water Board has approved funding for an SRF Planning Grant to expand the capacity of the WTP to provide additional capacity and redundancy for the existing filter trains. In addition, the raw water retention basins that are used to store water when the Friant-Kern Canal is shut down leak and do not hold enough water to supply the City's needs during that time. City Council approved engineering agreements with Yamabe & Horn Engineering (Y & H) for the Basin Lining portion of the work and AMCE for the WTP Expansion. Work on the Planning Study has commenced which included the preliminary pre-design for the project, soil and surveying, engineering reports selecting the preferred alternative, and preliminary environmental studies, and preparation of construction plans and specifications. The preliminary environmental studies found that additional cultural investigations are needed to satisfy the State Water Board's requirements.

Y&H has prepared a staff report and resolution approving modifications to the engineering agreement for tonight's. Proposed modifications to the engineering agreement include adding CEQA investigations to the Y&H Engineering agreement and reducing the maximum fee from \$215,000 to \$214,202 to provide engineering services and adding a Contract Administration phase to the AMCE agreement and increasing the maximum fee from \$250,000 to \$275,000.

9. Review of Application for Tentative Parcel Map

Engineer received an application for a tentative parcel map for APN 375-121-02. The application has been sent to the Public Works and Public Safety Department for their review. Engineer has requested that written comments be returned by January 16th. Once comments have been received, they will be sent to Karl Schoettler for inclusion with comments from Engineering, Planning, and Surveying Staff.


10. Cal Recycle Application

Engineer submitted the application for the City County Payment Program (CCPP) for the FY 2018-2019 Orange Cove Contract on January 4th. The City is submitting a funding request for \$5,000 for the development of a beverage container recycling program.



For the Meeting of: January 14, 2019

CITY OF ORANGE COVE REPORT TO THE CITY COUNCIL

To: Orange Cove City Council
From: Alfonso Manrique, City Engineer 
Subject: Amaya Development and Affordable Housing and Sustainable Communities Grant Application

Attachments: Resolution 2019- 05

RECOMMENDATION:

Staff recommends that the City Council adopts the attached Resolution authorizing the City Manager to submit an application for the Affordable Housing and Sustainable Communities Program.

EXECUTIVE SUMMARY:

This Resolution authorizes the City Manager, or his designees, to submit an application under the FY 2017-2018 State of California's Affordable Housing and Sustainable Communities program ("AHSC program") as a joint applicant and joint grantee with AMG & Associates, LLC in connection with the Amaya Development (the "Project").

BACKGROUND:

The State of California, the Strategic Growth Council (SGC) and the Department of Housing and Community Development (Department) issued a Notice of Funding Availability dated October 2, 2017 (NOFA), under the Affordable Housing and Sustainable Communities (AHSC) Program. The AHSC program provides competitive grants and loans to projects that will achieve GHG reductions and benefit disadvantaged communities through the development of affordable housing and related infrastructure, and active transportation and transit improvements located near, connecting to, or including transit stations or stops. The AHSC program encourages partnerships between local municipalities, transit agencies and housing developers in order to achieve integration of affordable housing and transportation projects. The AHSC Program includes two eligible Project Area types as defined below:

1. Transit Oriented Development (TOD) Project Areas, and
2. Integrated Connectivity Project (ICP) Project Areas.

A Transit Oriented Development (TOD) Project Area must demonstrate vehicle miles traveled reduction through fewer or shorter vehicle trips or mode shift to transit use, bicycling or walking by integrating Qualifying High-Quality Transit systems and Key Destinations including residential/mixed-uses, with an emphasis on affordable housing development and Disadvantaged Community benefits within a neighborhood, district or corridor.

AMG & Associates, LLC (AMG) is proposing to construct an 81-unit affordable housing development in the vacant area south of Park Boulevard, adjacent to the Adventist Health medical office. The Amaya Development will consist of an 81-unit complex that will be available to low, moderately-low, and extremely low-income families. AMG & Associates, LLC has retained the Community Development Resource Group to prepare a 2019 AHSC Application to fund the construction of the project. In order to be eligible for AHSC funding, the project must include improvements that will enhance and promote transit accessibility within the neighborhood by

providing a variety of supporting infrastructure improvements focused on connecting residents and key neighborhood destinations. Such improvements include active transportation improvements that would encourage walking and biking, safe and accessible street improvements, enhancing the visibility of neighborhood pathways, and improving transit station and express bus stops areas.

Staff have been working with AMG and the Community Development Resource Group in preparing the AHSC Application that will be submitted by February 11, 2019. As part of the application, Staff is proposing to construct approximately 5,000 linear feet of new sidewalks with curb and gutter and street lights along South Anchor Avenue and 6th Street and approximately 6 miles of bike trails that will connect the City of Orange Cove's schools. In addition to the sidewalk and bike trail improvements, Staff is also proposing to improve four existing bus stops along Park Boulevard by installing bus shelters and benches and constructing a new bus stop in front of the Adventist Health medical office. Staff estimates that the total project cost for these transportation improvements would be approximately \$2,461,675.00. The City of Orange Cove would be eligible for a 100 percent grant through the AHSC Program, with no match required.

FISCAL IMPACT:

There is no fiscal impact associated with the adoption of the attached Resolution. If awarded, grant funding will be distributed directly to the affordable housing developers, AMG. For the sidewalk and bicycle improvement components of the Amaya Development project, the City and State will enter into a subsequent grant agreement that will identify the reimbursements of these funds.

CONFLICT OF INTEREST:

None.

Prepared by: Angela Hall

Approved by: Alfonso Manrique

REVIEW: City Manager: Rudy Hernandez

Finance: _____

City Attorney: _____

TYPE OF ITEM:

COUNCIL ACTION: ☐ APPROVED ☐ DENIED ☐ NO ACTION

____ Consent
____ Info Item
☒ Action Item
____ Department Report
____ Redevelopment Agency

____ Public Hearing
____ Matter Initiated by a Council Member
____ Other
____ Continued to: _____

RESOLUTION NO. 2019-05

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ORANGE COVE
AUTHORIZING THE CITY MANAGER TO SUBMIT AN APPLICATION FOR THE
AFFORDABLE HOUSING AND SUSTAINABLE COMMUNITIES PROGRAM

WHEREAS, the State of California, the Strategic Growth Council (SGC) and the Department of Housing and Community Development (Department) has issued a Notice of Funding Availability dated October 2, 2017 (NOFA), under the Affordable Housing and Sustainable Communities (AHSC) Program established under Division 44, Part 1 of the Public Resources Code commencing with Section 75200; and

WHEREAS, the City of Orange Cove ((PWC) desires to apply for AHSC Program funds and submit the Application Package released by the Department for the AHSC Program.; and

WHEREAS, the SGC is authorized to approve funding allocations for the AHSC Program, subject to the terms and conditions of the NOFA, Program Guidelines, Application Package, and Standard Agreement; and

WHEREAS, the Department is authorized to administer the approved funding allocations of the AHSC Program.

NOW, THEREFORE BE IT RESOLVED, by the City Council of the City of Orange Cove, California, as follows:

1. Applicant is hereby authorized and directed to apply for and submit to the Department the AHSC Program Application, as detailed in the NOFA dated November 1, 2018, for Round 4 in a total amount not to exceed \$25,000,000.00 of which up to \$14,000,000.00 is requested as a loan for an Affordable Housing Development (AHD) ("AHSC Loan") and up to \$11,000,000.00 is requested for a grant for Housing-Related Infrastructure (HRI), Sustainable Transportation Infrastructure (STI), Transit-Related Amenities (TRA) or Program (PGM) activities ("AHSC Grant") as defined in the AHSC Program Guidelines adopted by SGC on October 29, 2018. If the application is approved, the Applicant is hereby authorized and directed to enter into, execute, and deliver a State of California Standard Agreement (Standard Agreement) in a total amount not to exceed \$25,000,000.00 (up to \$14,000,000.00 for the AHSC Loan and up to \$11,000,000.00 for the AHSC Grant), and any and all other documents required or deemed necessary or appropriate to secure the AHSC Program funds from the Department, and all amendments thereto (collectively, the "AHSC Documents").
2. Applicant shall be subject to the terms and conditions as specified in the Standard Agreement. Funds are to be used for allowable capital asset project expenditures to be identified in Exhibit A of the Standard Agreement. The application in full is incorporated as part of the Standard Agreement. Any and all activities funded, information provided, and timelines represented in the application are enforceable through the Standard Agreement. Applicant hereby agrees to use the funds for eligible capital asset(s) in the manner presented in the application as approved by the Department and in accordance with the NOFA and Program Guidelines and Application Package.

3. The City Manager is hereby authorized to execute in the name of the Applicant the AHSC Program Application Package and the AHSC Program Documents as required by the Department for participation in the AHSC Program.

This resolution was adopted at a Regular Meeting of the City Council of the City of Orange Cove held on January 14, 2019 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Victor P. Lopez, Mayor

ATTEST:

June Bracamontes, City Clerk



Yamabe & Horn Engineering, Inc.

CIVIL ENGINEERS • LAND SURVEYORS

For the Meeting of: January 14, 2019

To: Orange Cove City Council
From: Gary D. Horn
Subject: Resolution Approving Modifications to Engineering Agreements for Water Treatment Plant Expansion and Retention Basin Lining Planning Study with Yamabe & Horn Engineering, Inc. and AM Consulting Engineers

Attachments: Resolution and Agreements

RECOMMENDATION:

Council adopt the attached resolution approving modifications to engineering agreements for the SRF Planning Grant for the Water Treatment Plant Upgrade and Raw Water Storage Basin Lining Project and authorizing the City Manager to sign agreement addendums changing the following:

1. Adding the CEQA investigations to the Yamabe & Horn Engineering agreement and reducing the maximum fee from \$215,000 to \$214,202. to provide engineering services
2. Adding the Contract Administration phase to the AM Consulting Engineers (AMCE) agreement and increasing the maximum fee from \$250,000 to \$275,000.

EXECUTIVE SUMMARY:

The Water Board has approved funding for a SRF Planning Grant to expand the capacity of the WTP to provide additional capacity and redundancy for the existing filter trains. In addition, the raw water retention basins that are used to store water when the Friant-Kern Canal is shut down leak and do not hold enough water to supply the City's needs during that time. The Council approved engineering agreements with Yamabe & Horn Engineering (Y & H) for the Basin Lining portion of the work and AMCE for the WTP Expansion.

Work on the Planning Study has commenced which included the preliminary pre-design for the project, soil and surveying, engineering reports selecting the preferred alternative, and preliminary environmental studies, and preparation of construction plans and specifications. The preliminary environmental studies found that additional cultural investigations are needed to satisfy the State Water Board. The environmental work was not included in the original agreements since the scope of the work was unknown at that time. Now that the scope of the environmental work has been defined, the engineering agreements need to be modified to include that work. Additionally, with the change in the City Engineering position from Gary Horn to Alfonso Manrique, the administration tasks should be shifted from Y & H to AMCE.

BACKGROUND:

The WTP has two filter trains and is nearing capacity, with no redundancy for supply when one filter train is down for maintenance. Additionally, the Raw Water Retention Basins that are used to supply the WTP during times when the Friant-Kern Canal is down for maintenance leak and do not hold a sufficient amount of water to supply the City's needs during this period.

The State has approved grant funding in the amount of \$500,000 for drinking water system improvements through its SRF program. The City was reimbursed \$10,798 from the grant for preparation of the application, leaving \$489,202 for the design work.

The work done under the Planning Grant includes the following:

1. Project Evaluation and Pre-design Engineering – This phase identified various options for the improvements. Previous studies completed for the WTP were reviewed and updated.
2. Surveying and Soils Investigation – Topographic surveys and soils investigation have been conducted for use in the design.
3. Engineering Report – A report summarized all of the alternatives and selected a preferred alternative, basis for design, cost estimates and conceptual design.
4. Environmental Investigation – Preparation of CEQA documents for the project.

5. Plans and Specifications – Preparations of construction documents ready for bid so that an accurate application for construction funding can be submitted.

An application for construction funding will be submitted once the planning study is completed.

The existing agreement with AMCE covers the WTP expansion and is for a maximum of \$250,000. The current agreement with Y & H is for a maximum of \$215,000 and covers the surveying, design of the basin lining project and contract administration.

Now that the preliminary design work and preliminary environmental review has been completed, the full scope of the environmental work is known. The cost for the CEQA work is \$62,000. The original agreements did not cover this portion of the work and must be modified. Other phases of the Y & H portion of the work did not take as much time, while others have taken more. The net reduction in the Y & H agreement is \$898.

Additionally, with the change in the City Engineering position from Gary Horn to Alfonso Manrique, the administration tasks should be shifted from Y & H to AMCE. This will add \$25,000 to the AMCE agreement.

The following table shows the various tasks and contract amounts for both Y& H and AMCE.

TASK	YAMABE & HORN		AM CONSULTING		TOTAL REVISED
	ORIGINAL AGREEMENT	REVISED AGREEMENT	ORIGINAL AGREEMENT	REVISED AGREEMENT	
1 PROJECT EVAL & PRE-DESIGN ENGR	\$65,000	\$12,055	\$15,000	\$15,000	\$27,055
2 GEOTECHNICAL & SURVEYING	\$10,000	\$17,312			\$17,312
3 ENGR REPORT & CONCEPT DESIGN		\$3,500	\$10,000	\$10,000	\$13,500
4 CEQA/NEPA		\$62,000			\$62,000
5 PLANS & SPECS	\$105,000	\$115,500	\$225,000	\$225,000	\$340,500
6 ADMIN	\$35,000	\$3,835	\$0	\$25,000	\$28,835
TOTAL	\$215,000	\$214,202	\$250,000	\$275,000	\$489,202

REASON FOR RECOMMENDATION:

The City needs to expand capacity at the WTP and line the Raw Water Retention Basins. Completing the engineering studies and preparation of the plans and specifications will allow the City to apply for construction funds.

FISCAL IMPACT: There is no required City match because Orange Cove is a disadvantaged community.

ALTERNATIVES: The Council may choose an alternate action.

ACTIONS FOLLOWING APPROVAL: The City Manager will sign the agreements and engineering work will continue.

CONFLICT OF INTEREST: None.

