

AGENDA

**CITY COUNCIL OF THE CITY OF MORENO VALLEY
MORENO VALLEY COMMUNITY SERVICES DISTRICT
CITY AS SUCCESSOR AGENCY FOR THE
COMMUNITY REDEVELOPMENT AGENCY OF
THE CITY OF MORENO VALLEY
MORENO VALLEY HOUSING AUTHORITY
BOARD OF LIBRARY TRUSTEES**

May 27, 2014

**SPECIAL PRESENTATIONS – 5:30 P.M.
REGULAR MEETING – 6:00 P.M.**

City Council Study Sessions

First & Third Tuesdays of each month – 6:00 p.m.

City Council Meetings

Second & Fourth Tuesdays of each month – 6:00 p.m.

City Council Closed Sessions

*Immediately following Regular City Council Meetings and
Study Sessions, unless no Closed Session Items are Scheduled*

City Hall Council Chamber - 14177 Frederick Street

Upon request, this agenda will be made available in appropriate alternative formats to persons with disabilities, in compliance with the Americans with Disabilities Act of 1990. Any person with a disability who requires a modification or accommodation in order to participate in a meeting should direct such request to Mel Alonzo, ADA Coordinator, at 951.413.3705 at least 48 hours before the meeting. The 48-hour notification will enable the City to make reasonable arrangements to ensure accessibility to this meeting.

Victoria Baca, Mayor Pro Tem
Jesse L. Molina, Council Member

Tom Owings, Mayor

Richard A. Stewart, Council Member
Yxstian Gutierrez, Council Member

AGENDA
CITY COUNCIL OF THE CITY OF MORENO VALLEY
May 27, 2014

CALL TO ORDER – 5:30 PM

SPECIAL PRESENTATIONS

1. United Way Recognition of the City Employee Giving Campaign
2. Employee of the Quarter - 4th Quarter 2013 - Janice Nollar, Senior GIS Analyst
3. Recognition of Canyon Springs High School Girls Varsity Basketball Team – CIF Division I State Championship
4. Proclamation Recognizing May as Lupus Awareness Month
5. Mayoral Proclamation Recognizing Yolanda Williams' Ladies With Purpose Foundation

**AGENDA
JOINT MEETING OF THE
CITY COUNCIL OF THE CITY OF MORENO VALLEY
MORENO VALLEY COMMUNITY SERVICES DISTRICT
CITY AS SUCCESSOR AGENCY FOR THE
COMMUNITY REDEVELOPMENT AGENCY OF THE
CITY OF MORENO VALLEY
MORENO VALLEY HOUSING AUTHORITY
AND THE BOARD OF LIBRARY TRUSTEES**

***THE CITY COUNCIL RECEIVES A SEPARATE STIPEND FOR CSD
MEETINGS***

**REGULAR MEETING - 6:00 PM
MAY 27, 2014**

CALL TO ORDER

Joint Meeting of the City Council, Community Services District, City as Successor Agency for the Community Redevelopment Agency, Housing Authority and the Board of Library Trustees - actions taken at the Joint Meeting are those of the Agency indicated on each Agenda item.

PLEDGE OF ALLEGIANCE

INVOCATION

Pastor James G. Belle - Moreno Valley First Apostolic Faith Church

ROLL CALL

INTRODUCTIONS

PUBLIC COMMENTS ON MATTERS ON THE AGENDA WILL BE TAKEN UP AS THE ITEM IS CALLED FOR BUSINESS, BETWEEN STAFF'S REPORT AND CITY COUNCIL DELIBERATION (SPEAKER SLIPS MAY BE TURNED IN UNTIL THE ITEM IS CALLED FOR BUSINESS.)

PUBLIC COMMENTS ON ANY SUBJECT NOT ON THE AGENDA UNDER THE JURISDICTION OF THE CITY COUNCIL

Those wishing to speak should complete and submit a BLUE speaker slip to the Bailiff. There is a three-minute time limit per person. All remarks and questions shall be addressed to the presiding officer or to the City Council and not to any individual Council member, staff member or other person.

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JOINT CONSENT CALENDARS (SECTIONS A-D)

All items listed under the Consent Calendars, Sections A, B, C, and D are considered to be routine and non-controversial, and may be enacted by one motion unless a member of the City Council, Community Services District, City as Successor Agency for the Community Redevelopment Agency, Housing Authority or the Board of Library Trustees requests that an item be removed for separate action. The motion to adopt the Consent Calendars is deemed to be a separate motion by each Agency and shall be so recorded by the City Clerk. Items withdrawn for report or discussion will be heard after public hearing items.

A. CONSENT CALENDAR-CITY COUNCIL

A.1 ORDINANCES - READING BY TITLE ONLY

Recommendation: Waive reading of all Ordinances.

A.2 MINUTES - REGULAR MEETING OF MAY 13, 2014 (Report of: City Clerk's Department)

Recommendation:

1. Approve as submitted.

A.3 CITY COUNCIL REPORTS ON REIMBURSABLE ACTIVITIES (Report of: City Clerk's Department)

Recommendation:

1. Receive and file the Reports on Reimbursable Activities for the period of May 7-20, 2014.

A.4 RECEIPT OF QUARTERLY INVESTMENT REPORT – QUARTER ENDED MARCH 31, 2014 (Report of: Financial & Management Services Department)

Recommendation:

1. Receive and file the Quarterly Investment Report, in compliance with the City's Investment Policy.

A.5 AUTHORIZATION TO AWARD CONSTRUCTION CONTRACT TO GRIFFITH COMPANY FOR PERRIS BOULEVARD WIDENING FROM IRONWOOD AVENUE TO MANZANITA AVENUE, PROJECT NO. 801 0024 70 77 (Report of: Public Works Department)

Recommendations

1. Award the construction contract to Griffith Company, 12200 Bloomfield Avenue, Santa Fe Springs, CA 90670, the lowest

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responsible bidder, for the Perris Boulevard Widening from Ironwood Avenue to Manzanita Avenue.

2. Authorize the City Manager to execute a contract with Griffith Company.
 3. Authorize the issuance of a Purchase Order to Griffith Company, for the amount of \$5,400,581.99 (\$4,696,158.25 bid amount plus 15% contingency) when the contract has been signed by all parties.
 4. Authorize the Public Works Director/City Engineer to execute any subsequent related minor change orders to the contract with Griffith Company up to, but not exceeding, the 15% contingency amount of \$704,423.74, subject to the approval of the City Attorney.
 5. Authorize the Public Works Director/City Engineer to record the Notice of Completion once he determines the work is complete, accept the improvements into the City's maintained system, and release the retention to Griffith Company if no claims are filed against the project.
 6. Authorize the appropriation of \$227,000 from the unencumbered Development Impact Fee (DIF) Traffic Signals (Fund 3302) fund balance for the construction costs for the Perris Boulevard Widening from Ironwood Avenue to Manzanita Avenue project (GL: 3302-70-77-80008) to fund the proposed traffic signal at Perris Boulevard and Pico Vista Way.
 7. Authorize the re-appropriation of \$1,100,000 from Transportation Uniform Mitigation Fee (TUMF) Fund 3003 for Perris Blvd Widening from PVSD to Cactus Avenue project (GL: 3003-70-77-80001, Project No.: 801 0022 70 77) to Perris Blvd Widening from Ironwood Avenue to Manzanita Avenue project (GL: 3003-70-77-80001, Project No.: 801 0024 70 77).
- A.6 PA06-0021, PM 34577 – ACCEPT AMENDED DEVELOPMENT IMPACT FEE (DIF) IMPROVEMENT CREDIT AGREEMENT #D12-001 FOR INDIAN STREET AND SAN MICHELE ROAD IMPROVEMENTS ASSOCIATED WITH THE I-215 LOGISTICS CENTER PROJECT
(Report of: Public Works Department)

Recommendations

1. Accept the Amended Development Impact Fee Improvement Credit Agreement #D12-001 (Amended DIF Agreement) for PA06-0021, PM 34577 improvements.

2. Authorize the City Manager to execute the Amended DIF Agreement.

- A.7 PA06-0021, PM 34577 – ACCEPT RESTATED AND AMENDED TRANSPORTATION UNIFORM MITIGATION FEE (TUMF) IMPROVEMENT AND CREDIT AGREEMENT #T13-001 FOR HEACOCK STREET IMPROVEMENTS ASSOCIATED WITH THE I-215 LOGISTICS CENTER PROJECT
(Report of: Public Works Department)

Recommendations

1. Accept the Restated and Amended Transportation Uniform Mitigation Fee Improvement and Credit Agreement #T13-001 (Amended TUMF Agreement) for PA06-0021, PM 34577 improvements.
2. Authorize the City Manager to execute the Amended TUMF Agreement.
3. Direct the City Clerk to forward the signed Amended TUMF Agreement to the County Recorder's Office for recordation.

- A.8 APPROVE THE FIRST AMENDMENT TO THE AGREEMENT WITH COORY ENGINEERING FOR CONSTRUCTION SURVEY SERVICES FOR THE SR-60/MORENO BEACH DRIVE INTERCHANGE IMPROVEMENTS (PHASE 1) – PROJECT NO. 801 0038 70 77
(Report of: Public Works Department)

Recommendations

1. Approve the "First Amendment to Agreement for Professional Consultant Services" with Coory Engineering to provide additional professional survey services of the SR-60/Moreno Beach Drive Interchange Improvements Phase 1 for \$34,195.
2. Authorize the City Manager to execute the First Amendment to Agreement for Professional Consultant Services with Coory Engineering.
3. Authorize a Change Order to increase the Purchase Order with Coory Engineering for the amount of \$34,195 when the First Amendment has been signed by all parties.

- A.9 AUTHORIZATION TO AWARD THE CONTRACT AGREEMENT FOR COPIER LEASE AND MAINTENANCE SERVICES TO SOCIAL OFFICE TECHNOLOGIES
(Report of: Administrative Services Department)

Recommendations

1. Award the Copier Lease and Maintenance Service Agreement to SoCal Office Technologies of 3536 E. Concourse St., Ontario, CA 91764.
2. Instruct the Purchasing Manager to issue purchase orders in the amount of seventy thousand dollars (\$70,000) for services required through June 30, 2015.
3. Authorize the Administrative Services Director to issue required change orders/amendments and up to four subsequent one-year agreement amendments, subject to the approval of the City Attorney.

- A.10 AUTHORIZATION TO AWARD THE CONTRACT AGREEMENT FOR CITYWIDE JANITORIAL SERVICES TO DMS FACILITY SERVICES, INC.
(Report of: Administrative Services Department)

Recommendations

1. Award the Janitorial Services Contract Agreement to DMS Facility Services, Inc., 417 East Huntington Drive, Monrovia, CA 91016.
2. Instruct the Purchasing Manager to issue purchase orders in the amount of Three Hundred Sixteen Thousand Dollars (\$316,000) for routine and special event services required through June 30, 2015.
3. Authorize the Administrative Services Director to issue required change orders/amendments and up to four subsequent one-year agreement amendments, subject to the approval of the City Attorney.

- A.11 APPROVE RESOLUTION FOR THE GRANT APPLICATION FOR THE 2014 EDWARD BYRNE MEMORIAL JUSTICE ASSISTANCE GRANT AND ACCEPT THE \$59,072 ALLOCATION TO THE CITY
(Report of: Community & Economic Development Department)

Recommendations

1. Approve Resolution 2014-36. A Resolution of the City Council of the City of Moreno Valley, California, Approving the Grant Application submitted by the Code & Neighborhood Services Division to the Office of Justice Programs for the Edward Byrne Memorial Justice Assistance Grant and Accept the \$59,072 Allocated.
2. Authorize revenue and expenditure budget appropriations of \$59,072 respectively to a new JAG Program fund for fiscal year 2014-2015.

- A.12 AUTHORIZATION TO AWARD THE CONTRACT AGREEMENT FOR SECURITY GUARD SERVICES TO LYONS SECURITY SERVICE, INC.

(Report of: Administrative Services Department)

Recommendations

1. Award the Security Guard Services Contract Agreement to Lyons Security Service, Inc., 2582 North Santiago Blvd., Orange, CA, 92867.
2. Instruct the Purchasing Manager to issue purchase orders in the amount of sixty thousand dollars (\$60,000) for services required through June 30, 2015.
3. Authorize the Administrative Services Director to issue required change orders/amendments and up to four subsequent one-year agreement amendments, subject to the approval of the City Attorney.

A.13 AUTHORIZE A CHANGE ORDER TO INCREASE THE PURCHASE ORDER WITH VANCE CORPORATION FOR THE CACTUS AVENUE WIDENING PROJECT FROM INTERSTATE 215 TO VETERANS WAY - PROJECT NO. 801 0028 70 77

(Report of: Public Works Department)

Recommendations

1. Authorize a Change Order to increase the existing Purchase Order with Vance Corporation, by an additional \$45,000 for the Cactus Avenue Widening Project from Interstate 215 to Veterans Way.
2. Authorize the Public Works Director/City Engineer to execute the Change Order to the Purchase Order for Vance Corporation.
3. Authorize the Public Works Director/City Engineer to execute any subsequent related minor contract change orders to the contract with Vance Corporation up to, but not exceeding, the revised Purchase Order amount, subject to approval of the City Attorney.

B. CONSENT CALENDAR-COMMUNITY SERVICES DISTRICT

B.1 ORDINANCES - READING BY TITLE ONLY

Recommendation: Waive reading of all Ordinances.

B.2 MINUTES - REGULAR MEETING OF MAY 13, 2014 (Report of: City Clerk's Department)

Recommendation:

1. Approve as submitted.

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C. CONSENT CALENDAR - HOUSING AUTHORITY

C.1 ORDINANCES - READING BY TITLE ONLY

Recommendation: Waive reading of all Ordinances.

C.2 MINUTES - REGULAR MEETING OF MAY 13, 2014 (Report of: City Clerk's Department)

Recommendation:

1. Approve as submitted.

D. CONSENT CALENDAR - BOARD OF LIBRARY TRUSTEES

D.1 ORDINANCES - READING BY TITLE ONLY

Recommendation: Waive reading of all Ordinances.

D.2 MINUTES - REGULAR MEETING OF MAY 13, 2014 (Report of: City Clerk's Department)

Recommendation:

1. Approve as submitted.

E. PUBLIC HEARINGS

Questions or comments from the public on a Public Hearing matter are limited to five minutes per individual and must pertain to the subject under consideration. Those wishing to speak should complete and submit a GOLDENROD speaker slip to the Bailiff.

E.1 PUBLIC HEARING ON THE FORMATION OF MORENO VALLEY COMMUNITY SERVICES DISTRICT LIGHTING MAINTENANCE DISTRICT NO. 2014-01 AND LEVYING AN ASSESSMENT IN FISCAL YEAR 2014/15 AGAINST REAL PROPERTY IN THAT DISTRICT AND TRANSITION OF CSD ZONE B TO THE NEWLY FORMED DISTRICT WITH NO INCREASES TO THE PARCEL CHARGES PREVIOUSLY APPROVED BY THE PROPERTY OWNERS (Report of: Financial & Management Services Department)

Recommendations That the CSD:

1. Conduct the Public Hearing on the proposed formation of Moreno Valley Community Services District Lighting Maintenance District No. 2014-01.
2. Adopt Resolution No. CSD 2014-08. A Resolution of the Moreno Valley Community Services District of the City of Moreno Valley, California, Forming Moreno Valley Community Services District

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Lighting Maintenance District No. 2014-01 and Levying an Assessment in Fiscal Year 2014/15 Against Real Property in that District.

- E.2 PUBLIC HEARING ON THE FORMATION OF MORENO VALLEY COMMUNITY SERVICES DISTRICT LANDSCAPE MAINTENANCE DISTRICT NO. 2014-02 AND LEVYING AN ASSESSMENT IN FISCAL YEAR 2014/15 AGAINST REAL PROPERTY IN THAT DISTRICT AND TRANSITION CERTAIN CSD ZONE E SUBZONES TO THE NEWLY FORMED DISTRICT WITH NO INCREASES TO THE PARCEL CHARGES PREVIOUSLY APPROVED BY THE PROPERTY OWNERS
(Report of: Financial & Management Services Department)

Recommendations That the CSD:

1. Conduct the Public Hearing on the proposed formation of Moreno Valley Community Services District Landscape Maintenance District No. 2014-02.
2. Adopt Resolution No. CSD 2014-09. A Resolution of the Moreno Valley Community Services District of the City of Moreno Valley, California, Forming Moreno Valley Community Services District Landscape Maintenance District No. 2014-02 and Levying an Assessment in Fiscal Year 2014/15 Against Real Property in that District.
3. Direct the Chief Financial Officer to adjust certain funds as requested within the staff report.

F. ITEMS REMOVED FROM CONSENT CALENDARS FOR DISCUSSION OR SEPARATE ACTION

G. REPORTS

- G.1 REPORT TO CONSIDER PUBLIC COMMENTS REGARDING THE NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM (NPDES) REGULATORY RATE SCHEDULE FOR NEW RESIDENTIAL AND COMMON INTEREST, COMMERCIAL, INDUSTRIAL AND QUASI-PUBLIC USE DEVELOPMENT PROPOSED FISCAL YEAR 2014/2015 ANNUAL RATES (Report of: Public Works Department)

Recommendations That the City Council:

1. Conduct a Public Meeting to accept public comments regarding the “NPDES Regulatory Rate Schedule for New Residential and Common Interest, Commercial, Industrial and Quasi-Public Use Development” proposed Fiscal Year 2014/2015 annual rates.

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G.2 ADOPTION OF FY 2014-2015 CAPITAL IMPROVEMENT PLAN
(Report of: Public Works Department)

Recommendations That the City Council:

1. Adopt Resolution No. 2014-37. A Resolution of the City Council of the City of Moreno Valley, California, Adopting the Capital Improvement Plan for FY 2014-2015. To include all applicable adjustments to the Proposed Capital Improvement Plan (CIP), as detailed in Revisions to the Proposed Capital Improvement Plan.

Recommendations That the CSD:

1. Acting in its capacity as the President and the Board of Directors of the Community Services District of the City of Moreno Valley, adopt Resolution No. CSD 2014-10. A Resolution of the Community Services District of the City of Moreno Valley, California, adopting the Capital Improvement Plan for FY 2014-2015. To include all applicable adjustments to the Proposed Capital Improvement Plan, as detailed in Revisions to the Proposed Capital Improvement Plan.

Recommendations That the Housing Authority:

1. Acting in its capacity as the Chairman and the Board of Directors of the Moreno Valley Housing Authority of the City of Moreno Valley, adopt Resolution No. HA 2014-02. A Resolution of the Moreno Valley Housing Authority of the City of Moreno Valley, California, adopting the Capital Improvement Plan for FY 2014-2015. To include all applicable adjustments to the Proposed Capital Improvement Plan, as detailed in Revisions to the Proposed Capital Improvement Plan.

G.3 APPROVAL OF SUCCESSOR MEMORANDA OF UNDERSTANDING BETWEEN THE CITY OF MORENO VALLEY AND THE MORENO VALLEY CITY EMPLOYEES ASSOCIATION AND MORENO VALLEY MANAGEMENT ASSOCIATION FOR THE PERIOD OF JULY 1, 2014 THROUGH JUNE 30, 2015
(Report of: Administrative Services Department)

Recommendations That the City Council:

1. Approve the successor Memoranda of Understanding (MOU) between the City of Moreno Valley and the Moreno Valley City Employees Association (MVCEA) for the period of July 1, 2014 through June 30, 2015.
2. Approve the successor Memoranda of Understanding (MOU) between the City of Moreno Valley and the Moreno Valley Management Association (MVMA) for the period of July 1, 2014 through June 30, 2015.

3. Extend the provisions of these two Agreements to employees represented by the Moreno Valley Confidential Management Employees (MVCME) as well as those in unrepresented classifications.
4. Direct the Chief Financial Officer to adjust FY 2014-15 Budget Appropriations as outlined in this report (projected cost of \$1,454,000 with General Fund impact projected at \$883,000) to reflect the Council's approval of these Memoranda of Understanding.

G.4 MONTHLY REPORT: MORENO VALLEY ANIMAL SHELTER ADOPTION RATE
(Report of: Administrative Services Department)

Recommendations That the City Council:

1. Receive and file the Monthly Report: Moreno Valley Animal Adoption Rate for the period of April 1 to April 30, 2014.

G.5 CITY MANAGER'S REPORT (Informational Oral Presentation - not for Council action)

G.6 CITY ATTORNEY'S REPORT (Informational Oral Presentation - not for Council action)

H. LEGISLATIVE ACTIONS

H.1 ORDINANCES - 1ST READING AND INTRODUCTION

- H.1.1 FIRST READING AND INTRODUCTION OF ORDINANCE NO. 876. AN ORDINANCE OF THE CITY OF MORENO VALLEY, CALIFORNIA, AMENDING TITLE 2 OF THE MORENO VALLEY MUNICIPAL CODE RELATING TO THE ELECTION AND TERM OF OFFICE OF THE MAYOR AND COUNCIL AND THE NUMBER, DESIGNATION, AND BOUNDARIES OF COUNCILMANIC DISTRICTS
(Report of: City Attorney Department)

Recommendations That the City Council:

1. Introduce Ordinance No. 876. An Ordinance of the City Council of the City of Moreno Valley, California, Amending Title 2 of the Moreno Valley Municipal Code Relating to the Election and Term of Office of the Mayor and Council and the Number, Designation, and Boundaries of Councilmanic Districts.

H.1.2 INTRODUCE ORDINANCE NO. 877 AMENDING CHAPTER 3.44 OF THE CITY OF MORENO VALLEY MUNICIPAL CODE TO INCLUDE

AN EXEMPTION FOR NEWLY CONSTRUCTED SPECIALLY ADAPTED HOMES FOR SEVERELY DISABLED VETERANS UNDER THE WESTERN RIVERSIDE COUNTY TRANSPORTATION UNIFORM MITIGATION FEE (TUMF) PROGRAM
(Report of: Public Works Department)

Recommendations That the City Council:

1. Introduce Ordinance No. 877. An Ordinance amending Chapter 3.44 of the City of Moreno Valley Municipal Code to Include an Exemption for Newly Constructed Specially Adapted Homes for Severely Disabled Veterans Under the Western Riverside County Transportation Uniform Mitigation Fee (TUMF) Program.

H.2 ORDINANCES - 2ND READING AND ADOPTION

- H.2.1 ORDINANCE NO. 875 - AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORENO VALLEY, CALIFORNIA, APPROVING PA13-0031 (CHANGE OF ZONE) CHANGING THE ZONING OF SIX PARCELS LOCATED AT THE SOUTHEAST CORNER OF ELSWORTH STREET AND NEW HOPE STREET FROM BUSINESS PARK (BP) TO LIGHT INDUSTRIAL (LI), AS DESCRIBED IN THE ORDINANCE, AND THE REVISED MAP ATTACHED TO THE ORDINANCE AS EXHIBIT A. (RECEIVED FIRST READING AND INTRODUCTION ON MAY 13, 2014 BY A 5-0 VOTE)

Recommendations That the City Council:

1. Adopt Ordinance No. 875. An Ordinance of the City Council of the City of Moreno Valley, California, Approving PA13-0031 (Change of Zone) Changing the Zoning of Six Parcels Located at the Southeast Corner of Elsworth Street and New Hope Street from Business Park (BP) to Light Industrial (LI), as Described in the Ordinance, and the Revised Map Attached to the Ordinance as Exhibit A.

H.3 ORDINANCES - URGENCY ORDINANCES - NONE

H.4 RESOLUTIONS - NONE

CLOSING COMMENTS AND/OR REPORTS OF THE CITY COUNCIL, COMMUNITY SERVICES DISTRICT, CITY AS SUCCESSOR AGENCY FOR THE COMMUNITY REDEVELOPMENT AGENCY OR HOUSING AUTHORITY

Materials related to an item on this Agenda submitted to the City Council/Community Services District/City as Successor Agency for the Community Redevelopment Agency/Housing Authority or Board of Library Trustees after distribution of the agenda packet are available for public inspection in the City Clerk's office at 14177 Frederick Street during normal business hours.

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May 27, 2014

CLOSED SESSION

A Closed Session of the City Council, Community Services District, City as Successor Agency for the Community Redevelopment Agency and Housing Authority will be held in City Manager's Conference Room, Second Floor, City Hall. The City Council will meet in Closed Session to confer with its legal counsel regarding the following matter(s) and any additional matter(s) publicly and orally announced by the City Attorney in the Council Chamber at the time of convening the Closed Session.

• PUBLIC COMMENTS ON MATTERS ON THE CLOSED SESSION AGENDA UNDER THE JURISDICTION OF THE CITY COUNCIL

There is a three-minute time limit per person. Please complete and submit a BLUE speaker slip to the City Clerk. All remarks and questions shall be addressed to the presiding officer or to the City Council and not to any individual Council member, staff member or other person.

The Closed Session will be held pursuant to Government Code:

1 SIGNIFICANT EXPOSURE TO LITIGATION PURSUANT TO PARAGRAPH (2) OR (3) OF SUBDIVISION (D) OF SECTION 54956.9

Number of Cases: 5

2 SECTION 54956.9(d)(4) - CONFERENCE WITH LEGAL COUNSEL - INITIATION OF LITIGATION

Number of Cases: 5

3 SECTION 54957 - PUBLIC EMPLOYMENT

- a) *Public Employee Annual Performance Evaluation - City Attorney
(Due: April 9, 2014)*
- b) *Public Employee Annual Performance Evaluation - City Clerk
(Due: October 24, 2013)*
- c) *Public Employee Annual Performance Evaluation - City Manager
(Due May 14, 2014)*

REPORT OF ACTION FROM CLOSED SESSION, IF ANY, BY CITY ATTORNEY

ADJOURNMENT

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May 27, 2014

CERTIFICATION

I, Jane Halstead, City Clerk of the City of Moreno Valley, California, certify that the City Council Agenda was posted in the following places pursuant to City of Moreno Valley Resolution No. 2007-40:

City Hall, City of Moreno Valley
14177 Frederick Street

Moreno Valley Library
25480 Alessandro Boulevard

Moreno Valley Senior/Community Center
25075 Fir Avenue

Jane Halstead, CMC,
City Clerk

Date Posted: May 21, 2014

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MINUTES
CITY COUNCIL REGULAR MEETING OF THE CITY OF MORENO VALLEY
May 13, 2014

CALL TO ORDER

SPECIAL PRESENTATIONS

1. Proclamation Recognizing May is Mental Health Month
2. Proclamation Recognizing National Public Works Week: May 18-24, 2014
3. Recognition of Mayor's Day for National Service - AmeriCorp Volunteers
4. Proclamation Recognizing West Coast Thunder 15th Annual Memorial Day Bike Run
5. BUSINESS SPOTLIGHT
 - a) Be Happy Nutrition Center
 - b) Marco's Pizza

**MINUTES
JOINT MEETING OF THE
CITY COUNCIL OF THE CITY OF MORENO VALLEY
MORENO VALLEY COMMUNITY SERVICES DISTRICT
CITY AS SUCCESSOR AGENCY FOR THE
COMMUNITY REDEVELOPMENT AGENCY OF
THE CITY OF MORENO VALLEY
MORENO VALLEY HOUSING AUTHORITY
BOARD OF LIBRARY TRUSTEES**

CITY COUNCIL RECEIVES A SEPARATE STIPEND FOR CSD MEETINGS

**REGULAR MEETING – 6:00 PM
May 13, 2014**

CALL TO ORDER

The Joint Meeting of the City Council of the City of Moreno Valley, Moreno Valley Community Services District, City as Successor Agency for the Redevelopment Agency of the City of Moreno Valley, Moreno Valley Housing Authority and Board of Library Trustees was called to order at 6:20 p.m. by Mayor Tom Owings in the Council Chamber located at 14177 Frederick Street.

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Pete Bleckert

INVOCATION

- 1 Pastor Michael T. Mupfawa - Imani Praise Fellowship Church and Moreno Valley Seventh-Day Adventist Church

ROLL CALL

Council:

Tom Owings	Mayor
Victoria Baca	Mayor Pro Tem
Yxstian A. Gutierrez	Council Member
Jesse L. Molina	Council Member
Richard A. Stewart	Council Member

Staff:

Michelle Dawson	City Manager
Suzanne Bryant	City Attorney
Jane Halstead	City Clerk
Tom DeSantis	Assistant City Manager

MINUTES
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Abdul Ahmad
Ahmad Ansari
Joel Ontiveros
Chris Paxton
Richard Teichert
Betsy Adams
John Terell
Kathy Gross

Fire Chief
Public Works Director/City Engineer
Police Chief
Administrative Services Director
Chief Financial Officer/City Treasurer
Parks & Community Services Director
Community and Economic Development Director
Executive Assistant

PUBLIC COMMENTS **ON ANY SUBJECT NOT ON THE AGENDA** UNDER THE JURISDICTION OF THE CITY COUNCIL

David Slawson

1. EMWD Pipeline Shut Down

Scott Heveran

1. Recall update

Bob Palomarez

1. Recall flyer
2. Investigation costs
3. Riverside County representation

Louise Palomarez

1. Riverside County DA representation
2. Recall

Chris Baca

1. Commented on recall proponent for District 3
2. Recall efforts and upcoming recall election
3. Interruptions during public comments

Mark Anthony Orozco

1. Candidate for Board of Supervisors, District 5, Riverside County

Stopped Public Comments at 6:42 p.m.

Debra Craig

1. Speech on statistics for the recall, were inspired by a Pastor against the Recall.

Pastor James Owens

1. Thank you to Mayor Tom Owings for supporting our community and visiting our church.
2. Leadership can learn; what are we doing to serve this community instead of fighting?

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Susan Gilmore Owings

1. 2012 door to door experience, while Tom Owings was running for City Council.
2. Recall and actual progress in Moreno Valley. Statistics in new City Hall leadership.

Pastor Sherman Jones

1. Change in Moreno Valley
2. Recall and its Citizen's
3. Moreno Valley's human trafficking statistics

Luis Mojica

1. Applauded prior comments made by Pastor Jones
2. Moreno Valley Unity

Pete Bleckert

1. Skecher's and Logistics
2. Recall and certain candidate's position

Tom Jerele, Sr.

1. Edgemont and local Sunnymead
2. Recent water issue
3. Request for Planning Commissioners to receive business cards as they were promised

JOINT CONSENT CALENDARS (SECTIONS A-D) OF THE CITY COUNCIL OF THE CITY OF MORENO VALLEY, MORENO VALLEY COMMUNITY SERVICES DISTRICT, CITY AS SUCCESSOR AGENCY FOR THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF MORENO VALLEY, MORENO VALLEY HOUSING AUTHORITY AND THE BOARD OF LIBRARY TRUSTEES

A. CONSENT CALENDAR-CITY COUNCIL

A.1 ORDINANCES - READING BY TITLE ONLY

Recommendation: Waive reading of all Ordinances.

A.2 MINUTES - REGULAR MEETING OF APRIL 22, 2014 (Report of: City Clerk's Department)

Recommendation:

Approve as submitted.

A.3 CITY COUNCIL REPORTS ON REIMBURSABLE ACTIVITIES (Report of: City Clerk's Department)

MINUTES
May 13, 2014

Recommendation:

Receive and file the Reports on Reimbursable Activities for the period of April 16 May 6, 2014.

A.4 APPROVAL OF PAYMENT REGISTER FOR MARCH, 2014
(Report of: Financial & Management Services Department)

Recommendation:

Adopt Resolution No. 2014-32. A Resolution of the City Council of the City of Moreno Valley, California, approving the Payment Register for the month of March, 2014 in the amount of \$12,570,459.73.