RESOLUTION NO. 2019-04

A RESOLUTION OF THE COUNCIL OF THE CITY OF ORANGE COVE, CALIFORNIA,
APPROVING ADDENDUMS TO AGREEMENTS FOR ENGINEERING SERVICES WITH
YAMABE & HORN ENGINEERING, INC. AND AM CONSULTING ENGINEERS FOR
THE WATER TREATMENT PLANT EXPANSION AND RETENTION BASIN LINING SRF
PLANNING GRANT PROJECT

WHEREAS, the City has received approval for a State Revolving Fund grant from the State Water Board for a Planning Grant to study the expansion of the Water Treatment Plant and Lining of the Raw Water Retention Basins; and

WHEREAS, civil engineering services are required to complete the requirements of the planning grant; and

WHEREAS, the City has approved agreements with Yamabe & Horn Engineering, Inc. and AM Consulting Engineers to provide civil engineering services for the project; and

WHEREAS, the extent of the environmental review for the project was not known when the existing agreements were approved, and the scope of the environmental studies is now known; and

WHEREAS, the scope of work and fee amount for Yamabe & Horn Engineering, Inc. needs to be modified to include environmental review and elimination of the contract administration with the State Water Board; and

WHEREAS, the scope of work for AM Consulting Engineers needs to be modified to include the contract administration with the State Water Board.

NOW, THEREFORE BE IT RESOLVED, by the City Council of the City of Orange Cove, California, as follows:

1. The above recitals are true and correct and are adopted as the findings of the City Council.
2. The agreement with Yamabe & Horn Engineering, Inc. dated October 13, 2016 to provide civil engineering services for the Water Treatment Plant Expansion and Lining of the Raw Water Retention Basins SRF Planning Grant Project is modified to add the environmental review and terminate the task of administration of the City's agreement with the State Water Board, and change the maximum fee for the work to \$214,202.
3. The agreement AM Consulting Engineers dated October 13, 2016 to provide civil engineering services for the Water Treatment Plant Expansion and Lining of the Raw Water

Retention Basins SRF Planning Grant Project is modified to add the task of administration of the City's agreement with the State Water Board, and change the maximum fee for the work to \$275,000.

4. The City Manager is authorized to sign the Addendum to Agreement with both each company.

This resolution was adopted at a Regular Meeting of the City Council of the City of Orange Cove held on January 14, 2019, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Victor P. Lopez, Mayor

ATTEST:

June Bracamontes, City Clerk

**ADDENDUM TO AGREEMENT FOR
PROFESSIONAL ENGINEERING SERVICES
TO THE CITY OF ORANGE COVE
WATER TREATMENT PLANT EXPANSION AND
RETENTION BASIN LINING PROJECT**

This Agreement made and entered into this _____ day of _____ ,
2019, between the City of Orange Cove, a municipal corporation of the State of California,
hereinafter called "CITY", and AM Consulting Engineers, hereinafter called "ENGINEER".

WITNESSETH

WHEREAS, the City and Engineer entered into a Professional Engineering Service Agreement dated October 13, 2016 to prepare an engineering study, construction plans and specifications for the expansion of its Water Treatment Plant and Lining of the raw water basins for the treatment plant hereinafter called "Project"; and

WHEREAS, the City and Engineer wish to modify the scope of work and fee amount of the existing agreement; and

NOW THEREFORE, the parties hereto mutually agree as follows:

SCOPE OF WORK:

Section B of the Professional Engineering Service Agreement is amended as follows: ENGINEER shall provide the professional services set forth in EXHIBIT A attached hereto and incorporated herein by reference. ENGINEER accepts full responsibility for the scope of services provided by subcontractors necessary for delivery of the project. ENGINEER shall comply with all City of Orange Cove standards and requirements.

COMPENSATION

Section E of the Professional Engineering Service Agreement is amended as follows: CITY Agrees to compensate ENGINEER on a time and material basis according to the Fee Schedule in attached Exhibit A, not to exceed Two Hundred Seventy-five Thousand Dollars (\$275,000). It is understood and agreed by both parties that all expenses incidental to ENGINEER'S performance of services are included in the maximum fee.

EFFECTIVE DATE

This Agreement is effective as of the ____th day of _____, 2019.

IN WITNESS WHEREOF, duly authorized representatives of the CITY and of the ENGINEER have executed this Agreement evidencing its issuance by CITY and acceptance by ENGINEER.

* * * * *

CITY
CITY OF ORANGE COVE

ENGINEER
AM Consulting Engineers

By _____
Rudy Hernandez, City Manager

By _____

ATTEST:

June Bracamontes, City Clerk

EXHIBIT A

Scope of Work and Fee

BACKGROUND

The City of Orange Cove operates a Water Treatment Plant (WTP) to supply all of the water needed within the City. Source Water for the WTP is obtained from the Bureau of Reclamation through the Friant-Kern Canal. The City does not use any groundwater wells. The WTP has two treatment filter trains that employ different types of filter processes. Plant A was constructed in 1974 with a capacity of 1,050 gallons per minute (gpm) and consists of a circular flocculator-clarifier and four modular steel rapid sand filters. Plant B was constructed in 1996, also has a capacity of 1,050 gpm and contains two modular steel contact clarifier-filters. The two plants are designed to produce a total of 2,100 gpm or 3 million gallons per day (mgd).

Treated water is stored in a ground level 2-million-gallon steel tank. Booster pumps deliver the treated water from the storage tank to the City's water distribution system as needed. The flow rate to the treatment filters is adjusted each day at a particular rate in 100-gallon increments needed to maintain an adequate water level in the storage tank. That filter rate is then maintained for a 24-hour period. The plant operator records the filter rate that is set for each day.

The WTP maximum design filter capacity is 2,100 gpm. Using the current maximum day flow rate of 1,600 gpm, the WTP is operating at 76% of capacity. As stated earlier, each of the two filter trains is designed to produce 1,050 gpm. Plant A was constructed in 1974 and due to its age, the operational capacity of that filter train is limited to 800 gpm. Plant B is newer but its treatment capacity is also limited to 90 percent of its design capacity, or 945 gpm. The actual combined capacity is therefore 1,745 gpm.

There is no redundancy built into the WTP. If one of the filter trains develops a mechanical problem, the City will not be able to provide adequate water for its customers. If the City had to rely upon Plant A capacity only at 800 gpm during peak demand days of 1,600 gpm, then the 2 MG storage tank would provide less than 2 days of capacity.

The City retained a consultant to prepare a Facilities Concept Planning Report for the expansion of the WTP for the City of Orange Cove in May 2007. The consultant's report recommendation was to install a new microfiltration or ultrafiltration (MF/UF) system to increase capacity. This would mean that the City would have three different treatment processes at the WTP. The report did not consider installing a newer version of the existing Plant B filter process that would be familiar to the plant operators. The consultant's report did not address the clarifier in Plant A which is in need of repair, rehabilitation or replacement. As part of this planning and design phase the City would like to evaluate those elements that were not previously addressed and determine the preferred project to plant upgrade the WTP to provide continuing service.

SCOPE OF WORK

Task 1 - Project Evaluation & Preliminary Engineering and Design

AM Consulting Engineers, Inc. (AMCE) will conduct an evaluation of water treatment options and treatment plant improvements that are needed to meet the water quality standards and drinking water system demands. The following alternatives will be evaluated:

1. Refurbish Plants A and B and add a Plant C. Plant C would be sized to meet future water demand.
2. Abandon Plant A, Refurbish Plant B and add a Plant C. Plant C would be sized to meet future water demand and replace the capacity of Plant A.

AMCE's evaluation will provide a comparison of the following treatment technologies being considered for Plant C:

- ❖ Microfiltration/Ultrafiltration
- ❖ Ballasted Flocculation followed by Filtration (process used by existing Plant B)

Finally, AMCE will also conduct an evaluation of existing Plants A and B, ancillary equipment and processes and provide recommendations to improve their performance.

AMCE will prepare a Preliminary Engineering Report (PER) that includes a summary of alternatives evaluated, the selection of a preferred alternative, and the proposed construction project. AMCE will submit a copy of the DRAFT PER to the City and to the State Water Resources Control Board (SWRCB) for review and comment. AMCE will attend a review meeting to review the findings and recommendations of the PE with SWRCB and City staff. AMCE will incorporate comments from City and SWRCB and re-submit the PER to the SWRCB for approval.

Task 2 – Engineering Report and Conceptual Design

Prepare an engineering report and conceptual design for the chosen alternative.

Task 3 – Preparation of Construction Documents (Plans and Specifications)

AMCE will develop construction plans, specifications, and detailed cost breakdown for the selected (and approved) construction project. The construction documents will cover all the engineering disciplines (i.e. civil, process, structural, electrical and instrumentation).

Formal submittals to the City and SWRCB will be prepared at the 80 percent and 100 percent completion stages. Submittals will include a set of plans (half-size), specifications, and an opinion of probable construction cost. A review meeting will be held with City and SWRCB staff after each submittal to review and discuss comments. After the review and approval of the 100 percent completion construction documents by the City and the SWRCB, AMCE will prepare a final update of the opinions of probable construction costs.

Task 4 – Administration

1. Administer the agreement between the City and State Water Board, submit invoices to State and required reports.
2. Review engineering reports, plans and specifications prepared by other consultants.

FEE

AMCE proposes to complete the tasks in the Scope of Work for a not to exceed fee of \$275,000. The total fee will be invoiced monthly according to the most recent hourly rate schedule.

Task	Fee
Task 1 - Project Evaluation & Preliminary Engineering	\$15,000
Task 2 – Engineering Report & Conceptual Design	\$10,000
Task 3 – Preparation of Construction Documents	\$225,000
Task 4 – Administration of Agreement	\$25,000
Total	\$275,000

Fees for Professional Services Hourly Rate Schedule (Effective January 1, 2016)

CLASSIFICATION	RATE
Engineering	
Associate Engineer	\$85.00 per hour
Senior Engineer	\$100.00 per hour
Principal Engineer	\$125.00 per hour
Project Manager	\$125.00 per hour
Designing/Drafting	
Design CADD Operator	\$75.00 per hour
Support Staff	
Technical Typist/Word Processor	\$65.00 per hour
Miscellaneous	
Fax	\$0.10 per page
8"x11" Copies/Impressions	\$0.10 per page
Reproducible Copies (Mylar)	\$1.00 per sq. ft.
Reproducible Copies (Bond)	\$1.00 per sq. ft.
Mileage	\$0.55 per mile
Meals and Lodging	At cost

Notes:

1. Standard Hourly Rates include salaries and wages paid to personnel in each billing class plus the cost of customary and statutory benefits, general and administrative overhead, non-project operating costs, and operating margin or profit.
2. It is understood and agreed that these rates and charges include normal equipment and materials used in connection with the production of the required engineering and/or architectural services. If authorized by the client, an overtime premium multiplier of 1.5 will be applied to the direct wage cost of hourly personnel who work overtime in order to meet a deadline which cannot be met during normal hours. Applicable sales taxes, if any, will be added to these rates.
3. Fee schedule is subject to general revision. New equipment categories and charges may be added or revised from time to time.

**ADDENDUM TO AGREEMENT FOR
PROFESSIONAL ENGINEERING SERVICES
TO THE CITY OF ORANGE COVE
WATER TREATMENT PLANT EXPANSION AND
RETENTION BASIN LINING PROJECT**

This Agreement made and entered into this _____ day of _____ ,
2019, between the City of Orange Cove, a municipal corporation of the State of California,
hereinafter called "CITY", and Yamabe & Horn Engineering, Inc., hereinafter called
"ENGINEER".

WITNESSETH

WHEREAS, the City and Engineer entered into a Professional Engineering Service Agreement dated October 13, 2016 to prepare an engineering study, construction plans and specifications for the expansion of its Water Treatment Plant and Lining of the raw water basins for the treatment plant hereinafter called "Project"; and

WHEREAS, the City and Engineer wish to modify the scope of work and fee amount of the existing agreement; and

NOW THEREFORE, the parties hereto mutually agree as follows:

SCOPE OF WORK:

Section B of the Professional Engineering Service Agreement is amended as follows:

ENGINEER shall provide the professional services set forth in EXHIBIT A attached hereto and incorporated herein by reference. ENGINEER accepts full responsibility for the scope of services provided by subcontractors necessary for delivery of the project. ENGINEER shall comply with all City of Orange Cove standards and requirements.

COMPENSATION

Section E of the Professional Engineering Service Agreement is amended as follows:

CITY Agrees to compensate ENGINEER on a time and material basis according to the Fee Schedule in attached Exhibit A, not to exceed Two Hundred Fourteen Thousand Two Hundred-two Dollars (\$214,202). It is understood and agreed by both parties that all expenses incidental to ENGINEER'S performance of services are included in the maximum fee.

EFFECTIVE DATE

This Agreement is effective as of the ____th day of _____, 2019.

IN WITNESS WHEREOF, duly authorized representatives of the CITY and of the ENGINEER have executed this Agreement evidencing its issuance by CITY and acceptance by ENGINEER.

* * * * *

CITY
CITY OF ORANGE COVE

ENGINEER
YAMABE & HORN ENGINEERING,
INC.

By_____
Rudy Hernandez, City Manager

By_____
Gary D. Horn, President

ATTEST:

June Bracamontes, City Clerk

EXHIBIT A

SCOPE OF WORK

Task 1 – Project Evaluation and Preliminary Design

- A. Retention Basin Lining Options – The City uses basins to store raw canal water for use during times when the Friant-Kern Canal is out of service for maintenance. Yamabe & Horn will research various materials available for either lining the raw water basins or soil treatment and recommend the best option to stop percolation and seepage. Prepared an opinion of probable cost for the installation.
- B. Negotiate with the Bureau of Reclamation – The City receives surface water from the Central Valley Project through the Friant-Kern Canal. The current allocation of Class 1 water for municipal and industrial uses is 1,400 acre-feet (a-f) per year. The City also has an agreement with Lower Tule Irrigation District to be able to purchase up to an additional 2,000 a-f of Class 1 water. However, if the Class 1 allocations are less than 100%, the amount of water available to the City is limited. Yamabe & Horn will initiate discussions with the Bureau of Reclamation for an increase in its Class 1 allocation.
- C. Preliminary Engineering Report – Prepare an engineering report and submit it to the State Water Board for review and comments. Include a summary of alternatives evaluated, the selection of preferred alternative, and the proposed construction project. Incorporate or address any comments received into a final report for approval by the City and State Water Board.

Task 2 – Site Survey and Geotechnical Engineering

- A. Site Survey – Yamabe & Horn Engineering will conduct a site survey of the Water Treatment Plant to be used in the design of the plant expansion plans. The area to be surveyed will be determined by the results of the Water Treatment Plant preliminary study.
- B. Geotechnical – Yamabe & Horn will engage the services of a Geotechnical Engineer to perform the required investigations and evaluations of the soil conditions for the project.