A.5 AUTHORIZATION TO AWARD CONSTRUCTION CONTRACT TO HILLCREST CONTRACTING, INC. FOR NASON STREET IMPROVEMENTS FROM CACTUS AVENUE TO FIR AVENUE PROJECT – PROJECT NO. 801 0001 70 77
(Report of: Public Works Department)

Recommendations

1. Award the construction contract to Hillcrest Contracting, Inc., 1467 Circle City Drive, Corona, CA 92879, the lowest responsible bidder, for the Nason Street Improvements from Cactus Avenue to Fir Avenue.
2. Authorize the City Manager to execute a contract with Hillcrest Contracting, Inc.
3. Authorize the issuance of a Purchase Order to Hillcrest Contracting, Inc., for the amount of \$8,769,996.98 (\$7,972,724.53 bid amount plus 10% contingency) when the contract has been signed by all parties.
4. Authorize the Public Works Director/City Engineer to execute any subsequent related minor change orders to the contract with Hillcrest Contracting, Inc. up to, but not exceeding, the 10% contingency amount of \$797,272.45, subject to the approval of the City Attorney.
5. Authorize the Public Works Director/City Engineer to record the Notice of Completion once he determines the work is complete, accept the improvements into the City's maintained system, and release the retention to Hillcrest Contracting, Inc., if no claims are filed against the project.

A.6 APPROVE THE AGREEMENT FOR PROFESSIONAL CONSULTANT CONSTRUCTION SURVEY SERVICES WITH RBF CONSULTING, AND APPROVE THE AGREEMENT FOR PROFESSIONAL CONSULTANT

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CONSTRUCTION MANAGEMENT AND INSPECTION SERVICES WITH
ATHALYE CONSULTING ENGINEERING SERVICES FOR THE NASON
STREET IMPROVEMENTS FROM CACTUS AVENUE TO FIR AVENUE -
PROJECT NO. 801 0001 70 77

(Report of: Public Works Department)

Recommendations

1. Approve the Agreement for Professional Consultant Services with RBF Consulting, 3300 East Guasti Road, Suite 100, Ontario, CA 91761-8656, to provide Construction Survey Services for the Nason Street Improvements from Cactus Avenue to Fir Avenue Street project for \$175,000.00.
2. Authorize the City Manager to execute the Agreement for Professional Consultant Services with RBF Consulting.
3. Authorize an issuance of a Purchase Order with RBF Consulting in the amount of \$175,000.00 when the Agreement has been signed by all parties.
4. Approve the Agreement for Professional Consultant Services with Athalye Consulting Engineering Services, 3200 Guasti Road, Ste. 100, Ontario, CA 91761, to provide construction management and inspection services for the Nason Street Improvements from Cactus Avenue to Fir Avenue project for \$520,000.00.
5. Authorize the City Manager to execute the Agreement for Professional Consultant Services with Athalye Consulting Engineering Services.
6. Authorize an issuance of a Purchase Order with Athalye Consulting Engineering Services in the amount of \$520,000.00 when the Agreement has been signed by all parties.

A.7 APPROVE AGREEMENT BETWEEN MORENO VALLEY UNIFIED
SCHOOL DISTRICT AND THE CITY OF MORENO VALLEY FOR THE
STUDENT RECOGNITION BANNER PROGRAM

(Report of: Public Works Department)

Recommendations

1. Approve the Agreement for the Student Recognition Banner Program.
2. Authorize the City Manager to execute the Agreement for the Student Recognition Banner Program and authorize the Public Works Director/City Engineer to approve any changes subject to the

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approval of the City Attorney.

- A.8 PA07-0080, PM 35672 – ACCEPT DEVELOPMENT IMPACT FEE (DIF) IMPROVEMENT CREDIT AGREEMENT #D12-003 FOR INDIAN STREET AND IRIS AVENUE ROAD IMPROVEMENTS AND TRAFFIC SIGNAL IMPROVEMENTS AT HEACOCK STREET AND KRAMERIA AVENUE ASSOCIATED WITH THE INLAND EMPIRE GLOBAL LOGISTICS CENTER PROJECT
(Report of: Public Works Department)

Recommendations

1. Accept the Development Impact Fee Improvement Credit Agreement #D12-003 (DIF Agreement) for PA07-0080, PM 35672 improvements.
2. Authorize the City Manager to execute the DIF Agreement.

- A.9 AUTHORIZE SUBMISSION OF GRANT FUNDING APPLICATIONS FOR THE CALIFORNIA ACTIVE TRANSPORTATION PROGRAM (ATP)
(Report of: Public Works Department)

Recommendation:

Authorize submission of grant funding applications for the California ATP.

- A.10 PA13-0009 – ACCEPT FINAL MAP AND ACCEPT AGREEMENT AND SECURITY FOR PUBLIC IMPROVEMENTS. DEVELOPER – RALPHS GROCERY COMPANY, AN OHIO CORPORATION, COMPTON, CA, 90220
(Report of: Public Works Department)

Recommendations

1. Approve Final Map for PA13-0009, authorize the City Clerk to sign the map and transmit said map to the County Recorder's Office for recordation.
2. Accept the Agreement and Security for Public Improvements for Ralphs Grocery Company, an Ohio Corporation.
3. Authorize the Mayor to execute the Agreement.
4. Direct the City Clerk to forward the signed Agreement to the County Recorder's Office for recordation.
5. Authorize the City Engineer to execute any future time extension amendments to the agreement, subject to City Attorney approval, if the required public improvements are not completed within said

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timeframe.

A.11 AUTHORIZATION TO CLOSE PUBLIC STREETS FOR THE INDEPENDENCE DAY FESTIVITIES ON FRIDAY, JULY 4, 2014
(Report of: Parks & Community Services Department)

Recommendations

1. Authorize the closure of the following streets between the hours of 6:00 a.m. and 12:00 noon for the purpose of conducting the Fourth of July Parade scheduled to take place on July 4, 2014.
 - a. Frederick Street between Centerpointe Drive and Cactus Avenue;
 - b. TownGate Boulevard between Frederick Street and Heritage Way;
 - c. TownGate Boulevard between Frederick Street, Eucalyptus Avenue and Memorial Way;
 - d. Brabham Street between Frederick Street and Andretti Street;
 - e. Eucalyptus Avenue between Pan Am Boulevard and Kochi Drive;
 - f. Atlantic Circle east of Frederick Street;
 - g. Dracaea Avenue between Pan Am Boulevard and Kochi Drive;
 - h. Cottonwood Avenue between Pan Am Boulevard and Dunhill Drive;
 - i. Bay Avenue between Kristina Court and Courage Street;
 - j. Alessandro Boulevard between Elsworth and Graham Street;
 - k. Brodiaea Avenue between Joy Street, and Frederick Street;
 - l. Resource Way between Frederick Street and Corporate Way;
 - m. Corporate Way between Calle San Juan de Los Lagos and Resource Way;
 - n. Calle San Juan De Los Lagos between Frederick Street and Veterans Way;
 - o. Veterans Way between Elsworth and Frederick Boulevard;
 - p. New Hope Drive between Veterans Way and Elsworth;
 - q. Veterans Way between Cactus Avenue and Alessandro Boulevard;
 - r. Goldencrest between Newhope Drive and Veterans Way
2. Authorize the closure of Dracaea Avenue between Morrison Street and Mascot Street, between the hours of 6:00 a.m. and 11:00 p.m. Friday, July 4, 2014, for the purpose of conducting the Fourth of July Festival and Fireworks Program scheduled to take place on July 4, 2014.
3. For a short period of time and immediately following the fireworks display, authorize one-way traffic on various streets in the vicinity of Morrison Park as directed by the Moreno Valley Police Department.

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A.12 AUTHORIZE THE AGREEMENT FOR REPLACEMENT OF OVERHEAD WITH UNDERGROUND ELECTRICAL FACILITIES AND AMEND PURCHASE ORDER WITH SOUTHERN CALIFORNIA EDISON FOR THE NASON STREET IMPROVEMENTS FROM CACTUS AVENUE TO FIR AVENUE

PROJECT NO. 801 0001 70 77

(Report of: Public Works Department)

Recommendations

1. Authorize the City Manager to execute the Agreement for Replacement of Overhead with Underground Electrical Facilities with Southern California Edison (SCE) for the Nason Street Improvements from Cactus Avenue to Fir Avenue.
2. Authorize an increase to the Purchase Order to SCE in the amount of an additional \$536,000 in Account No. 2000-70-77-8001.
3. Authorize a deposit payment to SCE in an amount up to \$536,000 for the engineering of the proposed Rule 20B Undergrounding of SCE facilities for the Nason Street Improvements from Cactus Avenue to Fir Avenue.
4. Authorize the Public Works Director/City Engineer to execute any subsequent related minor amendments to the agreements with SCE up to, but not exceeding, the existing purchase order contingency of \$24,000, subject to the approval of the City Attorney.

B. CONSENT CALENDAR-COMMUNITY SERVICES DISTRICT

B.1 ORDINANCES - READING BY TITLE ONLY

Recommendation: Waive reading of all Ordinances.

B.2 MINUTES - REGULAR MEETING OF APRIL 22, 2014 (Report of: City Clerk's Department)

Recommendation:

Approve as submitted.

B.3 EXTENSION OF THE AGREEMENT CONTRACT MOWING OF ZONE A AND CFD #1 PARKS

(Report of: Parks & Community Services Department)

Recommendations That the CSD:

1. Approve the Extension of the Agreement for Contract Mowing of Zone A and CFD #1 Parks to DLS Landscape, Inc., 32398 Dunlap

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Boulevard, Yucaipa, California 92399.

2. Authorize the City Manager, serving in the capacity of Executive Director, to execute the Extension of the Agreement for Contract Mowing of Zone A and CFD #1 Parks to DLS Landscape, Inc.
3. Authorize approval of payment to DLS Landscape, Inc. in the total amount of \$49,560.00 for March, April, May and June 2014 (\$40,920.00 for Zone A, available in account 5011-50-57-35211, and \$8,640.00 for CFD #1, available in account 5113-50-57-35216, and ratify expenditures in the amount of \$99,120.00 for the period from July 1, 2013 through May 13, 2014.

B.4 AWARD OF AN INDEPENDENT CONTRACTOR AGREEMENT FOR LANDSCAPE AND IRRIGATION DISTRICTS – WEST MAINTENANCE OF PARKWAY AND MEDIAN LANDSCAPING AND IRRIGATION
(Report of: Financial & Management Services Department)

Recommendations

1. Approve the Agreement for Landscape and Irrigation Districts – West, Maintenance of Parkway and Median Landscaping and Irrigation (“Agreement”) with TruGreen LandCare, 1616 Marlborough Ave., Bldg. S., Riverside, CA 92507 to provide landscape maintenance services to the landscaped parkways and medians in Towngate (E-1), Renaissance Parkway (E-1A), Centerpointe (E-7) and Shadow Mountain (E-16).
2. Authorize the City Manager to execute the Agreement with TruGreen LandCare.
3. Authorize the issuance of purchase orders for service beginning July 1, 2014 to TruGreen LandCare in the not-to-exceed (NTE) amount of \$160,825.52 (\$126,785.52 for base and \$34,040.00 for additional work).
4. Authorize the City Manager to execute subsequent Extensions or Amendments to the Agreement, including the authority to authorize associated purchase orders (P.O.s) in accordance with the terms of the Agreement, subject to the approval of the City Attorney.

B.5 AWARD OF AN INDEPENDENT CONTRACTOR AGREEMENT FOR IRRIGATION PUMP MAINTENANCE SERVICES FOR DESIGNATED CITY AND CSD PARKWAY AND MEDIAN AREAS

(Report of: Financial & Management Services Department)

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Recommendations

1. Approve the Agreement for Irrigation Pump Maintenance Services with Variable Speed Solutions, Inc., 16182 Gothard Street, Suite I, Huntington Beach, CA 92647 to provide testing, maintenance and repairs of the irrigation pumps located in designated City and CSD landscaped parkway and median areas.
2. Authorize the City Manager to execute the Agreement for Irrigation Pump Maintenance Services with Variable Speed Solutions, Inc.
3. Authorize the issuance of purchase orders for services beginning July 1, 2014 to Variable Speed Solutions, Inc. in the not-to-exceed (NTE) amount of \$24,690.00 (\$7,220.00 for base and \$17,470.00 for additional work).
4. Authorize the City Manager to execute subsequent Extensions or Amendments to the Agreement, including the authority to authorize associated purchase orders (P.O.s) in accordance with the terms of the Agreement, subject to the approval of the City Attorney.

C. CONSENT CALENDAR - HOUSING AUTHORITY

C.1 ORDINANCES - READING BY TITLE ONLY

Recommendation: Waive reading of all Ordinances.

C.2 MINUTES - REGULAR MEETING OF APRIL 22, 2014 (Report of: City Clerk's Department)

Recommendation:

Approve as submitted.

D. CONSENT CALENDAR - BOARD OF LIBRARY TRUSTEES

D.1 ORDINANCES - READING BY TITLE ONLY

Recommendation: Waive reading of all Ordinances.

D.2 MINUTES - REGULAR MEETING OF APRIL 22, 2014 (Report of: City Clerk's Department)

Recommendation:

Approve as submitted.

**Motion to Approve Joint Consent Calendar Items A.1 through D.2
Mayor Tom Owings abstaining from Item B.5, by m/Council Member
Jesse L. Molina, s/Council Member Yxstian A. Gutierrez**

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Approved by a vote of 5-0.

E. PUBLIC HEARINGS

E.1 THIRD PUBLIC HEARING REGARDING COUNCILMANIC REDISTRICTING AND ADOPT RESOLUTION RELATING TO THE DIRECT ELECTION OF THE MAYOR AND REAPPORTIONMENT OF COUNCILMANIC DISTRICTS AND DIRECTING STAFF TO PREPARE ORDINANCE

(Report of: City Clerk Department)

Recommendations That the City Council:

1. Conduct a third public hearing regarding redistricting plans of the Councilmanic districts in the City of Moreno Valley and accept public comments.
2. Adopt Resolution No. 2014-33. A Resolution of the City Council of the City of Moreno Valley, California, relating to the Direct Election of the Mayor and Reapportionment of Councilmanic Districts and Directing City Staff to Prepare Ordinance.

Mayor Tom Owings opened the public testimony portion of the public hearing. Public testimony was received from Kathleen Dale (Opposed), Christopher Baca (Supports), Bob Palomarez, Louise Palomarez (supports), Roy Bleckert, Pete Bleckert (supports), and Tom Jerele, Sr.

Conduct a third public hearing regarding redistricting plans of the Councilmanic districts in the City of Moreno Valley and accept public comments. Adopt Resolution No. 2014-33 with Plan 2b, A Resolution of the City Council of the City of Moreno Valley, California, relating to the Direct Election of the Mayor and Reapportionment of Councilmanic Districts and Directing City Staff to Prepare Ordinance by m/Mayor Pro Tem Victoria Baca, s/Council Member Richard A. Stewart

Approved by a vote of 4-0-1, Council Member Jesse L. Molina abstained.

E.2 PUBLIC HEARING TO ADOPT THE 2014/15 ANNUAL ACTION PLAN FOR THE COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) AND HOME INVESTMENT PARTNERSHIP (HOME) PROGRAMS

(Report of: Community & Economic Development Department)

Recommendations That the City Council:

1. Conduct a Public Hearing for the Community Development Block

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Grant (CDBG) and HOME Investment Partnership (HOME) Program to allow the public an opportunity to comment on the proposed 2014/15 Annual Action Plan.

2. Approve the Annual Action Plan (2014/15) as an application to the US Department of Housing and Urban Development for funding under the federal CDBG and HOME programs.
3. Approve the revenue and expense budget appropriation for CDBG Entitlement funds in the amount of \$2,654,066 respectively for the 2014/15 CDBG program activities.
4. Approve the revenue and expense budget appropriation for HOME Entitlement funds in the amount of \$987,796 for the 2014/15 HOME program activities respectively.
5. Authorize the City Manager to execute the 2014/15 grant agreements, sub-recipient agreements, and any and all documents necessary to obtain the allocation of the federal entitlement funds.

Mayor Tom Owings opened the public testimony portion of the public hearing. Public testimony was received from Michelle Granger.

Approve the Annual Action Plan (2014/15) as an application to the US Department of Housing and Urban Development for funding under the federal CDBG and HOME programs.

Approve the revenue and expense budget appropriation for CDBG Entitlement funds in the amount of \$2,654,066 respectively for the 2014/15 CDBG program activities.

Approve the revenue and expense budget appropriation for HOME Entitlement funds in the amount of \$987,796 for the 2014/15 HOME program activities respectively.

Authorize the City Manager to execute the 2014/15 grant agreements, sub-recipient agreements, and any and all documents necessary to obtain the allocation of the federal entitlement funds by m/Council Member Richard A. Stewart, s/Council Member Jesse L. Molina

Approved by a vote of 5-0.

- E.3 A PUBLIC HEARING FOR APPROVAL OF CHANGE OF ZONE (PA13-0031), PLOT PLAN (PA13-0030) AND TENTATIVE PARCEL MAP (PA13-0054). THE PROJECT PROPOSES A 366,698 SQUARE FOOT WAREHOUSE BUILDING LOCATED ON 16 ACRES AT THE

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SOUTHEAST CORNER OF ELSWORTH STREET AND NEW HOPE STREET. THE TENTATIVE PARCEL MAP 36625 WILL CREATE ONE PARCEL FROM THE EXISTING SIX PARCELS. THE CHANGE OF ZONE IS FROM BUSINESS PARK (BP) TO LIGHT INDUSTRIAL (LI). THE APPLICANT IS SHAW DEVELOPMENT.

(Report of: Community & Economic Development Department)

Recommendations That the City Council:

1. ADOPT a Mitigated Negative Declaration for PA13-0031 (Plot Plan), PA13-0031(Change of Zone) and PA13-0054(Tentative Parcel Map 36625). The projects, individually and cumulatively, will not result in a significant effect on the environment.
2. INTRODUCE Ordinance No. 875. An Ordinance of the City of Moreno Valley, California Approving a Change of Zone (PA13-0031) from Business Park (BP) to Industrial (I) based on the findings in the Ordinance.
3. APPROVE Resolution No. 2014-34. Approving PA13-0031 (Plot Plan) and PA13-0054 (Tentative Parcel Map 36625) for the development of a 366,698 square foot warehouse distribution facility on 16 acres located on the SEC of Elsworth Street and New Hope Street.

Mayor Tom Owings opened the public testimony portion of the public hearing. Public testimony was received from Chuck Crookall (Supports).

ADOPT a Mitigated Negative Declaration for PA13-0031 (Plot Plan), PA13-0031(Change of Zone) and PA13-0054 (Tentative Parcel Map 36625). The projects, individually and cumulatively, will not result in a significant effect on the environment by m/Council Member Richard A. Stewart, s/Council Member Jesse L. Molina

Approved by a vote of 5-0.

INTRODUCE Ordinance No. 875. An Ordinance of the City of Moreno Valley, California Approving a Change of Zone (PA13-0031) from Business Park (BP) to Industrial (I) based on the findings in the Ordinance by m/Council Member Richard A. Stewart, s/Council Member Jesse L. Molina

Approved by a vote of 5-0.

APPROVE Resolution No. 2014-34. Approving PA13-0031 (Plot Plan) and PA13-0054 (Tentative Parcel Map 36625) for the development of a 366,698 square foot warehouse distribution facility on 16 acres

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located on the SEC of Elsworth Street and New Hope Street by m/Council Member Richard A. Stewart, s/Council Member Yxstian Gutierrez

Approved by a vote of 5-0.

F. ITEMS REMOVED FROM CONSENT CALENDARS FOR DISCUSSION OR SEPARATE ACTION - None

Recess;

Reconvene

G. REPORTS

- G.1 RESOLUTION NO. 2014-35, CALLING AN ELECTION ON A MEASURE RELATING TO THE APPROVAL OF TERM LIMITS; REQUESTING THAT THE BOARD OF SUPERVISORS OF THE COUNTY OF RIVERSIDE CONSOLIDATE THE ELECTION WITH THE ESTABLISHED ELECTION TO BE HELD ON TUESDAY, NOVEMBER 4, 2014; AND REQUESTING THAT THE COUNTY REGISTRAR OF VOTERS CONDUCT THE ELECTION ON THE CITY'S BEHALF
(Report of: City Attorney Department)

Recommendations That the City Council:

1. Adopt Resolution No. 2014-35. A Resolution of the City Council of the City of Moreno Valley, California, Calling an Election and Submitting to the Qualified Electorate a Measure Relating to the Approval of Term Limits; Requesting that the Board of Supervisors of the County of Riverside Consolidate the Election with the Established General Election to be held on Tuesday, November 4, 2014; and Requesting That The County Registrar of Voters Conduct the Election on the City's Behalf.
2. Authorize the Chief Financial Officer to appropriate \$50,000 as expense in the General Fund.

Mayor Tom Owings opened the agenda item for public comments, which were received from Marcia Amino, Kathleen Dale (Opposed), Christopher Baca (Opposed), Bob Palomarez (Opposed), Louise Palomarez (Opposed), Roy Bleckert, Pete Bleckert (Opposed), George Price and Tom Jerele, Sr.

APPROVE Resolution No. 2014-35, A Resolution of the City Council of the City of Moreno Valley, California, Calling an Election and Submitting to the Qualified Electorate a Measure Relating to the

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Approval of Term Limits; Requesting that the Board of Supervisors of the County of Riverside Consolidate the Election with the Established General Election to be held on Tuesday, November 4, 2014; and Requesting That The County Registrar of Voters Conduct the Election on the City's Behalf

Approve verbal motion "the Resolution attached as Attachment 1, 3 terms and having to let 2 years pass" by m/Mayor Tom Owings, s/Mayor Pro Tem Victoria Baca

Approved by a vote of 3-2, Council Member Yxstian A. Gutierrez, Council Member Richard A. Stewart opposed.

G.2 CITY MANAGER'S REPORT (Informational Oral Presentation - not for Council action)

Michelle Dawson reminded the residents of Moreno Valley that at the April 8 City Council meeting the Council established the Emerging Leaders Council. What you are looking for: Seven (7) Moreno Valley residents who are in college, ages 18-25, who have a passion and desire to become community leaders to learn more about the local and regional government process and also focus on an effort on community service. Applications are being accepted until Thursday, May 15, and are available online.

On Memorial Day at 2 o'clock in the afternoon we will be holding our Annual Memorial Day Ceremony. It will be at the Veteran's Memorial Statute of the Civic Center Campus.

We're looking for local grown talent for the 4th of July activities. We would like applications from our residents if you can sing, dance, or perform other entertaining talent - entry applications to perform on the Community Stage at the July 4th Family Fun Fest are due by this Thursday, May 15. There is also a battle of the bands competition and information is available on the City's website.

The Amazon Fulfillment Center in Moreno Valley is now hiring 1,000 full time jobs. Encouraged residents to look online and look at the different job opportunities apply directly online.

Chris Paxton announced the first of several ads that will run on MVT3, You Tube and will also be coming soon to the local theaters in mid-June. Our ads are designed to raise awareness of the Animal Shelter and the pets we have available there. They're produced in-house by our Media & Communications team and star two of our employees.

G.3 CITY ATTORNEY'S REPORT (Informational Oral Presentation - not for Council action)

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May 13, 2014

Suzanne Bryant reported the case "City of Moreno Valley v. STI Trucking Inc. and Suretec Insurance Company" filed in Riverside Superior Court as Case No. RIC 1314428 has resolved. Suretec has paid the City \$7,783.89. The City has dismissed Suretec and STI.

H. LEGISLATIVE ACTIONS

H.1 ORDINANCES - 1ST READING AND INTRODUCTION - NONE

H.2 ORDINANCES - 2ND READING AND ADOPTION - NONE

H.3 ORDINANCES - URGENCY ORDINANCES - NONE

H.4 RESOLUTIONS - NONE

CLOSING COMMENTS AND/OR REPORTS OF THE CITY COUNCIL, COMMUNITY SERVICES DISTRICT, CITY AS SUCCESSOR AGENCY FOR THE COMMUNITY REDEVELOPMENT AGENCY OR HOUSING AUTHORITY

Council Member Jesse L. Molina

1. Think positive
2. Unite the City together and reach our goals
3. Term Limits during campaign were mentioned; people have a right to speak their minds
4. Attending other meetings that Members of the Council are not able to attend and tries to attend all events; doesn't like mixing politics
5. Thanked Chief Ontiveros, Chief Ahmad and staff

Mayor Pro Tem Victoria Baca

1. Tom Owings is not under investigation
2. Tom Owings has not been arrested
3. It's not fair, but they collected signatures based on a lie
4. People believe what they want to believe
5. Not liking the Mayor is not enough to recall him
6. Friends in District 3 will be voting "No" on recall
7. Who repairs his reputation after June 3rd?

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8. Justice will be served

Council Member Yxstian A. Gutierrez

1. Zachary Smith, the little boy that was injured in a car accident, voting is finished and winners will be selected on May 30th; gave a shout out to him for his Birthday
2. Reported spending a lot of time in District 4, reading to the children at the Library
3. Anti-bullying event was held at Badger Springs Middle School
4. May 17th Church event will meet off Cottonwood and Frederick; there will be a march, concert and free food

Council Member Richard A. Stewart

1. Attended a funeral service at the Riverside National Cemetery for U.S. Airforce Reserve Tom Russo
2. Lt. Col. Charles D. Assuma is the Squadron Commander for the 336th Air Refueling Squadron and 135 Unit at March Reserve will have a Pinning On Ceremony this Sunday at 10:15 a.m. at the Cultural Center.
3. Michelle Dawson, Chris Paxton and I attended the League of California Cities meeting in the desert last night and had to vote on Tom Owings behalf for the Airport Land Use Commission. Also voted on the LAFCO, which is very important for us to protect our interest.

Mayor Tom Owings

1. Thanked Richard A. Stewart for all the work he's done and appreciates he was there, as LAFCO is very important to us especially when the JPA is dissolved
2. Mike Ballinger (Captain Ballinger at Station No. 2) thank you for your time and dedication today. Cal Fire is absolutely a wonderful organization and the dedication of their employees who act as if they're our employees. This is exhibited to Chief Hawkins, who uses the phrase of "our partnering cities". Blessing for me to be there and the citizens of this City need to know how hard they work. Extend my thanks to Chief Hawkins and everyone at Station No. 2
3. Read a very short quote from Cesar Chavez: Our language is the reflection of ourselves an exact reflection of the character and growth of its speakers. Cesar Chavez had a wisdom about himself,

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he was a man who like Martin Luther King believed in non-violence change; he also said once social change has begun and once people start to learn about education levels start to increase and people start to advance, it's impossible to go back. The City tonight has seen that, the City cannot go back to the way it was; the bar has been raised by this City Council; the bar has been raised by this City Manager; the bar has been raised by everyone of her staff; the bar has been raised by the quality of people that are holding the positions as Division Managers; the bar has been raised by the intellect that has been displayed by this Council; its questioning inquiring mind.

4. Pastor Owens, my secret is simply this, people say hateful things but not to me personally, they say it to whoever is in this position. They have treated everyone that has held this position the same way.
5. You never leave a room without knowing what Tom Owings believes. I have almost fulfilled 100 % complete. It's up to the voters if they want term limits and citywide elected mayor. I want to thank Victoria Baca and Jesse L. Molina for their vote tonight - they shared with me their complete faith in the citizens right to make the decisions that are smarter than the five people here.
6. Arguments were well spoken on both sides tonight.
7. Resolved to accept the decision of the citizen's in District 3, but who will restore my reputation?
8. Thank you for and the opportunity to be your Mayor.

CLOSED SESSION - None

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ADJOURNMENT

There being no further business to conduct, the meeting was adjourned at 10:00 p.m. by unanimous informal consent.

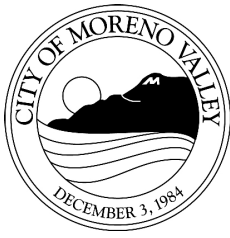
Submitted by:

Jane Halstead, CMC
Secretary, Moreno Valley Community Services District
Secretary, City as Successor Agency for the Community Redevelopment Agency of the City of Moreno Valley
Secretary, Moreno Valley Housing Authority
Secretary, Board of Library Trustees

Approved by:

Tom Owings
President, Moreno Valley Community Services District
Chairperson, City as Successor Agency for the Community Redevelopment Agency of the City of Moreno Valley
Chairperson, Moreno Valley Housing Authority
Chairperson, Board of Library Trustees

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Report to City Council

TO: Mayor and City Council

FROM: Jane Halstead, City Clerk

AGENDA DATE: May 27, 2014

TITLE: CITY COUNCIL REPORTS ON REIMBURSABLE ACTIVITIES

RECOMMENDED ACTION

Recommendation:

1. Receive and file the Reports on Reimbursable Activities for the period of May 7-20, 2014.

<i>Reports on Reimbursable Activities</i>			
May 7-20, 2014			
Council Member	Date	Meeting	Cost
Victoria Baca	5/16/14	Moreno Valley Cultural Arts Foundation VIP Sneak Peek Fundraiser	\$25.00
Yxstian A. Gutierrez	5/16/14	Moreno Valley Cultural Arts Foundation VIP Sneak Peek Fundraiser	\$25.00
Jesse L. Molina	5/16/14	Moreno Valley Cultural Arts Foundation Sneak Peek Fundraiser	\$15.00
Tom Owings		None	
Richard A. Stewart	5/12/14	League of California Cities Riverside County Division General Meeting	\$35.00

Prepared By:
Cindy Miller
Executive Assistant to the Mayor/City Council

Department Head Approval:
Jane Halstead
City Clerk

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APPROVALS	
BUDGET OFFICER	<i>me</i>
CITY ATTORNEY	<i>SMB</i>
CITY MANAGER	<i>d</i>

Report to City Council

TO: Mayor and City Council

FROM: Richard Teichert, Chief Financial Officer

AGENDA DATE: May 27, 2014

TITLE: RECEIPT OF QUARTERLY INVESTMENT REPORT – QUARTER ENDED MARCH 31, 2014

RECOMMENDED ACTION

Recommendation:

1. Receive and file the Quarterly Investment Report, in compliance with the City's Investment Policy.

SUMMARY

The attached Quarterly Investment Report presents the City's cash and investments for the quarter that ended March 31, 2014. This report is in compliance with California Government Code Section 53646 regarding the reporting of detailed information on all securities, investments, and monies of the City, as well as the reporting of the market value of the investments held. All of the investments contained within the portfolio are in full compliance with the City's Investment Policy and Government Code Section 53601 as to the types of investments allowed. It is recommended that the City Council receive and file the attached Quarterly Investment Report.

DISCUSSION

California Government Code Sections 53601 and 53646 establish the types of investments allowed, the governing restrictions on these investments, the third-party custodian arrangement for certain investments, and the reporting practices related to the portfolio for local agencies. The City's Investment Policy, adopted on July 9, 2013 is in full compliance with the requirements of both of the above-mentioned Code Sections.

The attached Quarterly Investment Report presents the City's cash and investments for the quarter that ended March 31, 2014. This is the third quarterly report submitted for the 2013-14 fiscal year and is in compliance with California Government Code Section 53646 regarding the reporting of detailed information on all securities, investments, and monies of the City, as well as the reporting of the market value of the investments held. All of the investments contained within the portfolio are in full compliance with the City's Investment Policy and Government Code Section 53601 as to the types of investments allowed. As stated in the attached report, there is more than adequate liquidity within the portfolio for the City to meet its budgeted expenditures over the next six months.