Task 3 – Engineering Report

- A. Prepare an appraisal for acquisition of additional property for expansion of the storage capacity of the basins.

Task 4 - Plans and Specifications

- A. Basin Lining Project – Prepare plans and specifications for the Basin Lining Project for the raw water basins. Submit plans, specifications and estimated cost to the State Water Board for review and comment.

Task 5 – Administration

- A. Prepare application and submit to the State Water Board
- B. Prepare invoices to the State Water Board for reimbursements up to

Task 6 – Environmental Review

- A. Engage environmental planners to prepare an environmental review of the project and file the required reports in compliance with the California Environmental Quality Act and all applicable Federal statutes required by the State Water Board.

FEE FOR SERVICES

The fee for the services described above will be paid on a time and material basis according to the attached Fee Schedule not to exceed Two Hundred Fifteen Thousand Dollars (\$215,000), summarized as follows:

Task 1 - Project Evaluation and Preliminary Design	\$12,055
Task 2 - Site Survey and Geotechnical	\$17,312
Task 3 – Engineering Report.....	\$3,500
Task 4 - Plans and Specifications	\$115,500
Task 5 - Administration	\$3,835
Task 6 – Environmental Review	<u>\$65,000</u>
Total	\$214,202

CLASSIFICATION

HOURLY RATE

PRINCIPAL ENGINEER	\$130.00
CIVIL ENGINEER III	\$125.00
LAND SURVEYOR II	\$115.00
LAND SURVEYOR I	\$110.00
CIVIL ENGINEER II	\$110.00
CIVIL ENGINEER I	\$100.00
ASSISTANT ENGINEER II	\$95.00
ASSISTANT ENGINEER I	\$90.00
CONSTRUCTION MANAGER II	\$105.00
CONSTRUCTION MANAGER I	\$95.00
INSPECTOR – Prevailing Wage	\$115.00
DRAFTER II	\$80.00
DRAFTER I	\$75.00
CLERICAL	\$55.00
2-MAN SURVEY CREW	\$220.00
1-MAN SURVEY CREW	\$150.00



Date: January 14, 2019
To: Mayor and City Council
From: Rudy Hernandez, Interim City Manager
Subject: Adoption of Resolution Approving the Accounts Payable Policy.
Attachments: Resolution No. 2019-01
Accounts Payable Policy

BACKGROUND:

As part of the annual audit process, the auditor performs a compliance tests on the City's internal control structure as it pertains to cash handling, accounts payable, payroll, fixed assets, purchasing and other financial operations of the City. During the FY 2016-17 audit, the management letter identified some improvements needed in the internal control structure. To address this audit finding, staff is in the process of developing an accounting and procedures manual. The attached accounts payable policy is being recommended by staff to assist in putting together the accounting and procedures manual.

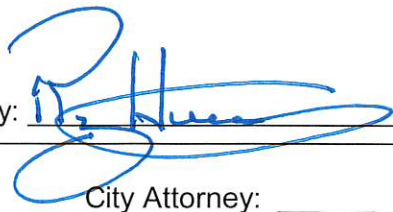
RECOMMENDATION:

That the City Council approve the attached resolution approving the Accounts Payable Policy.

EXECUTIVE SUMMARY:

As per the FY 2016-17 audit report, the City does not have a formal accounts payable policy that has been approved by the City Council. In addition, there is no formal accounting and procedures manual in place to help strengthen the City's internal control structure. Many auditing firms often recommend that Cities adopt an accounting and procedures manual. This Accounts Payable Policy was reviewed and approved by the management team.

Prepared by: Rudy Hernandez

Approved by: 

REVIEW: City Manager: ✓

Finance: _____

City Attorney: _____

TYPE OF ITEM:

COUNCIL ACTION: APPROVED DENIED NO ACTION

____ Consent
____ Info Item
x Action Item
____ Department Report
____ Redevelopment Agency

____ Public Hearing
____ Matter Initiated by a Council
Member
____ Other
____ Continued to: _____

RESOLUTION NO. 2019- 01

**A RESOLUTION OF THE CITY COUNCIL OF THE
CITY OF ORANGE COVE APPROVING THE ACCOUNTS PAYABLE POLICY**

WHEREAS, The City Council of the City of Orange Cove has reviewed the proposed Accounts Payable Policy; and

WHEREAS, the City Council of the City of Orange Cove has, as a result of the review, identified the proposed Accounts Payable Policy as beneficial to the financial operations of the City; and

NOW, THEREFORE BE IT RESOLVED, that the City Council of the City of Orange Cove, California, finds that the proposed Accounts Payable Policy, attached hereto and made a part hereof, is hereby ratified by the City Council to become effective immediately.

This Resolution was adopted by the City Council of the City of Orange Cove at a meeting held on January 14, 2019, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Victor P. Lopez, Mayor

ATTEST:

APPROVED AS TO FORM

June Bracamontes, City Clerk

Dan McClosky, City Attorney

Policy Title: Accounts Payable and Procedures
Policy : Accounting Policies and Procedures Manual

4.00 Purpose and Background

The City of Orange Cove strives to maintain efficient business practices and good cost control. A well-managed accounts payable function can assist in accomplishing this goal from the purchasing decision through payment and check reconciliation.

It is the policy of the City that the recording of assets or expenses and the related liability is performed by an employee independent of ordering and receiving. The amounts recorded are based on the vendor invoice for the related goods or services.

The Accounts Payable Section of the Finance Department of the City supports all City department needs by providing a timely and efficient manner to process payments in compliance with policies and procedures.

The primary objective for accounts payable and cash disbursements is to ensure that:

1. Disbursements are properly authorized.
2. All the required documentation is included
3. Invoices are processed in a timely manner.
4. Vendor credit terms and operating cash are managed for maximum benefits.

4.01 Procedures

- Accounts payable are processed on a daily basis. Information is entered into the MOMS computer software system from approved invoices and the respective attached supporting documentation.
- New Vendor- It is necessary to set up a new vendor before entering a requisition into the MOMS Accounts Payable Module System, each City department must request the vendor to complete and mail in Internal Revenue Service (IRS) Form W-9. When the Department receives this form, the accounts payable staff person will enter the new vendor information into the accounting software. The Department will be able to create a requisition for a purchase order (PO) only after the vendor is set up in the system. The same process described above applies for individuals, companies and corporations.
- The IRS requires the City to obtain an individual's correct taxpayer's identification number or social security number (individuals) and certification that

Policy Title: Accounts Payable and Procedures
Policy : Accounting Policies and Procedures Manual

the payee is not subject to backup withholding. To protect the City and to meet requirements for the IRS, individuals must complete the IRS W-9 to verify their information. This also would apply to individuals who receive payments for such items as: consulting fees, sale of goods, and other personal services. This list is not inclusive.

- Invoices- It is the policy of the City that only original invoices will be processed for payment unless duplicate copies have been verified as unpaid by researching the vendor records. Vendor statements should normally not be processed for payment.
 - a. If an original invoice is not provided, then a written explanation signed by a supervisor shall be required prior to payment.
 - b. If the invoice received does not have a PO, the account payable staff person will send the original invoice to the respective department for them to process the requisition. However, all purchases (except those meeting the exemption requirement) should first obtain a purchase order and should be processed through the MOMS requisition system.
 - c. Each department is responsible for verification of invoices for payment including the following items:
 - i. *Comparison of quantity billed on the invoice with quantities listed on the purchase order or shown on the receiving documents.*
 - ii. *Comparison of prices, discounts, and terms with those specified on the purchase order.*
 - iii. *Proof of clerical accuracy of the invoice with respect to extensions, mathematical accuracy and deductions for discounts.*

4.02 Preparation of an Accounts Payable Package (A/P package)

The vendor invoices should be reviewed and approved by a department director prior to being processed for payment.

All requests for payment to be submitted to finance shall include an A/P package. Each A/P package shall contain the following documents:

- a. Original invoice
 - i. *If original invoice is not available (this should be the exception) a written explanation signed by supervisor is required.*
- b. Packing Slip (where appropriate)

Policy Title: Accounts Payable and Procedures
Policy : Accounting Policies and Procedures Manual

c. Purchase Order

i. All purchases (except those meeting the exemption requirement) require prior requisition through MOMS Accounts Payable order system.

- d. For travel reimbursement request – a travel authorization form shall be signed by both the employee and the department director.
- e. For credit card payments – signature of cardholder and director should be on the statement.
- f. Any other supporting documentation deemed appropriate.

All A/P packages must be approved by the department director. The approval indicates their acknowledgment of satisfactory receipt of those goods or services, agreement with all terms appearing on the vendor invoice, agreement with ledger account coding, and agreement to pay vendor in full.

4.03 Recording and Processing of Accounts Payable.

Information is entered into the system from approved and complete A/P packages. All valid accounts payable transactions, properly supported with the required documentation, shall be recorded as accounts payable in a timely manner.

All payment requests that are received, approved, and supported with proper documentation by Friday at noon shall be recorded as accounts payable for the week and will be paid and mailed out on Friday of the following week.

- a. City departments should obtain their purchase order in a timely manner in order to reduce the number of last minute “emergency” requests.

The following procedures shall be applied to each A/P package by the accounts payable staff person:

- a. Invoices and related general ledger account distribution codes are reviewed prior to posting to the accounting software.
- b. Check the mathematical accuracy of the vendor invoice.
- c. Compare the nature, quantity and prices of items ordered per the vendor invoice to the packing slip and receiving report if one is provided.
- d. Review the general ledger distribution (charged accounts).
- e. The Finance copy of the PO will be pulled out.
- f. Post all PO's requested for payment into the accounting software.

Policy Title: Accounts Payable and Procedures
Policy : Accounting Policies and Procedures Manual

- g. All A/P packages selected for payment shall be reviewed and approved by the Finance Director.
- h. The accounts payable report is matched to the check run.
- i. After the accounts payable checks are processed the accounts payable run is posted to the accounts payable module in the City's financial system. The charges automatically post and are reflected in the general ledger.
- j. Copies of checks will be attached to the A/P packages and all invoices included in the A/P package will be stamped "PAID". These completed A/P packages will then be filed.

The check register report or "Warrant Register" generated must be signed by the Finance Director.

4.04 Payment Discounts

To the extent practical, it is the policy of the City to take advantage of all prompt payment discounts offered by vendors. When availability of such discounts is noted, and all required documentation in support of payment is available, payment(s) will be scheduled so as to take full advantage of the discounts.

4.05 Employee Expense Reports

Reimbursements for travel expenses, business meals, or other approved costs will be made only upon the receipt of a properly approved and completed expense reimbursement form (see travel policy). All receipts must be attached, and a brief description of the business purpose of trip or meeting must be noted on the form. This form must be signed by both the director and the employee.

4.06 Manual Checks

Occasionally, a manual check may be written. To obtain a manual check requires the approval of the City Manager or Director of Finance.

4.07 Void Checks

There are times when a check would need to be "voided" out of the system. In order for this process to occur a Void Check Authorization Form must be filled out and approved by the Director of Finance. The following information must be obtained:

- a. Check number

Policy Title: Accounts Payable and Procedures
Policy : Accounting Policies and Procedures Manual

- b. Amount
- c. Date
- d. Payee
- e. Reason for void
- f. Stop payment required
- g. Check being reissued

Once approval from the Director of Finance is obtained, the void check process is posted in the financial system. A copy of the void check authorization form is given to the Accounts Payable staff person indicating the posting date on the void authorization form. Another copy is placed in that month's bank reconciliation binder.

At the end of the void check process, the following reports are reviewed and filed in the void check file within the bank reconciliation binder by the Accounts Payable staff Person (copy of void check authorization form, copy of accounts payable check, void check proof list).

4.08 Summary

This policy is in place to provide guidelines for the proper processing of accounts payable in a manner that will safeguard the assets of the City.



Date: January 14, 2019
To: Mayor and City Council
From: Rudy Hernandez, Interim City Manager
Subject: Adoption of Resolution Approving the Purchasing and Procedures Policy.
Attachments: Resolution No. 2019-02
Purchasing and Procedures Policy

BACKGROUND:

As part of the annual audit process, the auditor performs a compliance tests on the City's internal control structure as it pertains to cash handling, accounts payable, payroll, fixed assets, purchasing and other financial operations of the City. During the FY 2016-17 audit, the management letter identified some improvements needed in the internal control structure. To address this audit finding, staff is in the process of developing an accounting and procedures manual. The attached purchasing and procedures policy is being recommended by staff to assist in putting together the accounting and procedures manual.

RECOMMENDATION:

That the City Council approve the attached resolution approving the Purchasing and Procedures Policy.

EXECUTIVE SUMMARY:

As per the FY 2016-17 audit report, the City does not have a formal purchasing and procedures manual that has been approved by the City Council. In addition, there is no formal accounting and procedures manual in place to help strengthen the City's internal control structure. Many auditing firms often recommend that Cities adopt an accounting and procedures manual. This Purchasing and procedures Policy was reviewed and approved by the management team.

Prepared by: Rudy Hernandez

Approved by: 

REVIEW: City Manager: ☒

Finance: ☐

City Attorney: ☐

TYPE OF ITEM:

COUNCIL ACTION: APPROVED DENIED NO ACTION

☐ Consent
☐ Info Item
☒ Action Item
☐ Department Report
☐ Redevelopment Agency

☐ Public Hearing
☐ Matter Initiated by a Council Member
☐ Other
☐ Continued to: _____

RESOLUTION NO. 2019- 02

**A RESOLUTION OF THE CITY COUNCIL OF THE
CITY OF ORANGE COVE APPROVING THE PURCHASING AND PROCEDURES POLICY**

WHEREAS, The City Council of the City of Orange Cove has reviewed the proposed Purchasing and Procedures Policy; and

WHEREAS, the City Council of the City of Orange Cove has, as a result of the review, identified the proposed Purchasing and Procedures Policy as beneficial to the financial operations of the City; and

NOW, THEREFORE BE IT RESOLVED, that the City Council of the City of Orange Cove, California, finds that the proposed Purchasing and Procedures Policy, attached hereto and made a part hereof, is hereby ratified by the City Council to become effective immediately.