The City has used Chandler Asset Management as its professional portfolio manager since 2010. Chandler uses an active investment management approach. Utilizing an active approach, securities purchased by Chandler on the City's behalf are not necessarily held to maturity but may be actively traded based on market conditions and the City's investment goals. The City's cash flow requirements are evaluated on an ongoing basis, with short-term needs accommodated through the City's pooled investment funds with the State Local Agency Investment Fund (LAIF). LAIF is a pool of public funds managed by the State Treasurer of California, providing 24-hour liquidity while yielding a rate of return approximately equivalent to a one-year treasury bill. With the combined use of a conservative approach to evaluating cash flow needs and LAIF liquidity, the City will not have to liquidate securities at current market rates that are intended to be held for longer-term investment. This is especially important considering that the average maturity of the general portfolio is 2.36 years.

The investments managed by Chandler Asset Management totaled \$138,016,755 at par and achieved a Yield to Maturity (YTM) for March 2014 of 1.37%. This compares to a YTM in December 2013 of 1.37% and a YTM in March 2013 of 1.34%. In addition, the City maintained \$13,117,527 in the State Local Agency Investment Fund Pool (LAIF) with a YTM of .24%.

In accordance with California Government Code Section 53646, the City is properly reporting investments of all bond proceeds and Deferred Compensation Plan funds. These funds are not managed by the City Treasurer as part of the pooled investment program and were not included in the City's investment reports prior to the current legislation. Bond proceeds are held and invested by a Trustee; Deferred Compensation Plan funds are held and invested by the respective plan administrators with the funds also placed in a trust separate from City funds.

FISCAL IMPACT

Current market rates continue to hover at or near all-time lows and based on comments by the Federal Reserve Board we do not expect this to change in the near future. This interest rate environment directly impacts the ability of the portfolio to generate income. The budget for fiscal year 2013-14 projected General Fund investment earnings totaling \$2.1 million. Year to date through March 2014 these revenues have totaled \$1,400,000 which is slightly behind the projections which were included in the FY 2013-14 budget.

GOALS

Revenue Diversification and Preservation. Develop a variety of City revenue sources and policies to create a stable revenue base and fiscal policies to support essential City services, regardless of economic climate.

NOTIFICATION

Publication of the agenda

ATTACHMENTS

Attachment 1 - Treasurer's Cash and Investments Report – March 2014

Attachment 2 – Chandler Asset Management Bond Market Review – April 2014

Prepared By:
Brooke McKinney
Treasury Operations Division Manager

Department Head Approval:
Richard Teichert
Chief Financial Officer

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CITY OF MORENO VALLEY

Treasurer's Cash and Investments Report

March 2014

General Portfolio	Cost Value	Market Value	Par Value	Average Maturity (in years)	Average Yield to Maturity	Average Duration (in years)
Bank Accounts	3,269,921	3,269,921	3,269,921			
State of California LAIF Pool	13,117,527	13,121,687	13,117,527	0.51	0.24%	
Investments	139,452,445	138,684,430	138,016,775	2.55	1.37%	2.37
Total General Portfolio	155,839,893	155,076,038	154,404,223	2.36	1.25%	2.21

Bond Proceeds with Fiscal Agents	Market Value
Construction Funds	19,055,606
Principal & Interest Accounts	601,304
Debt Service Reserve Funds	5,827,421
Custody Accounts	0
Arbitrage Rebate Accounts	0
Other Accounts	49,520
Total Bond Proceeds	25,533,851

Deferred Compensation Funds	Market Value as of Mar 31, 2014
Nationwide	11,951,474
ICMA	4,966,385
Total Deferred Compensation Funds	16,917,859

Total Investment Portfolio	197,527,748
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1. I hereby certify that the investments are in compliance with the investment policy adopted by the City Council. There are no items of non-compliance for this period.
2. The market values for the specific investments in the General Portfolio are provided by the City's investment advisor, Chandler Asset Management.
3. The market value for LAIF is provided by the State Treasurer.
4. The market values for investments held by fiscal agents and the deferred compensation plans are provided by each respective trustee or fiscal agent.
5. The City has the ability to meet its budgeted expenditures for the next six months pending any future action by City Council or any unforeseen catastrophic event.


 Richard Teichert
 City Treasurer

PORTFOLIO CHARACTERISTICS

Average Duration	2.21
Average Coupon	1.59 %
Average Purchase YTM	1.25 %
Average Market YTM	0.64 %
Average S&P/Moody Rating	AA/Aa1
Average Final Maturity	2.36 yrs
Average Life	2.24 yrs

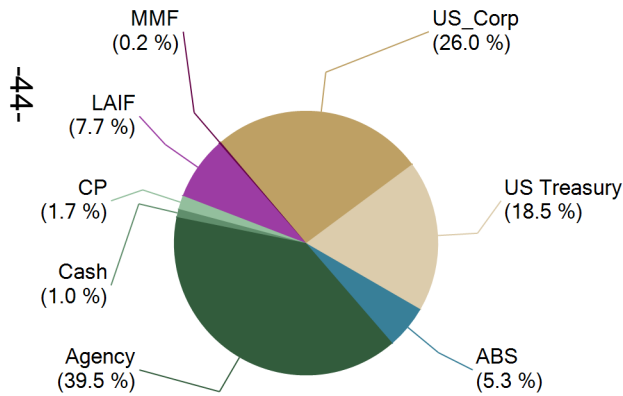
ACCOUNT SUMMARY

	Beg. Values as of 9/30/13	End Values as of 10/31/13
Market Value	152,053,647	151,590,640
Accrued Interest	510,723	629,239
Total Market Value	152,564,370	152,219,880
Income Earned	160,383	157,437
Cont/WD		
Par	150,411,661	149,690,495
Book Value	150,991,096	150,218,126
Cost Value	152,551,527	151,678,870

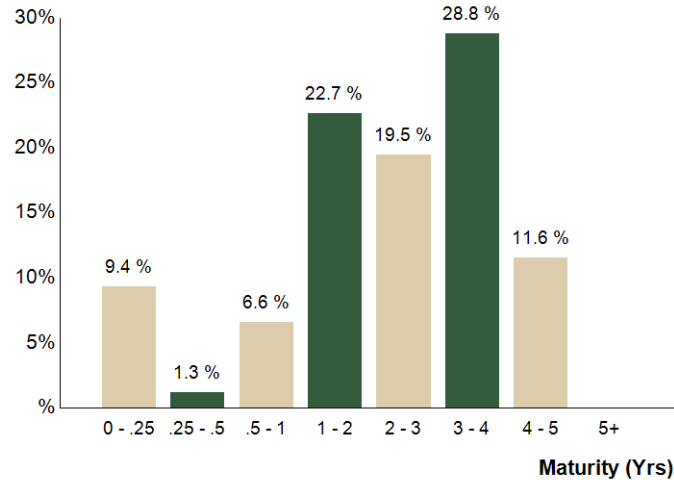
TOP ISSUERS

Issuer	% Portfolio
Government of United States	18.5 %
Federal National Mortgage Assoc	10.9 %
Federal Home Loan Mortgage Corp	10.8 %
Federal Home Loan Bank	9.1 %
Federal Farm Credit Bank	8.7 %
Local Agency Investment Fund	7.7 %
JP Morgan Chase & Co	2.9 %
General Electric Co	2.1 %
	70.7 %

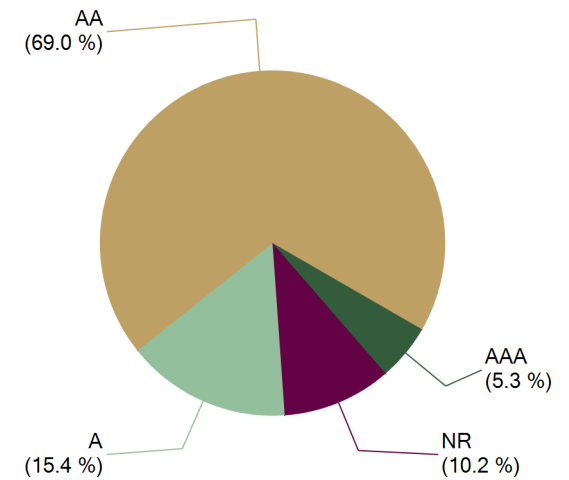
SECTOR ALLOCATION



MATURITY DISTRIBUTION



CREDIT QUALITY (S&P)





CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody S&P	Maturity Duration
ABS									
47787RAC4	John Deere Owner Trust 2012-B A3 0.53% Due 7/15/2016	1,625,000.00	08/28/2012 0.53 %	1,624,949.79 1,624,964.83	100.03 0.50 %	1,625,520.00 382.78	1.07 % 555.17	Aaa NR	2.71 1.01
89231NAC7	Toyota Auto Receivable 2012-B A3 0.46% Due 7/15/2016	1,620,000.00	09/18/2012 0.46 %	1,619,845.94 1,619,902.93	100.02 0.44 %	1,620,340.20 331.20	1.06 % 437.27	Aaa AAA	2.71 1.03
43814CAC3	Honda Auto Receivables 2013-1 A3 0.48% Due 11/21/2016	2,525,000.00	01/16/2013 0.48 %	2,524,867.44 2,524,902.84	99.95 0.52 %	2,523,813.25 336.67	1.66 % (1,089.59)	NR AAA	3.06 1.37
161571FL3	Chase CHAIT Pool #2012-A5 0.59% Due 8/15/2017	1,680,000.00	03/19/2013 0.59 %	1,680,000.00 1,680,000.00	100.06 0.56 %	1,680,974.40 440.53	1.10 % 974.40	NR AAA	3.79 1.76
477879AC4	John Deere Owner Trust 2013-B A3 0.87% Due 8/15/2017	640,000.00	08/27/2013 0.91 %	639,912.77 639,916.28	100.32 0.71 %	642,054.40 247.47	0.42 % 2,138.12	Aaa NR	3.79 1.97
Total ABS		8,090,000.00	0.55 %	8,089,575.94 8,089,686.88	0.52 %	8,092,702.25 1,738.65	5.32 % 3,015.37	Aaa AAA	3.13 1.36
AGENCY									
31331JQA4	FFCB Note 1.9% Due 6/2/2014	2,850,000.00	06/08/2010 1.96 %	2,843,074.50 2,848,981.97	101.02 0.15 %	2,879,201.10 22,412.08	1.91 % 30,219.13	Aaa AA+	0.59 0.58
3136FPLV7	FNMA Callable Note 1X 3/24/2011 1.57% Due 9/24/2014	2,025,000.00	09/26/2011 0.65 %	2,080,181.25 2,041,524.06	101.25 0.18 %	2,050,221.38 3,267.56	1.35 % 8,697.32	Aaa AA+	0.90 0.89
45-3EADW5	FFCB Note 0.55% Due 8/17/2015	3,450,000.00	04/27/2012 0.60 %	3,444,862.95 3,447,209.61	100.21 0.43 %	3,457,217.40 3,900.42	2.27 % 10,007.79	Aaa AA+	1.79 1.78
313370JB5	FHLB Note 1.75% Due 9/11/2015	1,200,000.00	08/04/2011 1.15 %	1,228,608.00 1,212,967.18	102.61 0.34 %	1,231,309.20 2,916.67	0.81 % 18,342.02	Aaa AA+	1.86 1.83
3133ECBJ2	FFCB Note 0.43% Due 11/16/2015	3,100,000.00	12/24/2012 0.45 %	3,098,233.00 3,098,751.03	100.09 0.39 %	3,102,814.80 6,109.58	2.04 % 4,063.77	Aaa AA+	2.04 2.03
31331J6C2	FFCB Note 2.35% Due 12/22/2015	2,000,000.00	03/28/2011 2.27 %	2,007,240.00 2,003,270.35	104.13 0.41 %	2,082,610.00 16,841.67	1.38 % 79,339.65	Aaa AA+	2.14 2.08
3136FPDC8	FNMA Callable Note 1X 3/8/2011 2% Due 3/8/2016	1,765,000.00	08/24/2011 1.22 %	1,825,645.40 1,796,402.39	103.56 0.48 %	1,827,874.60 5,196.94	1.20 % 31,472.21	Aaa AA+	2.35 2.30
313372YS7	FHLB Note 2.45% Due 3/30/2016	2,150,000.00	07/07/2011 1.87 %	2,206,631.00 2,178,856.56	104.61 0.53 %	2,249,121.45 4,535.90	1.48 % 70,264.89	Aaa AA+	2.41 2.35
3137EACT4	FHLMC Note 2.5% Due 5/27/2016	925,000.00	06/14/2011 1.86 %	952,744.45 939,409.91	104.88 0.59 %	970,140.93 9,892.36	0.64 % 30,731.02	Aaa AA+	2.57 2.48
313373SZ6	FHLB Note 2.125% Due 6/10/2016	2,775,000.00	Various 1.36 %	2,871,705.50 2,828,601.18	104.10 0.54 %	2,888,719.50 23,096.09	1.91 % 60,118.32	Aaa AA+	2.61 2.53
EACW7	FHLMC Note 2% Due 8/25/2016	2,825,000.00	09/14/2011 1.19 %	2,935,005.50 2,887,616.64	103.85 0.62 %	2,933,694.70 10,358.33	1.93 % 46,078.06	Aaa AA+	2.82 2.74
G0GY3	FNMA Note 1.25% Due 1/30/2017	3,425,000.00	02/09/2012 1.10 %	3,449,368.88 3,440,950.05	101.58 0.76 %	3,479,282.83 10,822.05	2.29 % 38,332.78	Aaa AA+	3.25 3.17
787M7	FHLB Note 1.05% Due 2/27/2017	1,720,000.00	02/27/2012 1.03 %	1,721,582.40 1,721,052.04	100.28 0.96 %	1,724,862.44 3,210.67	1.14 % 3,810.40	Aaa AA+	3.33 3.25

Item No. A.4



P	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody S&P	Maturity Duration
AGENCY									
G0UY7	FNMA Callable Note 1X 2/27/15 1% Due 2/27/2017	1,500,000.00	04/23/2013 0.48 %	1,514,250.00 1,510,211.80	100.47 0.64 %	1,507,018.50 2,666.67	0.99 % (3,193.30)	Aaa AA+	3.33 3.00
EADC0	FHLMC Note 1% Due 3/8/2017	3,490,000.00	03/14/2012 1.29 %	3,441,314.50 3,457,266.43	100.69 0.79 %	3,514,018.18 5,138.06	2.31 % 56,751.75	Aaa AA+	3.35 3.29
313378WF4	FHLB Note 1.125% Due 3/10/2017	3,435,000.00	04/24/2012 1.05 %	3,447,228.60 3,443,415.75	100.98 0.83 %	3,468,676.74 5,474.53	2.28 % 25,260.99	Aaa AA+	3.36 3.29
3133782N0	FHLB Note 0.875% Due 3/10/2017	1,310,000.00	03/13/2013 0.70 %	1,318,894.90 1,317,483.69	100.15 0.83 %	1,312,020.02 1,623.85	0.86 % (5,463.67)	Aaa AA+	3.36 3.30
3137EADF3	FHLMC Note 1.25% Due 5/12/2017	3,300,000.00	05/29/2012 1.06 %	3,330,600.90 3,321,799.76	101.27 0.88 %	3,341,893.50 19,364.58	2.21 % 20,093.74	Aaa AA+	3.53 3.43
313379VE6	FHLB Note 1.01% Due 6/19/2017	915,000.00	07/26/2012 0.82 %	923,363.10 921,202.16	100.14 0.97 %	916,239.83 3,388.55	0.60 % (4,962.33)	Aaa AA+	3.64 3.55
3137EADH9	FHLMC Note 1% Due 6/29/2017	3,150,000.00	Various 0.85 %	3,171,475.20 3,166,344.39	100.01 1.00 %	3,150,324.46 10,675.00	2.08 % (16,019.93)	Aaa AA+	3.66 3.57
3133EAY28	FFCB Note 0.83% Due 9/21/2017	1,645,000.00	09/18/2012 0.83 %	1,645,000.00 1,645,000.00	99.01 1.09 %	1,628,778.66 1,517.06	1.07 % (16,221.34)	Aaa AA+	3.89 3.81
3137EADL0	FHLMC Note 1% Due 9/29/2017	1,050,000.00	10/25/2012 0.92 %	1,053,983.70 1,053,169.21	99.66 1.09 %	1,046,470.95 933.33	0.69 % (6,698.26)	Aaa AA+	3.92 3.82
5G0RT2	FNMA Note 0.875% Due 12/20/2017	1,850,000.00	02/22/2013 0.93 %	1,845,264.00 1,845,934.42	98.64 1.21 %	1,824,917.70 5,890.45	1.20 % (21,016.72)	Aaa AA+	4.14 4.03
3137EADN6	FHLMC Note 0.75% Due 1/12/2018	1,500,000.00	05/10/2013 0.88 %	1,491,378.00 1,492,247.79	98.11 1.21 %	1,471,602.00 3,406.25	0.97 % (20,645.79)	Aaa AA+	4.20 4.10
3135G0TG8	FNMA Note 0.875% Due 2/8/2018	2,950,000.00	Various 1.33 %	2,889,437.30 2,894,263.54	98.43 1.25 %	2,903,646.65 5,951.21	1.91 % 9,383.11	Aaa AA+	4.28 4.16
3135G0WJ8	FNMA Note 0.875% Due 5/21/2018	3,050,000.00	07/29/2013 1.54 %	2,956,990.25 2,961,969.13	97.73 1.39 %	2,980,868.70 11,861.11	1.97 % 18,899.57	Aaa AA+	4.56 4.43
Total Agency		59,355,000.00	1.14 %	59,694,063.28 59,475,901.04	0.74 %	59,943,546.22 200,450.97	39.51 % 467,645.18	Aaa AA+	2.96 2.89
CASH									
90CASH\$00	Cash Custodial Cash Account	1,522,075.17	Various 0.00 %	1,522,075.17 1,522,075.17	1.00 0.00 %	1,522,075.17 0.00	1.00 % 0.00	NR NR	0.00 0.00
Total Cash		1,522,075.17	N/A	1,522,075.17 1,522,075.17	0.00 %	1,522,075.17 0.00	1.00 % 0.00	NR NR	0.00 0.00
COMMERCIAL PAPER									
06416JZG1	Bank of Nova Scotia Discount CP 0.22% Due 12/16/2013	660,000.00	05/14/2013 0.22 %	659,132.83 659,818.50	99.97 0.22 %	659,818.50 0.00	0.43 % 0.00	P-1 A-1	0.13 0.13



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody S&P	Maturity Duration
COMMERCIAL PAPER									
89233HEC4	Toyota Motor Credit Discount CP 0.25% Due 5/12/2014	1,900,000.00	08/28/2013 0.25 %	1,896,609.03 1,897,466.67	99.87 0.25 %	1,897,466.67 0.00	1.25 % 0.00	P-1 A-1+	0.53 0.53
Total Commercial Paper		2,560,000.00	0.25 %	2,555,741.86 2,557,285.17	0.25 %	2,557,285.17 0.00	1.68 % 0.00	P1 A-1	0.42 0.42
LAIF									
90LAIF\$00	Local Agency Investment Fund State Pool	11,790,903.21	Various 0.26 %	11,790,903.21 11,790,903.21	1.00 0.26 %	11,790,903.21 2,577.94	7.75 % 0.00	NR NR	0.00 0.00
Total LAIF		11,790,903.21	0.26 %	11,790,903.21	0.26 %	11,790,903.21 2,577.94	7.75 % 0.00	NR NR	0.00 0.00
MONEY MARKET FUND FI									
60934N104	Federated GOVT OBLIG MMF	352,517.10	Various 0.01 %	352,517.10 352,517.10	1.00 0.01 %	352,517.10 0.00	0.23 % 0.00	Aaa AAA	0.00 0.00
Total Money Market Fund FI		352,517.10	0.01 %	352,517.10	0.01 %	352,517.10 0.00	0.23 % 0.00	Aaa AAA	0.00 0.00
47- CORPORATE									
665859AK0	Northern Trust Company Note 4.625% Due 5/1/2014	1,850,000.00	10/20/2010 1.33 %	2,058,421.00 1,879,380.22	102.14 0.33 %	1,889,676.95 42,781.25	1.27 % 10,296.73	A1 A+	0.50 0.49
36962G4C5	General Electric Capital Corp Note 5.9% Due 5/13/2014	3,075,000.00	Various 2.88 %	3,411,681.00 3,121,104.69	103.01 0.25 %	3,167,471.40 84,665.00	2.14 % 46,366.71	A1 AA+	0.53 0.52
74005PAQ7	Praxair Note 5.25% Due 11/15/2014	850,000.00	09/24/2010 1.60 %	973,471.00 881,031.50	104.92 0.50 %	891,814.05 20,577.08	0.60 % 10,782.55	A2 A	1.04 1.00
09247XAD3	Blackrock Inc Note 3.5% Due 12/10/2014	1,630,000.00	Various 2.84 %	1,674,920.75 1,641,045.62	103.39 0.43 %	1,685,314.06 22,344.59	1.12 % 44,268.44	A1 A+	1.11 1.08
713448BM9	Pepsico Inc. Note 3.1% Due 1/15/2015	2,530,000.00	Various 2.05 %	2,641,540.25 2,560,661.64	103.03 0.57 %	2,606,777.92 23,093.28	1.73 % 46,116.28	A1 A-	1.21 1.18
46625HHP8	JP Morgan Chase Note 3.7% Due 1/20/2015	2,550,000.00	Various 3.34 %	2,584,656.00 2,560,462.04	103.59 0.73 %	2,641,641.90 26,470.42	1.75 % 81,179.86	A2 A	1.22 1.19
459200HB0	IBM Corp Note 0.55% Due 2/6/2015	695,000.00	02/01/2012 0.72 %	691,601.45 693,567.40	100.25 0.35 %	696,760.44 902.53	0.46 % 3,193.04	Aa3 AA-	1.27 1.26
7000VAA6	Wells Fargo Bank Note 4.75% Due 2/9/2015	2,475,000.00	Various 3.65 %	2,584,316.50 2,506,698.18	104.99 0.80 %	2,598,450.53 26,778.13	1.72 % 91,752.35	A1 A+	1.28 1.23
70AV0	Berkshire Hathaway Note 3.2% Due 2/11/2015	2,485,000.00	06/09/2010 2.65 %	2,545,012.75 2,501,456.81	103.55 0.41 %	2,573,227.44 17,671.11	1.70 % 71,770.63	Aa2 AA	1.28 1.25
16AX8	Coca Cola Company Note 0.75% Due 3/13/2015	2,090,000.00	Various 0.80 %	2,086,645.55 2,088,474.27	100.54 0.35 %	2,101,375.88 2,090.00	1.38 % 12,901.61	Aa3 AA-	1.36 1.36
6JHB4	Bank of New York Mellon Note 4.95% Due 3/15/2015	2,360,000.00	Various 2.11 %	2,645,950.90 2,446,820.35	105.81 0.69 %	2,497,038.13 14,927.01	1.65 % 50,217.78	A1 A	1.37 1.33

Item No. A.4



P	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody S&P	Maturity Duration
CORPORATE									
81DA8	Pfizer Inc. Note 5.35% Due 3/15/2015	1,550,000.00	02/18/2011 2.33 %	1,730,497.50 1,610,856.93	106.50 0.58 %	1,650,801.15 10,595.97	1.09 % 39,944.22	A1 AA	1.37 1.33
5PAR5	Praxair Note 4.625% Due 3/30/2015	740,000.00	Various 2.58 %	807,780.55 759,960.66	105.76 0.54 %	782,643.99 2,947.15	0.52 % 22,683.33	A2 A	1.41 1.38
278642AB9	Ebay Inc Note 1.625% Due 10/15/2015	2,670,000.00	10/22/2010 1.66 %	2,665,327.50 2,668,162.44	102.12 0.53 %	2,726,628.03 1,928.33	1.79 % 58,465.59	A2 A	1.96 1.93
38259PAC6	Google Inc Note 2.125% Due 5/19/2016	1,315,000.00	11/15/2012 0.75 %	1,377,186.90 1,360,324.30	103.74 0.64 %	1,364,227.03 12,574.69	0.90 % 3,902.73	Aa2 AA	2.55 2.47
24422ERL5	John Deere Capital Corp Note 2% Due 1/13/2017	1,215,000.00	09/11/2012 1.05 %	1,263,733.65 1,251,011.15	102.78 1.11 %	1,248,742.98 7,290.00	0.83 % (2,268.17)	A2 A	3.21 3.08
674599CB9	Occidental Petroleum Note 1.75% Due 2/15/2017	1,575,000.00	03/08/2013 1.13 %	1,612,532.25 1,606,438.16	101.44 1.30 %	1,597,610.70 5,818.75	1.05 % (8,827.46)	A1 A	3.30 3.18
913017BU2	United Tech Corp Note 1.8% Due 6/1/2017	170,000.00	05/24/2012 1.82 %	169,853.80 169,895.27	101.95 1.24 %	173,310.24 1,275.00	0.11 % 3,414.97	A2 A	3.59 3.44
166764AA8	Chevron Corp. Callable Note Cont 11/5/17 1.104% Due 12/5/2017	1,500,000.00	Various 1.47 %	1,477,072.20 1,477,999.32	98.98 1.36 %	1,484,737.50 6,715.99	0.98 % 6,738.18	Aa1 AA	4.10 3.97
140AL4	Intel Corp Note 1.35% Due 12/15/2017	1,940,000.00	12/12/2012 1.29 %	1,945,790.55 1,944,777.84	99.40 1.50 %	1,928,358.07 9,894.00	1.27 % (16,419.77)	A1 A+	4.13 3.97
142DF7	Wal-Mart Stores Note 1.125% Due 4/11/2018	1,130,000.00	04/04/2013 1.14 %	1,128,960.40 1,129,076.54	98.22 1.54 %	1,109,928.94 706.25	0.73 % (19,147.60)	Aa2 AA	4.45 4.31
037833AJ9	Apple Inc Note 1% Due 5/3/2018	1,900,000.00	05/22/2013 1.25 %	1,877,181.00 1,879,170.22	97.11 1.67 %	1,845,023.50 9,394.44	1.22 % (34,146.72)	Aa1 AA+	4.51 4.36
Total US Corporate		38,295,000.00	2.00 %	39,954,133.45 38,738,375.55	0.74 %	39,261,560.83 351,440.97	26.02 % 523,185.28	A1 A+	1.90 1.85
US TREASURY									
912828NP1	US Treasury Note 1.75% Due 7/31/2015	3,050,000.00	04/06/2011 1.99 %	3,019,391.07 3,037,628.24	102.57 0.27 %	3,128,513.10 13,488.79	2.06 % 90,884.86	Aaa AA+	1.75 1.72
912828PE4	US Treasury Note 1.25% Due 10/31/2015	3,025,000.00	Various 1.35 %	3,012,297.25 3,019,240.70	101.86 0.32 %	3,081,246.85 104.46	2.02 % 62,006.15	Aaa AA+	2.00 1.98
912828PJ3	US Treasury Note 1.375% Due 11/30/2015	2,925,000.00	05/16/2011 1.63 %	2,892,332.07 2,910,027.20	102.16 0.33 %	2,988,068.85 16,922.64	1.97 % 78,041.65	Aaa AA+	2.08 2.05
912828PS3	US Treasury Note 2% Due 1/31/2016	2,855,000.00	05/16/2011 1.70 %	2,893,262.08 2,873,284.73	103.66 0.37 %	2,959,384.51 14,430.16	1.95 % 86,099.78	Aaa AA+	2.25 2.20
912828QA1	US Treasury Note 2.25% Due 3/31/2016	2,835,000.00	Various 1.34 %	2,952,569.46 2,895,238.42	104.45 0.40 %	2,961,245.39 5,607.69	1.95 % 66,006.97	Aaa AA+	2.42 2.36
912828RU6	US Treasury Note 0.875% Due 11/30/2016	3,200,000.00	12/22/2011 0.89 %	3,198,135.71 3,198,834.82	100.73 0.64 %	3,223,251.20 11,781.42	2.13 % 24,416.38	Aaa AA+	3.08 3.03
912828SC5	US Treasury Note 0.875% Due 1/31/2017	1,710,000.00	06/20/2012 0.70 %	1,723,298.31 1,719,368.01	100.56 0.70 %	1,719,618.75 3,781.28	1.13 % 250.74	Aaa AA+	3.25 3.19



Holdings Report

As of 10/31/13

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody S&P	Maturity Duration
US TREASURY									
912828TG5	US Treasury Note 0.5% Due 7/31/2017	3,100,000.00	02/25/2013 0.73 %	3,069,373.67 3,074,073.75	98.56 0.89 %	3,055,437.50 3,917.12	2.01 % (18,636.25)	Aaa AA+	3.75 3.70
912828TS9	US Treasury Note 0.625% Due 9/30/2017	2,875,000.00	Various 0.74 %	2,860,759.64 2,862,402.67	98.75 0.95 %	2,839,062.50 1,579.67	1.87 % (23,340.17)	Aaa AA+	3.92 3.85
912828UU2	US Treasury Note 0.75% Due 3/31/2018	2,150,000.00	07/29/2013 1.28 %	2,098,440.80 2,101,283.36	98.34 1.14 %	2,114,221.85 1,417.58	1.39 % 12,938.49	Aaa AA+	4.42 4.32
Total US Treasury		27,725,000.00	1.25 %	27,719,860.06 27,691,381.90	0.58 %	28,070,050.50 73,030.81	18.49 % 378,668.60	Aaa AA+	2.82 2.77
TOTAL PORTFOLIO		149,690,495.48	1.25 %	151,678,870.07 150,218,126.02	0.64 %	151,590,640.45 629,239.34	100.00 % 1,372,514.43	Aa1 AA	2.36 2.21
TOTAL MARKET VALUE PLUS ACCRUED						152,219,879.79			

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City of Moreno Valley

March 31, 2014

COMPLIANCE WITH INVESTMENT POLICY

Assets managed by Chandler Asset Management are in full compliance with State law and with the City's investment policy.

Category	Standard	Comment
Local Agency Bonds	No Limitation	Complies
Treasury Issues	No Limitation	Complies
Agency Issues	No Limitation	Complies
Banker's Acceptances	40% maximum; <180 days maturity	Complies
Commercial Paper	25% maximum; <270 days maturity; A-1/P-1/F-1 minimum ratings	Complies
Negotiable Certificates of Deposit	30% maximum; 5 years maximum maturity	Complies
Repurchase Agreements	No limitation; 1-year maximum maturity	Complies
Reverse Repurchase Agreements	20% maximum; <92 days maturity	Complies
Medium Term Notes	30% maximum; 5 years maximum maturity; A-rated or better	Complies
Money Market Mutual Funds	20% maximum; AAAf/Aaaf, minimum rating	Complies
Collateralized Certificates of Deposits	5 years maximum maturity	Complies
Time Deposits	5 years maximum maturity	Complies
Mortgage Pass-throughs, CMOs and Asset Backed Securities	20% maximum; AA-rated issue; A-rated issuer	Complies
Local Agency Investment Fund - L.A.I.F.	Maximum program limitation	Complies
Prohibited Securities	Inverse floaters; Ranges notes, Interest-only strips from mortgaged backed securities; Zero interest accrual securities	Complies
Maximum maturity	5 years	Complies
Weighted Average Maturity	3 years	Complies



Holdings Report Glossary

CUSIP (Committee on Uniform Securities Identification Procedures) – A unique identification number assigned to all securities.