This Resolution was adopted by the City Council of the City of Orange Cove at a meeting held on January 14, 2019, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Victor P. Lopez, Mayor

ATTEST:

APPROVED AS TO FORM

June Bracamontes, City Clerk

Dan McClosky, City Attorney

SUBSECTION 1 - PURPOSE

The purpose of this policy is to provide the City of Orange Cove with a means of assuring continuity and uniformity in its purchasing operation, and to define the responsibilities for purchasing supplies, services and equipment for the City. These guidelines are not intended to address every issue, exception, or contingency that may arise in the course of purchasing activities. The basic standard that should always prevail is to exercise good judgment in the use and stewardship of City resources, including keeping within the budget authorized by the City Council.

SUBSECTION 2 - POLICY STATEMENT

The Finance Director is designated as the Purchasing Officer for the City. The Purchasing Officer is charged with the responsibility and authority for coordinating and managing the procurement of the City's supplies, services and equipment according to this policy.

The policy outlined herein is to be adhered to by the Purchasing Officer and all departments when procuring supplies, services and equipment. This Policy strives to define decision making with prudent review and internal control procedures and to maintain departmental responsibility and flexibility in evaluating, selecting, and purchasing supplies, equipment and services.

SUBSECTION 3 - UNAUTHORIZED PURCHASES

Except for emergencies, departmental purchases, or other authorized exemptions stated in these guidelines, no purchase of supplies, services, or equipment shall be made without an authorized purchase order. Otherwise:

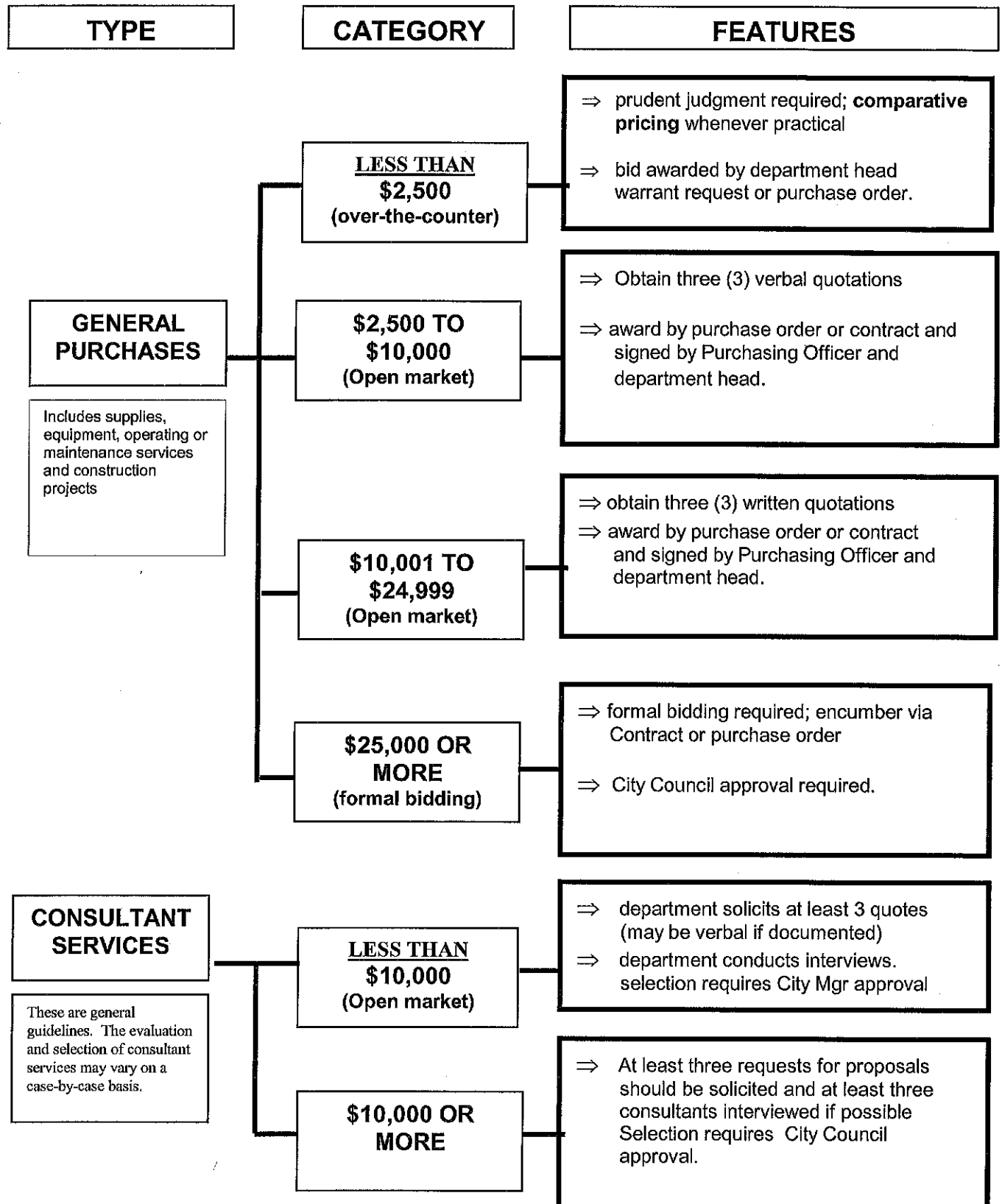
- A. such purchases are void and not considered an obligation of the City.
- B. invoices without an authorized purchase order may be returned to the vendor unpaid.
- C. the person ordering the unauthorized purchase may be held personally liable for the costs of the purchase or contract.

Purchase orders shall be issued prior to ordering supplies, equipment and services and not "after the fact" for work already done or materials already ordered.

SUBSECTION 4 - VENDOR RELATIONS

It is to the City's advantage to promote and maintain good relations with vendors. City staff shall conduct their dealings with vendors in a professional manner and shall promote equal opportunity and demonstrate fairness, integrity, and courtesy in all vendor relations. When feasible to do so, vendors within the City service area should be utilized for supplies, services and equipment.

PURCHASING SYSTEM OVERVIEW



SUBSECTION 4 - RESPONSIBILITIES OF THE PURCHASING OFFICER

The Purchasing Officer is responsible for 1) the procurement of general supplies, services and equipment; 2) the administration of the purchasing policy. To perform these functions efficiently and assist departments, the Purchasing Officer shall:

- A. Be charged with the responsibility and authority for coordinating and managing the procurement of the City's general supplies, services and equipment from the lowest responsive and responsible bidder when required by this policy.
- B. Ensure full and open competition on all purchases as required by this policy.
- C. Identify, evaluate and utilize purchasing methods which best meet the needs of the City (i.e., blanket purchase orders, contractual agreements, etc.).
- D. Assist all departments with research and recommendations in developing specifications; review specifications for completeness of information to ensure specifications are not unnecessarily restrictive.
- E. Coordinate vendor relations, locate sources of supply, and evaluate vendor performance.
- F. Recommend revisions to purchasing procedures when necessary and keep informed of current developments in the field of public purchasing.
- G. Prescribe and maintain all forms and records necessary for the efficient operation of the purchasing function.

SUBSECTION 5 - RESPONSIBILITIES OF DEPARTMENTS

- A. To provide to the Purchasing Officer at the beginning of each fiscal year, an updated authorized signature list designating those individuals who are delegated the authority to make purchases per the policies and procedures as described herein.
- B. To anticipate requirements sufficiently in advance to allow adequate time to obtain goods in accordance with the best purchasing practices.
- C. To communicate and coordinate purchases with the Purchasing Officer, as necessary.
- D. To provide detailed, accurate specifications to ensure goods obtained are consistent with requirements and expectations.
- E. To prepare requisitions/purchase orders in accordance with instructions so as to minimize the processing effort.
- F. To inform the Purchasing Officer of any vendor relations problems, shipping problems (i.e., damaged goods, late delivery, wrong items delivered, incorrect quantity delivered, etc.) and any situations which could affect the purchasing function.

- G. To minimize emergency and sole source purchases and to provide written documentation when such purchases may be necessary.
- H. To assist the Purchasing Officer with the review of all bids received for compliance with specifications, and provide the Purchasing Officer with written documentation regarding their findings.
- I. To notify vendors of purchase awards.
- J. To not "split" orders for the purpose of avoiding procurement requirements. See Definitions.
- K. Each department is responsible for *verification* of invoices for payment, including the following:
 - *Comparison of quantities* billed on the invoice with quantities listed on the purchase order and shown on receiving documents.
 - *Comparison of prices*, discounts, and terms with those specified on the purchase order.
 - *Proof of clerical accuracy* of the invoice with respect to extensions, footings, and deduction of discounts.

SUBSECTION 7 – FINANCE DEPARTMENT RESPONSIBILITY

The Department of Finance is responsible for administering the internal finance policies and procedures of the City and provides a supportive role in assuring budget accountability. In addition, the Department of Finance has an obligation to look for "loose ends" and make sure that all the pieces of a transaction come together and make sense; this might be called a "reasonableness review." The Department of Finance, therefore, does the following:

- A. Reviews the Request for Purchase Order for completeness.
- B. Assigns the vendor number if it is not already on the form.
- C. Determines that the required bids have been obtained.
- D. Determines that the appropriate approvals are included.
- E. Determines that the account number charged is appropriate for the item being acquired.
- F. Reviews for availability of funds or determines that the Request for Budget Appropriation Revision has been completed.
- G. Prints the Purchase Order which causes the encumbrance to be recorded in the General Ledger.

If the Request for Purchase Order has missing, or what appears to be incorrect, information, the Department of Finance personnel use their judgment in handling the problem in accordance with these guidelines:

- H. If there is a *minor problem*, such as an incomplete or misspelled name, address, telephone number, etc., they communicate by telephone or E-mail to get the problem resolved.
- I. If the *required bids or approvals have not been obtained*, the Request for Purchase Order is returned to the Initiator with an explanation of the problem and suggested corrective action.
- J. If the *account number* appears to be incorrect, the Department of Finance will, depending on the amount of

the purchase, either correct the account number *and* notify the Initiator *or* return the Request for Purchase Order to the Initiator with a request for clarification.

- K. If *budgeted funds are not available* and the Request for Budget Appropriation Revision has not been completed, they communicate by telephone or E-mail to get the problem resolved. If the amount involved is small, they *may* process the Request for Purchase Order before the Request for Budget Appropriation Revision is received, but are under no obligation to do so.

SUBSECTION 8 - PURCHASING METHODS

- A. Purchasing dollar limits are “per order”. This policy specifically prohibits splitting an order to circumvent the specified dollar limits. Departments shall contact the Purchasing Officer to coordinate volume bids of repetitive requirements (i.e., the frequent purchase of items such as chemical, paper goods, etc., which annually exceed the specified limits).

1. Purchases of Less than \$2,500 – Over-the-Counter

For purchases of less than \$2,500, the authority to award is the Department Head. Comparative pricing is not required but shall be used when practical. Prudent judgment shall be used at all times. All departments may purchase supplies, equipment, and services, of less than \$2,500 without competitive bidding and without a purchase order. A purchase order may be requested by the department if required by the vendor or if the department wishes to use the purchase order as a mechanism to encumber funds.

2. Purchases Between \$2,500 - \$24,999 – Open Market

For purchases between \$2,500 - \$24,999 the authority to award is the City Manager. Department staff shall not award purchase orders for \$2,500 or more without the approval of the City Manager or designee, except in the event of an urgency purchase (see F, Urgency Purchases). All departments shall obtain three verbal quotations for purchases of \$2,500 - \$10,000 and three written quotations for purchases of \$10,000 - \$24,999. The Finance Department may be requested to assist in this process. The department shall submit a requisition, which includes the recommended vendor, with all supporting documentation to the Finance Department. Supporting documentation shall include competitive e price quotes obtained, names of vendors contacted, description of the items required, and certificates of insurance as applicable. The Finance Department shall review the recommendation and supporting documentation and may contact additional sources for quotations.

The City Manager or designee may award purchase to the lowest responsive and responsible bidder whose quote fulfills the intended purpose, quality, and delivery needs of the solicitation, provided that an unencumbered appropriation for that item exists. In lieu of awarding the purchase, the City Manager or designee may reject bids, or may negotiate further to obtain terms more acceptable to the city.

3. Purchases of \$25,000 or More – Formal Bid

Purchases that exceed \$25,000 require a Formal Bid Process, and City Council approval. See Subsection 8.

B. Blanket Purchase Orders

A Blanket Purchase Order is an agreement whereby the City contracts with a vendor to provide equipment or supplies on an as-needed and often over-the-counter basis. Blanket Purchase Orders provide a mechanism whereby items which are uneconomical to stock may be purchased in a manner that allows field operations timely access to necessary materials. Blanket Purchase Orders shall not be used to purchase services, capital assets or items maintained in stock.

The Finance Department shall request confirmation of Blanket Purchase Orders annually, before the beginning of the fiscal year. Requests for Blanket Purchase Orders may also be submitted to the Finance Department on an as-needed basis. The Finance Department shall review Blanket Purchase Order requests based upon the following criteria:

1. Geographic location.
2. Responsiveness and capabilities.
3. Average dollar value and type of items to be purchased.
4. Frequency of need.

All Blanket Purchase Orders shall include the following information:

- a. A general description of the equipment or supplies which may be charged.
- b. The period of time the order will remain open, not to exceed one year.
- c. The maximum total amount which may be charged on the purchase order.
- d. The maximum amount which may be charged each time the employee implementing a purchase enters the vendor's place of business, or if unspecified, \$250 and/or \$750 per month.
- e. Items excluded from the purchase, if applicable.
- f. The phone number of the purchasing agent for questions or approval of charges which exceed the limit.
- g. Identification of the department(s) and employee(s) who may charge against the order.
- h. Requirement that the employee show CITY identification.
- i. Requirement that employees print and sign their names when picking up goods.
- j. Account number(s) to be charged.

Once a Blanket Purchase Order is issued to a vendor, any authorized City employee may contact the vendor directly to place orders per the terms and conditions specified in the Blanket Purchase Order.

C. Contract Purchases Orders

Contract Purchase Orders are the preferred method of purchasing repetitive-use items or services which may be common to several departments or within one department. Establishing Contract Purchase Orders provides a means of obtaining volume pricing based upon the combined needs of all departments, reduces the administrative costs associated with seeking redundant competitive bids and processing a Purchase Order each time an order is placed, and allows departments to order as needed, reducing the requirement to maintain large inventories of stock.

If a Contract Purchase order exists, departments shall order all of their requirements from the successful vendor. No other source shall be used without prior approval of the Purchasing Officer.

Departments shall submit, in writing to the Finance Department, any performance problem encountered immediately following the occurrence so that corrective action may be taken.