Security Description - The issuer name, coupon (periodic interest payment rate) and maturity.

Par Value/Units - The face value or number of units held in the portfolio.

Purchase Date - The settlement date on which the security was purchased.

Book Yield - The YTM that equates the current amortized value of the security to its periodic future cash flows.

Cost Value - The value at which the securities were purchased, excluding purchased interest.

Book Value - The value at which an asset is carried on a balance sheet. To calculate, take the cost of an asset +/- net depreciation/amortization.

Mkt Price - The current fair value market price.

Mkt YTM – The internal rate of return that equates the periodic future cash flows (interest payments and redemption value) to the market price, assuming that all cash flows are invested at the YTM rate.

Market Value - The current fair value of an investment as determined by transactions between willing buyers and sellers.

Accrued Int. - The interest that has accumulated on a bond since the last interest payment up to, but not including, the settlement date.

Item % of Port. - The % of the portfolio that the security represents based on market value, including accrued interest.

Item Gain/Loss – The unrealized gain or loss on the security, compared to either cost or amortized value, as of the date of the report.

Item Moody - The Moody's rating for the security.



Holdings Report Glossary (continued)

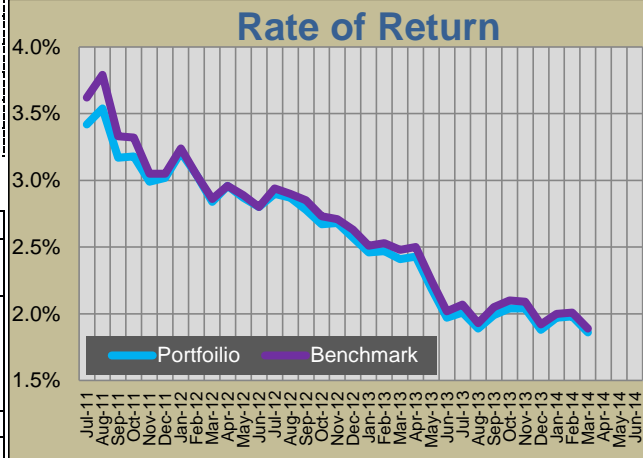
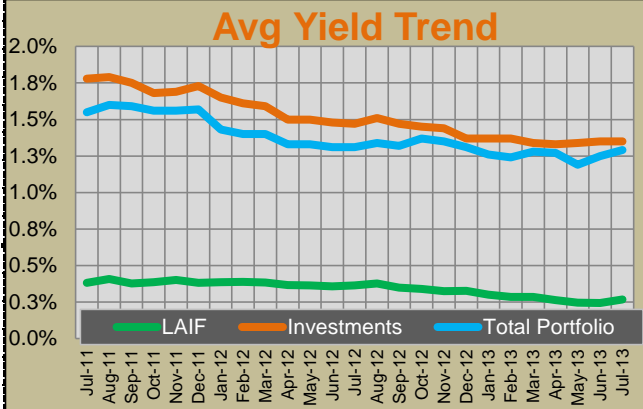
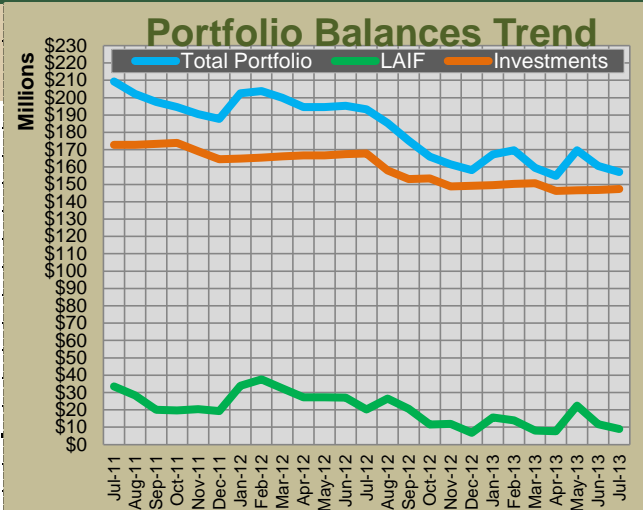
P - The Standard and Poor's rating for the security.

Term (yrs) - The time, in years, until maturity.

Duration - The weighted average time to maturity of a bond where the weights are the present values of future cash flows. Duration measures the price sensitivity of a bond to changes in interest rates.

PORTFOLIO PERFORMANCE TREND

Period	Total General Portfolio Balance (par)	General Portfolio Avg YTM (2)	LAIF Balance	LAIF Yield	Investment Portfolio Balance (par) (1)	Inv Portfolio Avg YTM (2)	Rate of Return (3)	
							Investment Portfolio (4)	Benchmark 1-5 Gov+ Corp(5)
Jul-11	209,400,514	1.55%	33,418,822	0.381%	172,717,280	1.78%	3.42%	3.62%
Aug-11	202,117,750	1.60%	28,318,822	0.408%	172,811,506	1.79%	3.54%	3.79%
Sep-11	197,594,979	1.59%	20,108,822	0.378%	173,353,497	1.75%	3.17%	3.33%
Oct-11	194,590,683	1.56%	19,588,953	0.385%	173,851,411	1.68%	3.18%	3.32%
Nov-11	190,445,403	1.56%	20,338,953	0.401%	169,055,116	1.69%	2.99%	3.05%
Dec-11	187,711,375	1.57%	19,388,953	0.382%	164,479,217	1.73%	3.02%	3.05%
Jan-12	202,547,757	1.43%	33,849,881	0.385%	164,854,671	1.65%	3.21%	3.24%
Feb-12	203,784,148	1.40%	37,499,881	0.389%	165,420,407	1.61%	3.04%	3.04%
Mar-12	199,944,204	1.40%	32,324,881	0.383%	166,225,691	1.59%	2.84%	2.86%
Apr-12	194,648,091	1.33%	27,254,703	0.367%	166,633,985	1.50%	2.96%	2.96%
May-12	194,648,091	1.33%	27,254,703	0.363%	166,633,985	1.50%	2.87%	2.89%
Jun-12	195,227,859	1.31%	27,039,703	0.358%	167,407,504	1.48%	2.80%	2.80%
Jul-12	193,175,457	1.31%	20,190,538	0.363%	167,816,690	1.47%	2.90%	2.94%
Aug-12	185,345,577	1.34%	26,440,538	0.377%	158,119,543	1.51%	2.87%	2.90%
Sep-12	175,199,657	1.32%	20,640,538	0.348%	153,005,758	1.47%	2.78%	2.85%
Oct-12	166,024,161	1.37%	11,543,940	0.340%	153,407,209	1.45%	2.67%	2.73%
Nov-12	161,523,720	1.35%	11,958,940	0.324%	148,761,876	1.44%	2.68%	2.71%
Dec-12	158,187,131	1.31%	6,808,940	0.326%	149,234,776	1.37%	2.57%	2.63%
Jan-13	167,188,394	1.26%	15,538,247	0.300%	149,506,732	1.37%	2.46%	2.51%
Feb-13	169,656,543	1.24%	14,038,247	0.286%	150,276,255	1.37%	2.47%	2.53%
Mar-13	159,465,892	1.28%	8,088,247	0.285%	150,735,510	1.34%	2.41%	2.48%
Apr-13	154,956,060	1.27%	7,722,451	0.264%	146,196,092	1.33%	2.43%	2.50%
May-13	169,622,945	1.19%	22,352,451	0.245%	146,524,031	1.34%	2.19%	2.25%
Jun-13	160,642,643	1.25%	11,652,451	0.244%	146,817,918	1.35%	1.97%	2.02%
Jul-13	157,035,166	1.29%	8,901,042	0.267%	147,301,329	1.35%	2.01%	2.07%
Aug-13	158,668,278	1.21%	14,860,042	0.271%	142,774,990	1.32%	1.89%	1.93%
Sep-13	150,411,661	1.25%	7,060,042	0.257%	141,116,654	1.32%	1.99%	2.05%
Oct-13	149,690,495	1.25%	11,790,903	0.266%	136,377,517	1.35%	2.04%	2.10%
Nov-13	147,673,632	1.27%	10,460,903	0.263%	136,646,743	1.35%	2.04%	2.09%
Dec-13	145,466,714	1.31%	5,860,903	0.264%	137,209,798	1.37%	1.88%	1.92%
Jan-14	153,675,086	1.23%	14,867,528	0.244%	137,482,068	1.36%	1.97%	2.00%
Feb-14	151,951,962	1.25%	13,817,528	0.236%	137,665,484	1.36%	1.98%	2.01%
Mar-14	154,404,223	1.25%	13,117,528	0.236%	138,016,774	1.37%	1.86%	1.89%
Apr-14								
May-14								
Jun-14								



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Item No. A.4

- otes:
-) Investment portfolio includes the only long term investment pool. Does not include LAIF and cash balances.
 -) Yield to Maturity (YTM): The rate of return on an investment or security if it were to be held until maturity. This yield does not reflect changes in the market value of a security
 -) Rate of Return represents the gain or loss on an investment or portfolio of investments over a specified period, expressed as a percentage of increase over the initial investment cost. Gains on investments are considered to be any income received from the security or portfolio plus an realized capital gain. This measure of return recognizes the changes in market values of a security or portfolio of securities.
 -) The Rate of Return for the investment portfolio reflects the performance of the portfolio since May 2010.
 -) The portfolio benchmark is the Bank of America-Merrill Lynch 1 to 5 year Government Index/"A" Rated or better Corp

BOND PROCEEDS WITH FISCAL AGENTS

Account Name	Account Number	Investment	Issuer	Purchase Date	Maturity Date	Market Value	Stated Rate	Yield	Price	% of Portfolio
Wells Fargo		Community Facilities District 87-1 (IA-1)								
special tax funds	22631800	money market fund	WF Govt Fund	03/31/14	04/01/14	696,433	0.01%	0.01%	1.00000	2.727%
interest acct	22631801	money market fund	WF Govt Fund	03/31/14	04/01/14	0	0.01%	0.01%	1.00000	0.000%
reserve fund	22631802	money market fund	WF Govt Fund	03/31/14	04/01/14	2	0.01%	0.01%	1.00000	0.000%
reserve fund	22631804	money market fund	WF Govt Fund	03/31/14	04/01/14	1,028,715	0.01%	0.01%	1.00000	4.029%
admin exp acct	22631805	money market fund	WF Govt Fund	03/31/14	04/01/14	377	0.01%	0.01%	1.00000	0.001%
debt service acct	22631809	money market fund	WF Govt Fund	03/31/14	04/01/14	536,040	0.01%	0.01%	1.00000	2.099%
special tax funds	22631900	money market fund	WF Govt Fund	03/31/14	04/01/14	200,840	0.01%	0.01%	1.00000	0.787%
interest acct	22631901	money market fund	WF Govt Fund	03/31/14	04/01/14	65,249	0.01%	0.01%	1.00000	0.256%
reserve fund	22631904	money market fund	WF Govt Fund	03/31/14	04/01/14	365,351	0.01%	0.01%	1.00000	1.431%
admin exp acct	22631905	money market fund	WF Govt Fund	03/31/14	04/01/14	508	0.01%	0.01%	1.00000	0.002%
						2,893,515				
Wells Fargo		CFD # 5								
Series B Revenue	22333500	money mkt fund	WF Govt Fund	03/31/14	04/01/14	35,572	0.01%	0.01%	1.00000	0.139%
Series A Principal	22333501	money mkt fund	WF Govt Fund	03/31/14	04/01/14	0	0.01%	2.71%	1.00000	0.000%
Series B reserve	22333503	money mkt fund	WF Govt Fund	03/31/14	04/01/14	543,253	0.01%	0.01%	1.00000	2.128%
Series B admin fund	22333504	money mkt fund	WF Govt Fund	03/31/14	04/01/14	127	0.01%	0.01%	1.00000	0.000%
						578,952				
Wells Fargo		2007 Redevelopment Agency Tax Allocation Bonds Series A								
debt service fund	22631700	money mkt fund	WF Govt Fund	03/31/14	04/01/14	1	0.01%	0.01%	1.00000	0.000%
interest fund	22631701	money mkt fund	WF Govt Fund	03/31/14	04/01/14	1	0.01%	0.01%	1.00000	0.000%
						2				
Wells Fargo		2005 Lease Revenue Bond								
bond fund	18042800	money mkt fund	WF Govt Fund	03/31/14	04/01/14	8	0.01%	0.01%	1.00000	0.000%
interest account	18042801	money mkt fund	WF Govt Fund	03/31/14	04/01/14	1	0.01%	0.01%	1.00000	0.000%
principal account	18042802	money mkt fund	WF Govt Fund	03/31/14	04/01/14	1	0.01%	0.01%	1.00000	0.000%
reserve fund	18042804	money mkt fund	WF Govt Fund	03/31/14	04/01/14	2,992,827	0.01%	0.01%	1.00000	11.721%
						2,992,837				
Wells Fargo		2007 Taxable Lease Revenue Bonds - Electric Utility								
bond fund	22277600	money mkt fund	WF Govt Fund	03/31/14	04/01/14	2	0.01%	0.01%	1.00000	0.000%
interest fund	22277601	money mkt fund	WF Govt Fund	03/31/14	04/01/14	1	0.01%	0.01%	1.00000	0.000%
construction fund	22277604	money mkt fund	WF Govt Fund	03/31/14	04/01/14	1,104,368	0.01%	0.01%	1.00000	4.325%
						1,104,371				
Wells Fargo		2013 Total Road Improvement COPs								
revenue fund	46612400	revenue	WF Advantage	03/31/14	04/01/14	1	0.01%	0.01%	1.00000	0.000%
reserve fund	46612403	reserve	WF Advantage	03/31/14	04/01/14	0	0.01%	0.01%	1.00000	0.000%
acquisition fund	46612407	acquisition	WF Advantage	03/31/14	04/01/14	17,951,238	0.01%	0.01%	1.00000	70.304%
cost of issuance	46612408	cost of issuance	WF Advantage	03/31/14	04/01/14	6,502	0.01%	0.01%	1.00000	0.025%
						17,957,741				
Wells Fargo		2013 Partial Refunding of the 2005 Lease Revenue Bonds								
acquisition fund	48360703	acquisition	WF Advantage	03/31/14	04/01/14	0	0.01%	0.01%	1.00000	0.000%
escrow fund	48360704	escrow	WF Advantage	03/31/14	04/01/14	0	0.01%	0.01%	1.00000	0.000%
cost of issuance	48360705	cost of issuance	WF Advantage	03/31/14	04/01/14	6,433	0.01%	0.01%	1.00000	0.025%
						6,433				
Totals						25,533,851				

Type	Summary of Bond Proceeds with Fiscal Agents
1	Construction Funds 19,055,606
2	Principal & Interest Accounts 601,304
3	Debt Service Reserve Funds 5,827,421
4	Custody Accounts 0
5	Arbitrage Rebate Accounts 0
6	Other Accounts 49,520
Total Fiscal Agent Funds	
25,533,851	

DEFERRED COMPENSATION FUNDS

Nationwide

Fund	Market Value as of Mar 31, 2014	Fund	Market Value as of Mar 31, 2014	Fund	Market Value as of Mar 31, 2014
Liquid Savings	\$1,087,882	Nationwide US Sm Cap Val Ins Svc	2,484	Federated Kaufmann Fund	129,879
Nationwide Fixed (Part Time Employee)	461,759	American Century Balanced	40	Invesco Mid Cap Core Equity	29,931
Liquid Savings (Part Time Employees)	293,888	Am Century Growth	73,229	Nationwide Ret Inc Inst Svc	12,450
Certificates of Deposit 1 year	30,143	Am Century Select	137,005	Nationwide InvDes Mod Cons Fund SC	49,890
Certificates of Deposit 3 years	21,846	JP Morgan Mid Cap Value A	1,003,496	Nationwide InvDes Mod Aggr Fund	1,044,328
Certificates of Deposit 5 years	91,046	Vanguard Index 500	121,460	Nationwide InvDes Aggr Fund	91,380
Bond Fund of America	71,113	Vanguard Institutional Index	643,340	Nationwide InvDes Mod Fd	651,911
Growth Fund of America	122,713	Vanguard Wellington	21,159	Nationwide Inv Des Cons	94,128
Investment Co. of America	42,326	Vanguard Windsor II	50,003	Nationwide Large Cap Growth	61,245
Income Fund of America	133,103	Vanguard Total Bond Index	228,046	Nationwide Inter Val Inst Svc	64,233
Brown Cap Mgmt Inc SM Co	68,730	Washington Mutual Inv	94,023	Nationwide Dest 2015 Inst Svc	608
Fidelity Independence	2,597	DFA US Micro Cap Port	121,943	Nationwide Dest 2020 Inst Svc	126,040
Fidelity Equity Income	62,064	EuroPacific Growth	367,320	Nationwide Dest 2025 Inst Svc	211,920
Fidelity Magellan	288,541	Stable Fund C	2,665,437	Nationwide Dest 2030 Inst Svc	7,348
Fidelity Puritan	104,410	N B Socially Responsive Fund	42,854	Nationwide Dest 2035 Inst Svc	832
Fidelity Contrafund	291,744	DWS High Income Fund A	81,479	Nationwide Dest 2040 Inst Svc	257
Janus Fund	48,340	DWS Eq Divd A	77,797	Nationwide Dest 2045 Inst Svc	513
Janus Advisor Forty	60,651	Oppenheimer Global Fund A	360,570	Total Nationwide Deferred	\$11,951,474

ICMA

Fund	Market Value as of Mar 31, 2014	Fund	Market Value as of Mar 31, 2014
Aggressive Oppor.	\$177,247	VT Vantagepoint Discovery	2,558
International	251,515	VT Oppenheimer Discovery	3,590
All Equity Growth	192,773	VT Fidelity Contrafund	156,680
Growth and Income	293,182	VT Vantagepoint Overseas Equity Index Fund	100,652
Broad Market	40,565	VT Fidelity Diversified International	127,532
500 Stock Index	152,791	VT Allianz NFJ Div Value	67,545
Equity Income	445,335	Vantage Growth Fund	265,633
MS Retirement Income	0	VT Fidelity Puritan	6,897
Core Bond	24,813	VT Vantagepoint Select Value	2,561
Cash Management	23,048	VT TR Price Growth Stock Adv	30,894
Plus Fund	1,004,444	VT Nuveen Real Estate Secs	113,475
Retirement Income Advantage	32,157	VT TR Price Small Cap Value	176,774
Conservative Growth	137,294	VT Vantagepoint MS Ret Inc	32,016
Traditional Growth	188,186	VT Vantagepoint Inflation Protected Securities	71,073
Long-Term Growth	421,854	VT Oppenheimer Main Street	10,272
Milestone 2010	15,098	VT Vantagepoint Mid/Sm Index	45,094
Milestone 2015	982	VT PIMCO Total Return	56,846
Milestone 2020	58,519	VT PIMCO High Yield	69,948
Milestone 2025	33,294	VT Harbor Mid Cap Growth	9,822
Milestone 2030	0	VT Harbor International Admi	32,750
Milestone 2035	18,636	VT TimesSquare Mid Cap Growth Admin	59,859
Milestone 2040	12,181	Total ICMA	\$4,966,385

Summary by Plan

Deferred Compensation Plan	Market Value as of Mar 31, 2014
Total Nationwide	\$11,951,474
Total ICMA	4,966,385
Total Deferred Compensation Plans	\$16,917,859

Summary by Investment Type

Investment Type	Market Value as of Mar 31, 2014
Savings Deposits and CD's	\$4,560,955
Mutual Funds	12,356,904
Total Deferred Compensation Plans	\$16,917,859

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BOND MARKET REVIEW

A MONTHLY REVIEW OF
FIXED INCOME MARKETS



WHAT'S INSIDE

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U.S. Banks Hold Up 3
Under Stress

Since 1988, Chandler Asset Management has specialized in the management of fixed income portfolios. Chandler's mission is to provide fully customizable, client-centered portfolio management that preserves principal, manages risk and generates income in our clients' portfolios.

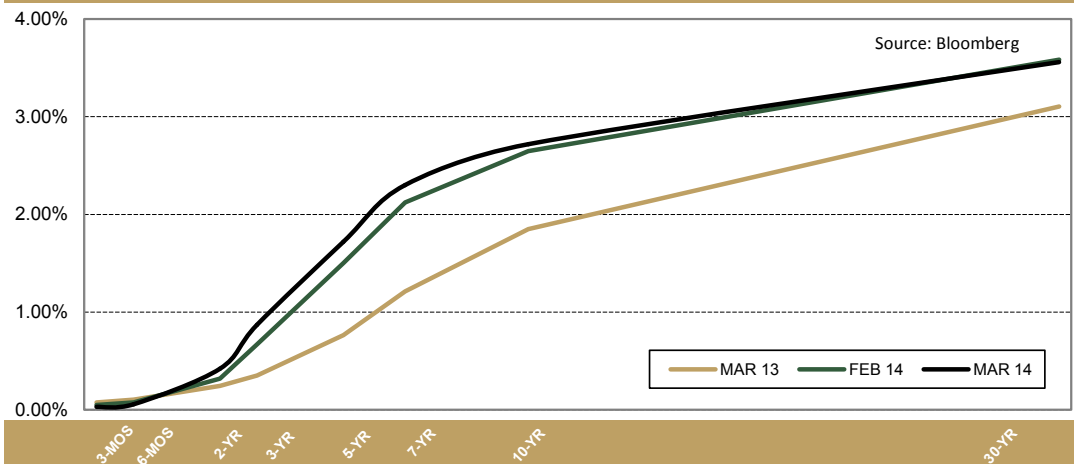
Market Summary

The March employment report was slightly weaker than expected but the labor market seems to be improving gradually. Nonfarm payroll jobs grew by 192,000 in March, versus expectations of 200,000. The unemployment rate was unchanged at 6.7%. For the first quarter of 2014, payrolls rose by 178,000 per month on average, which compares to average growth of 198,000 per month during the fourth quarter of last year. We believe this deceleration is at least partially explained by the severe winter weather that continued into March. Meanwhile manufacturing, housing, and consumer data remains mixed but have been showing some signs of improvement.

The FOMC left policy rates unchanged at its March 18-19 meeting, and announced another \$10 billion reduction in asset purchases beginning this month, as expected. The Committee made some changes to its forward guidance on monetary policy. Rather than pointing to 6.5% unemployment as a trigger point for policy change, the Fed is now using more qualitative language and indicated that it will instead be focused on targeting "maximum employment". The Committee will also continue to target a long-run inflation goal of 2%. In her first post-meeting press conference, Chairwoman Yellen rattled the financial markets when she suggested that the first fed funds rate hike could begin 6 months after the taper is complete (which implies spring of 2015). Overall, many market participants viewed Yellen's comments as being more "hawkish" than expected.

The yield on the two-year Treasury note increased in March, driven in part by the ongoing unwinding of quantitative easing by the Federal Reserve along with increased anxiety that the Fed could begin hiking the fed funds rate sooner than market participants have been expecting.

THE YIELD CURVE FLATTENED IN MARCH



During the past three months, the yield curve has flattened despite the Fed's tapering. Market participants are anticipating future fed funds rate hikes which have begun to put upward pressure on shorter-term yields. Meanwhile, lackluster domestic economic data, geopolitical tensions, and fears about emerging market currencies have put downward pressure on longer yields.

TREASURY YIELDS	3/31/2014	2/28/2014	CHANGE
3 Month	0.03	0.05	(0.02)
2 Year	0.42	0.32	0.10
3 Year	0.87	0.67	0.20
5 Year	1.72	1.50	0.22
7 Year	2.30	2.12	0.18
10 Year	2.72	2.65	0.07
30 Year	3.56	3.58	(0.02)

Economic Roundup

Consumer Prices

In February, overall CPI inflation fell to 1.1% on a year-over-year basis from 1.6% in January. The year-over-year Core CPI (CPI less food and energy) was unchanged at 1.6% in February. The core inflation rate is still trending below the Fed's long-term goal of 2.0% and remains below the trigger rate for policy action of 2.5%.

Retail Sales

In February, Retail Sales rose 1.5% on a year-over-year basis versus a gain of 1.9% in January. On a month-over-month basis, Retail Sales excluding autos and gas rose 0.3% in February which was ahead of the consensus forecast of +0.1%. Adverse weather likely continued to hinder retail sales during the month.

Labor Market

The March employment report was slightly weaker than expected as payrolls rose by 192,000 versus the 200,000 consensus estimate. Net revisions for job growth in February and January were +37,000. Private payrolls increased by 192,000 in March and government jobs were flat. The unemployment rate was unchanged at 6.7%, while the consensus projection was 6.6%.

Housing Starts

Single-family housing starts rose 0.3% in February after falling 13.2% in January. Unfavorable weather has likely affected housing trends in the past few months.

Credit Spreads Tightened Slightly

CREDIT SPREADS	Spread to Treasuries (%)	One Month Ago (%)	Change
3-month top-rated commercial paper	0.10	0.08	0.02
2-year A corporate note	0.47	0.48	(0.01)
5-year A corporate note	0.48	0.54	(0.06)
5-year Agency note	0.18	0.24	(0.06)

Source: Bloomberg

Data as of 3/31/14

Economic Data Has Been Skewed By Harsh Winter Weather

ECONOMIC INDICATOR	Current Release	Prior Release	One Year Ago
Trade Balance	(42.3) \$Bln FEB 14	(39.3) \$Bln JAN 14	(43.3) \$Bln FEB 13
GDP	2.6% DEC 13	4.1% SEP 13	0.1% DEC 12
Unemployment Rate	6.7% MAR 14	6.7% FEB 14	7.5% MAR 13
Prime Rate	3.25% MAR 14	3.25% FEB 14	3.25% MAR 13
CRB Index	304.67 MAR 14	302.43 FEB 14	296.39 MAR 13
Oil (West Texas Int.)	\$101.58 MAR 14	\$102.59 FEB 14	\$97.23 MAR 13
Consumer Price Index (y/o/y)	1.1% FEB 14	1.6% JAN 14	2% FEB 13
Producer Price Index (y/o/y)	1.3% FEB 14	1.5% JAN 14	1.8% FEB 13
Dollar/EURO	1.38 MAR 14	1.38 FEB 14	1.28 MAR 13

Source: Bloomberg

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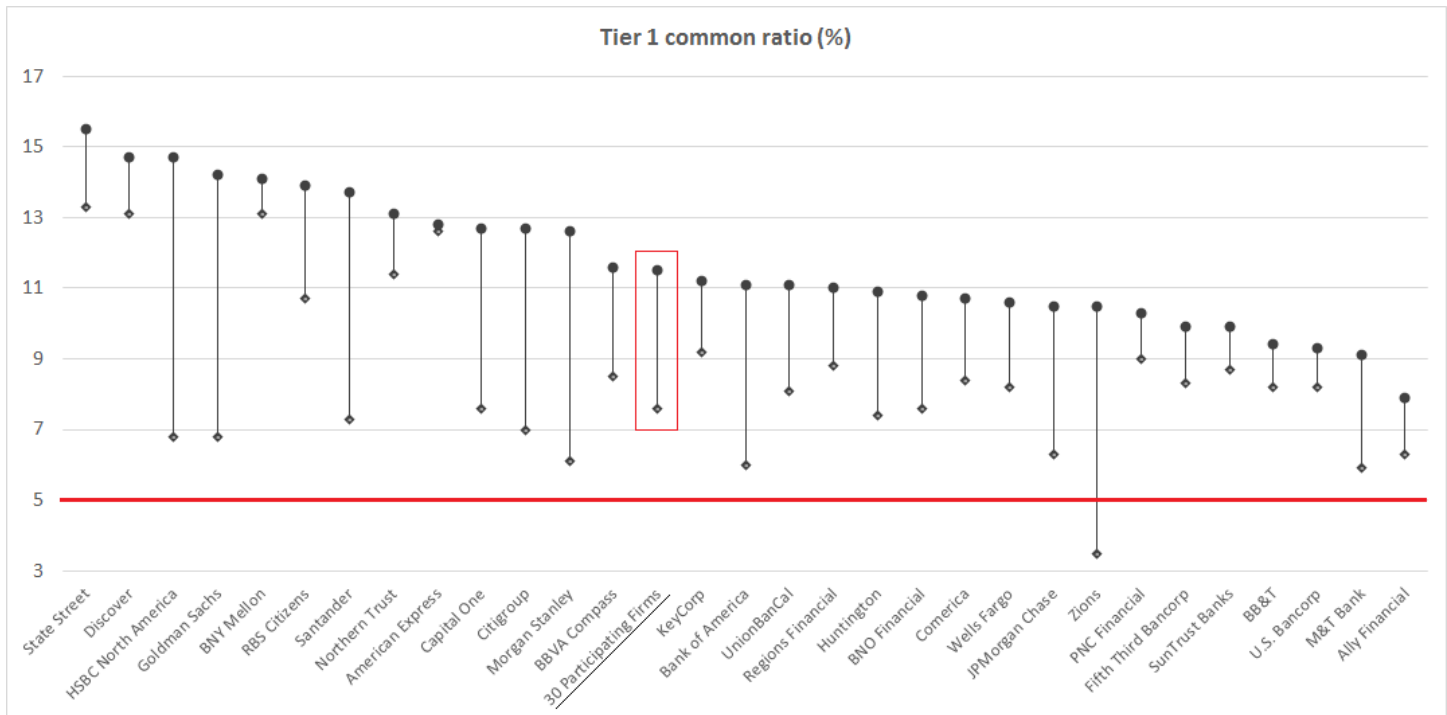
U.S. Banks Hold Up Under Stress

After the 2007-2009 financial crisis, the Federal Reserve (Fed) began conducting annual stress tests of banks' capital adequacy and resiliency to a potential financial stress. Each year, the Fed uses the Dodd-Frank Act stress test and the Comprehensive Capital Analysis & Review test to evaluate how well certain banks hold up under adverse hypothetical economic scenarios. The two-part tests are designed to determine whether or not systemically important banks have sufficient capital to absorb potential losses during a significant downturn in the economy and to evaluate whether or not they could sustain themselves without government support in the event of another financial crisis. The tests are aimed at detecting weakness in the banking system and preventing banks from being too aggressive with their capital distribution plans (such as dividends and stock buybacks). Banks with more than \$10 billion in total assets and non-bank firms that are designated by the Financial Stability Oversight Council for supervision by the Federal Reserve are included in the stress tests. This year, 30 large bank holding companies were included in the Fed's annual stress test, up from 18 last year.

The Fed's stress tests include both quantitative and qualitative assessments of banks' capital positions and capital distribution plans. The quantitative component of the tests examine whether or not the banks' regulatory capital ratios could sufficiently meet the minimum requirements under a stress scenario. Meanwhile, the qualitative component of the tests examine such things as the robustness of each bank's

capital planning process, their risk-management practices, the reasonableness of the assumptions used for capital planning purposes, and their method of corporate governance and internal controls. In addition, eight banks were subjected to additional testing related to counterparty trading exposure and risk. While the Fed evaluates the banks based on a number of factors, the most critical test is whether the banks can maintain a minimum Tier 1 common equity ratio of at least 5% under the most severe hypothetical economic scenario. The Tier 1 ratio calculates a bank's high-quality capital as a percent of risk-weighted assets. Each bank was evaluated based on its idiosyncratic risks, reflecting in their individual size and complexity. The Fed's most recent stress tests were based on financial reports for the period ending September 30, 2013. In its most severe adverse stress scenario, the Fed hypothetically assumed that U.S. unemployment climbs to 11.25% (from the current level of 6.7%), equity prices plunge 50%, home prices fall 25%, GDP declines nearly 5%, and Europe slips into recession.

In March 2014, the Fed released the results of their most recent bank stress tests. Initially, three banks failed to meet the minimum post-stress Tier 1 common ratio requirement of 5%; Goldman Sachs, Bank of America, and Zions Bancorp. However, Goldman Sachs and Bank of America were able to meet the minimum requirement after submitting adjusted capital plans. Zions did not submit an adjusted capital plan and was therefore the only bank to ultimately fail the Fed's stress test. As such, 29 out of the 30 banks examined



Source: Forbes article 3/24/2014 "Fed Stress Test For Banks: Rationale, Results & Implications". Based on Federal Reserve data.

did pass the test. Notably, last year, Ally Financial was the only bank that did not pass the Fed's test, and this year Ally passed. The banks with the strongest post-stress Tier 1 common ratios this year included Northern Trust, State Street and Bank of New York. American Express and Discover Financial Services also performed well. Out of the 30 banks tested, the Fed objected to the capital plans submitted by Citigroup, HSBC North America, RBS, Santander, and Zions Bancorp. The capital plans for Citigroup, HSBC, RBS and Santander were rejected based on the Fed's qualitative assessment. For Citigroup, the Fed expressed concerns regarding the bank's ability to project revenue and losses under a stressful scenario and said the bank's internal stress testing methods were inadequate. Likewise, the Fed found fault with HSBC for similar reasons.

Meanwhile, Zions' capital plans were rejected based on the Fed's quantitative assessment, given Zions' Tier 1 ratio under stress did not meet the minimum requirement. Citigroup, HSBC North America, RBS, Santander, and Zions Bancorp were subsequently restricted from implementing their capital distribution plans (i.e. share buybacks and dividends) and are required to address the Fed's concerns and resubmit their plans. The Fed had no objection to the capital plans of the remaining 25 banks. In aggregate, the 30 banks' tier 1 common capital ratio would hypothetically fall from 11.5% in the third quarter of 2013 to a minimum level of 7.6% under the most severe stress scenario, according to the Fed. Notably, this figure is much higher than the 30 banks' aggregate actual tier 1 common ratio of 5.5% at the beginning of 2009.

The chart on the previous page depicts the projected potential decline in the 30 banks' Tier 1 common ratio under the Fed's severely adverse scenario. The data is based on the assumptions provided with the Dodd-Frank Act stress test. The circle represents each of the banks' actual Q3 2013 Tier 1 common ratios, while the diamond represents the projected minimum Tier 1 common ratio (within the Q4 2013 to Q4 2015 time period) under the most severely adverse scenario, as estimated by the Fed.

We believe this year's stress test results indicate that banks are solidly positioned to withstand a severe downturn in the economy.

Overall, we believe this year's stress test results indicate that banks are solidly positioned to withstand a severe downturn in the economy. We believe this is largely a result of the efforts the banks have made (due largely to increased oversight and regulation) to improve and strengthen their capital positions in recent years. According to the Fed's tests, the 30 banks' aggregate *projected* Tier 1 common ratio under a potentially stressful future economic scenario would exceed the banks' aggregate *actual* Tier 1 common ratio at the beginning of 2009, which indicates how much progress those banks have made at strengthening their balance sheets since the financial crisis. We believe market participants can take some comfort, based on the results of the Fed's stress tests, that banks aren't likely to require another government bailout in the event of a future financial crisis. We also believe that the Fed's careful oversight of banks' capital distribution plans is particularly favorable for bond investors and that this level of regulation is credit positive.

- Shelly Henbest
VP, Credit Analyst

RISKS AND OTHER IMPORTANT CONSIDERATIONS

This report is provided for informational purposes only and should not be construed as specific investment or legal advice. The information contained herein was obtained from sources believed to be reliable as of the date of publication, but may become outdated or superseded at any time without notice. Any opinions or views expressed are based on current market conditions and are subject to change. This report may contain forecasts and forward-looking statements which are inherently limited and should not be relied upon as an indicator of future results. Past performance is not indicative of future results. This report is not intended to constitute an offer, solicitation, recommendation or advice regarding any securities or investment strategy and should not be regarded by recipients as a substitute for the exercise of their own judgment.

Fixed income investments are subject to interest, credit, and market risk. Interest rate risk: the value of fixed income investments will decline as interest rates rise. Credit risk: the possibility that the borrower may not be able to repay interest and principal. Low rated bonds generally have to pay higher interest rates to attract investors willing to take on greater risk. Market risk: the bond market in general could decline due to economic conditions, especially during periods of rising interest rates.



APPROVALS	
BUDGET OFFICER	<i>me</i>
CITY ATTORNEY	<i>SMB</i>
CITY MANAGER	<i>d</i>

Report to City Council

TO: Mayor and City Council

FROM: Ahmad R. Ansari, P.E., Public Works Director/City Engineer

AGENDA DATE: May 27, 2014

TITLE: AUTHORIZATION TO AWARD CONSTRUCTION CONTRACT TO GRIFFITH COMPANY FOR PERRIS BOULEVARD WIDENING FROM IRONWOOD AVENUE TO MANZANITA AVENUE, PROJECT NO. 801 0024 70 77

RECOMMENDED ACTION

Recommendations:

1. Award the construction contract to Griffith Company, 12200 Bloomfield Avenue, Santa Fe Springs, CA 90670, the lowest responsible bidder, for the Perris Boulevard Widening from Ironwood Avenue to Manzanita Avenue.
2. Authorize the City Manager to execute a contract with Griffith Company.
3. Authorize the issuance of a Purchase Order to Griffith Company, for the amount of \$5,400,581.99 (\$4,696,158.25 bid amount plus 15% contingency) when the contract has been signed by all parties.
4. Authorize the Public Works Director/City Engineer to execute any subsequent related minor change orders to the contract with Griffith Company up to, but not exceeding, the 15% contingency amount of \$704,423.74, subject to the approval of the City Attorney.
5. Authorize the Public Works Director/City Engineer to record the Notice of Completion once he determines the work is complete, accept the improvements into the City's maintained system, and release the retention to Griffith Company if no claims are filed against the project.
6. Authorize the appropriation of \$227,000 from the unencumbered Development Impact Fee (DIF) Traffic Signals (Fund 3302) fund balance for the construction

costs for the Perris Boulevard Widening from Ironwood Avenue to Manzanita Avenue project (GL: 3302-70-77-80008) to fund the proposed traffic signal at Perris Boulevard and Pico Vista Way.

7. Authorize the re-appropriation of \$1,100,000 from Transportation Uniform Mitigation Fee (TUMF) Fund 3003 for Perris Blvd Widening from PVSD to Cactus Avenue project (GL: 3003-70-77-80001, Project No.: 801 0022 70 77) to Perris Blvd Widening from Ironwood Avenue to Manzanita Avenue project (GL: 3003-70-77-80001, Project No.: 801 0024 70 77).

SUMMARY

This report recommends approval of a contract with Griffith Company to construct the widening of Perris Boulevard from Ironwood Avenue to Manzanita Avenue. The construction phase of this project is funded by Measure A/State-Local Partnership Program (SLPP Grant) funds, Regional Transportation Uniform Mitigation Fee (TUMF) funds, Development Impact Fee (DIF) Traffic Signals, and Total Road Improvement Program (TRIP). The project is budgeted at approximately \$6 million, and has been approved in the 2013/2014 Capital Improvement Plan.

DISCUSSION

On November 27, 2012 the City Council approved the Resolution 2012-92 authorizing the submittal of an application for SLPP Grant for Perris Boulevard Widening from Ironwood Avenue to Manzanita Avenue project. Since the Planning, Environmental Clearance, Right of Way acquisition, and Design Phases have been completed in August 2011, this project is considered as a shovel-ready and qualified for the SLPP Grant. In accordance with City Council approved Resolution No. 2011-43, the Public Works Director/City Engineer executed the Program Supplement Agreement with the Department of Transportation on January 7, 2014, to finalize acceptance of the SLPP grant from the California Transportation Commission (CTC) for this project.

Perris Boulevard is an existing partially improved north-south arterial street between the limits of Ironwood Avenue and Manzanita Avenue in the City of Moreno Valley. The existing improvements vary in width consisting of a two-lane road with shoulders to areas that are fully built-out but striped for two lanes. This project will widen and improve a 1.2 mile long segment of Perris Boulevard between Ironwood Avenue and Manzanita Avenue to an arterial highway standard with a curb-to-curb width of 76-foot to 86-foot within a 100-foot to 110-foot right-of-way. The proposed Perris Boulevard improvements will include curb, gutter, storm drain, pavement, sidewalk, street lights, traffic signal, and traffic signal modifications, signing and striping, and related road improvements. It will increase mobility, improve air quality, improve drainage, and enhance safety by completing the missing sections of street improvements and create four continuous travel lanes.

As identified in the Bidding Documents, the Base Bid items include the following improvements along Perris Boulevard between Ironwood Avenue and Manzanita

Avenue: medians, curb, gutter, sidewalk, access ramps, driveways, catch basins, storm drain, modification of the traffic signal at Perris Boulevard and Kalmia Avenue, and a new traffic signal at Perris Boulevard and Pico Vista Way. Each of the alternates provide optional work, depending on funding and bid pricing received, for different sections of the street. Alternate No.1 will provide crack seal, grind and overlay work (Ironwood Ave. to 200' south of Kalmia). Alternate Nos. 2 and 3 will remove and replace pavement (Ironwood to Via Von Batsch, and Via Von Batsch to 200' south of Kalmia [respectively]). Alternate Nos. 4 and 6 will crack seal and slurry seal (1,000' south of Manzanita to Manzanita, and Ironwood to 200' south of Kalmia [respectively]). Alternate No. 5 will add hardscape to the new medians.

The City's Planning Division determined, in compliance with the California Environmental Quality Act (CEQA) that mitigation measures are required to reduce all potential environmental impacts to an acceptable level. On September 9, 2008 the City Council accepted the Mitigated Negative Declaration (MND) for the Perris Boulevard Widening from Ironwood Avenue to Manzanita Avenue.

The Notice Inviting Bids was advertised for the subject project and formal bidding procedures have been followed in conformance with Public Contract Code. The City Clerk opened bids at 10:15 a.m. on April 17, 2014 for the project. Six (6) bids were received as follows:

<u>CONTRACTORS</u>	<u>Verified Bid Amounts</u>
1. Griffith Company, Santa Fe Springs	\$4,812,723.15
2. Mamco, Inc. dba Alabbasi, Riverside	\$5,444,378.00
3. Hillcrest Contracting, Corona.....	\$5,472,773.47
4. All American Asphalt, Corona.....	\$5,550,000.00
5. PALP, Inc., dba Excel Paving Company, Long Beach.....	\$5,582,856.60
6. Los Angeles Engineering, Inc., Covina.....	\$5,610,144.30

The lowest responsible bidder was determined by comparing the cumulative total for all bid items (Base Bid plus Alternate Nos. 1, 2, 3, 4, 5, and 6), as stipulated in the Bidding Documents. Staff has reviewed the bid by Griffith Company and finds it to be the lowest responsible bidder in possession of a valid license and bid bond. No outstanding issues were identified through review of the references submitted by Griffith Company in their bid.

Following the bid opening, staff reviewed the alternate bids and available funding, and is recommending the award of the Base Bid items, plus Alternate Nos. 2, 3, 4, and 5 and issue a Purchase Order to Griffith for \$5,400,581.99 which includes 15% contingency. This will provide for the Perris Boulevard Widening within the project limits, remove and replace pavement from Ironwood to 200' south of Kalmia, crack seal and slurry seal from 1,000' south of Manzanita to Manzanita, and will add hardscape to the new medians.

The Contingency of 15% of the Base Bid and Alternates 2, 3, 4, and 5 (\$704,423.74) is needed to account for any latent or unforeseen circumstances encountered during construction. Unforeseen conditions may include unsuitable soils or hazardous wastes which need to be properly processed and removed. There also may be other conflicting appurtenance that will have to be addressed during grading and excavating the roadways.

ALTERNATIVES

1. Approve and authorize the recommended actions as presented in this staff report. *This alternative will provide for the timely construction of the Perris Boulevard Widening from Ironwood Avenue to Manzanita Avenue.*
2. Do not approve and authorize the recommended actions as presented in this staff report. *This alternative will result in delaying the timely construction of the project.*

FISCAL IMPACT

This project is included in the Fiscal Year 2013/2014 Capital Improvement Plan Budget and will be financed by Measure A/SLPP Grant (Fund 2001), TUMF (Fund 3003), DIF Traffic Signals (Fund 3302), and TRIP (Fund 3411). Because the traffic signal at Perris Boulevard and Pico Vista Way is a DIF programmed signal, staff is recommending the appropriation of DIF Traffic Signal funds.

Proposed DIF Transfer:

Cat.	Fund	Account No.	Type	FY 13/14 Original Budget	FY 13/14 Proposed Adjustment	FY 13/14 Revised Budget
Transfer from	DIF Traffic Signal	2902-99-95-92902-903302	EXP	\$130,000	\$227,000	\$357,000
Transfer to	DIF Traffic Signal Capital Projects	3302-99-99-93302-802902	REV	\$130,000	\$227,000	\$357,000

Proposed Project Appropriation Transfer:

Cat.	Fund	Project No (PN) GL Account (GL)	Type	FY 13/14 Original Budget	FY 13/14 Proposed Adjustment	FY 13/14 Revised Budget
CIP	Perris/PVSD to Cactus	PN 801 0022 70 77-3003-99 GL 3003-70-77-80001-720199	EXP	\$1,864,900	(\$1,100,000)	\$764,800
CIP	Perris/Ironwood to Manzanita	PN 801 0024 70 77-3003-99 GL 3003-70-77-80001-720199	EXP	\$3,500,000	\$1,100,000	\$4,600,000

Proposed Budget Appropriation:

Cat.	Fund	Project No (PN) G/L Account (GL)	Type	FY 13/14 Original Budget	FY 13/14 Proposed Adjustment	FY 13/14 Revised Budget
CIP	DIF Traffic Signal (3302)	PN – 808 0024 70 77-3302-99 GL – 3302-70-77-80008-720199	EXP	\$0 \$136,068	\$227,000 \$227,000	\$227,000 \$363,068

PROPOSED BUDGET FOR CONSTRUCTION:

Existing FY 2013/2014 Perris Boulevard Widening (Project No. 801 0024 70 77)	
Measure A/SLPP Grant (Account No. 2001-70-77-80001).....	\$1,000,000
TUMF Commitment (Account No. 3003-70-77-80001).....	\$4,600,000
DIF Traffic Signals (Account No. 3302-70-77-80001).....	\$227,000
TRIP Capital Projects (Account No. 3411-70-77-80001).....	\$1,500,000
Total Available Funds.....	\$7,327,000

ESTIMATED CONSTRUCTION RELATED COSTS:

Construction Costs (including contingency)	\$5,401,000
Design Support Services during Construction.....	\$95,000
Construction Survey Services	\$64,000
Construction Geotechnical Services.....	\$82,000
Project Management and Inspection*.....	\$220,000
Total Estimated Construction Related Costs*	\$5,862,000

** Project Management and Inspection will be provided by City Staff*

ANTICIPATED PROJECT SCHEDULE:

Start Construction.....	July 2014
Anticipated Completion of Construction (280 working days)	October 2015

CITY COUNCIL GOALS

PUBLIC SAFETY:

Provide a safe and secure environment for people and property in the community, control the number and severity of fire and hazardous material incidents, and provide protection for citizens who live, work and visit the City of Moreno Valley.

PUBLIC FACILITIES AND CAPITAL PROJECTS:

Ensure that needed public facilities, roadway improvements, and other infrastructure improvements are constructed and maintained.

NOTIFICATION

The City provided information and outreach multiple times during the design and right-of-way phases of the project. Notice of the City Council meeting to adopt the MND was posted on August 2, 2008. No comments were received and the City Council adopted the MND for the project at its meeting on September 9, 2008. An open house meeting to provide project information was conducted on December 14, 2009 at North Ridge Magnet Elementary School, and resulted in positive feedback for the project. Many of the local residents were contacted directly during the design phase as staff worked to acquire the necessary rights-of-way to allow for the road widening.

Prior to construction starting, all utilities, adjacent property owners, business owners, law enforcement, fire department, and other emergency services responders in the area will be notified of the construction.

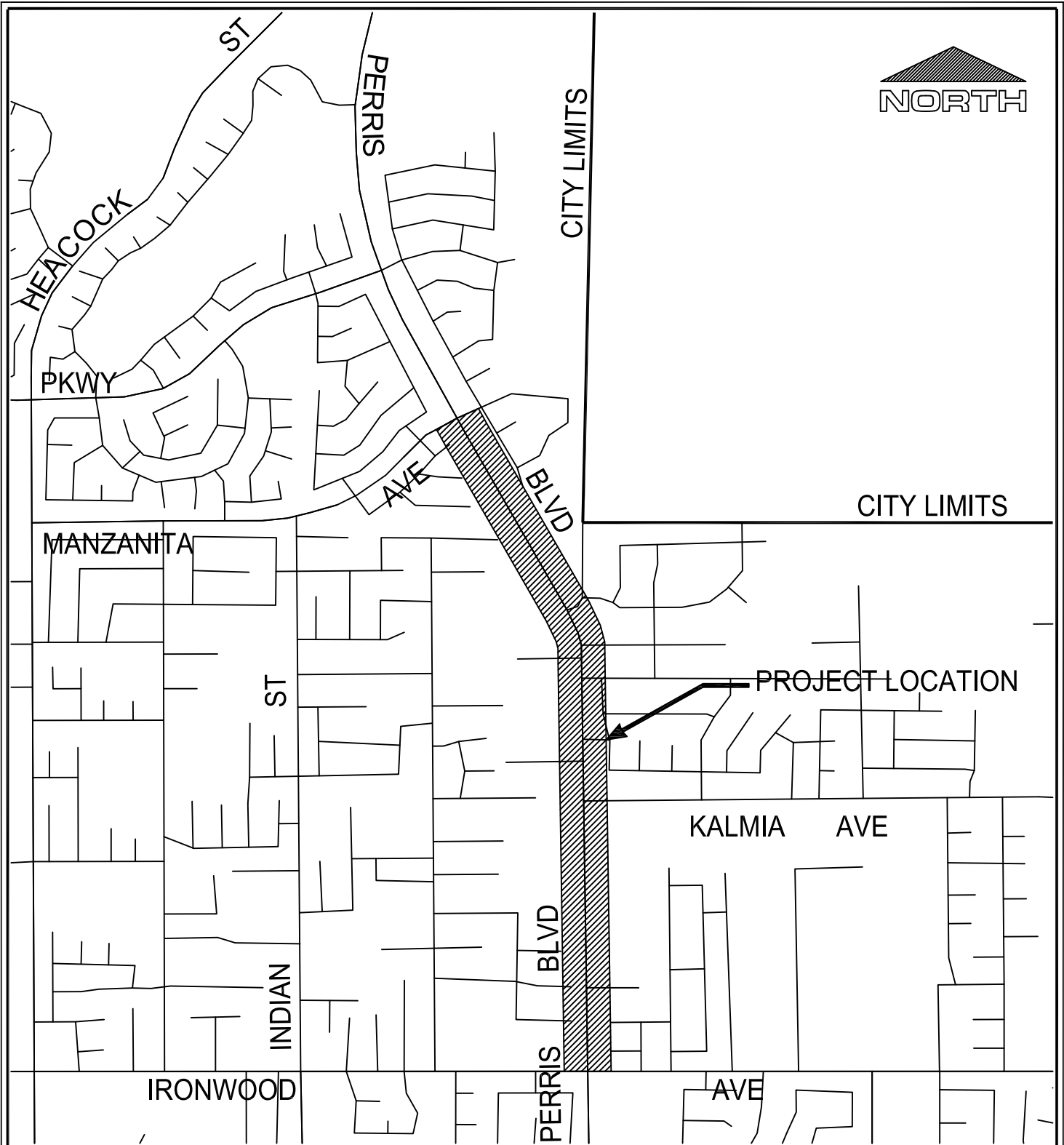
ATTACHMENTS


Attachment 1: Location Map
Attachment 2: Agreement with Griffith Company

Prepared By:
Henry Ngo
Senior Engineer, P.E.

Department Head Approval
Ahmad R. Ansari, P.E.
Public Works Director/City Engineer

Concurred By:
Prem Kumar, P.E.
Deputy Public Works Director/Assistant City Engineer



Public Works Department Capital Projects Division		LOCATION MAP
	Scale: None	
	ATTACHMENT 1	PERRIS BLVD IMPROVEMENTS FROM IRONWOOD AVE TO MANZANITA AVE PROJECT NO. 801 0024 70 77

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Agreement No. _____

AGREEMENT**PROJECT NO. 801 0024 70 77****PERRIS BOULEVARD WIDENING
from Ironwood Avenue to Manzanita Avenue**

THIS Agreement, effective as of the date signed by the City of Moreno Valley by and between the City of Moreno Valley, a municipal corporation, County of Riverside, State of California, hereinafter called the "City" and **Griffith Company**, hereinafter called the "Contractor."

That the City and the Contractor for the consideration hereinafter named, agree as follows:

1. CONTRACT DOCUMENTS. The Contract Documents consist of the following, which are incorporated herein by this reference:

- A. Governmental approvals, including, but not limited to, permits required for the Work
- B. Any and all Contract Change Orders issued after execution of this Agreement
- C. This Agreement
- D. Addendum No. 1 inclusive, issued prior to the opening of the Bids
- E. City Special Provisions, including the General Provisions and Technical Provisions
- F. Standard Specifications for Public Works Construction ("Greenbook") – latest edition in effect at the Bid Deadline, as modified by the City Special Provisions
- G. Reference Specifications/Reference Documents other than those listed in paragraph 2, below
- H. Project Plans
- I. City Standard Plans
- J. Caltrans Standard Plans
- K. Other Agency Standard Plans
- L. The bound Bidding Documents
- M. Contractor's Certificates of Insurance and Additional Insured Endorsements
- N. Contractor's Bidder's Proposal and Subcontractor Listing

In the event of conflict between any of the Contract Documents, the provisions placing a more stringent requirement on the Contractor shall prevail. The Contractor shall provide the better quality or greater quantity of Work and/or materials unless otherwise directed by City in writing. In the event none of the Contract Documents place a more stringent requirement or greater burden on the Contractor, the controlling provision shall be that which is found in the document with higher precedence in accordance with the above order of precedence.

2. REFERENCE DOCUMENTS. The following Reference Documents are not considered Contract Documents and are made available to the Contractor for informational purposes:

- A. Geotechnical Reports

3. SCOPE OF WORK. The Contractor shall perform and provide all materials, tools, equipment, labor, and services necessary to complete the Work described in the Contract

Documents, except as otherwise provided in the Plans, Standard Specifications, or City Special Provisions to be the responsibility of others.

4. PAYMENT.

4.1. **Contract Price and Basis for Payment.** In consideration for the Contractor’s full, complete, timely, and faithful performance of the Work required by the Contract Documents, the City shall pay Contractor for the actual quantity of Work required under the Bid Items awarded by the City performed in accordance with the lump sum prices and unit prices for Bid Items and Alternate Bid Items, if any, set forth the Bidder’s Proposal submitted with the Bid. The sum of the unit prices and lump sum prices for the Base Bid Items and Alternate Bid Items, if any, awarded by the City is **Four Million Six Hundred Ninety Six Thousand One Hundred Fifty Eight and 99/100 Dollars (\$4,696,158.99)** (“Contract Price”). The Alternate Bid Items selected by the City and included in the Contract are: 2, 3, 4, and 5. It is understood and agreed that the quantities set forth in the Bidder’s Proposal for which unit prices are fixed are estimates only and that City will pay and Contractor will accept, as full payment for these items of work, the unit prices set forth in the Bidder’s Proposal multiplied by the actual number of units performed, constructed, or completed as directed by the City Engineer.

4.2. **Payment Procedures.** Based upon applications for payment submitted by the Contractor to the City, the City shall make payments to the Contractor in accordance with Article 9 of the Standard Specifications, as modified by Article 9 of the City Special Provisions.

5. CONTRACT TIME.

A. Contract Time. The Contract Time shall be determined in accordance with the following:

Base Bid	250 Working Days
Alternate No. 1	10 Working Days
Alternate No. 2	15 Working Days
Alternate No. 3	15 Working Days
Alternate No. 4	5 Working Days
Alternate No. 5	15 Working Days
Alternate No. 6	5 Working Days

B. Initial Notice to Proceed. After the Agreement has been fully executed by the Contractor and the City, the City shall issue the “Notice to Proceed to Fulfill Preconstruction Requirements.” The date specified in the Notice to Proceed to Fulfill Preconstruction Requirements constitutes the date of commencement of the Contract Time of two hundred fifty (250) Working Days for the Base Bid, thirty (30) Working Days for Alternate Nos. 2 & 3, five (5) Working Days for Alternate No. 4, and fifteen (15) Working Days for Alternate No. 5, **for a total of three hundred (300) Working Days for the project.** The Contract Time includes the time necessary to fulfill preconstruction requirements, place the order of materials, and to complete construction of the Project (except as adjusted by subsequent Change Orders).

The Notice to Proceed to Fulfill Preconstruction Requirements shall further specify that Contractor must complete the preconstruction requirements and order materials within **Fifteen (15)**

Working Days after the date of commencement of the Contract Time; this duration is part of the Contract Time.

Preconstruction requirements include, but are not limited to, the following:

- Submitting and obtaining approval of Traffic Control Plans
- Submitting and obtaining approval of the Stormwater Pollution Prevention Plan (SWPPP)/Water Pollution Control Plan (WPCP)
- Submitting and obtaining approval of critical required submittals
- Installation of the approved Project Identification Signs
- Obtaining an approved no fee Encroachment Permit
- Obtaining a Temporary Use Permit for a construction yard
- Notifying all agencies, utilities, residents, etc., as outlined in the Bidding Documents

If the City's issuance of a Notice to Proceed to Fulfill Preconstruction Requirements is delayed due to Contractor's failure to return the fully executed Agreement and insurance and bond documents within ten (10) Working Days after Contract award, then Contractor agrees to the deduction of one (1) Working Day from the number of days to complete the Project for every Working Day of delay in the City's receipt of said documents. This right is in addition to and does not affect the City's right to demand forfeiture of Contractor's Bid Security if Contractor persistently delays in providing the required documentation.

C. Notice to Proceed with Construction. After all preconstruction requirements are met in accordance with the Notice to Proceed to Fulfill Preconstruction Requirements, the City shall issue the "Notice to Proceed with Construction," at which time the Contractor shall diligently prosecute the Work, including corrective items of Work, day to day thereafter, within the remaining Contract Time.

D. Notice to Proceed to Pothole Pole Foundation Locations and Notice to Proceed with Order of Materials. At the appropriate time, as determined by the City and per these Specifications, the City will issue the Notice to Proceed Pothole Foundation Locations and the Notice to Proceed with Order of Materials.

6. LIQUIDATED DAMAGES AND CONTROL OF WORK

6.1. Liquidated Damages. The Contractor and City (collectively, the "Parties") have agreed to liquidate damages with respect to Contractor's failure to order all materials in accordance with the Notice to Proceed with Order of Materials and/or failure to fulfill the preconstruction requirements, and/or failure to complete the Work within the Contract Time. The Parties intend for the liquidated damages set forth herein to apply to this Contract as set forth in Government Code Section 53069.85. Contractor acknowledges and agrees that the liquidated damages are intended to compensate the City solely for Contractor's failure to meet the deadline for completion of the Work and will not excuse Contractor from liability from any other breach, including any failure of the Work to conform to the requirements of the Contract Documents.

In the event that Contractor fails to order all materials in accordance with the Notice to Proceed with Order of Materials and/or fails to fulfill the preconstruction requirements and/or fails to complete the Work within the Contract Time, Contractor agrees to pay the City **\$775 per Calendar day** that completion of the Work is delayed beyond the Contract Time, as adjusted by Contract Change Orders. The Contractor will not be assessed liquidated damages for delays occasioned by the failure of the City or of the owner of a utility to provide for the removal or relocation of utility facilities.

The Contractor and City acknowledge and agree that the foregoing liquidated damages have been set based on an evaluation of damages that the City will incur in the event of late completion of the Work. The Contractor and City acknowledge and agree that the amount of such damages are impossible to ascertain as of the date of execution hereof and have agreed to such liquidated damages to fix the City's damages and to avoid later disputes. It is understood and agreed by Contractor that liquidated damages payable pursuant to this Agreement are not a penalty and that such amounts are not manifestly unreasonable under the circumstances existing as of the date of execution of this Agreement.

It is further mutually agreed that the City will have the right to deduct liquidated damages against progress payments or retainage and that the City will issue a Change Order or Construction Change Directive and reduce the Contract Price accordingly. In the event the remaining unpaid Contract Price is insufficient to cover the full amount of liquidated damages, Contractor shall pay the difference to the City.

6.2. Any work completed by the Contractor after the issuance of a Stop Work Notice by the City shall be rejected and/or removed and replaced as specified in Section 2-11 of the Special Provisions.

6.3. **Owner is Exempt from Liability for Early Completion Delay Damages.** While the Contractor may schedule completion of all of the Work, or portions thereof, earlier than the Contract Time, the Owner is exempt from liability for and the Contractor will not be entitled to an adjustment of the Contract Sum or to any additional costs, damages, including, but not limited to, claims for extended general conditions costs, home office overhead, jobsite overhead, and management or administrative costs, or compensation whatsoever, for use of float time or for Contractor's inability to complete the Work earlier than the Contract Time for any reason whatsoever, including but not limited to, delay cause by Owner or other Excusable Compensable Delay. See Section 6-6 of the Standard Specifications and City Special Provisions regarding compensation for delays.

7. INSURANCE.

7.1. **General.** The Contractor shall procure and maintain at its sole expense and throughout the term of this Agreement, any extension thereof, Commercial General Liability, Automobile Liability, and Workers' Compensation Insurance with such coverage limits as described herein.

7.2. **Additional Insured Endorsements.** The Contractor shall cause the insurance required by the Contract Document to include the City of Moreno Valley, the City Council and each member thereof, the Moreno Valley Housing Authority (MVHA), and the Moreno Valley Community Services District (CSD), and their respective officials, employees, commission members, officers, directors, agents, employees, volunteers and representatives as an additional insureds. For the Commercial General Liability coverage, said parties shall be named as additional insureds utilizing either:

1. Insurance Services Office ("ISO") Additional Insured endorsement CG 20 10 (11/85); or
2. ISO Additional Insured endorsement CG 20 10 (10/01) and Additional Insured Completed Operations endorsement CG 20 37 (10/01); or

3. substitute endorsements providing equivalent coverage, approved by the City.

The endorsements shall be signed by a person authorized by the insurer to bind coverage on its behalf. The coverage shall contain no special limitations on the scope of protection afforded to such additional insureds. Coverage for such additional insureds does not extend to liability to the extent prohibited by Insurance Code Section 11580.4.

7.3. **Waivers of Subrogation.** All policies of insurance required by the Contract Documents shall include or be endorsed to provide a waiver by the insurers of any rights of recovery or subrogation that the insurers may have at any time against the City of Moreno Valley, the City Council and each member thereof, the Moreno Valley Housing Authority (MVHA), and the Moreno Valley Community Services District (CSD), and their respective officials, employees, commission members, officers, directors, agents, employees, volunteers and representatives.