Contract Purchase Orders are annual and may include option for renewal for specific products, product types, or services at agreed upon prices or pricing structure and for a specified period of time.

E. Sole Source Purchases

Commodities and services which can be obtained from only one vendor are exempt from competitive bidding. Sole source purchases may include proprietary items sold directly from the manufacturer, items that have only one distributor authorized to sell in this area or a certain product has been proven to be the only product that has proven to be acceptable. All sole source purchases shall be supported by written documentation signed by the appropriate department head and forwarded to The Purchasing Officer. Final determination that an item is a valid sole source purchase will be made by the purchasing officer or designee.

F. Emergency Purchases

In the event of an emergency affecting the ability to maintain water, wastewater service or any other health/safety concern that results from damage to City controlled facilities, the City Manager shall have the authority to make any purchases necessary to restore temporary service to customers or prevent the risk to any individual. Bidding requirements and authorization levels as specified in this policy shall be waived for these purchases.

Immediate notification shall be given to members of the City Council through reasonable communication channels upon occurrence of the emergency. An emergency meeting of the City Council, if necessary, will be held to apprise the City Council of the circumstances surrounding the emergency and to obtain after-the-fact budget authorization for purchases not previously authorized within the fiscal year budget.

G. Purchase Order Exemptions

Certain purchases are not readily adaptable to the open market and formal bidding process. These purchases are generally for items where the competitive bid process is not applicable or where a check is required to accompany the order. Following is a list of allowable exemptions:

Advertisements and Notices	Payments to Other Governmental Units
Attorney Services	Petty Cash Replenishment
Consultant services	Property Rentals
Courier/Delivery/Messenger Services	Real property/easement acquisition
Dept Purchases under \$2,500 (see A.1)	Subscriptions
Fuel	Trade circulars or books
Insurance Claims and Premiums	Travel Expense/Advances
Medical Payments (Physicians, lab, etc.)	Utility Payments
Membership dues	

Exemptions are limited to those items listed above. Departments may submit written requests for additional exemptions to the Purchasing Officer. If warranted, additional exemptions will be added to this list.

If a vendor requires a Purchase Order to process an order, the department shall submit a purchase order requisition to the Finance Department to initiate a purchase order.

H. Purchase Award

1. Lowest Responsive and Qualified Bidder

- a. Bids shall be awarded to the “responsive” and “qualified” bidder who submits the lowest bid.
- b. In determining the lowest “responsive” bid, the following elements shall be considered in addition to price:
 - (1) A responsive bid is one which is in substantial conformance with the requirements of the invitation to bid, including specifications and the City’s contractual terms and conditions. Bidders who substitute terms and conditions or who qualify their bids in such a manner as to nullify or limit their liability shall be considered non-responsive bidders.
 - (2) Conformance with the requirements of the invitation to bid may also include providing proof of insurance, completing all forms, including references, and all other information as requested in the bid document.
 - (3) The successful bidder must demonstrate the ability to successfully fulfill a contract, including rendering of subsequent and continuing service. Staff may request proof of a prospective bidder’s reliability. Prospective bidders may be requested to furnish proof of financial resources, a list of current or previous customers, and other pertinent data. Such action may also be taken after receipt of bids.
 - (4) A bidder may be determined to be non responsive if a prospective bidder fails to furnish proof of qualifications when required.
- c. In determining the lowest “qualified” bidder, the following elements shall be considered in addition to price:
 - (1) That the products offered provide the quality, fitness, and capacity for the required usage.
 - (2) That the bidder has the ability, capacity and skill to perform the contract satisfactorily and within the time required.
 - (3) That the bidder’s experience(s) regarding past purchases by the City or other public agencies demonstrates the reliability of the bidder to perform the contract.

- d. When a bid is recommended to be awarded to other than the low bidder, written justification is required. The written statement, signed by the appropriate department head, shall be attached to the purchase requisition.

2. Rejection of Bids

The Purchasing Officer or the requesting department may recommend rejection of any or all bids if it is determined to be in the best interests of the city. Reasons for rejection may include, but are not limited to, the following: a bid is determined to be non-responsive, the number of bids received is inadequate, bids received are not reasonably uniform in price, or the lowest bid received is deemed to be too high. The Purchasing Officer may, in any given case, reject all bids with or without cause and submit the supplies, equipment or service involved to a new bidding process. If all bids are rejected, the Finance Department may be authorized to re-solicit bids, negotiate a contract for the purchase, or abandon the purchase.

3. Tie Bids

If two or more bids are received which are in all respects equal, the Purchasing Officer may accept the one deemed to be in the best interests of the city.

- I. Change Orders

Purchase Orders represent a contract between the City and the Vendor. Any substantial change to a Purchase Order shall be documented as a change order. Change Orders shall be reviewed by the Purchasing Officer and shall be approved by the City Manager. A purchase order may not be increased by more than 10% or \$2,500, whichever is less, without a change order, except for taxes, shipping and handling as discussed below.

Taxes, shipping and handling may cause the purchase order to exceed the authorized purchase order amount. These items do not require a Change Order, even if they exceed 10% of the original purchase order amount.

SUBSECTION 9 - INFORMAL AND FORMAL BID PROCESS

Except as otherwise exempted in the policy, supplies, services and equipment with an estimated value of \$2,500 to \$24,999.99 shall be purchased following an Informal Bid Process and purchases \$25,000 or more shall be made following a Formal Bid Process.

To initiate the informal/formal bid process, the department making the request shall provide specifications for the item to be purchased and documentation showing the existence of an unencumbered appropriation for the item in the current approved budget.

Informal bids may be posted at City Hall, mailed to prospective bidders a minimum of ten calendar days before the due date, or solicited over the phone. A minimum of three proposals shall be obtained if possible. If the minimum number of proposals is not achieved, justification shall be provided to demonstrate that requests were provided to bidders and those were either rejected or unresponsive. Formal bids shall be posted at City Hall and shall be published at least once in a newspaper of general circulation as required by State law, and, if applicable, in appropriate trade publications. The date of publication shall be at least 10 days before the due date. All formal bids shall be sealed and shall be publicly opened and read at the date, time, and place indicated in the published notice.

Bids shall be reviewed for compliance with specifications by the requesting department. All deviations from the specifications shall be fully documented by the requesting department and the impact of the deviations on the performance or suitability of the bid item shall be detailed. Staff will prepare and forward a recommendation for approval of purchase. Informal bids shall be approved by the City Manager. Formal bids shall be approved by the City Council.

SUBSECTION 10 - SPECIFICATIONS

It is the responsibility of each department to provide detailed, accurate specifications when requisitioning supplies, equipment and services. Accurate specifications are essential for effective bidding.

A. Sole Source Specifications

Sole source specifications shall be avoided whenever possible, as they minimize or eliminate competition. The appropriate authority (City Manager if total purchase is less than \$24,999; City Council if total purchase is \$24,000 or more) may waive bidding requirements if sufficient written justification for a sole source purchase exists. An example of sole source is where equipment or supplies are required in order to be compatible with existing equipment or to perform a complex or unique function. Written documentation signed by the appropriate department head shall accompany the requisition for any sole source request.

B. Standardization

Standardization of specifications for items common to several divisions and/or departments can facilitate the purchasing process. Public improvements in the City's engineering standards also provide a source of standardization. The Purchasing Officer and departments shall work together to establish standard specifications for such items.

C. Brand Name, or Equal, Specifications

In purchasing equipment or supplies needed to be compatible with existing equipment, or to perform complex or unique functions, the Purchasing Officer may limit bidding to a specific product type or a brand name product.

Use of brand names in specifications shall be for the purpose of describing the standard of quality, performance, and characteristics the city desires and not be intended to limit or restrict competition. If a brand name is incorporated into a specification, a minimum of two acceptable brands shall be listed whenever possible and shall be followed by the statement "or approved equal" unless the sole source rule applies.

Using specifications provided by a specific manufacturer should be avoided, however, if used, the name of the manufacturer, model number, etc., should be indicated. The bid document shall clearly state that the use of the manufacturer's specifications are for the sole purpose of establishing the level of quality desired. The Purchasing Officer reserves the right to determine and approve any product submitted as an "or equal."

D. Vendor Assistance in Writing Specifications

There may be occasions when vendor assistance is required to develop a specification. Such specifications shall be written in general terms and the vendor shall be informed that the information they provide may be used to develop specifications for a competitive bid process. The vendor shall be allowed to submit a bid, but will not be given any preference over the other bids.

SUBSECTION 11 – PROFESSIONAL CONSULTANT SELECTION

The selection of consultants shall be based upon the experience of the consultant, knowledge of the subject matter, demonstrated ability to perform similar services within budget and the time allowed, and the total estimated cost to City. Above all, the goal of this Policy shall be to create a competitive environment where the best value can be achieved.

The City Manager has the authority to issue contracts for services under \$10,000. For projects estimated at over \$10,000, at least three requests for proposals should be solicited. Consultants shall be interviewed if necessary at the discretion of the City Manager or the City Council. Consultant services \$10,000 or more requires City Council approval. All consultants will submit written proposals in response to requests for services.

Funds, and Capital Improvement Project Funds may be carried forward to the future fiscal year or years in the case of capital improvement projects). Note: Except for capital improvement projects, carry forward purchase orders will be liquidated at the end of the fiscal year, i.e., Fiscal Year 2018-19 purchase orders will be liquidated at June 30, 2019.



Date: January 14, 2019
To: Mayor and City Council
From: Rudy Hernandez, Interim City Manager
Subject: Update on Financial Issues
Attachments: Proposition 68 Grant Information

BACKGROUND:

Listed below are updates on the projects listed below:

- Proposition 68 Grant Projects (See attached Report)
- Fresno County Superior Court Services to be held in the City of Orange
- Cove beginning February 1, 2019 (Verbal Report).
- Housing Rehabilitation Grant Program (\$10,000) to start January 24, 2019 (Verbal Report)
- Credit Card (Debit/Credit Card) services to start no later than January 16, 2019 (Verbal Report).

RECOMMENDATION:

For Information Only.

Prepared by: _____

Approved by: _____

REVIEW: City Manager: ☒

Finance: _____

City Attorney: _____

TYPE OF ITEM:

COUNCIL ACTION: APPROVED DENIED NO ACTION

☒ Consent
☐ Info Item
☐ Action Item
☐ Department Report
☐ Redevelopment Agency

☐ Public Hearing
☐ Matter Initiated by a Council Member
☐ Other
☐ Continued to: _____

Statewide Park Program (SPP) - Proposition 68 Funding

- Deadline: Late Spring, Early Summer. Most likely May/June
- Project Start Date: Most likely, no earlier than November/December 2019
- Minimum: \$200,000
- Maximum: \$8.5 million per Application (Applicant can potentially receive multiple grant awards totaling more than \$8.5 million in the same round. There is no cap to the amount of grants an Applicant may receive per round.)
- Matching Funds: Not Required. The grant itself may fund the entire project.
- Eligibility: Cities, Counties, Districts, JPA's and Nonprofit Organizations (501c3)
- Types of Projects: A PROJECT must involve either DEVELOPMENT or a combination of ACQUISITION and DEVELOPMENT to:
1. Create a NEW PARK, or
 2. EXPAND an EXISTING PARK, or
 3. RENOVATE an EXISTING PARK
- One PARK = One Application:
 - Each PARK requires its own, separate APPLICATION.
 - Only one APPLICATION, requesting up to \$8.5 million, may be submitted for the same PARK in the same ROUND.
 - Multiple PARKS = Multiple Applications:
 - An APPLICANT may submit multiple APPLICATIONS for different PARKS.
 - An APPLICANT can potentially receive multiple GRANT awards that total more than \$8.5 million in the same ROUND.
 - There is no cap to the amount of grants an APPLICANT may receive per ROUND.

Project Examples

- ACQUISITION of land:
 - Must be combined with DEVELOPMENT of a NEW RECREATION FEATURE.
 - OR
 - Must already have a RECREATION FEATURE for public use at close of escrow.
- Aquatic center, swimming pool, splash pad, fishing pier or paddling launch site
 - Amphitheater/performing arts dance, music, and theater stage
 - Athletic fields (soccer regulation or "futbol-rapido", baseball, softball, football, etc.)
 - Athletic courts (basketball, "futsal", tennis, pickleball, etc.)
 - Community gardens, botanical or demonstration gardens and orchards
 - Community/Recreation center (only if it will be in or ADJACENT to a PARK)
 - Dog park
 - Jogging and walking loop, par course, running track
 - Non-motorized trail, pedestrian/bicycle bridge, greenbelt/linear PARK
 - Outdoor gym exercise equipment (stations fixed into ground)
 - Open space and natural area for public recreation use
 - Picnic/Bar-B-Que areas

- Playground and tot lot
- Plaza, Zocalo, Gazebo
- Public art (mosaic tiles, sculptures, murals)
- Skate park, skating rink, and BMX or pump track (non-motorized bike tracks)
- Lighting to allow for extended night time use of a RECREATION FEATURE
- Shade structure/COVERED PARK areas over a RECREATION FEATURE to allow for extended day time use

Major Support Amenities

- A PROJECT may also include MAJOR SUPPORT AMENITIES such as:
 - Restroom building, snack shack
 - Parking lot, staging area, pathway for access to a RECREATION FEATURE
 - Landscaping or lighting that will be constructed throughout the PARK
- APPLICATIONS where the majority of the TOTAL PROJECT COST is for a MAJOR SUPPORT AMENITY such as a parking lot or restroom will be less competitive.
- PROJECTS should create a NEW RECREATION OPPORTUNITY(S) as the primary goal.
- **APPLICATIONS that only have MAJOR SUPPORT AMENITIES are ineligible; a PROJECT must include a RECREATION FEATURE.**

Project Selection Criterion

1. Critical lack of park space
2. Significant poverty
3. Type of park (new park, expanding an existing park, or renovation of existing park)
4. Community based planning - APPLICANT or partnering community-based organization(s) must demonstrate current efforts to engage RESIDENTS to DESIGN the PARK. MEETING location, schedule and outreach must be near project location. Higher scoring will be given to projects where residents ideas influence project DESIGN and encourages project enhancements reflecting RESIDENTS' unique needs and creativity. Photos of meetings are required
5. Employment or volunteer opportunities - May include youth leadership through community-based planning, on-site park beautification, landscaping, public art, or other workforce development by PROJECT COMPLETION.
6. Partnerships or committed funding
7. Environmental design
8. Public use fees and hours of operation – Guidelines encourage project to be available to the public 7 days a week for at least 8 hours per day (i.e., dawn until dusk) and public will not be charged entrance or membership fees.
9. Community challenges, project benefits and readiness – Additionally, project should be able to achieve 30 years of adequate operation and maintenance.