7.4. **Primary Coverage.** All policies and endorsements shall stipulate that the Contractor's (and the Subcontractors') insurance coverage shall be primary insurance as respects the City of Moreno Valley, the City Council and each member thereof, the Moreno Valley Housing Authority (MVHA), and the Moreno Valley Community Services District (CSD), and their respective officials, employees, commission members, officers, directors, agents, employees, volunteers and representatives, and shall be excess of the Contractor's (and its Subcontractors') insurance and shall not contribute with it.

7.5. **Coverage Applies Separately to Each Insured and Additional Insured.** Coverage shall state that the Contractor's (and its Subcontractors') insurance shall apply separately to each insured or additional insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability. Coverage shall apply to any claim or suit brought by an additional insured against a named insured or other insured.

7.6. **Self-Insurance.** Any self-insurance (including deductibles or self-insured retention in excess of \$50,000) in lieu of liability insurance must be declared by Contractor and approved by the City in writing prior to execution of the Agreement. The City's approval of self-insurance, if any, is within the City's sole discretion and is subject to the following conditions:

1. Contractor must, at all times during the term of the Agreement and for a period of at least **one (1)** year after completion of the Project, and any extension of the one-year correction guarantee period in accordance with Section 6-8.1 of the City Special Provisions, maintain and upon Owner's reasonable request provide evidence of:
 - (a) Contractor's "net worth" (defined as "total assets" [defined as all items of value owned by the Contractor including tangible items such as cash, land, personal property and equipment and intangible items such as copyrights and business goodwill]) minus total outside liabilities must be reflected in a financial statement for the prior fiscal year reflecting sufficient income and budget for Contractor to afford at least one loss in an amount equal to the amount of self-insurance;
 - (b) financial statements showing that Contractor has funds set aside/budgeted to finance the self-insured fund (i.e., Contractor has a program that fulfills functions that a primary insurer would fill; and

- (c) a claims procedure that identifies how a claim is supposed to be tendered to reach the financing provided by the self-insured fund.
2. If at any time after such self-insurance has been approved Contractor fails to meet the financial thresholds or otherwise fails to comply with the provisions set forth in this Paragraph 7, at the option of the City:
- (a) the Contractor shall immediately obtain and thereafter maintain the third party insurance required under this Paragraph 7 and otherwise on the terms required above; or
 - (b) the insurer shall reduce or eliminate such deductibles or self-insured retention as respects the City, its officers, officials, employees and volunteers; or
 - (c) the Contractor shall procure a bond guaranteeing payment of losses and related investigation, claim administration, and defense expenses.

7.7. Insurer Financial Rating. Insurance companies providing insurance hereunder shall be rated A-VII or better in Best's Insurance Rating Guide and shall be legally licensed and qualified to conduct insurance business in the State of California.

7.8. Notices to City of Cancellation or Changes. Each insurance policy described in this Paragraph 7 shall contain a provision or be endorsed to state that coverage will not be cancelled without **thirty (30) days'** prior written notice by certified or registered mail to the City (this obligation may be satisfied in the alternative by requiring such notice to be provided by Contractor's insurance broker and set forth on its Certificate of Insurance provided to the City), except that cancellation for non-payment of premium shall require (10) days prior written notice by certified or registered mail. If an insurance carrier cancels any policy or elects not to renew any policy required to be maintained by Contractor pursuant to the Contract Documents, Contractor agrees to give written notice to the City at the address indicated on the first page of the Agreement. Contractor agrees to provide the same notice of cancellation and non-renewal to the City that is required by such policy(ies) to be provided to the First Named Insured under such policy(ies). Contractor shall provide confirmation that the required policies have been renewed not less than seven (7) days prior to the expiration of existing coverages and shall deliver renewal or replacement policies, certificates and endorsements to the City Clerk within fourteen (14) days of the expiration of existing coverages. Contractor agrees that upon receipt of any notice of cancellation or alteration of the policies, Contractor shall procure within five (5) days, other policies of insurance similar in all respects to the policy or policies to be cancelled or altered. Contractor shall furnish to the City Clerk copies of any endorsements that are subsequently issued amending coverage or limits within fourteen (14) days of the amendment.

7.9. Commercial General Liability. Coverage shall be written on an ISO Commercial General Liability "occurrence" form CG 00 01 (10/01 or later edition) or equivalent form approved by the City for coverage on an occurrence basis. The insurance shall cover liability, including, but not limited to, that arising from premises operations, stop gap liability, independent contractors, products-completed operations, personal injury, advertising injury, and liability assumed under an insured contract. The policy shall be endorsed to provide the Aggregate Per Project Endorsement ISO form CG 25 03 (11/85). Coverage shall contain no contractors' limitation or other endorsement limiting the scope of coverage for liability arising from pollution, explosion, collapse, or underground

(x, c, u) property damage. Contractor shall provide Products/Completed Operations coverage to be maintained continuously for a minimum of **one (1) year** after Final Acceptance of the Work, and any extension of the one-year correction guarantee period in accordance with Section 6-8.1 of the City Special Provisions.

Contractor shall maintain Commercial General Liability insurance with the following minimum limits: \$1,000,000 per occurrence / \$2,000,000 aggregate / \$2,000,000 products-completed operations.

7.10. **Business Automobile Liability.** Coverage shall be written on ISO form CA 00 01 (12/93 or later edition) or a substitute form providing equivalent coverage for owned, hired, leased and non-owned vehicles, whether scheduled or not, with \$1,000,000 combined single limit per accident for bodily injury and property damage. If necessary, the policy shall be endorsed to provide contractual liability coverage.

7.11. **Workers' Compensation.** Contractor shall comply with the applicable sections of the California Labor Code concerning workers' compensation for injuries on the job. Compliance is accomplished in one of the following manners:

1. Provide copy of permissive self-insurance certificate approved by the State of California; or
2. Secure and maintain in force a policy of workers' compensation insurance with statutory limits and Employer's Liability Insurance with a minimal limit of **\$1,000,000** per accident; or
3. Provide a "waiver" form certifying that no employees subject to the Labor Code's Workers' Compensation provision will be used in performance of this Contract.

7.12. **Subcontractors' Insurance.** The Contractor shall include all Subcontractors as insureds under its policies or shall furnish separate certificates and endorsements for each Subcontractor. All coverages for Subcontractors shall be subject to all of the requirements stated herein.

8. **BONDS.** The Contractor shall furnish a satisfactory Performance Bond meeting all statutory requirements of the State of California on the form provided by the City. The bond shall be furnished as a guarantee of the faithful performance of the requirements of the Contract Documents as may be amended from time to time, including, but not limited to, liability for delays and damages (both direct and consequential) to the City and the City's Separate Contractors and consultants, warranties, guarantees, and indemnity obligations, in an amount that shall remain equal to one hundred percent (100%) of the Contract Price.

The Contractor shall furnish a satisfactory Labor and Materials Payment Bond meeting all statutory requirements of the State of California on the form provided by the City in an amount that shall remain equal to one hundred percent (100%) of the Contract Price to secure payment of all claims, demands, stop notices, or charges of the State of California, of material suppliers, mechanics, or laborers employed by the Contractor or by any Subcontractor, or any person, firm, or entity eligible to file a stop notice with respect to the Work.

All bonds shall be executed by a California-admitted surety insurer. Bonds issued by a California-admitted surety insurer listed on the latest version of the U.S Department of Treasury Circular 570 shall be deemed accepted unless specifically rejected by the City. Bonds issued by sureties not listed in Treasury Circular 570 must be accompanied by all documents enumerated in California

Code of Civil Procedure Section 995.660(a). The bonds shall bear the same date as the Contract. The attorney-in-fact who executes the required bonds on behalf of the surety shall affix thereto a certified and current copy of the power of attorney. In the event of changes that increase the Contract Price, the amount of each bond shall be deemed to increase and at all times remain equal to the Contract Price. The signatures shall be acknowledged by a notary public. Every bond must display the surety's bond number and incorporate the Contract for construction of the Work by reference. The terms of the bonds shall provide that the surety agrees that no change, extension of time, alteration, or modification of the Contract Documents or the Work to be performed thereunder shall in any way affect its obligations and shall waive notice of any such change, extension of time, alteration, or modification of the Contract Documents. The surety further agrees that it is obligated under the bonds to any successor, grantee, or assignee of the City.

Upon the request of any person or entity appearing to be a potential beneficiary of bonds covering payment of obligations arising under the Contract, the Contractor shall promptly furnish a copy of the bonds or shall authorize a copy to be furnished.

Should any bond become insufficient, or should any of the sureties, in the opinion of the City, become non-responsible or unacceptable, the Contractor shall, within ten (10) Calendar Days after receiving notice from the City, provide written documentation to the Satisfaction of the City that Contractor has secured new or additional sureties for the bonds; otherwise the Contractor shall be in default of the Contract. No further payments shall be deemed due or will be made under Contract until a new surety(ies) qualifies and is accepted by the City.

Contractor agrees that the Labor and Materials Payment Bond and Faithful Performance Bond attached to this Agreement are for reference purposes only, and shall not be considered a part of this Agreement. Contractor further agrees that said bonds are separate obligations of the Contractor and its surety, and that any attorney's fee provision contained in any payment bond or performance bond shall not apply to this Agreement. In the event there is any litigation between the parties arising from the breach of this Agreement, each party will bear its own attorneys' fees in the litigation.

9. RECORDS. The Contractor and its Subcontractors shall maintain and keep books, payrolls, invoices of materials, and Project records current, and shall record all transactions pertaining to the Contract in accordance with generally acceptable accounting principles. Said books and records shall be made available to the City of Moreno Valley, Riverside County, the State of California, the Federal Government, and to any authorized representative thereof for purposes of audit and inspection at all reasonable times and places. All such books, payrolls, invoices of materials, and records shall be retained for at least three (3) years after Final Acceptance.

10. INDEMNIFICATION.

10.1. **General.** To the fullest extent permitted by law, the Contractor assumes liability for and agrees, at the Contractor's sole cost and expense, to promptly and fully indemnify, protect, hold harmless and defend (even if the allegations are false, fraudulent, or groundless), the City of Moreno Valley, its City Council, the Moreno Valley Housing Authority (MVHA), and the Moreno Valley Community Services District (CSD), and all of their respective officials, officers, directors, employees, commission members, representatives and agents ("Indemnitees"), from and against any and all claims, allegations, actions, suits, arbitrations, administrative proceedings, regulatory proceedings, or other legal proceeds, causes of action, demands, costs, judgments, liens, stop notices, penalties, liabilities, damages, losses, anticipated losses of revenues, and expenses (including, but not limited to, any fees of accountants, attorneys, experts or other professionals, or

investigation expenses), or losses of any kind or nature whatsoever, whether actual, threatened or alleged, arising out of, resulting from, or in any way (either directly or indirectly), related to the Work, the Project or any breach of the Contract by Contractor or any of its officers, agents, employees, Subcontractors, Sub-subcontractors, or any person performing any of the Work, pursuant to a direct or indirect contract with the Contractor (“Indemnity Claims”). Such Indemnity Claims include, but are not limited to, claims for:

- A. Any activity on or use of the City’s premises or facilities;
- B. Any liability incurred due to Contractor acting outside the scope of its authority pursuant to the Contract, whether or not caused in part by an Indemnified Party;
- C. The failure of Contractor or the Work to comply with any Applicable Law, permit or orders;
- D. Any misrepresentation, misstatement or omission with respect to any statement made in the Contract Documents or any document furnished by the Contractor in connection therewith;
- E. Any breach of any duty, obligation or requirement under the Contract Documents, including, but not limited to any breach of Contractor’s warranties, representations or agreements set forth in the Contract Documents;
- F. Any failure to coordinate the Work with City’s Separate Contractors;
- G. Any failure to provide notice to any party as required under the Contract Documents;
- H. Any failure to act in such a manner as to protect the Project from loss, cost, expense or liability;
- I. Bodily or personal injury, emotional injury, sickness or disease, or death at any time to any persons including without limitation employees of Contractor;
- J. Damage or injury to real property or personal property, equipment and materials (including, but without limitation, property under the care and custody of the Contractor or the City) sustained by any person or persons (including, but not limited to, companies, corporations, utility company or property owner, Contractor and its employees or agents, and members of the general public);
- K. Any liability imposed by Applicable Law including, but not limited to criminal or civil fines or penalties;
- L. Any dangerous, hazardous, unsafe or defective condition of, in or on the Site, of any nature whatsoever, which may exist by reason of any act, omission, neglect, or any use or occupation of the Site by Contractor, its officers, agents, employees, or Subcontractors;
- M. Any operation conducted upon or any use or occupation of the Site by Contractor, its officers, agents, employees, or Subcontractors under or pursuant to the provisions of the Contract or otherwise;
- N. Any acts, errors, omission or negligence of Contractor, its officers, agents, employees, or Subcontractors;
- O. Infringement of any patent rights, licenses, copyrights or intellectual property which may be brought against the Contractor or Owner arising out of Contractor’s Work, for which the Contractor is responsible; and
- P. Any and all claims against the City seeking compensation for labor performed or materials used or furnished to be used in the Work or alleged to have been furnished on the Project, including all incidental or consequential damages resulting to the City from such claims.

10.2. **Effect of Indemnitees' Active Negligence.** Contractor's obligations to indemnify and hold the Indemnitees harmless exclude only such portion of any Indemnity Claim which is attributable to the active negligence or willful misconduct of the Indemnitee, provided such active negligence or willful misconduct is determined by agreement of the parties or by findings of a court of competent jurisdiction. In instances where an Indemnitee's active negligence accounts for only a percentage of the liability for the Indemnity Claim involved, the obligation of Contractor will be for that entire percentage of liability for the Indemnity Claim not attributable to the active negligence or willful misconduct of the Indemnitee(s). Such obligation shall not be construed to negate, abridge or otherwise reduce any other right or obligation of indemnity which would otherwise exist as to any party or person described in this Paragraph 11. Subject to the limits set forth herein, the Contractor, at its own expense, shall satisfy any resulting judgment that may be rendered against any Indemnitee resulting from an Indemnity Claim. The Indemnitees shall be consulted with regard to any proposed settlement.

10.3. **Independent Defense Obligation.** The duty of the Contractor to indemnify and hold harmless the Indemnitees includes the separate and independent duty to defend the Indemnitees, which duty arises immediately upon receipt by Contractor of the tender of any Indemnity Claim from an Indemnitee. The Contractor's obligation to defend the Indemnitee(s) shall be at Contractor's sole expense, and not be excused because of the Contractor's inability to evaluate liability or because the Contractor evaluates liability and determines that the Contractor is not liable. This duty to defend shall apply whether or not an Indemnity Claim has merit or is meritless, or which involves claims or allegations that any or all of the Indemnitees were actively, passively, or concurrently negligent, or which otherwise asserts that the Indemnitees are responsible, in whole or in part, for any Indemnity Claim. The Contractor shall respond within thirty (30) Calendar Days to the tender of any Indemnity Claim for defense and/or indemnity by an Indemnitee, unless the Indemnitee agrees in writing to an extension of this time. The defense provided to the Indemnitees by Contractor shall be by well qualified, adequately insured and experienced legal counsel acceptable to the City.

10.4. **Intent of Parties Regarding Scope of Indemnity.** It is the intent of the parties that the Contractor and its Subcontractors of all tiers shall provide the Indemnitees with the broadest defense and indemnity permitted by Applicable Law. In the event that any of the defense, indemnity or hold harmless provisions in the Contract Documents are found to be ambiguous, or in conflict with one another, it is the parties' intent that the broadest and most expansive interpretation in favor of providing defense and/or indemnity to the Indemnitees be given effect.

10.5. **Waiver of Indemnity Rights Against Indemnitees.** With respect to third party claims against the Contractor, to the fullest extent permitted by law, the Contractor waives any and all rights to any type of express or implied indemnity against the Indemnitees.

10.6. **Subcontractor Requirements.** In addition to the requirements set forth hereinabove, Contractor shall ensure, by written subcontract agreement, that each of Contractor's Subcontractors of every tier shall protect, defend, indemnify and hold harmless the Indemnitees with respect to Indemnity Claims arising out of, in connection with, or in any way related to each such Subcontractors' Work on the Project in the same manner in which Contractor is required to protect, defend, indemnify and hold the Indemnitees harmless. In the event Contractor fails to obtain such defense and indemnity obligations from others as required herein, Contractor agrees to be fully responsible to the Indemnitees according to the terms of this Paragraph 11.

10.7. **No Limitation or Waiver of Rights.** Contractor's obligations under this Paragraph 11 are in addition to any other rights or remedies which the Indemnitees may have under the law or

under the Contract Documents. Contractor's indemnification and defense obligations set forth in this Paragraph 11 are separate and independent from the insurance provisions set forth in the Contract Documents, and do not limit, in any way, the applicability, scope, or obligations set forth in such insurance provisions. The purchase of insurance by the Contractor with respect to the obligations required herein shall in no event be construed as fulfillment or discharge of such obligations. In any and all claims against the Indemnitees by any employee of the Contractor, any Subcontractor, any supplier of the Contractor or Subcontractors, anyone directly or indirectly employed by any of them, or anyone for whose acts any of them may be liable, the obligations under this Paragraph 11 shall not be limited in any way by any limitation on the amount or type of damages, compensation or benefits payable by or for the Contractor or any Subcontractor or any supplier of either of them, under workers' or workmen's compensation acts, disability benefit acts or other employee benefit acts. Failure of the City to monitor compliance with these requirements imposes no additional obligations on the City and will in no way act as a waiver of any rights hereunder.

10.8. **Withholding to Secure Obligations.** In the event an Indemnity Claim arises prior to final payment to Contractor, the City may, in its sole discretion, reserve, retain or apply any monies due Contractor for the purpose of resolving such Indemnity Claims; provided, however, the City may release such funds if the Contractor provides the City with reasonable assurances of protection of the Indemnitees' interests. The City shall, in its sole discretion, determine whether such assurances are reasonable.

10.9. **Survival of Indemnity Obligations.** Contractor's obligations under this Paragraph 11 are binding on Contractor's and its Subcontractors' successors, heirs and assigns and shall survive the completion of the Work or termination of the Contractor's performance of the Work.

11. **SUCCESSORS AND ASSIGNS.** The Parties bind themselves, their heirs, executors, administrators, successors and assigns the covenants, agreements, and obligations contained in the Contract Documents. The Contractor shall not, either voluntarily or by action of law, assign any right or obligation of the Contractor under the Contract Documents without prior written consent of the City.

(SIGNATURE PAGE FOLLOWS)

CITY OF MORENO VALLEY, Municipal Corporation

Griffith Company

BY: _____
City Manager

License No./
Classification: _____

DATE: _____

Expiration Date: _____

Federal I.D. No.: _____

<u>INTERNAL USE ONLY</u>
APPROVED AS TO LEGAL FORM:
_____ City Attorney
_____ Date
RECOMMENDED FOR APPROVAL:
_____ Public Works Director/City Engineer
_____ Date

PRINT NAME: _____

SIGNATURE: _____

TITLE: _____

DATE: _____

PRINT NAME: _____

SIGNATURE: _____

TITLE: _____

DATE: _____

SIGNING INSTRUCTIONS TO THE CONTRACTOR:

Signature(s) must be accompanied by a completed notary certificate of acknowledgement attached hereto. A general partner must sign on behalf of a partnership. **Two (2)** corporate officers must sign on behalf of a corporation unless the corporation has a corporate resolution that allows one person to sign on behalf of the corporation; if applicable, said resolution must be attached hereto. The corporate seal may be affixed hereto.

CALIFORNIA ALL-PURPOSE
CERTIFICATE OF ACKNOWLEDGMENT

SAMPLE

State of California

County of _____

On _____ before me, _____,
(Here insert name and title of the officer)

personally appeared _____,

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

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

WITNESS my hand and official seal.

Signature of Notary Public

(Notary Seal)

ADDITIONAL OPTIONAL INFORMATION

INSTRUCTIONS FOR COMPLETING THIS FORM

Any acknowledgment completed in California must contain verbiage exactly as appears above in the notary section or a separate acknowledgment form must be properly completed and attached to that document. The only exception is if a document is recorded outside of California. In such instances, any alternative acknowledgment verbiage as may be printed on such a document so long as the verbiage does not require the notary to do something that is illegal for a notary in California (i.e. certifying the authorized capacity of the signer). Please check the document carefully for proper notarial wording and attach this form if required.

- State and County information must be the State and County where the document signer(s) personally appeared before the notary public for acknowledgment.
- Date of notarization must be the date that the signer(s) personally appeared which must also be the same date the acknowledgment is completed.
- The notary public must print his or her name as it appears within his or her commission followed by a comma and then your title (notary public).
- Print the name(s) of document signer(s) who personally appear at the time of notarization.
- Indicate the correct singular or plural forms by crossing off incorrect forms (i.e. he/she/they, is/are) or circling the correct forms. Failure to correctly indicate this information may lead to rejection of document recording.
- The notary seal impression must be clear and photographically reproducible. Impression must not cover text or lines. If seal impression smudges, re-seal if a sufficient area permits, otherwise complete a different acknowledgment form.
- Signature of the notary public must match the signature on file with the office of the county clerk.
 - ❖ Additional information is not required but could help to ensure this acknowledgment is not misused or attached to a different document.
 - ❖ Indicate title or type of attached document, number of pages and date.
 - ❖ Indicate the capacity claimed by the signer. If the claimed capacity is a corporate officer, indicate the title (i.e. CEO, CFO, Secretary).
- Securely attach this document to the signed document.

DESCRIPTION OF THE ATTACHED DOCUMENT

AGREEMENT SIGNATURE PAGE
(Title or description of attached document)

(Title or description of attached document continued)

Number of Pages _____

Document Date _____

Additional Information

CAPACITY CLAIMED BY THE SIGNER

- Individual(s)
- Corporate Officer

(Title)

- Partner (s)
- Attorney-in-Fact
- Other _____

CONTRACTOR'S BONDS

PREMIUM \$ _____

**FAITHFUL PERFORMANCE BOND
(100% of Total Contract Price)**

PROJECT NO. 801 0024 70 77

**PERRIS BOULEVARD WIDENING
from Ironwood Avenue to Manzanita Avenue**

KNOW ALL MEN AND WOMEN BY THESE PRESENTS:

THAT WHEREAS, the City Council of the City of Moreno Valley, State of California, known as "City," has awarded to **Griffith Company**, as Principal hereinafter designated as "Contractor" and have entered into an Agreement whereby the Contractor agrees to construct or install and complete certain designated public improvements, which said Agreement, effective on the date signed by the City of Moreno Valley, and identified as **Project No. 801 0024 70 77**, and all Contract Documents are hereby referred to and made a part hereof; and

WHEREAS, said Contractor under the terms of said Contract Documents is required to furnish a bond guaranteeing the faithful performance of said Agreement;

NOW THEREFORE, we the undersigned Contractor and _____, as Surety, are held and firmly bound unto the City of Moreno Valley, County of Riverside in the penal sum of _____ dollars, (\$ _____), lawful money of the United States, to be paid to the said City or its certain attorney, its successors and assigns; for which payment, well and truly to be made, we bind ourselves, our heirs, executors and administrators, successors and assigns, jointly and severally liable (CCP 995.320 (a)(1)), firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH, that if the above bound Contractor, his or her or its heirs, executors, administrators, successors or assigns, shall in all things stand to and abide by, and well and truly keep and perform the covenants, conditions and provisions in said Contract Documents and any alterations thereof made as therein provided, on his or her or their part, to be kept and performed at the time and in the manner therein specified, and in all respects according to their true intent and meaning, and shall indemnify and save harmless the City of Moreno Valley, its officers, agents and employees, as therein stipulated, then this obligation shall become null and void; otherwise it shall be and remain in full force and effect. In the event suit is brought upon this bond by the City and judgement is recovered, the Surety shall pay all costs incurred by the City in such suit, including a reasonable attorney fee to be fixed by the court.

Contractor and Surety agree that this Faithful Performance Bond shall not be considered a part of the Agreement between Contractor and the City ("Agreement"). Contractor and Surety further agree that this Faithful Performance Bond is a separate obligation of the Contractor and its Surety, and that any attorneys' fee provision contained in this Faithful Performance Bond shall not apply to the Agreement. In the event there is any litigation between the parties arising from the breach of the Agreement, each party will bear its own attorneys' fees in the litigation.

The Surety hereby stipulates and agrees that no change, extension of time, alteration, or addition to the terms of the Contract Documents or to the Work to be performed thereunder, or the Provisions accompanying the same shall in any way affect its obligations on this bond, and it does hereby waive notice of any such change, extension of time, alteration or addition to the terms of the Contract Documents or to the Work or the Provisions.

(SIGNATURE PAGE FOLLOWS)

BOND NO. _____

IN WITNESS WHEREOF, we have hereunto set our hands, and seals on this _____ day
of _____ 20____.

CONTRACTOR (Principal)

SURETY

Contractor Name: _____

Name: _____

Address: _____

Address: _____

Telephone No.: _____

Telephone No.: _____

Print Name: _____

Print Name: _____

Attorney-in-Fact

Signature: _____

Signature: _____

Approved as to Form this

_____ day of _____ 20____

City Attorney
City of Moreno Valley

NOTE:

- The bond shall be executed by a California admitted surety insurer (CCP 995.311).
- The bond shall include an attached Notary Certificate for the Attorney-in-Fact.
- The bond shall include an attached Notary Certificate for the Bidder.
- The bond shall include an attached original Power of Attorney only authorizing the Attorney-in-Fact to act for the Surety.
- The bond shall include the address at which the Principal (Bidder) and Surety may be served with notices, papers and other documents.
- The Bidder's and Surety's corporate seal may be affixed hereto.

**CALIFORNIA ALL-PURPOSE
CERTIFICATE OF ACKNOWLEDGMENT**

SAMPLE

State of California
County of _____

On _____ before me, _____,
(Here insert name and title of the officer)

personally appeared _____,

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

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

WITNESS my hand and official seal.

Signature of Notary Public

(Notary Seal)

**ADDITIONAL OPTIONAL INFORMATION
INSTRUCTIONS FOR COMPLETING THIS FORM**

Any acknowledgment completed in California must contain verbiage exactly as appears above in the notary section or a separate acknowledgment form must be properly completed and attached to that document. The only exception is if a document is recorded outside of California. In such instances, any alternative acknowledgment verbiage as may be printed on such a document so long as the verbiage does not require the notary to do something that is illegal for a notary in California (i.e. certifying the authorized capacity of the signer). Please check the document carefully for proper notarial wording and attach this form if required.

DESCRIPTION OF THE ATTACHED DOCUMENT

FAITHFUL PERFORMANCE BOND SIGNATURE PAGE
(Title or description of attached document)

(Title or description of attached document continued)

Number of Pages _____

Document Date _____

Additional Information

- State and County information must be the State and County where the document signer(s) personally appeared before the notary public for acknowledgment.
- Date of notarization must be the date that the signer(s) personally appeared which must also be the same date the acknowledgment is completed.
- The notary public must print his or her name as it appears within his or her commission followed by a comma and then your title (notary public).
- Print the name(s) of document signer(s) who personally appear at the time of notarization.
- Indicate the correct singular or plural forms by crossing off incorrect forms (i.e. he/she/they, is/are) or circling the correct forms. Failure to correctly indicate this information may lead to rejection of document recording.
- The notary seal impression must be clear and photographically reproducible. Impression must not cover text or lines. If seal impression smudges, re-seal if a sufficient area permits, otherwise complete a different acknowledgment form.
- Signature of the notary public must match the signature on file with the office of the county clerk.
 - ∨ Additional information is not required but could help to ensure this acknowledgment is not misused or attached to a different document.
 - ∨ Indicate title or type of attached document, number of pages and date.
 - ∨ Indicate the capacity claimed by the signer. If the claimed capacity is a corporate officer, indicate the title (i.e. CEO, CFO, Secretary).
- Securely attach this document to the signed document.

CAPACITY CLAIMED BY THE SIGNER

- Individual(s)
- Corporate Officer

(Title)

- Partner (s)
- Attorney-in-Fact
- Other _____

BOND NO. _____

PREMIUM \$ _____

**LABOR AND MATERIALS PAYMENT BOND
(100% of Total Contract Amount)**

PROJECT NO. 801 0024 70 77

**PERRIS BOULEVARD WIDENING
from Ironwood Avenue to Manzanita Avenue**

KNOW ALL MEN AND WOMEN BY THESE PRESENTS

THAT WHEREAS, the City Council of the City of Moreno Valley, State of California, known as "City", has awarded to **Griffith Company**, as Principal hereinafter designated as "Contractor" and have entered into an Agreement whereby the Contractor agrees to construct or install and complete certain designated public improvements, which said Agreement, effective on the date signed by the City of Moreno Valley, and identified as **Project No. 801 0024 70 77**, and Contract Documents are hereby referred to and made a part hereof; and

WHEREAS, said Contractor under the terms of said Contract Documents is required to furnish a bond to secure the payment of claims of laborers, mechanics, materialmen, and other persons, as provided by law;

NOW, THEREFORE, we the undersigned Contractor and _____, as Surety are held and firmly bound unto the City of Moreno Valley, County of Riverside, in the penal sum of _____ dollars, (\$ _____), lawful money of the United States, for which payment, well and truly to be made, we bind ourselves, our heirs, executors and administrators, successors and assigns, jointly and severally liable (CCP 995.320 (a)(1)), firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH, that if said Contractor, his or her or its heirs, executors, administrator, successors or assigns, or subcontractors, shall fail to pay any of the persons described in the State of California Civil Code, Section 3181, or amounts due under the Unemployment Insurance Code with respect to work or labor performed by any such claimant, or any amounts required to be deducted, withheld, and paid over to the Franchise Tax Board from the wages of employees of the Contractor and his or her subcontractors, pursuant to Section 13020, of the Unemployment Insurance Code, with respect to such work and labor, that the Surety or Sureties herein will pay for the same in an amount not exceeding the sum specified in this bond, otherwise the above obligation shall be void. In the event suit is brought upon this bond by the City or other person entitled to bring such an action and judgment is recovered, the Surety shall pay all costs incurred by the City in such suit, including a reasonable attorney fee to be fixed by the court.

Contractor and Surety agree that this Labor and Materials Payment Bond shall not be considered a part of the Agreement between Contractor and the City ("Agreement"). Contractor and Surety further agree that this Labor and Materials Payment Bond is a separate obligation of the Contractor and its Surety, and that any attorneys' fee provision contained in this Labor and Materials Payment Bond shall not apply to the Agreement. In the event there is any litigation between the parties arising from the breach of the Agreement, each party will bear its own attorneys' fees in the litigation.

This bond shall inure to the benefit of any of the persons described in the State of California Civil Code Section 3181, to give a right of action to such persons or their assigns in any suit brought upon this bond.

(SIGNATURE PAGE FOLLOWS)

PAYMENT BOND
00602-1

BOND NO. _____

IN WITNESS WHEREOF, we have hereunto set our hands, and seals on this _____ day
of _____ 20____.

CONTRACTOR (Principal)

SURETY

Contractor Name: _____

Name: _____

Address: _____

Address: _____

Telephone No.: _____

Telephone No.: _____

Print Name: _____

Print Name: _____

Attorney-in-Fact

Signature: _____

Signature: _____

Approved as to Form this

_____ day of _____ 20____

City Attorney
City of Moreno Valley

NOTE:

- The bond shall be executed by a California admitted surety insurer (CCP 995.311).
- The bond shall include an attached Notary Certificate for the Attorney-in-Fact.
- The bond shall include an attached Notary Certificate for the Bidder.
- The bond shall include an attached original Power of Attorney only authorizing the Attorney-in-Fact to act for the Surety.
- The bond shall include the address at which the Principal (Bidder) and Surety may be served with notices, papers and other documents.
- The Bidder's and Surety's corporate seal may be affixed hereto.

**CALIFORNIA ALL-PURPOSE
CERTIFICATE OF ACKNOWLEDGMENT**

SAMPLE

State of California

County of _____

On _____ before me, _____,
(Here insert name and title of the officer)

personally appeared _____,

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

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

WITNESS my hand and official seal.

Signature of Notary Public

(Notary Seal)

DESCRIPTION OF THE ATTACHED DOCUMENT

LABOR AND MATERIALS PAYMENT BOND
SIGNATURE PAGE

(Title or description of attached document)

(Title or description of attached document continued)

Number of Pages _____

Document Date _____

Additional Information

CAPACITY CLAIMED BY THE SIGNER

- Individual(s)
- Corporate Officer

(Title)

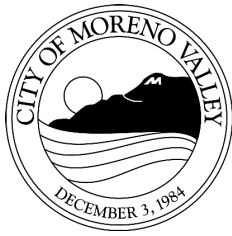
- Partner (s)
- Attorney-in-Fact
- Other _____

ADDITIONAL OPTIONAL INFORMATION

INSTRUCTIONS FOR COMPLETING THIS FORM

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- Date of notarization must be the date that the signer(s) personally appeared which must also be the same date the acknowledgment is completed.
- The notary public must print his or her name as it appears within his or her commission followed by a comma and then your title (notary public).
- Print the name(s) of document signer(s) who personally appear at the time of notarization.
- Indicate the correct singular or plural forms by crossing off incorrect forms (i.e. ~~he/she/they~~, ~~is/are~~) or circling the correct forms. Failure to correctly indicate this information may lead to rejection of document recording.
- The notary seal impression must be clear and photographically reproducible. Impression must not cover text or lines. If seal impression smudges, re-seal if a sufficient area permits, otherwise complete a different acknowledgment form.
- Signature of the notary public must match the signature on file with the office of the county clerk.
 - √ Additional information is not required but could help to ensure this acknowledgment is not misused or attached to a different document.
 - √ Indicate title or type of attached document, number of pages and date.
 - √ Indicate the capacity claimed by the signer. If the claimed capacity is a corporate officer, indicate the title (i.e. CEO, CFO, Secretary).
- Securely attach this document to the signed document.



APPROVALS	
BUDGET OFFICER	<i>me</i>
CITY ATTORNEY	<i>SMB</i>
CITY MANAGER	<i>d</i>

Report to City Council

TO: Mayor and City Council

FROM: Ahmad R. Ansari, P.E., Public Works Director/City Engineer

AGENDA DATE: May 27, 2014

TITLE: PA06-0021, PM 34577 – ACCEPT AMENDED DEVELOPMENT IMPACT FEE (DIF) IMPROVEMENT CREDIT AGREEMENT #D12-001 FOR INDIAN STREET AND SAN MICHELE ROAD IMPROVEMENTS ASSOCIATED WITH THE I-215 LOGISTICS CENTER PROJECT

RECOMMENDED ACTION

Recommendations:

1. Accept the Amended Development Impact Fee Improvement Credit Agreement #D12-001 (Amended DIF Agreement) for PA06-0021, PM 34577 improvements.
2. Authorize the City Manager to execute the Amended DIF Agreement.

SUMMARY

As part of the project conditions of approval, the developer constructed required DIF-related public improvements. Section 3.42.110 of the City's Municipal Code allows the developer to receive a credit for qualifying public improvements made to designated arterial street(s). Indian Street and San Michele Road are designated streets in the City's DIF Nexus Study. Subsequent to City Council acceptance of the original DIF Improvement Credit Agreement on April 23, 2013, the developer processed Amended Plot Plan P13-076 which increased the building size, effectively increasing the developer's DIF fee obligation and the eligible amount of DIF credit due the developer. The developer's amended initial credit amount is based on the lower of the DIF Nexus Study Costs, the Engineer's Cost Estimate provided by the developer, and the amended DIF Fee Obligation.

DISCUSSION

The City's Municipal Code, Chapter 3.42, "Commercial and Industrial Development Impact Fees" requires the developer to pay Development Impact Fees (DIF). The DIF covers the developer's fair share of the costs to construct improvements that help mitigate the traffic impacts and burdens on the City's network of arterial streets and traffic signals generated by the project.

As part of the project conditions of approval, the developer constructed required DIF-related public improvements. Section 3.42.110 of the City's Municipal Code allows the developer to receive a credit for qualifying public improvements made to the designated arterial street(s). Indian Street and San Michele Road are designated streets in the City's DIF Nexus Study. The developer of Parcel Map No. 34577 (PA06-0021) constructed public improvements on Indian Street and San Michele Road.

The developer is eligible to receive DIF Credits for specific improvements identified in the DIF Nexus Study for Indian Street and San Michele Road. Qualifying DIF improvements include roadway excavation, pavement, base, curb and gutter, striping, and traffic control. Subsequent to City Council acceptance of the original DIF Improvement Credit Agreement, the developer submitted a traffic analysis which was reviewed and approved by City staff which determined that a traffic signal at the intersection of Heacock Street and Cardinal Avenue was not warranted. Therefore, the developer did not construct this traffic signal and is not eligible to receive traffic signal DIF Credits.

Per the Amended DIF Improvement Credit Agreement, the initial credit is the least of the DIF Nexus Study Costs, Engineer's Cost Estimate provided by the developer, and Amended DIF Fee Obligation. Refer to Exhibit "C" – DIF Credit Calculation Table of the Amended DIF Improvement Credit Agreement. The Amended DIF Improvement Credit Agreement is attached to this Staff Report as Attachment 1. Based on the information provided by the developer, the initial DIF Credit for this project is \$254,760 for the Arterial Street component of the DIF.

ALTERNATIVES

1. Accept the Amended Development Impact Fee Improvement Credit Agreement #D12-001 (Amended DIF Agreement) for PA06-0021, PM 34577 and authorize the City Manager to execute the Amended DIF Agreement.
2. Do not accept the Amended Development Impact Fee Improvement Credit Agreement #D12-001 (Amended DIF Agreement) for PA06-0021, PM 34577 and do not authorize the City Manager to execute the Amended DIF Agreement. Not approving staff's recommendation would result in the developer not receiving the maximum DIF credit afforded by the Amended DIF Agreement.

FISCAL IMPACT

There are no fiscal impacts associated with the proposed action.

CITY COUNCIL GOALS

PUBLIC FACILITIES AND CAPITAL PROJECTS:

Ensure that needed public facilities, roadway improvements, and other infrastructure improvements are constructed and maintained.

NOTIFICATION

Publication of agenda.

ATTACHMENTS

Attachment 1: Amended DIF Improvement Credit Agreement

Prepared By:
Clement Jimenez, P.E.
Senior Engineer

Department Head Approval:
Ahmad R. Ansari, P.E.
Public Works Director/City Engineer

Concurred By:
Mark W. Sambito, P.E.
Engineering Division Manager

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**AMENDED DEVELOPMENT IMPACT FEES
IMPROVEMENT CREDIT AGREEMENT
NUMBER D12-001**

**PA06-0021, Parcel Map 34577
P13-076 Amended Plot Plan Building #2, Parcel 2 of PM 34577**

This Amended Development Impact Fees Improvement Credit Agreement is made and entered into as of the date the City signs this Amended Agreement, by and between the City of Moreno Valley, a municipal corporation, hereinafter referred to as "City" and the undersigned Developer, hereinafter referred to as "Developer."

RECITALS

WHEREAS, Developer and City have entered into an Agreement for Public Improvements (attached hereto as Exhibit "A"), dated September 25, 2012, which Agreement for Public Improvements sets forth all obligations of the Developer for Public Improvements that are a condition of approval for the above-titled development (hereinafter referred to as the "Project"), some of which may be eligible for Development Impact Fees (hereinafter referred to as "DIF") Credit under this Amended Agreement; and

WHEREAS, the City of Moreno Valley Municipal Code Chapter 3.38 "Residential Development Impact Fees" and Chapter 3.42 "Commercial and Industrial Development Impact Fees" requires Developer to pay the DIF for projects identified in the most recently adopted DIF study (hereinafter referred to as "DIF Obligation") which covers the

Project's fair share of the costs to construct improvements that help mitigate the impacts and burdens on the City's local systems generated by the Project and that are necessary to provide City services and protect the safety, health, and welfare of residential and non-residential users; and

WHEREAS, certain improvements set forth in the Agreement for Public Improvements are also identified in the City's DIF Program as improvements that are to be funded from DIF, which identified improvements are set forth in Exhibit B attached hereto and hereby incorporated by reference and are hereinafter referred to as the DIF Improvements; and

WHEREAS, if the City or some other third party constructs the DIF improvements set forth in the Agreement for Public Improvements prior to Developer, then this Amended Improvement Credit Agreement shall become null and void and the Developer shall be required to pay the full DIF Obligation of the Project; and

WHEREAS, subsequent to City Council approval of the original DIF Improvement Credit Agreement Number D12-001 on April 23, 2013, an Amended Plot Plan P13-076 which eliminated a smaller building proposed on Parcel 1 of PM 34577 and increased the size of this project's larger building on Parcel 2 of PM 34577 was approved, effectively increasing the amount of credit due the developer, therefore, the previously calculated credits have been revised necessitating this Amended Agreement; and

WHEREAS, the City and Developer now desire to enter into this Amended Improvement Credit Agreement to provide a means by which the Developer may receive a Credit based on the new building size for required DIF improvements actually constructed by the Developer for the subject Project subject to the terms and limitations set forth in this Amended Agreement.

NOW, THEREFORE, for the purposes set forth herein, and for good and valuable consideration, the adequacy of which is hereby acknowledged, Developer and City hereby agree as follows:

1.0 General Provisions.

1.1 Incorporation of Recitals. The Parties hereby affirm the facts and provisions set forth in the above Recitals and agree to their incorporation herein as though set forth in full.

1.2 Incorporation of the Agreement for Public Improvements. The Parties hereby affirm the terms, conditions and requirements set forth in the Agreement for Public Improvements (Exhibit "A") and agree to their incorporation herein as though set forth in full.

2.0 DIF Obligation.

2.1 Developer's DIF Obligation. Developer hereby agrees and accepts that, as of April 2, 2014, the Developer is obligated to pay DIF for the Project to

City in the amount of One Million Five Hundred Four Thousand Nine Hundred Ninety Three Dollars (\$1,504,993) (hereinbefore and hereinafter referred to as the "DIF Obligation"), the "Street" component of the DIF Obligation being \$254,760.

2.2 Effect of Amended Agreement. Notwithstanding anything in this Amended Agreement, Developer acknowledges that the DIF Obligation is established by the provisions of the City of Moreno Valley Municipal Code Chapter 3.38 "Residential Development Impact Fees," or Chapter 3.42 "Commercial and Industrial Development Impact Fees," and that this Amended Agreement does not alter, limit, increase or reduce the obligations under those code sections nor prevent City from adjusting or correcting the DIF Obligation amount to conform to the requirements of the Municipal Code.

3.0 DIF Credit Limitations.

3.1 Calculation of DIF Credit. Pursuant to City of Moreno Valley Municipal Code Sections 3.38.150 "Credit for Improvements Provided by Developers" (residential), or 3.42.110 "Credit for Improvements Provided by Developers" (commercial and industrial), and in accordance with the City's Development Impact Fee Credit and Reimbursement Policy, as adopted by the City Council on August 26, 2008, (the "Credit and Reimbursement Policy") and in consideration of Developer's obligations under the Conditions of Approval for the Project and the Agreement for Public Improvements to construct the DIF improvements, the maximum amount of DIF Credit

that shall be applied by City to offset the DIF Obligation shall be as defined in Sections 4.0 of this Amended Agreement and the Credit and Reimbursement Policy.

3.2 Effect of Amended Agreement. Notwithstanding the foregoing, Developer acknowledges that the amounts of DIF Credits are established by the provisions of the City of Moreno Valley Municipal Code and the DIF Credit and Reimbursement Policy and this Amended Agreement shall not prevent City from adjusting or correcting the DIF Credit amounts set forth in this Amended Agreement to conform to the requirements of the Municipal Code and the Credit and Reimbursement policy.

4.0 DIF Credit

4.1 Maximum DIF Credit. City shall apply DIF Credit to offset, in whole or in part, the Project's DIF Obligation. The maximum amount of DIF Credit that shall be applied by City to offset the DIF Obligation shall be equal to the least of: (A) the City Engineer's Estimate of the actual cost of the DIF Improvements (hereinafter collectively referred to as "Engineer's Estimate"), or (B) project costs as identified in the DIF study in effect at the time of the issuance of a building permit, or (C) the actual DIF Obligation. In no event shall a DIF Credit exceed the actual DIF Obligation.

4.2 DIF Credit Offset to DIF Obligation. The DIF Credit shall be applied at the time DIF obligation is due and payable. If the project is to be developed by phases, by specific units, or by specific buildings, DIF Credit shall be applied

according to a Public Improvements Phasing Schedule approved by the City and attached and incorporated to this Amended Agreement.

4.3 Submittal Timeframe. The Developer shall submit to the City Engineer any and all documentation the Developer deems relevant in substantiating the claim for DIF Credit for the DIF Qualifying Improvements to be constructed by the Developer. Such documentation may include contracts, bids, estimates, or any other relevant documents pertaining to the actual cost of the Qualifying Improvements. The City Engineer shall take into consideration, but shall not be bound by, any such documentation submitted by the Developer in formulating the Engineer's Estimate. All such documentation shall be submitted by the Developer to the City Engineer no later than ninety (90) calendar days prior to the date for payment of DIF for the project. The City Engineer will use his or her best efforts and professional judgment in formulating an Engineer's Estimate and shall endeavor to provide said estimate to the Developer in writing within sixty (60) calendar days after submittal of the last document submitted by the Developer.

4.4 DIF Credit Calculation (*completed by City*).

As of the date hereof, the amount of DIF Credit for which Developer is potentially eligible is set forth in Exhibit C "DIF Credit Calculation Table" attached hereto and hereby incorporated by reference.

4.5 Reconciliation - Final DIF Credit. If the dollar amount of the actual DIF Credit is less than the amount of the actual unpaid DIF Obligation

(hereinafter referred to as "DIF Balance"), the City shall notify the Developer in writing of the amount of the DIF Balance and Developer shall pay the DIF Balance to fully satisfy the DIF Obligation at the time DIF payments are due. If the dollar amount of the actual DIF Credit exceeds the amount of the actual DIF Obligation, Developer will be deemed to have fully satisfied the DIF Obligation. If the Developer has actually paid DIF and completed DIF Improvements, but has not received full DIF Credit for which the Developer would have been otherwise eligible under the DIF Credit and Reimbursement Policy, the Developer may be eligible for a Reimbursement Agreement, to the extent applicable, as provided in a separate Development Impact Fees Improvement Reimbursement Agreement.

4.6 Credit Transfer for Unfunded DIF Reimbursement Eligibility.

To the extent that Developer has Reimbursement Eligibility Amounts which are both unpaid and unfunded by the City and which have not expired under the ten (10) year limitation set forth in the Development Impact Fee Credit and Reimbursement Policy No. 3.24, Section F – Time Limitation, Developer may apply to receive partial or full DIF Credits for the same component of DIF on another development project within the City owned or controlled by that Developer and which has received all necessary approvals, on a dollar for dollar basis. Written application shall be made to the City and Developer shall provide any and all documentation and other information the City may reasonably request. The City shall not unreasonably withhold approval of such a Credit Transfer.

5.0 No Interest. Developer shall not be entitled to any interest, or any other cost or time value adjustment, for DIF paid to the City whether or not subsequently credited under Section 4.6 or reimbursed.

6.0 Term of Amended Agreement. For purposes of Reimbursement Eligibility and Credit Transfer, this Amended Agreement shall remain in effect for a period not to exceed ten (10) years from the date of execution by the City.

7.0 General.

7.1 Assignment. Except as specifically set forth in this Amended Agreement, this Amended Agreement shall not be assigned by any Party without the prior written consent of the non-assigning Party, which consent shall not be unreasonably withheld. All assignees and successors in interest shall assume and become obligated to perform all obligations and be entitled to all benefits of the original Party.

7.2 Amendment. This Amended Agreement may only be amended in writing signed by the Parties.

7.3 Law, Venue and Jurisdiction. This Amended Agreement shall be governed by the laws of the State of California. Venue and Jurisdiction of all matters arising out, pertaining to, or in any way related to this Amended Agreement shall be

vested in the Superior Court of the State of California, in and for the County of Riverside, California.

7.4 Notices. Any notices to be given pursuant to this Amended Agreement shall be in writing and delivered by First Class Mail addressed to the Parties as follows:

City: City Engineer
City of Moreno Valley
Post Office Box 88005
Moreno Valley, California 92552-0805

Developer: David Nazaryk, Vice President
I-215 Logistics, LLC
3501 Jamboree Road, Suite 230
Newport Beach, CA 92660

7.5 Entire Amended Agreement. This Amended Agreement is the final, complete and exclusive statement of the Amended Agreement of the Parties with respect to the subject matter hereof and supersedes and replaces any prior oral or written agreements between the Parties addressing the same subject matter.

(SIGNATURE PAGE TO FOLLOW)

IN WITNESS WHEREOF, the Parties hereto have caused their authorized representatives to execute this Amended Agreement.

CITY OF MORENO VALLEY,
a California municipal corporation

I-215 Logistics, LLC
a Delaware limited liability company

By: _____
City Manager

By: See Attached Signature Page

Its: _____

Its: _____

Date: _____

Date: _____

ATTEST: _____
City Clerk

By: _____

Its: _____

Date: _____

Date: _____

APPROVED AS TO FORM:

City Attorney

Date: _____

SIGNING INSTRUCTION TO THE DEVELOPER:

All signatures on the Contract Agreement on behalf of the Developer must be acknowledged before a notary public. In the event that the Developer is a corporation, the president or vice-president plus the secretary of/or an assistant secretary of the corporation must sign. Corporate seal may be affixed hereto.

Signature Page
Amended Development Impact Fees
Improvement Credit Agreement
Number D12-001
PA06-0021, Parcel Map 34577

I-215 Logistics, LLC
a Delaware limited liability company

By: **Lion-TCC Development II, LLC,**
a Delaware limited liability company,
Its Managing Member

By: **TC Industrial Associates, Inc.,**
a Delaware corporation,
its Managing Member

By: 

Thomas A. Bak
Vice President

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of ORANGE

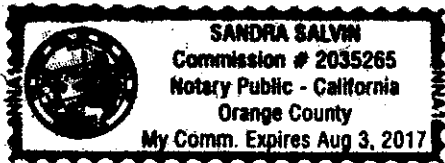
On April 24, 2014 before me, SANDRA SALVIN
Date Here Insert Name and Title of the Officer

personally appeared THOMAS A. BAK
Name(s) of Signer(s)

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

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

WITNESS my hand and official seal.



Place Notary Seal Above

Signature [Handwritten Signature]
Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document AMENED DEVELOPMENT IMPACT FEES
Title or Type of Document: IMPROVEMENT CREDIT AGREEMENT # D12-001
Document Date: APRIL 24, 2014 Number of Pages: 38
Signer(s) Other Than Named Above: NONE

Capacity(ies) Claimed by Signer(s)

Signer's Name: THOMAS A. BAK

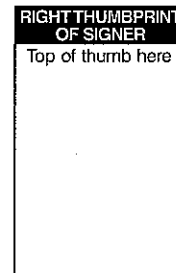
- Individual
- Corporate Officer — Title(s): VICE PRESIDENT
- Partner — Limited General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: _____



Signer Is Representing: TC INDUSTRIAL ASSO., INC.

Signer's Name: _____

- Individual
- Corporate Officer — Title(s): _____
- Partner — Limited General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: _____



Signer Is Representing: _____

EXHIBIT "A"

**PUBLIC IMPROVEMENT AGREEMENT
WITH BONDS**

(ATTACHED BEHIND THIS PAGE)

EXHIBIT "A"

DOC # 2012-0581094

11/30/2012 01:54P Fee:NC

Page 1 of 15

Recorded in Official Records

County of Riverside

Larry W. Ward

Assessor, County Clerk & Recorder



Recording requested by and when recorded, mail to:
City Clerk
City of Moreno Valley
P.O. Box 88005
Moreno Valley, CA 92552-0805

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AGREEMENT FOR PUBLIC IMPROVEMENTS FOR
PROJECT NO. PA06-0021 (PM 34577)

Title of Document

**THIS AREA FOR
RECORDER'S
USE ONLY**

THIS PAGE ADDED TO PROVIDE ADEQUATE SPACE FOR RECORDING INFORMATION

RECORDING REQUESTED BY:
City of Moreno Valley

WHEN RECORDED, RETURN TO:

CITY OF MORENO VALLEY
City Clerk
P. O. Box 88005
Moreno Valley, CA 92552-0805

No recording fee per Government Code, Section 6103

This space for Recorder's use only.

**AGREEMENT FOR PUBLIC IMPROVEMENTS
FOR
PROJECT NO. PA06-0021 (PM 34577)**

APN 316-170-015
APN 316-170-016

APN 316-170-017
APN 316-170-004

APN 316-170-006
APN 316-170-007

APN 316-170-013
APN 316-170-010

This Agreement, made and entered into by and between the City of Moreno Valley, State of California, hereinafter called City, and I-215 Logistics, LLC A Delaware limited liability company, herein after called Developer, on the date the City signs this agreement.

WITNESSETH:

FIRST: Developer, for and in consideration of the approval by the City of the final map of that certain land division, or that certain other land development project, known as PA06-0021 (PM 34577) agrees, at Developer's own expense, to furnish all labor, equipment and material necessary, and within TWENTY-FOUR (24) months from the date this Agreement is executed, to perform and complete in a good and workmanlike manner, all of the required improvements in accordance with those improvement plans for said project which have been approved by the City Engineer, and are on file in the office of the City Engineer, and to do all work incidental thereto in accordance with the standards set forth in City ordinances and regulations, and pay all costs of engineering necessary in connection therewith, which are expressly made a part of this Agreement. All of the above required work shall be done under the inspection of and to the satisfaction of the City Engineer, and shall not be deemed complete until approved and accepted as complete by the City. Developer further agrees to guarantee the required improvements for a period of one year following acceptance by the City and during this one year period to repair and replace, to the satisfaction of the City Engineer, any defective work or labor done or defective materials furnished. Developer shall complete the improvements described in this paragraph pursuant to Section 66462, Government Code. Developer shall also complete any offsite improvements required as a condition of approval and with plans approved by the City Engineer at such time as the City acquires an interest in the land which will permit the improvements to be made, and the Developer waives the 120 day time limitation set forth in Section 66462.5, Government Code.

Security to guarantee the performance of this agreement shall be in the following amounts:

Faithful Performance security shall be in the sum of FIVE MILLION THREE HUNDRED SIXTY-FIVE THOUSAND AND NO/100 Dollars (**\$5,365,000.00**). The estimated cost of said work and improvements, pursuant to the Preliminary Estimate of Cost labeled Exhibit A attached hereto.

Labor and Material security shall be in the sum of TWO MILLION SIX HUNDRED EIGHTY-TWO THOUSAND FIVE HUNDRED AND NO/100 Dollars (**\$2,682,500.00**). The estimated cost securing payment of labor and materials is fifty (50) percent of the total cost estimate of the improvements.

SECOND: Developer agrees to pay to the City the actual cost of such inspection of the works and improvements as may be required by the City Engineer. Developer further agrees that, if suit is brought upon this Agreement or any bond guaranteeing the completion of the required improvements, all costs and reasonable expenses and fees incurred by the City in successfully enforcing such obligations shall be paid by Developer and guaranteed by the surety in addition to the face amount of the security, including reasonable attorney's fees, and that, upon entry of judgment, such costs, expenses and fees shall be taxed as costs and included in any judgment rendered.

THIRD: City shall not, nor shall any officer or employee of City, except for its or their sole negligence, be liable or responsible for any accident, loss or damage happening or occurring to the works specified in this Agreement prior to the completion and approval thereof, nor shall City or any officer or employee thereof, be liable for any persons or property injured by reason of the nature of the work, or by reason of the acts or omissions of Developer, his agents or employees, in the performance of the work, and all of said liabilities are assumed by Developer. Developer agrees to protect, defend and hold harmless City and the officers and employees thereof from all loss, liability or claim because of, or arising out of the acts or omissions of Developer, his agents and employees, in the performance of this Agreement, or arising out of the use of any patent or patented article in the performance of this Agreement.

FOURTH: The Developer hereby grants to the City and/or to any authorized agent or employee of the City, the irrevocable permission to enter upon the lands of the above-referenced land division for the purpose of completing the improvements. This permission shall terminate in the event that the Developer has completed the work within the time specified or any extension thereof granted by the City.

FIFTH: Developer agrees at all times, up to the completion and acceptance of the improvements by the City, to give good and adequate warning to the traveling public of each and every dangerous condition caused by the construction of the improvements, and to protect the traveling public from such defective or dangerous conditions. The Developer shall keep all traveled ways that are a part of, or affected by the construction of this project free and clear of mud, dirt and debris and shall provide twice monthly street sweeping service. A copy of the contract for street sweeping service shall be provided to the City. The Developer's obligation under this provision shall be secured by the bonds securing performance of this Agreement.

SIXTH: The Developer, his agents and employees, shall give notice to the City Engineer at least 48 hours before beginning any work and shall furnish said City Engineer all reasonable facilities for obtaining full information with respect to the progress and manner of work.

SEVENTH: If the Developer, or his agents or employees, neglects, refuses, or fails to prosecute the work with such diligence as to insure its completion within the specified time, or within such extensions of time as have been granted by the City, or if the Developer violates, neglects, refuses, or fails to perform satisfactorily any of the provisions of the plans and specifications, he shall be in default of this Agreement and notice in writing of such default shall be served upon him. The City Council shall have the power, on recommendation by the City Engineer, to terminate all rights of the Developer because of such default. The determination by the City Engineer of the question as to whether any of the terms of the Agreement or specifications have been violated, or have not been performed satisfactorily, shall be conclusive upon the Developer, and any and all parties who may have any interest in the Agreement or any portion thereof. The foregoing provisions of this section shall be in addition to all other rights and remedies available to the City under law.

EIGHTH: Developer agrees to file with City, prior to the date this Agreement is executed, a good and sufficient improvement security in an amount not less than the estimated cost of the work and improvements for the faithful performance of the terms and conditions of this Agreement, and good and sufficient security for payment of labor and materials in the amount prescribed by City ordinances and regulations to secure the claims to which reference is made in Title 15 (commencing with Section 3082) of Part 4 of Division 3 of the Civil Code of the State of California. Developer agrees to renew each and every said bond or bonds with good and sufficient sureties or increase the amounts of said bond or bonds, or both, within ten (10) days after being notified by the City Engineer that the sureties or amounts are insufficient. Notwithstanding any other provision herein, if Developer fails to take such action as is necessary to comply with said notice, he shall be in default of this Agreement unless all required improvements are completed within ninety (90) days of the date on which the City Engineer notified the Developer of the insufficiency of said bonds. Developer reserves the right to substitute the form of security in accordance with the City's Municipal Code at anytime during the term of this agreement, subject to approval by the City Engineer and City Attorney.

NINTH: It is further agreed by and between the parties hereto, including the surety or sureties on the bonds securing this Agreement that, in the event it is deemed necessary to extend the time of completion of the work contemplated to be done under this Agreement, extensions of time may be granted by the City from time to time, either at its own option, or upon request of Developer, and such extensions shall in no way affect the validity of this Agreement or release the surety or sureties on said bonds, Developer further agrees to maintain the aforesaid bonds in full force and effect during the terms of this Agreement, including any extensions of time as may be granted therein.

TENTH: It is understood and agreed by the parties hereto that if any part, term or provision of this Agreement is by the courts held to be unlawful and void, the validity of the remaining portions shall not be affected and the rights and obligations of the parties shall be construed and enforced as if the Agreement did not contain the particular part, term or provision held to be invalid.

ELEVENTH: Any notice or notices required or permitted to be given pursuant to this Agreement shall be served on the other party by mail, postage prepaid, at the following addresses:

City:
City Engineer
P.O. Box 88005
14177 Frederick
Moreno Valley, CA 92552-0805

Developer:
I-215 Logistics, LLC
A Delaware limited liability company
3501 Jamboree Road, Suite 230
Newport Beach, CA 92660

IN WITNESS WHEREOF Developer has affixed his name, address and seal.

Date approved by the City: September 25, 2012

I-215 Logistics, LLC A Delaware limited liability company:

Developer

BY: [Signature]
Signature

THOMAS A. BAK
Print/Type Name

Vice President
Title

BY: [Signature]
Signature

David Nazarek
Print/Type Name

VP
Title

ATTEST:
CITY CLERK
OF THE CITY OF MORENO VALLEY

By: [Signature]
City Clerk

(SEAL)



CITY OF MORENO VALLEY

By: [Signature]
Mayor

APPROVED AS TO FORM:
CITY ATTORNEY

Date: 1 OCT 2012

By: [Signature]
City Attorney

NOTE: TWO SIGNATURES ARE REQUIRED FOR CORPORATIONS UNLESS CORPORATE DOCUMENTS ARE PROVIDED THAT INDICATE OTHERWISE.

SIGNATURES OF DEVELOPER MUST BE EXECUTED IN QUADRUPPLICATE AND THE EXECUTION OF THE ORIGINAL COPY MUST BE ACKNOWLEDGED BEFORE A NOTARY
ORIGINAL - CITY CLERK; PINK - DEVELOPER; GREEN - SURETY; BLUE - PROJECT FILE

ACKNOWLEDGMENT

State of California
County of Orange)

On August 23, 2012 before me, R. Flandez, Notary Public
(insert name and title of the officer)

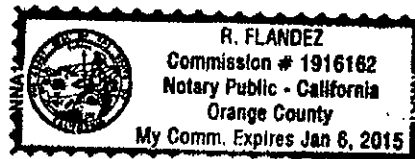
personally appeared David Nazaryk
who proved to me on the basis of satisfactory evidence to be the pers on(s) whose name(s) is/are
subscribed to the within instrument and acknowledged to me that he/she/they executed the same in
his/her/their authorized capacity(ies), and that by his/her/their signature(s)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

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

WITNESS my hand and official seal.

Signature _____

(Seal)



ACKNOWLEDGMENT

State of California
County of Orange)

On August 23, 2012 before me, R. Flandez, Notary Public
(insert name and title of the officer)

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

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

WITNESS my hand and official seal.