REPORT TO CITY OF ORANGE COVE CITY COUNCIL

DATE: January 14, 2019

TO: Mayor and City Council

FROM: Rudy Hernandez, Interim City Manager

Rudy Hernandez
1/15/19

RE: Consideration of Amaya Village Apartment Development Sumner Ave.

RECOMMENDATION:

That the Orange Cove City Council receive information for discussion and consider approval of **Resolution.No. 2019-06**, "A RESOLUTION OF THE CITY COUNCIL OF ORANGE COVE AUTHORIZING STAFF TO INITIATE PROCESS WHICH MEETS CITY AND LEGAL REQUIRMENTS FOR COUNCIL'S CONSIDERATION OF: (1) AN AGREEMENT OF SALE, DISPOSITION AND DEVELOPMENT, BETWEEN THE CITY OF ORANGE COVE, A MUNICIPAL CORPORATION, AND ORANGE COVE AMAYA ASSOCIATES, A CALIFORNIA LIMITED PARTNERSHIP, FOR THE PURPOSE OF DEVELOPING AN 81 UNIT TWO STORY INCOME-RESTRICTED FAMILY APARTMENT COMPLEX ON CITY OWNED PROPERTY, LOCATED ON A 4.36 ACRE PARCEL ON SUMNER AVENUE, IN THE CITY OF ORANGE COVE (PORTION OF ASSESSOR'S PARCEL NUMBER 375-234-18)..

DISCUSSION:

During 2006 and 2007 the City of Orange Cove had successfully negotiated with representatives of the AMG & Associates ("AMG") related companies for development for the above site area, owned by the City of Orange Cove. The property site area was under contract with these Developers for purchase and development of an 81 unit Affordable Housing project. The AMG companies performed and secured all of the necessary entitlements, approved by the City of Orange Cove, however the project never got under way. A primary reason was the unforeseen calamity of the Wall Street financial markets in 2008 which delayed the tax credit financing needed to develop the project, which had already been conditionally approved by the California Tax Credit Allocation Commission. The City of Orange Cove and the Developer were moving forward together for completion of this development. As much work that had been completed, the project stalled due to these circumstances. Further, the project received a major award of \$2,000,000 from the State of CA HOME Partnership Investment Program, which had to be declined by the City due the above circumstances.

The Developers would like to again partner with the City of Orange Cove to revive this project as a positive addition to the City. Below is a basic summary of how the partnership, with terms and conditions, between the City and AMG would move forward:

- AMG and the City will enter into an Agreement of Sale/Disposition and Development Agreement ("DOA") in which the City will agree to sell the Subject Site to AMG for the purpose of developing an affordable housing project.

- The Project will further the City's goal to increase the supply of affordable housing within the City, and the City desires to assist Developer by selling the Property to the Developer (Agreement), and
- The purchase price for the Property shall be the appraised fair market value established by an appraisal conducted by a third party appraiser (Purchase Price).
- The Developer agrees to pay the City 100% of the Purchase Price in cash at the Close of Escrow of Property. The Developer agrees to pay the City 100% of the Purchase Price in cash at the Close of Escrow.
- The Developer's obligation to purchase the Property shall be contingent upon Developer receiving an allocation of AHSC funds from the California Department of Housing and Community Development (HCD) in the 2019, 2020 or 2021 funding rounds, and

The project benefits address:

- Revitalization/Infill development for the use of a vacant property that would benefit from development and infrastructure construction to service the area and neighborhood (curb, gutter, sidewalk, lights, security, sewer, water, etc.)
- Economic development in the community which will provide local hiring, a minimum of 35 trades jobs and construction investment that will benefit residents and create local employment (minimum up to \$3,500,000).
- Benefits to the City of Orange Cove General Fund and fees budget by providing needed revenues from the sale of land and building permit and development fee revenue; total amounts will exceed more than \$500,000 once the project moves forward.

With the demise of local Redevelopment agencies in California, local housing assistance funding will be disappearing. Redevelopment agencies were mandated by the state to address housing opportunities for low-moderate income households in the community. Redevelopment agencies no longer exist, thus cities will be forced to look for alternative housing assistance programs such as California Tax Credit Financing and HCD HOME funding for housing and community development.

The proposed Resolution No. 2019-06 hereby authorizes the City Manager and City Attorney to proceed with required City and legal requirements and procedures (such as CEQA, appraisal, studies, notices, Planning Commission consideration, public hearings) for the preparation of necessary documents regarding Sale, Disposition and Development Agreement and City Fee Agreement for consideration and approval by the Orange City Council.

FISCAL IMPACT:

There will be no direct costs to the City of Orange Cove budgets, nor will there be any costs for processing of entitlements, and preparation of any development financing applications to the to the State of California financing programs. These costs will all be borne by the Developer entirely.

**CITY OF ORANGE COVE
RESOLUTION No. 2019-06**

A RESOLUTION OF THE CITY COUNCIL APPROVING AND AUTHORIZING AN AGREEMENT OF SALE, BETWEEN THE CITY OF ORANGE COVE, A MUNICIPAL CORPORATION AND ORANGE COVE AMAYA ASSOCIATES, A CALIFORNIA LIMITED PARTNERSHIP, FOR THE PURPOSE OF DEVELOPING AN 81 UNIT TWO STORY INCOME-RESTRICTED FAMILY APARTMENT COMPLEX ON CITY OWNED PROPERTY, LOCATED ON A 4.36 ACRE PARCEL ON SUMNER AVENUE, IN THE CITY OF ORANGE COVE (ASSESSOR'S PARCEL NUMBER 375-234-18)

WHEREAS, The City of Orange Cove (City) owns certain real property in the City of Orange Cove, consisting of a 4.36 acre parcel on Sumner Avenue, APN 375-234-18 (Property), and

WHEREAS, ORANGE COVE AMAYA ASSOCIATES, A CALIFORNIA LIMITED PARTNERSHIP, (Developer) is proposing to purchase the Property and develop an 81 unit affordable family housing complex (Project), and

WHEREAS, the Project will further the City's goal to increase the supply of affordable housing within the City, and the City desires to assist Developer by selling the Property to the Developer (Agreement), and

WHEREAS, the purchase price for the Property shall be the appraised fair market value established by an appraisal conducted by a third party appraiser (Purchase Price), and

WHEREAS, the Developer agrees to pay the City 100% of the Purchase Price in cash at the Close of Escrow of Property, and

WHEREAS, the Developer's obligation to purchase the Property shall be contingent upon Developer receiving an allocation of AHSC funds from the California Department of Housing and Community Development (HCD) in the 2019, 2020 or 2021 funding rounds, and

NOW, THEREFORE, THE ORANGE COVE CITY COUNCIL DOES HEREBY RESOLVE AS FOLLOWS:

The City Council hereby approves and authorizes the City Manager and City Attorney to execute an Agreement of Sale by and between the City of Orange Cove, a Municipal Corporation and Orange Cove Amaya Associates, a California Limited Partnership, consistent with the terms and conditions listed above.

PASSED AND ADOPTED by the City of Orange Cove City Council at a regular public hearing on the ____ day of _____, by the following vote:

AYES, and in favor thereof, Board members:

NOES, Board members:

ABSENT, Board members:



Date: January 14, 2019
To: Mayor and City Council
From: Rudy Hernandez, Interim City Manager
Subject: Review and Discussion of FOCAS Revised Agreement and Reinstatement/Approve Full-Time Animal Control Officer
Attachments: Revised Agreement

BACKGROUND:

On December 12, 2018, the City Council held a discussion on the FOCAS agreement with City staff and the General Public. At the conclusion of the meeting, the City Council voted to terminate the FOCAS agreement and gave FOCAS 90 days to address the Tax issue with the California State Franchise Board.

On December 27, 2018, City staff was notified by the California Franchise Tax Board that FOCAS is currently exempt and in good standing with the Franchise Tax Board. Furthermore, the notification also stated that FOCAS is now current with all annual filings and payments (See attached documents). Based on this correspondence from the California State Franchise Tax Board, Interim City Manager Rudy Hernandez and Interim Public Works Superintendent Joe Estrada have been negotiating a revised contract with FOCAS President Adriana Figueroa-Bruce and FOCAS Board Member Kerry O'keefe and are recommending that the City Council approve the attached revised agreement.

Animal Control Officer:

The Animal Control Officer (ACO) Job Position we are considering to fill here with the City of Orange Cove plays a very important role in the **Public Safety** for the residents of City of Orange Cove. The City has not had a full time animal control officer since 2012 and as a result the animal control ordinances have not fully complied with. Unfortunately, our residents are the ones paying for it with an abundance of uncontrolled animals roaming the streets. Interim Superintendent of public Works Joe Estrada and I recommend we fill this position and give public works department the proper tools needed to hold the city's animal control standards to it's highest efficiency standards possible.

Benefits to the City:

- Full time Animal Control Officer
- Highly Trained ACO to protect city residents from vicious dogs and potential law suits
- Enforcing City animal Ordinances (Animal Control Laws and Regulations)

The annual estimated cost for a full time animal control officer is \$42,489 (Salary & Benefits). The estimated cost for the remainder of the fiscal year 2018-19 is \$14,163 (4 mos.). If approved by the City Council, staff will present the City Council with a job description and salary schedule at the next City Council meeting scheduled for Wednesday January 23, 2019.

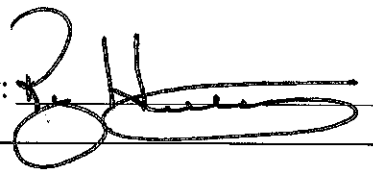
FISCAL IMPACT:

If the City Council approves the revised FOCAS agreement, it will result in a \$2,500 monthly cost and is budgeted in the fiscal year 2018-19 adopted budget. Per our discussion with the FOCAS group, they are requesting an additional increase of \$500 (See attached funding request). If approved by the City Council, the monthly cost will go from \$2,500 to \$3,000.

RECOMMENDATION:

Staff recommends that the City Council approve the attached revised agreement with FOCAS and approve the full-time Animal Control Officer position.

Prepared by: Rudy Hernandez

Approved by: 

REVIEW: City Manager: ☒

Finance: ☐

City Attorney: ☐

TYPE OF ITEM:**COUNCIL ACTION: APPROVED DENIED NO ACTION**

☐ Consent
☐ Info Item
☒ Action Item
☐ Department Report
☐ Redevelopment Agency

☐ Public Hearing
☐ Matter Initiated by a Council Member
☐ Other
☐ Continued to: _____

Rudy Hernandez

From: Rowe, Audrey@FTB <Audrey.Rowe@ftb.ca.gov>
Sent: Thursday, December 27, 2018 11:07 AM
To: 'rudy@cityoforangecove.com'
Cc: 'raemeerocksrescue@gmail.com'
Subject: RE: Entity Status Verification

As an update, the Franchise Tax Board website now lists the organization as Active and in good standing. You may review and print an entity status letter for your records by clicking the following link: <https://webapp.ftb.ca.gov/eletter/?Submit=Check+Status>

Please contact me at the number below if you have any questions regarding this matter.

Sincerely,

Audrey Rowe, CPA
Exempt Organizations and Nonprofits Unit
Franchise Tax Board
916.845.7667 / fax 916.843.0393
Email: Audrey.Rowe@ftb.ca.gov



From: Rowe, Audrey@FTB
Sent: Thursday, December 27, 2018 8:11 AM
To: 'rudy@cityoforangecove.com' <rudy@cityoforangecove.com>
Cc: 'raemeerocksrescue@gmail.com' <raemeerocksrescue@gmail.com>
Subject: Entity Status Verification

Good Morning Mr. Hernandez,

This email is to confirm the organization Friends of Orange Cove Animal Shelter (corp ID 3687665) is currently exempt and in good standing with our department. The organization is exempt as a charitable public charity and is now current with all annual filings and payments.

Please see attached exempt determination letter mailed to the organization on 12/19/2018. The organization will be properly reflected as exempt and in good standing on the Franchise Tax Board website within 30 days.

You may view the organizations active status by visiting the California Secretary of State business lookup at the following link: <https://businesssearch.sos.ca.gov/>

Please contact me directly at the number below if you have any questions regarding this matter.

Sincerely,

Audrey Rowe, CPA
Exempt Organizations and Nonprofits Unit
Franchise Tax Board
916.845.7667 / fax 916.843.0393
Email: Audrey.Rowe@ftb.ca.gov



CONFIDENTIALITY NOTICE: This email from the State of California is for the sole use of the intended recipient and may contain confidential and privileged information. Any unauthorized review or use, including disclosure or distribution, is prohibited. If you are not the intended recipient, please contact the sender and destroy all copies of this email.



STATE OF CALIFORNIA
FRANCHISE TAX BOARD
PO BOX 1286
Rancho Cordova CA 95741-1286

FRIENDS OF ORANGE COVE ANIMAL SHELTER
808 2ND STREET
ORANGE COVE CA 93646

Date: 12.19.18
Case: 31600693127300643
Case Unit: 31600693127300646
In reply refer to: 760:MQD:F120

Regarding	: Tax-Exempt Status
Organization's Name	: FRIENDS OF ORANGE COVE ANIMAL SHELTER
CCN	: 3687665
Purpose	: Prevent cruelty to animals
R&TC Section	: 23701d
Form of Organization	: Incorporated
Accounting Period Ending	: 12/31
Tax-Exempt Status Effective	: 06/20/2014

RECEIVED

DEC 26 2018

City of Orange Cove

Exempt Determination Letter

We have determined the organization is tax-exempt from California franchise or income tax as stated in the above Revenue and Taxation Code (R&TC) section.

To retain tax-exempt status, the organization must be organized and operating for nonprofit purposes within the provisions of the above R&TC section. An inactive organization is not entitled to tax-exempt status.

We have based our decision on the information submitted and the assumption that the organization's present operations will continue unchanged or conform to those proposed in the organization's application. In order for us to determine any effect on the tax-exempt status, the organization must immediately report to us any change in:

- Operation
- Character
- Purpose
- Name
- Address

Our determination may no longer be applicable, if these changes occur:

- Material facts or circumstances relating to the organization application.
- Relevant statutory, administrative, or judicial case law.
- Federal interpretation of federal law in cases where our decision was based on such interpretation.

While we depend on the generosity of the donations and fund raising for the remaining costs we incur throughout the year, we feel a request of a \$500.00 per month increase to the yearly contract amount is fair given the scope of our services provided to the city of Orange Cove and the community.

OPERATIONAL YEARLY COST OF FOCAS

• Payroll wages	\$16,314.00
• Insurance	\$2,045.00
• Animal food	\$12,618.00
• Vaccine and medications	\$2,348.00
• Cleaning supplies and sanitation	\$704.00

Total Yearly \$34,029.00

As you can see these costs are not covered by the current contract amount of \$2,500.00 a month. FOCAS asks that the City Council take these yearly costs into consideration to enable FOCAS to continue the service provided and approve an increase of \$500.00 totaling a monthly contract amount of \$3,000.00 a month and \$36,000.00. As you all know there was an increase of minimum wage from last year of \$10.50 to now \$11.00. This will add an estimated \$1,050.00 to our already over extended budget.

Thank you for your attention to this matter and we look forward to working with the City of Orange Cove and providing our service.

FOCAS

PRESIDENT

Adriana Figueroa-Bruce



REPORT TO CITY COUNCIL

January 14, 2019

To: Mayor and Successor Agency Board

From: Rudy Hernandez, Interim City Manager

SUBJECT: Consideration of Contract with Stradling Yocca Carlson & Rauth for Legal Services Related to the Home Rehabilitation Grant Program

BACKGROUND:

The City of Orange Cove ("City") is creating a Home Rehabilitation Grant Program ("Program") to provide home rehabilitation grants to low income homeowners. The grants will be funded by tax-exempt housing bond proceeds from the 2014 Tax Allocation Refunding Bonds issued by the Successor Agency to the Orange Cove Redevelopment Agency ("Housing Bond Proceeds"). In order to ensure that the Program procedures and agreements comply with federal tax law and state law, staff recommends hiring Stradling Yocca Carlson & Rauth ("SYCR") to review Program documents and advise on the Program in general. SYCR is a legal firm that specializes in this topic.

The proposed contract is not-to-exceed \$3,000, billed on a time and materials basis, unless additional compensation is approved in writing by the City Council or City Manager. A copy of the proposed contract is attached.

Staff advises engaging SYCR as soon as possible to review Program procedures before they are presented to City Council on January 23, 2019.

RECOMMENDATIONS:

1. Approve the proposed contract with SYCR

**AGREEMENT FOR CONSULTANT SERVICES
BETWEEN THE CITY OF ORANGE COVE AND
STRADLING Yocca CARLSON & RAUTH**

This AGREEMENT FOR CONSULTANT SERVICES ("AGREEMENT"), is made and entered into this 14TH day of January 2019, by and among the City of Orange Cove, a California municipal corporation ("CITY") and Stradling Yocca Carlson & Rauth, a Professional Corporation ("CONSULTANT").

In consideration of the mutual covenants and conditions set forth herein, the parties agree as follows:

Section 1. Term of Agreement. Subject to the provisions of SECTION 19 "TERMINATION OF AGREEMENT" of this AGREEMENT, the term of this AGREEMENT shall be for a period of one (1) year from the date of execution of this AGREEMENT, as first shown above. Such term may be extended upon written agreement of both parties to this AGREEMENT.

Section 2. Scope of Services. CONSULTANT agrees to perform the services set forth in EXHIBIT "A" "SCOPE OF SERVICES" and made a part of this AGREEMENT.

Section 3. Additional Services. CONSULTANT shall not be compensated for any services rendered in connection with its performance of this AGREEMENT which are in addition to or outside of those set forth in this AGREEMENT or listed in EXHIBIT "A" "SCOPE OF SERVICES", unless such additional services are authorized in advance and in writing by the City Council or City Manager of CITY. CONSULTANT shall be compensated for any such additional services in the amounts and in the manner agreed to by the City Council or City Manager.

Section 4. Compensation and Method of Payment.

(a) Subject to any limitations set forth in this AGREEMENT, CITY agrees to pay CONSULTANT the amounts specified in EXHIBIT "B" "COMPENSATION" and made a part of this AGREEMENT. The total compensation, including reimbursement for actual expenses, shall not exceed Three Thousand Dollars (\$3,000.00), unless additional compensation is approved in writing by the City Council or City Manager.

(b) Each month CONSULTANT shall furnish to CITY an original invoice for all work performed and expenses incurred during the preceding month. The invoice shall detail charges by the following categories: labor (by sub-category), travel, materials, equipment, supplies, sub-consultant contracts and miscellaneous expenses. CITY shall independently review each invoice submitted by the CONSULTANT to determine whether the work performed and expenses incurred are in compliance with the provisions of this AGREEMENT. In the event that no charges or expenses are disputed, the invoice shall be approved and paid according to the terms set forth in subsection (c). In the event any charges or expenses are disputed by CITY, the original invoice shall be returned by CITY to CONSULTANT for correction and resubmission.

(c) Except as to any charges for work performed or expenses incurred by CONSULTANT which are disputed by CITY, CITY will use its best efforts to cause CONSULTANT to be paid within thirty (30) days of receipt of CONSULTANT's invoice.

(d) Payment to CONSULTANT for work performed pursuant to this AGREEMENT shall not be deemed to waive any defects in work performed by CONSULTANT.

Section 5. Inspection and Final Acceptance. CITY may inspect and accept or reject any of CONSULTANT's work under this AGREEMENT, either during performance or when completed. CITY shall reject or finally accept CONSULTANT's work within sixty (60) days after submitted to CITY. CITY shall reject work by a timely written explanation, otherwise CONSULTANT's work shall be deemed to have been accepted. CITY's acceptance shall be conclusive as to such work except with respect to latent defects, fraud and such gross mistakes as amount to fraud. Acceptance of any of CONSULTANT's work by CITY shall not constitute a waiver of any of the provisions of this AGREEMENT including, but not limited to, sections 15 and 16, pertaining to indemnification and insurance, respectively.

Section 6. Ownership of Documents. All original maps, models, designs, drawings, photographs, studies, surveys, reports, data, notes, computer files, files and other documents prepared, developed or discovered by CONSULTANT in the course of providing any services pursuant to this AGREEMENT shall become the sole property of CITY and may be used, reused or otherwise disposed of by CITY without the permission of the CONSULTANT. Upon completion, expiration or termination of this AGREEMENT, CONSULTANT shall turn over to CITY all such original maps, models, designs, drawings, photographs, studies, surveys, reports, data, notes, computer files, files and other documents.

Section 7. Consultant's Books and Records.

(a) CONSULTANT shall maintain any and all documents and records demonstrating or relating to CONSULTANT's performance of services pursuant to this AGREEMENT. CONSULTANT shall maintain any and all ledgers, books of account, invoices, vouchers, canceled checks, or other documents or records evidencing or relating to work, services, expenditures and disbursements charged to CITY pursuant to this AGREEMENT. Any and all such documents or records shall be maintained in accordance with generally accepted accounting principles and shall be sufficiently complete and detailed so as to permit an accurate evaluation of the services provided by CONSULTANT pursuant to this AGREEMENT. Any and all such documents or records shall be maintained for three years from the date of execution of this AGREEMENT and to the extent required by laws relating to audits of public agencies and their expenditures.

(b) Any and all records or documents required to be maintained pursuant to this section shall be made available for inspection, audit and copying, at any time during regular business hours, upon written request by CITY or its designated representative. Copies of such documents or records shall be provided directly to the CITY for inspection, audit and copying when it is practical to do so; otherwise, unless an alternative is mutually agreed upon, such documents and records shall be made available at CONSULTANT's address indicated for receipt of notices in this AGREEMENT.

(c) Where CITY has reason to believe that any of the documents or records required to be maintained pursuant to this section may be lost or discarded due to dissolution or termination of CONSULTANT's business, CITY may, by written request, require that custody of such documents or records be given to the requesting party and that such documents and records be maintained by the requesting party. Access to such documents and records shall be granted to CITY, as well as to its successors-in-interest and authorized representatives.

Section 8. Status of Consultant.

(a) CONSULTANT is and shall at all times remain a wholly independent contractor and not an officer, employee or agent of CITY. CONSULTANT shall have no authority to bind CITY in any manner, nor to incur any obligation, debt or liability of any kind on behalf of or against CITY, whether by contract or otherwise, unless such authority is expressly conferred under this AGREEMENT or is otherwise expressly conferred in writing by CITY.

(b) The personnel performing the services under this AGREEMENT on behalf of CONSULTANT shall at all times be under CONSULTANT's exclusive direction and control. Neither CITY, nor any elected or appointed boards, officers, officials, employees or agents of CITY, shall have control over the conduct of CONSULTANT or any of CONSULTANT's officers, employees or agents, except as set forth in this AGREEMENT. CONSULTANT shall not at any time or in any manner represent that CONSULTANT or any of CONSULTANT's officers, employees or agents are in any manner officials, officers, employees or agents of CITY.

(c) Neither CONSULTANT, nor any of CONSULTANT's officers, employees or agents, shall obtain any rights to retirement, health care or any other benefits which may otherwise accrue to CITY'S employees. CONSULTANT expressly waives any claim CONSULTANT may have to any such rights.

Section 9. Standard of Performance. CONSULTANT represents and warrants that it has the qualifications, experience and facilities necessary to properly perform the services required under this AGREEMENT in a thorough, competent and professional manner. CONSULTANT shall at all times faithfully, competently and to the best of its ability, experience and talent, perform all services described herein. In meeting its obligations under this AGREEMENT, CONSULTANT shall employ, at a minimum, generally accepted standards and practices utilized by persons engaged in providing services similar to those required of CONSULTANT under this AGREEMENT.

Section 10. Compliance With Applicable Laws; Permits and Licenses. CONSULTANT shall keep itself informed of and comply with all applicable federal, state and local laws, statutes, codes, ordinances, regulations and rules in effect during the term of this AGREEMENT. CONSULTANT shall obtain any and all licenses, permits and authorizations necessary to perform the services set forth in this AGREEMENT. Neither CITY, nor any elected or appointed boards, officers, officials, employees or agents of CITY, shall be liable, at law or in equity, as a result of any failure of CONSULTANT to comply with this section.

Section 11. Nondiscrimination. CONSULTANT shall not discriminate, in any way, against any person on the basis of race, color, religious creed, national origin, ancestry, sex, age, physical handicap, medical condition or marital status in connection with or related to the performance of this AGREEMENT.

Section 12. Unauthorized Aliens. CONSULTANT hereby promises and agrees to comply with all of the provisions of the Federal Immigration and Nationality Act, 8 U.S.C.A. §§ 1101, et seq., as amended, and in connection therewith, shall not employ unauthorized aliens as defined therein. Should CONSULTANT so employ such unauthorized aliens for the performance of work and/or services covered by this AGREEMENT, and should the any liability or sanctions be imposed against CITY for such use of unauthorized aliens, CONSULTANT hereby agrees to and shall reimburse CITY

for the cost of all such liabilities or sanctions imposed, together with any and all costs, including attorneys' fees, incurred by CITY.

Section 13. Conflicts of Interest.

(a) CONSULTANT covenants that neither it, nor any officer or principal of its firm, has or shall acquire any interest, directly or indirectly, which would conflict in any manner with the interests of CITY or which would in any way hinder CONSULTANT's performance of services under this AGREEMENT. CONSULTANT further covenants that in the performance of this AGREEMENT, no person having any such interest shall be employed by it as an officer, employee, agent or subcontractor without the express written consent of the City Manager. CONSULTANT agrees to at all times avoid conflicts of interest or the appearance of any conflicts of interest with the interests of CITY in the performance of this AGREEMENT.

(b) CITY understands and acknowledges that CONSULTANT is, as of the date of execution of this AGREEMENT, independently involved in the performance of non-related services for other governmental agencies and private parties. CONSULTANT is unaware of any stated position of CITY relative to such projects. Any future position of CITY on such projects shall not be considered a conflict of interest for purposes of this section.

Section 14. Confidential Information; Release of Information.

(a) All information gained or work product produced by CONSULTANT in performance of this AGREEMENT shall be considered confidential, unless such information is in the public domain or already known to CONSULTANT. CONSULTANT shall not release or disclose any such information or work product to persons or entities other than CITY without prior written authorization from the City Manager, except as may be required by law.

(b) CONSULTANT, its officers, employees, agents or subcontractors, shall not, without prior written authorization from the City Manager or unless requested by the City Attorney of CITY, voluntarily provide declarations, letters of support, testimony at depositions, response to interrogatories or other information concerning the work performed under this AGREEMENT. Response to a subpoena or court order shall not be considered "voluntary" provided CONSULTANT gives CITY notice of such court order or subpoena.

(c) If CONSULTANT, or any officer, employee, agent or subcontractor of CONSULTANT, provides any information or work product in violation of this AGREEMENT, then CITY shall have the right to reimbursement and indemnity from CONSULTANT for any damages, costs and fees, including attorneys fees, caused by or incurred as a result of CONSULTANT's conduct.

(d) CONSULTANT shall promptly notify CITY should CONSULTANT, its officers, employees, agents or subcontractors be served with any summons, complaint, subpoena, notice of deposition, request for documents, interrogatories, request for admissions or other discovery request, court order or subpoena from any party regarding this AGREEMENT and the work performed thereunder. CITY retains the right, but has no obligation, to represent CONSULTANT or be present at any deposition, hearing or similar proceeding. CONSULTANT agrees to cooperate fully with CITY and to provide CITY with the opportunity to review any response to discovery requests provided by CONSULTANT. However, this right to review any such response does not imply or mean the right by CITY to control, direct, or rewrite said response.

Section 15. Indemnification.

(a) CITY and its respective elected and appointed boards, officials, officers, agents, employees and volunteers (individually and collectively, "INDEMNITEES") shall have no liability to CONSULTANT or any other person for, and CONSULTANT shall indemnify, defend, protect and hold harmless INDEMNITEES from and against, any and all liabilities, claims, actions, causes of action, proceedings, suits, damages, judgments, liens, levies, costs and expenses of whatever nature, including reasonable attorneys' fees and disbursements (collectively "CLAIMS"), which INDEMNITEES may suffer or incur or to which INDEMNITEES may become subject by reason of or arising out of any injury to or death of any person(s), damage to property, loss of use of property, economic loss or otherwise occurring as a result of or allegedly caused by the CONSULTANT's performance of or failure to perform any services under this AGREEMENT or by the negligent or willful acts or omissions of CONSULTANT, its agents, officers, directors, subcontractors or employees, committed in performing any of the services under this AGREEMENT.

(b) If any action or proceeding is brought against INDEMNITEES by reason of any of the matters against which CONSULTANT has agreed to indemnify INDEMNITEES as provided above, CONSULTANT, upon notice from CITY, shall defend INDEMNITEES at CONSULTANT's expense by counsel acceptable to CITY, such acceptance not to be unreasonably withheld. INDEMNITEES need not have first paid for any of the matters to which INDEMNITEES are entitled to indemnification in order to be so indemnified. The insurance required to be maintained by CONSULTANT under Section 16 shall ensure CONSULTANT's obligations under this section, but the limits of such insurance shall not limit the liability of CONSULTANT hereunder. The provisions of this section shall survive the expiration or earlier termination of this AGREEMENT.

(c) The provisions of this section do not apply to CLAIMS occurring as a result of the CITY's sole negligence or willful acts or omissions.

(d) The following provision shall apply so long as CONSULTANT carries the Errors and Omissions Liability insurance required by Paragraph A.2.(4) of Exhibit "C" "INSURANCE": CITY agrees that that the Indemnification provision under subsections (a) and (b) of this Section 15 shall not apply if the CONSULTANT's insurance coverage is invalidated and/or impaired for any circumstance which may arise to which this provision may apply. Without limiting the generality of the foregoing, the obligations undertaken by CONSULTANT in this Section 15 do not impair CONSULTANT's ability to assert defenses of contributory or comparative negligence, or other defenses otherwise applicable in professional negligence or negligent supervision claims.

Section 16. Insurance. CONSULTANT agrees to obtain and maintain in full force and effect during the term of this AGREEMENT the insurance policies set forth in EXHIBIT "C" "INSURANCE" and made a part of this AGREEMENT. All insurance policies shall be subject to approval by CITY as to form and content. These requirements are subject to amendment or waiver if so approved in writing by the City Manager. CONSULTANT agrees to provide CITY with copies of required policies upon request.

Section 17. Assignment. The expertise and experience of CONSULTANT are material considerations for this AGREEMENT. CITY has an interest in the qualifications of and capability of the persons and entities who will fulfill the duties and obligations imposed upon CONSULTANT under this AGREEMENT. In recognition of that interest, CONSULTANT shall not assign or transfer this Agreement or any portion of this AGREEMENT or the performance of any of CONSULTANT's duties

or obligations under this AGREEMENT without the prior written consent of the City Council. Any attempted assignment shall be ineffective, null and void, and shall constitute a material breach of this AGREEMENT entitling CITY to any and all remedies at law or in equity, including summary termination of this AGREEMENT. CITY acknowledges, however, that CONSULTANT, in the performance of its duties pursuant to this AGREEMENT, may utilize subcontractors.

Section 18. Continuity of Personnel. CONSULTANT shall make every reasonable effort to maintain the stability and continuity of CONSULTANT's staff assigned to perform the services required under this AGREEMENT. CONSULTANT shall notify CITY of any changes in CONSULTANT's staff assigned to perform the services required under this AGREEMENT, prior to any such performance.

Section 19. Termination of Agreement.

(a) CITY may terminate this AGREEMENT, with or without cause, at any time by giving thirty (30) days written notice of termination to CONSULTANT. In the event such notice is given, CONSULTANT shall cease immediately all work in progress.

(b) CONSULTANT may terminate this AGREEMENT at any time upon thirty (30) days written notice of termination to CITY.

(c) If either CONSULTANT or CITY fail to perform any material obligation under this AGREEMENT, then, in addition to any other remedies, either CONSULTANT, or CITY may terminate this AGREEMENT immediately upon written notice.

(d) Upon termination of this AGREEMENT by either CONSULTANT or CITY, all property belonging exclusively to CITY which is in CONSULTANT's possession shall be returned to CITY. CONSULTANT shall furnish to CITY a final invoice for work performed and expenses incurred by CONSULTANT, prepared as set forth in SECTION 4 of this AGREEMENT. This final invoice shall be reviewed and paid in the same manner as set forth in SECTION 4 of this AGREEMENT.

Section 20. Default. In the event that CONSULTANT is in default under the terms of this AGREEMENT, the CITY shall not have any obligation or duty to continue compensating CONSULTANT for any work performed after the date of default and may terminate this AGREEMENT immediately by written notice to the CONSULTANT.

Section 21. Excusable Delays. CONSULTANT shall not be liable for damages, including liquidated damages, if any, caused by delay in performance or failure to perform due to causes beyond the control of CONSULTANT. Such causes include, but are not limited to, acts of God, acts of the public enemy, acts of federal, state or local governments, acts of CITY, court orders, fires, floods, epidemics, strikes, embargoes, and unusually severe weather. The term and price of this AGREEMENT shall be equitably adjusted for any delays due to such causes.

Section 22. Cooperation by City. All public information, data, reports, records, and maps as are existing and available to CITY as public records, and which are necessary for carrying out the work as outlined in the EXHIBIT "A" "SCOPE OF SERVICES", shall be furnished to CONSULTANT in every reasonable way to facilitate, without undue delay, the work to be performed under this AGREEMENT.

Section 23. Notices. All notices required or permitted to be given under this AGREEMENT shall be in writing and shall be personally delivered, or sent by telecopier or certified mail, postage prepaid and return receipt requested, addressed as follows:

To CITY:

City of Orange Cove
633 Sixth Street
Orange Cove, California 93646
Attn: Rudy Hernandez, City Manager

To CONSULTANT:

Stradling Yocca Carlson & Rauth
660 Newport Center Drive, Suite 1600
Newport Beach, CA 92660
Attn: Vanessa Legbandt, Shareholder

Notice shall be deemed effective on the date personally delivered or transmitted by facsimile or, if mailed, three (3) days after deposit of the same in the custody of the United States Postal Service.

Section 24. Authority to Execute. The person or persons executing this AGREEMENT on behalf of CONSULTANT represents and warrants that he/she/they has/have the authority to so execute this AGREEMENT and to bind CONSULTANT to the performance of its obligations hereunder.

Section 25. Binding Effect. This AGREEMENT shall be binding upon the heirs, executors, administrators, successors and assigns of the parties.

Section 26. Modification of Agreement. No amendment to or modification of this AGREEMENT shall be valid unless made in writing and approved by the CONSULTANT and by the City Council. The parties agree that this requirement for written modifications cannot be waived and that any attempted waiver shall be void.

Section 27. Waiver. Waiver by any party to this AGREEMENT of any term, condition, or covenant of this AGREEMENT shall not constitute a waiver of any other term, condition, or covenant. Waiver by any party of any breach of the provisions of this AGREEMENT shall not constitute a waiver of any other provision, nor a waiver of any subsequent breach or violation of any provision of this AGREEMENT. Acceptance by CITY of any work or services by CONSULTANT shall not constitute a waiver of any of the provisions of this AGREEMENT.

Section 28. Law to Govern; Venue. This AGREEMENT shall be interpreted, construed and governed according to the laws of the State of California. In the event of litigation between the parties, venue in state trial court shall lie exclusively in the County of Fresno. In the event of litigation in a U.S. District Court, venue shall lie exclusively in the Eastern District of California, in Fresno, California.

Section 29. Attorneys Fees, Costs and Expenses. In the event litigation or other proceeding is required to enforce or interpret any provision of this AGREEMENT, the prevailing party

in such litigation or other proceeding shall be entitled to an award of reasonable attorney's fees, costs and expenses, in addition to any other relief to which it may be entitled.

Section 30. Entire Agreement. This AGREEMENT, including the attached EXHIBITS "A" through "C", is the entire, complete, final and exclusive expression of the parties with respect to the matters addressed therein and supersedes all other agreements or understandings, whether oral or written, or entered into between CONSULTANT and CITY prior to the execution of this AGREEMENT. No statements, representations or other agreements, whether oral or written, made by any party which are not embodied herein shall be valid and binding. No amendment to this AGREEMENT shall be valid and binding unless in writing duly executed by the parties or their authorized representatives.

Section 31. Severability. If an term, condition or covenant of this AGREEMENT is declared or determined by any court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions of this AGREEMENT shall not be affected thereby and the AGREEMENT shall be read and construed without the invalid, void or unenforceable provision(s).

IN WITNESS WHEREOF, the parties hereto have caused this AGREEMENT to be executed the day and year first above written.

CITY OF ORANGE COVE

**CONSULTANT: STRADLING Yocca
CARLSON & RAUTH**

By _____
Rudy Hernandez, City Manager

By _____
Vanessa S. Legbandt, Shareholder/Vice
President

APPROVED AS TO FORM:

TUTTLE & MCCLOSKEY

Dan McCloskey, City Attorney

EXHIBIT "A"

SCOPE OF SERVICES

CONSULTANT's SCOPE OF SERVICES shall include:

- Review and analysis of City of Orange Cove Home Rehabilitation Grant Program (program guidelines, agreements and other program documents) for compliance with federal tax requirements and restrictions and state law requirements and restrictions.
- Such other services as the City Manager or City Council shall direct from time to time.

EXHIBIT "B"

COMPENSATION

Unless otherwise agreed by the City Manager or City Council and CONSULTANT in writing, CONSULTANT's fees for Services performed under this Agreement are based on the amount of time each professional spends on a matter, multiplied by his or her hourly rate. CONSULTANT will bill for all activities undertaken on a matter, including time spent conducting legal research, preparing and reviewing documents, preparing for and participating in telephone calls, meetings, court appearances or other proceedings, and traveling, both local and out of town. Each professional who confers on a matter or attends a meeting, court hearing or other proceeding will separately bill his or her time. Time is billed in .10-hour increments. CONSULTANT shall bill at the hourly rate of \$600 for Carol Lew, \$425 Vanessa Legbandt and other shareholders, \$375 for associates and \$140 for paralegals. Other professionals also may work on this matter. CONSULTANT's rate schedule is modified from time to time (typically on an annual basis) and such modifications shall be applied to this Agreement upon adoption and shall be reflected on the next statement following such adjustments. CONSULTANT'S compensation for serving as Bond Counsel or Disclosure Counsel in connection with future financings, if any, shall be determined by agreement of CITY and CONSULTANT at the time such financings are commenced. The total compensation, including reimbursement for actual expenses, shall not exceed Three Thousand Dollars (\$3,000.00), unless additional compensation is approved in writing by the City Council or City Manager.

EXHIBIT "C"

INSURANCE

A. Insurance Requirements. CONSULTANT shall provide and maintain insurance, acceptable to the City Manager or City Attorney, in full force and effect throughout the term of this AGREEMENT, against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by CONSULTANT, its agents, representatives or employees. Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:VII. CONSULTANT shall provide the following scope and limits of insurance:

1. Minimum Scope of Insurance. Coverage shall be at least as broad as:

(1) Insurance Services Office form Commercial General Liability coverage (Occurrence Form CG 0001).

(2) Insurance Services Office form number CA 0001 (Ed. 1/87) covering Automobile Liability, including code 1 "any auto" and endorsement CA 0025, or equivalent forms subject to the written approval of the City.

(3) Workers' Compensation insurance as required by the Labor Code of State of California and Employer's Liability insurance and covering all persons providing services on behalf of the CONSULTANT and all risks to such persons under this AGREEMENT.

(4) Errors and omissions liability insurance appropriate to the CONSULTANT's profession.

2. Minimum Limits of Insurance. CONSULTANT shall maintain limits of insurance no less than:

(1) General Liability: \$1,000,000 general aggregate for bodily injury, personal injury and property damage.

(2) Automobile Liability: \$1,000,000 per accident for bodily injury and property damage.

(3) Workers' Compensation and Employer's Liability: Workers' Compensation as required by the Labor Code of the State of California and Employers Liability limits of \$1,000,000 per accident.

(4) Errors and Omissions Liability: \$10,000,000 per occurrence.

B. Other Provisions. Insurance policies required by this AGREEMENT shall contain the following provisions:

1. All Policies. Each insurance policy required by this paragraph 15 shall be endorsed and state the coverage shall not be suspended, voided, cancelled by the insurer or either party to this AGREEMENT, reduced in coverage or in limits except after 30 days' prior written notice by Certified mail, return receipt requested, has been given to _____.

2. General Liability and Automobile Liability Coverages.

(1) CITY, and its respective elected and appointed officers, officials, and employees and volunteers are to be covered as additional insureds as respects: liability arising out of activities CONSULTANT performs; products and completed operations of CONSULTANT; premises owned, occupied or used by CONSULTANT; or automobiles owned, leased, hired or borrowed by CONSULTANT. The coverage shall contain no special limitations on the scope of protection afforded to CITY, and their respective elected and appointed officers, officials, or employees.

(2) CONSULTANT's insurance coverage shall be primary insurance with respect to CITY, and its respective elected and appointed, its officers, officials, employees and volunteers. Any insurance or self-insurance maintained by CITY, and its respective elected and appointed officers, officials, employees or volunteers, shall apply in excess of, and not contribute with, CONSULTANT's insurance.

(3) CONSULTANT's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

(4) Any failure to comply with the reporting or other provisions of the policies including breaches of warranties shall not affect coverage provided to CITY, and its respective elected and appointed officers, officials, employees or volunteers.

3. Workers' Compensation and Employer's Liability Coverage. Unless the City Manager otherwise agrees in writing, the insurer shall agree to waive all rights of subrogation against CITY, and its respective elected and appointed officers, officials, employees and agents for losses arising from work performed by CONSULTANT.

C. Other Requirements. CONSULTANT agrees to deposit with CITY, at or before the effective date of this contract, certificates of insurance necessary to satisfy CITY that the insurance provisions of this contract have been complied with. The City Attorney may require that CONSULTANT furnish CITY with copies of original endorsements effecting coverage required by this Section.

The certificates and endorsements are to be signed by a person authorized by that insurer to bind coverage on its behalf. CITY reserves the right to inspect complete, certified copies of all required insurance policies, at any time.

1. CONSULTANT shall furnish certificates and endorsements from each subcontractor identical to those CONSULTANT provides.

2. Any deductibles or self-insured retentions must be declared to and approved by CITY. At the option of CITY, either the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects CITY or its respective elected or appointed officers, officials, employees and volunteers or the CONSULTANT shall procure a bond guaranteeing payment of losses and related investigations, claim administration, defense expenses and claims.

3. The procuring of such required policy or policies of insurance shall not be construed to limit CONSULTANT's liability hereunder nor to fulfill the indemnification provisions and requirements of this AGREEMENT.