Signature [Handwritten Signature]

(Seal)



EXHIBIT "A"
ENGINEER'S ESTIMATE

Sheet 1 of 8

CMG

DATE: 8/22/12
PREPARED BY: C. Jimenez

PROJECT: PA06-0021
PM 34577
Trammell Crow

PUBLIC PAVEMENT SECTIONS

TYPE			QUANTITY	UNIT	UNIT PRICE	TOTAL
Street Work - Non DIF Non TUMF						
Roadway Excavation			2440	C.Y.	29.00	70,760
A.B. Class II - Cardinal	1	Thickness (ft.)				
	39694	S.F.	2877	Ton	33.00	94,941
A.C. - Cardinal	0.5	Thickness (ft.)				
	39694	S.F.	1438	Ton	80.00	115,040
Roadway Excavation			0	C.Y.	29.00	0
A.B. Class II - Street 2	0	Thickness (ft.)				
	0	S.F.	0	Ton	33.00	0
A.C. - Street 2	0	Thickness (ft.)				
	0	S.F.	0	Ton	80.00	0
Street Work - DIF						
Roadway Excavation			4000	C.Y.	29.00	116,000
A.B. Class II - San Michele	1	Thickness (ft.)				
	54879	S.F.	3978	Ton	33.00	131,274
A.C. - San Michele	0.5	Thickness (ft.)				
	54879	S.F.	1989	Ton	80.00	159,120
Roadway Excavation			930	C.Y.	29.00	26,970
A.B. Class II - Indian	0.75	Thickness (ft.)				
	13610	S.F.	740	Ton	33.00	24,420
A.C. - Indian	0.45	Thickness (ft.)				
	13610	S.F.	444	Ton	80.00	35,520
Roadway Excavation			0	C.Y.	29.00	0
A.B. Class II - Street 3	0	Thickness (ft.)				
	0	S.F.	0	Ton	33.00	0
A.C. - Street 3	0	Thickness (ft.)				
	0	S.F.	0	Ton	80.00	0
Street Work - TUMF						
Roadway Excavation			3700	C.Y.	29.00	107,300
A.B. Class II - Heacock	1	Thickness (ft.)				
	65409	S.F.	4742	Ton	33.00	156,486
A.C. - Heacock	0.5	Thickness (ft.)				
	65409	S.F.	2371	Ton	80.00	189,680
Roadway Excavation			0	C.Y.	29.00	0
A.B. Class II - Street 2	0	Thickness (ft.)				
	0	S.F.	0	Ton	33.00	0
A.C. - Street 2	0	Thickness (ft.)				
	0	S.F.	0	Ton	80.00	0
Roadway Excavation			0	C.Y.	29.00	0
A.B. Class II - Street 3	0	Thickness (ft.)				
	0	S.F.	0	Ton	33.00	0
A.C. - Street 3	0	Thickness (ft.)				
	0	S.F.	0	Ton	80.00	0
					SUBTOTAL:	1,227,511



EXHIBIT "A"
ENGINEER'S ESTIMATE

Sheet 2 of 8

PROJECT: PA06-0021
PM 34577
Trammell Crow

PUBLIC STREET WORK

DATE: 8/22/12
PREPARED BY: C. Jimenez

CMJ

TYPE	QUANTITY	UNIT	UNIT PRICE	TOTAL
Offsite Street Work				
Pavement				
Grind & Pave 0.15'	0	S.F.	3.25	0
A.C. Cap/Overlay	0	Ton	80.00	0
Slurry Seal (Based on \$150/Ton Type II)	4450	S.Y.	2.25	10,013
Paving Fabric	0	S.Y.	1.20	0
Sawcut	3800	L.F.	3.00	11,400
Edge Taper AC Pavement	1720	S.F.	5.30	9,116
Trench Repaving	0	S.F.	12.00	0
A.C. Berm - 6"	0	L.F.	10.00	0
Remove Existing Barrier	20	L.F.	45.00	900
Adjust M.H. to Grade	11	EA.	800.00	8,800
Remove Existing Access Ramp	998	S.F.	4.00	3,984
Remove & Dispose Existing Pavement & Base	78739	S.F.	3.00	235,217
Remove Existing Cross Gutter	420	S.F.	4.00	1,680
Concrete				
P.C.C. Paving - 6"	0	S.F.	6.50	0
P.C.C. Paving - 8.5"	1575	S.F.	11.20	17,840
Curb and Gutter - 6"	0	L.F.	25.00	0
Curb and Gutter - 8"	4630	L.F.	30.00	138,900
Curb and Gutter - 8" (DIF Street Name)	0	L.F.	30.00	0
Curb and Gutter - 8" (TUMF Street Name)	0	L.F.	30.00	0
Cross Gutter and Spandrel	630	S.F.	10.25	6,508
Sidewalk	41320	S.F.	4.25	175,610
Sidewalk (DIF Street Name)	0	S.F.	7.00	0
Sidewalk (TUMF Street Name)	0	S.F.	7.00	0
Driveway Approach - 6"	0	S.F.	6.50	0
Driveway Approach - 8"	1280	S.F.	10.50	13,546
Wheelchair Ramp	4	EA.	2,600.00	10,400
Barrier	90	L.F.	100.00	9,000
Bus Bay	0	EA.	15,000.00	0
Miscellaneous				
Relocate Power Poles	0	EA.	30,000.00	0
Relocate Power Poles (DIF Street Name)	0	EA.	30,000.00	0
Erosion Control	0	AC.	5,000.00	0
Relocate Existing Pullbox (City Specified Location)	11	EA.	250.00	2,750
				0
			SUBTOTAL:	658,462
Traffic Improvements				
Traffic Striping (DIF Street)	0	L.S.	-	0
Street Name Sign	1	EA.	500.00	500
Stop Sign	0	EA.	200.00	0
Signs and Posts	0	EA.	200.00	0
Signs and Posts (DIF Street)	0	EA.	200.00	0
Street Sweeping Sign	0	EA.	200.00	0
Traffic Control	1	L.S.	10,000	10,000
Traffic Control (DIF Street Name)	0	L.S.	10,000	0
Type "F" Pavement Delineator @ 20' Along Taper	300	L.F.	25.00	7,500
			SUBTOTAL:	10,500
Bondable Street Work Only (not plan checked)				
Undergrounding of Utilities	1200	L.F.	188.00	227,600
Monuments	10	EA.	300.00	3,000
			SUBTOTAL:	240,600

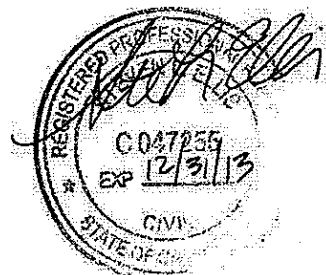


EXHIBIT "A"
ENGINEER'S ESTIMATE

Sheet 3 of 8

PROJECT: PA08-0021
PM 34577
Trammell Crow

PUBLIC STREET WORK (CONTINUED)

DATE: 8/22/12
PREPARED BY: C. Jimenez

CMJ

TYPE	QUANTITY	UNIT	UNIT PRICE	TOTAL
Special Districts				
Landscaping - Medians	0	S.F.	6.00	0
Landscaping - Parkways	0	S.F.	6.00	0
Street Lights (9500 lumen)	0	EA.	5,000.00	0
Street Lights (22000 lumen)	35	EA.	6,000.00	210,000
SPECIAL DISTRICTS SUBTOTAL:				210,000
Moreno Valley Utilities				
Electrical Utility Infrastructure	1	L.S.	1,000,000.00	1,000,000
MVU SUBTOTAL:				1,000,000
Water Quality Basin				
Landscaping	0	S.F.	6.00	0
Filtration Devices	0	EA.	0	0
Access Ramp PCC	0	S.F.	0	0
Low-Flow Pipe System	0	L.F.	0	0
Headwalls	0	EA.	0	0
Outlets	0	EA.	0	0
Risers	0	EA.	0	0
Forebay PCC	0	S.F.	0	0
Toe of slope protection PCC	0	S.F.	20.00	0
WQB SUBTOTAL:				0
Transportation Engineering				
Traffic Signal New (Interconnect, Controller, Software, Initial Coordination)	1	EA.	272,000.00	272,000
Traffic Signal Modification	1	L.S.	100,000	100,000
Traffic Signal Interconnect (Existing Signals Only)	1200	L.F.	30.00	36,000
TRANSPORTATION SUBTOTAL:				408,000



EXHIBIT "A"
ENGINEER'S ESTIMATE

Sheet 4 of 8

PROJECT: PA06-0021
PM 34577
Trammell Crow

PUBLIC STORM DRAIN SYSTEM

DATE: 8/22/12
PREPARED BY: C. Jimenez

CMJ

TYPE	QUANTITY	UNIT	UNIT PRICE	TOTAL
Pipe				
12" Reinforced Concrete Pipe	0	L.F.	130.00	0
18" Reinforced Concrete Pipe	0	L.F.	140.00	0
24" Reinforced Concrete Pipe	1580	L.F.	160.00	252,800
24" Reinforced Concrete Pipe (DIF Street Name)	0	L.F.	160.00	0
30" Reinforced Concrete Pipe	0	L.F.	180.00	0
38" Reinforced Concrete Pipe	180	L.F.	190.00	34,200
39" Reinforced Concrete Pipe	0	L.F.	200.00	0
42" Reinforced Concrete Pipe	0	L.F.	210.00	0
48" Reinforced Concrete Pipe	0	L.F.	250.00	0
54" Reinforced Concrete Pipe	0	L.F.	300.00	0
60" Reinforced Concrete Pipe	0	L.F.	350.00	0
66" Reinforced Concrete Pipe	0	L.F.	375.00	0
72" Reinforced Concrete Pipe	0	L.F.	414.00	0
78" Reinforced Concrete Pipe	0	L.F.	459.00	0
84" Reinforced Concrete Pipe	0	L.F.	505.00	0
90" Reinforced Concrete Pipe	0	L.F.	557.00	0
96" Reinforced Concrete Pipe	0	L.F.	613.00	0
102" Reinforced Concrete Pipe	0	L.F.	671.00	0
108" Reinforced Concrete Pipe	0	L.F.	724.00	0
114" Reinforced Concrete Pipe	0	L.F.	785.00	0
12" HDPE	0	L.F.	45.00	0
18" HDPE	0	L.F.	50.00	0
24" HDPE	0	L.F.	55.00	0
30" HDPE	0	L.F.	60.00	0
36" HDPE	0	L.F.	70.00	0
42" HDPE	0	L.F.	80.00	0
48" HDPE	0	L.F.	90.00	0
54" HDPE	0	L.F.	125.00	0
60" HDPE	0	L.F.	140.00	0
4" PVC SCH. 40	0	L.F.	25.00	0
4" PVC SCH. 80	0	L.F.	30.00	0
6" PVC SCH. 40	0	L.F.	30.00	0
6" PVC SCH. 80	0	L.F.	35.00	0
8" PVC SCH. 40	0	L.F.	40.00	0
8" PVC SCH. 80	0	L.F.	48.00	0
Reinforced Concrete Structure	0	C.Y.	500.00	0
8' X 10' Reinforced Concrete Box	0	C.Y.	1200.00	0
8' X 12' Reinforced Concrete Box	0	C.Y.	1400.00	0
2 - 72" Reinforced Concrete Pipe	0	L.F.	840.00	0
3 - 4' X 2' Reinforced Concrete Pipe	0	L.F.	461.00	0
	0		0.00	0
Manholes				
Manhole No. 1	4	EA.	5000.00	20,000
Manhole No. 2	0	EA.	7200.00	0
Manhole No. 3	0	EA.	8500.00	0
Manhole No. 4	0	EA.	10000.00	0
	0		0.00	0
Catch Basins				
Catch Basin (3.5')	0	EA.	3100.00	0
Catch Basin (7')	7	EA.	5500.00	38,500
Catch Basin (10')	0	EA.	6000.00	0
Catch Basin (14')	0	EA.	8000.00	0
Catch Basin (21')	0	EA.	12500.00	0
Local Depressions	7	EA.	535.00	3,745
Catch Basin (3.5') (DIF Street Name)	0	EA.	3100.00	0
Catch Basin (7') (DIF Street Name)	0	EA.	5500.00	0
Catch Basin (10') (DIF Street Name)	0	EA.	6000.00	0
Catch Basin (14') (DIF Street Name)	0	EA.	8000.00	0
Catch Basin (21') (DIF Street Name)	0	EA.	12500.00	0
Local Depressions (DIF Street Name)	0	EA.	535.00	0
24" X 24" Grate Basin	0	EA.	2500.00	0
18" X 18" Grate Basin	0	EA.	2100.00	0
6" Wide Strip Basin	0	EA.	3000.00	0
Removal/Relocation- Catch Basin	0	EA.	5000.00	0
Grated Catch Basin	0	EA.	6000.00	0
Headwall	0	EA.	5500.00	0



EXHIBIT "A"
ENGINEER'S ESTIMATE

Sheet 5 of 8

PROJECT: PA06-0021
PM 34577
Trammell Crow

PUBLIC STORM DRAIN SYSTEM (CONTINUED)

DATE: 8/22/12
PREPARED BY: C. Jimenez

CMJ

TYPE	QUANTITY	UNIT	UNIT PRICE	TOTAL
Structures				
Transition Structure	1	EA.	5500.00	5,500
Junction Structure	8	EA.	6500.00	52,000
Type IX Inlet Structure	0	EA.	2500.00	0
Inlet Structure (drop)	0	EA.	4000.00	0
Outlet Structure	0	EA.	8000.00	0
Concrete Collar (to 48")	0	EA.	3000.00	0
Headwall	0	EA.	6500.00	0
Concrete Collar (Grater than 48")	0	EA.	5000.00	0
Modified Junction Structure	0	EA.	15000.00	0
End Cap	3	EA.	1000.00	3,000
Drains				
Terrace Drain	0	S.F.	10.00	0
Down Drain	0	S.F.	10.00	0
Parkway Drain	0	EA.	3500.00	0
Under Skidewalk	0	EA.	600.00	0
Curb Outlet	0	EA.	250.00	0
"V" Gutter	0	S.F.	10.00	0
	0		0	0
Miscellaneous				
Rip Rap	0	TON	60.00	0
Concrete Pipe Slope Anchor	0	EA.	2500.00	0
Manhole Shaft	0		6000.00	0
Access Opening	0		15000	0
			SUBTOTAL:	409,746



EXHIBIT "A"
ENGINEER'S ESTIMATE

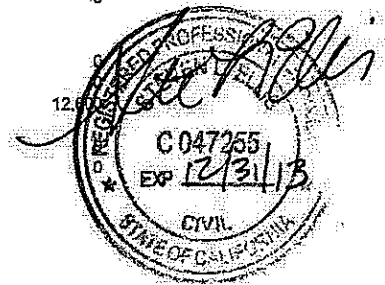
Sheet 6 of 8

PROJECT: PA06-0021
PM 34577
Trammell Crow

PUBLIC WATER SYSTEMS

DATE: 8/22/12
PREPARED BY: C. Jimenez *CMJ*

TYPE	QUANTITY	UNIT	UNIT PRICE	TOTAL
Pipes - Water System				
2" PVC Service Line Recycled Water System	109	L.F.	25.00	2,725
6" PVC C-900	33	L.F.	30.00	990
8" PVC C-900	240	L.F.	35.00	8,400
10" PVC C-900	0	L.F.	40.00	0
12" PVC C-900	1495	L.F.	60.00	89,700
16" PVC C-900	0	L.F.	90.00	0
18" PVC C-900	0	L.F.	135.00	0
20" PVC C-900	0	L.F.	180.00	0
6" PVC C-900 Recycled Water System	2863	L.F.	35	100,205
Valves - Water System				
4" Gate Valve	0	EA.	715.00	0
6" Gate Valve	0	EA.	830.00	0
8" Gate Valve Recycled Water System	4	EA.	1,340.00	5,360
10" Gate Valve	0	EA.	1,500.00	0
12" Gate Valve	4	EA.	2,300.00	9,200
16" Gate Valve	0	EA.	6,270.00	0
18" Gate Valve	0	EA.	14,300.00	0
4" Butterfly Valve	0	EA.	330.00	0
6" Butterfly Valve	0	EA.	520.00	0
8" Butterfly Valve	0	EA.	990.00	0
10" Butterfly Valve	0	EA.	1,200.00	0
12" Butterfly Valve	0	EA.	1,800.00	0
16" Butterfly Valve	0	EA.	2,700.00	0
18" Butterfly Valve	0	EA.	2,800.00	0
20" Butterfly Valve	0	EA.	4,200.00	0
24" Butterfly Valve	0	EA.	6,200.00	0
1" Air Vac Release	0	EA.	2,400.00	0
2" Air Vac Release	0	EA.	4,000.00	0
2" Backflow Preventor, Pad & Cover	0	EA.	4,300.00	0
4" Blow Off	0	EA.	3,500.00	0
6" Blow Off	0	EA.	4,000.00	0
	0		0.00	0
Fire Hydrants - Water System				
6" Standard Fire Hydrants	0	EA.	4,000.00	0
6" Super Fire Hydrants	11	EA.	4,500.00	49,500
	0		0.00	0
Services Connections				
1" Service	0	EA.	800.00	0
1" Service w/ 5/8" Service	0	EA.	2,000.00	0
1 1/2" Service	0	EA.	1,100.00	0
2" Service Recycled Water System	2	EA.	1,600.00	3,200
	0		0.00	0
Fittings - Water System				
Misc. Fittings 4"	0		120.00	0
Misc. Fittings 6"	0		160.00	0
Misc. Fittings 8" Recycled Water System	4		200.00	800
Misc. Fittings 10"	0		240.00	0
Misc. Fittings 12"	4		750.00	3,000
	0		0.00	0
Water Meters - Water System				
5/8" Meter	0		230.00	0
1" Meter	0		320.00	0
1 1/2" Meter	0		420.00	0
2" Meter	0		525.00	0
	0		0.00	0
Hot Tap Connections - Water System				
6" Hot Tap	0	EA.	1,750.00	0
8" Hot Tap	0	EA.	2,200.00	0
12" Hot Tap	4	EA.	3,150.00	12,600
Hot Tap Service Clamp	0	EA.	1,000.00	0
Water Service	0	EA.	330.00	0
	0		0.00	0



Miscellaneous - Water System
Thrust Block
Jack & Bore
Joint at Existing 8"
Adjust Water Meter Box to Grade

0 CY	150.00	0
0 L.F.	300.00	0
0 EA	650.00	0
0 EA	235.00	0
0	0.00	0
SUBTOTAL:		285,680

CMG



EXHIBIT "A"
ENGINEER'S ESTIMATE

Sheet 7 of 8

PROJECT: PA08-0021
PM 34577
Trammell Crow

PUBLIC SEWER SYSTEMS

DATE: 8/22/12
PREPARED BY: C. Jimenez *CMJ*

TYPE	QUANTITY	UNIT	UNIT PRICE	TOTAL
Pipes - Sewer System				
4" V.C. Pipe	0	L.F.	25.00	0
6" V.C. Pipe	0	L.F.	40.00	0
8" V.C. Pipe	180	L.F.	55.00	9,900
10" V.C. Pipe	0	L.F.	60.00	0
12" V.C. Pipe	0	L.F.	70.00	0
15" V.C. Pipe	0	L.F.	80.00	0
18" V.C. Pipe	0	L.F.	160.00	0
21" V.C. Pipe	0	L.F.	180.00	0
24" V.C. Pipe	0	L.F.	195.00	0
27" V.C. Pipe	0	L.F.	215.00	0
30" V.C. Pipe	0	L.F.	235.00	0
33" V.C. Pipe	0	L.F.	280.00	0
36" V.C. Pipe	0	L.F.	300.00	0
4" SDR - 35	0	L.F.	25.00	0
6" SDR - 35	0	L.F.	30.00	0
8" SDR - 35	0	L.F.	35.00	0
10" SDR - 35	0	L.F.	45.00	0
12" SDR - 35	0	L.F.	64.00	0
15" SDR - 35	0	L.F.	90.00	0
Concrete Encasement	0	L.F.	20.00	0
	0		0.00	0
Cleans Outs - Sewer System				
Clean-outs	0	EA.	730.00	0
Clean Out Lateral	0	EA.	200.00	0
	0		0.00	0
Manholes - Sewer System				
Standard Manhole 48"	3	EA.	3,140.00	9,420
Standard Manhole 48" Extra Depth	0	EA.	3,500.00	0
Standard Manhole 60"	0	EA.	4,500.00	0
Shallow Manhole	0	EA.	3,300.00	0
Adjust Manhole to Grade	0	EA.	630.00	0
Tie into Existing Manhole	0	EA.	2,100.00	0
Rechannel Existing Manhole	0	EA.	1,600.00	0
Join Existing 8" Pipe	0	EA.	1,500.00	0
Join Existing 12" Pipe	0	EA.	2,000.00	0
Pavement around MH	0	S.F.	14.00	0
	0		0.00	0
Miscellaneous - Sewer System				
Wyes	0	EA.	90.00	0
TV Sewer	0	L.F.	1.20	0
Trench Paving	200	S.F.	5.00	1,000
Pavement Replacement	0	S.F.	3.00	0
			SUBTOTAL:	20,320



EXHIBIT "A"
ENGINEER'S ESTIMATE

Sheet 8 of 8

CITY OF MORENO VALLEY
PUBLIC WORKS DEPARTMENT - LAND DEVELOPMENT DIVISION
BOND COMPUTATION SHEET

PROJECT: PA06-0021
PM 34577
Trammell Crow

DATE: *CMJ*
PREPARED BY: C. Jimenez

IMPROVEMENT TYPE:

PAVEMENT SECTION WORK	:	\$1,227,511
OFFSITE STREET WORK	:	\$558,462
SPECIAL DISTRICTS	:	\$210,000
MORENO VALLEY UTILITIES	:	\$1,000,000
WATER QUALITY BASIN	:	\$0
TRANSPORTATION ENGINEERING	:	\$408,000
STORM DRAIN SYSTEM	:	\$409,745
WATER SYSTEM & RECYCLED	:	\$285,680
SEWER SYSTEM	:	\$20,320
TRAFFIC IMPROVEMENTS	:	\$10,500
BONDABLE WORK (not plan checked)	:	\$240,600
TOTAL COST (VALUE) OF IMPROVEMENTS:		\$4,470,818
+20% CONTINGENCY:		\$894,164
<u>TOTAL WITH STANDARD CONTINGENCY:</u>		\$5,364,982

BOND AMOUNT: \$5,365,000





Wells Fargo Bank, N.A.
U.S. Trade Services
Standby Letters of Credit
MAC A0195-212
One Front Street, 21st Floor
San Francisco, California 94111
Phone: 1(800)798-2815 Option 1
E-Mail: sftrade@wellsfargo.com

**IRREVOCABLE LETTER OF CREDIT
AS FAITHFUL PERFORMANCE BOND**

Irrevocable Letter of Credit No.IS0014770U

Project No. PA06-0021 (PM 34577)

Dated: SEPTEMBER 07, 2012

Public R/W
Improvements US \$5,365,000.00

City of Moreno Valley
14177 Frederick Street
P.O. Box 88005
Moreno Valley, CA 92552-0805

Re: Irrevocable Letter of Credit Delivered as Improvement Security Pursuant to California Government Code Sections 66499 et seq. and Regulations of the City of Moreno Valley

Gentlemen:

Wells Fargo Bank, N.A., a financial institution subject to regulation by the State of California and the United States Government, establishes and delivers to the City of Moreno Valley this irrevocable letter of credit in your favor for the account of I-215 Logistics, LLC A Delaware Limited Liability Company located at 3501 Jamboree Rd., Suite 230 Newport Beach, CA 92660 up to an aggregate sum of Five Million Three Hundred Sixty Five Thousand and No/100Dollars (US \$5,365,000.00) as "Improvement Security" as required by Government Code Sections 66499 et seq. and Regulations of the City of Moreno Valley, for Project No. PA06-0021 (PM 34577).

All or any portion of the funds available pursuant to this irrevocable letter of credit will be paid upon the written demand of the City of Moreno Valley. The written demand need not present documentation of any type as a condition of payment, including proof of loss, but will be available by your draft at sight drawn on us and accompanied by your signed certification stating either that:

1. "I-215 Logistics, LLC A Delaware Limited Liability Company has not complied with the performance requirements as set forth in the agreements entered into with the City of Moreno Valley."

Together we'll go far





I.L.O.C (FP) NO. IS0014770U
PROJECT NO. PA06-0021 (PM 34577)
PAGE 2 OF 3

OR

2. "I-215 Logistics, LLC A Delaware Limited Liability Company has not maintained the offsite improvements as set forth in the agreements entered into with the City of Moreno Valley for the one year guarantee and warranty period provided, however, that the maximum amount which may be drawn under this subparagraph 2. shall be limited to 10% of the letter of credit.

This irrevocable letter of credit expires at the institution's counter on September 05, 2013; however, it is a condition of this letter of credit that it shall be deemed automatically extended without amendment for successive one year periods from the present and all future expiration dates thereof unless 60 days prior to any such date the institution shall notify the City in writing that the institution elects not to consider this letter of credit renewed for any such additional period.

Upon our sending you such notice of the non-extension of the expiration date of this Letter of Credit, you may also draw under this Letter of Credit, on or before the Final Expiration Date specified in such notice, by presentation of the following documents to us at our above address:

1. A draft drawn on us at sight marked "Drawn under Wells Fargo Bank, N.A. Standby Letter of Credit No. IS0014770U."
2. The original of this Standby Letter of Credit and any amendments thereto.
3. Your signed and dated statement worded as follows (with the instructions in brackets therein complied with):

The undersigned, an authorized representative of the beneficiary of Wells Fargo Bank, N. A. Letter of Credit No. IS0014770U, hereby certifies that it has received notification from Wells Fargo Bank, N.A. that this letter of credit will not be extended past its current expiration date. The undersigned further certifies that (i) as of the date of this statement, it has not received a letter of credit or other instrument acceptable to it as a replacement; and (ii) I-215 Logistics, LLC a Delaware Limited Liability Co. has not been released from its obligations."
I.L.O.C (FP) NO. IS0014770U

Together we'll go far





PROJECT NO. PA06-0021 (PM 34577)

PAGE 3 OF 3

When the work is completed to the satisfaction of the City, the City Engineer of the City of Moreno Valley will accept the work and thereupon the amount of the obligation of this security will be reduced by 90% with the remaining 10% will be held as security for a one year guarantee period and warranty period provided for in the agreements.

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

This Letter of Credit is Irrevocable.

Wells Fargo Bank, N.A.
(TYPE/PRINT - INSTITUTION)

By: Sharon Peace-Smoat

Sharon Peace-Smoat, AVP
(TYPE/PRINT - NAME & TITLE)

By: Angie Mendenhall

Angie Mendenhall, Operations Officer
(TYPE/PRINT - NAME & TITLE)

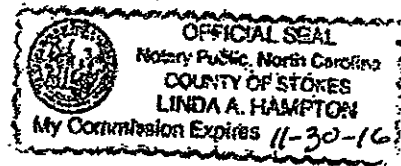
ACKNOWLEDGMENT

STATE OF NORTH CAROLINA

COUNTY OF Forsyth; TO WIT:

THE FOREGOING INSTRUMENT WAS ACKNOWLEDGED BEFORE ME THIS 7th DAY OF September, 2012 BY NAME AND TITLE Sharon Peace-Smoat, AVP + Angie Mendenhall, Operations Officer.

Linda A. Hampton
(NOTARY PUBLIC)



MY COMMISSION EXPIRES: 11-30-2016

Together we'll go far





original sample

Wells Fargo Bank, N.A.
U.S. Trade Services
Standby Letters of Credit
MAC A0195-212
One Front Street, 21st Floor
San Francisco, California 94111
Phone: 1(800)798-2815 Option 1
E-Mail: sftrade@wellsfargo.com

**IRREVOCABLE LETTER OF CREDIT
AS FAITHFUL PERFORMANCE BOND**

Irrevocable Letter of Credit No. IS0014767U

Project No. PA06-0021 (PM 34577)

Dated: SEPTEMBER 07, 2012

Public R/W
Improvements US \$2,682,500.00

City of Moreno Valley
14177 Frederick Street
P.O. Box 88005
Moreno Valley, CA 92552-0805

Re: Irrevocable Letter of Credit Delivered as Security for Labor and Materials Pursuant to Government Code Sections 66499 et seq. and Regulations of the City of Moreno Valley

Gentlemen:

Wells Fargo Bank, N.A., a financial institution subject to regulation by the State of California and the United States Government, establishes and delivers to the City of Moreno Valley this irrevocable letter of credit in your favor for the account of I-215 Logistics, LLC A Delaware Limited Liability Company located at 3501 Jamboree Rd., Suite 230 Newport Beach, CA 92660 up to an aggregate sum of Two Million Six Hundred Eighty Two Thousand Five Hundred and No/100 Dollars (US \$2,682,500.00) as "ISecurity for Labor and Materials" as required by Government Code Sections 66499 et seq. and Regulations of the City of Moreno Valley, for Project No. PA06-0021 (PM 34577).

All or any portion of the funds available pursuant to this irrevocable letter of credit will be paid upon the written demand of the City of Moreno Valley. The written demand need not present documentation of any type as a condition of payment, including proof of loss, but will be available by your draft at sight drawn on us and accompanied by your signed certification stating either that:

1. "I-215 Logistics, LLC A Delaware Limited Liability Company has not complied with the labor and material payment requirements as set forth in the agreements entered into with the City of Moreno Valley."

Together we'll go far





I.L.O.C (FP) NO. IS0014767U
PROJECT NO. PA06-0021 (PM 34577)
PAGE 2 OF 3

This irrevocable letter of credit expires at the institution's counter on September 05, 2013; however, it is a condition of this letter of credit that it shall be deemed automatically extended without amendment for successive one year periods from the present and all future expiration dates thereof unless 60 days prior to any such date the institution shall notify the City in writing that the institution elects not to consider this letter of credit renewed for any such additional period.

Upon our sending you such notice of the non-extension of the expiration date of this Letter of Credit, you may also draw under this Letter of Credit, on or before the Final Expiration Date specified in such notice, by presentation of the following documents to us at our above address:

1. A draft drawn on us at sight marked "Drawn under Wells Fargo Bank, N.A. Standby Letter of Credit No. IS0014767U."
2. The original of this Standby Letter of Credit and any amendments thereto.
3. Your signed and dated statement worded as follows (with the instructions in brackets therein complied with):

The undersigned, an authorized representative of the beneficiary of Wells Fargo Bank, N. A. Letter of Credit No. IS0014767U, hereby certifies that it has received notification from Wells Fargo Bank, N.A. that this letter of credit will not be extended past its current expiration date. The undersigned further certifies that (i) as of the date of this statement, it has not received a letter of credit or other instrument acceptable to it as a replacement; and (ii) I-215 Logistics, LLC a Delaware Limited Liability Co. has not been released from its obligations."

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

This Letter of Credit is Irrevocable.

Together we'll go far





C (FP) NO. IS0014767U
PROJECT NO. PA06-0021 (PM 34577)
PAGE 3 OF 3

Wells Fargo Bank, N.A.
(TYPE/PRINT - INSTITUTION)

By: Sharon Peace-Smoot

Sharon Peace-Smoot, AVP
(TYPE/PRINT - NAME & TITLE)

By: Angie Mendenhall

Angie Mendenhall, Operations Officer
(TYPE/PRINT - NAME & TITLE)

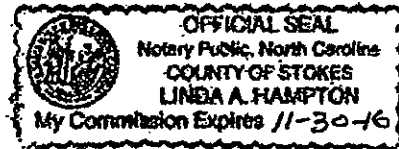
ACKNOWLEDGMENT

STATE OF NORTH CAROLINA

COUNTY OF Forsyth; TO WIT:

THE FOREGOING INSTRUMENT WAS ACKNOWLEDGED BEFORE ME THIS
7th DAY OF September, 2012 BY NAME AND TITLE Sharon Peace Smoot, AVP
& Angie Mendenhall, Operations Officer

Linda A. Hampton
(NOTARY PUBLIC)



MY COMMISSION EXPIRES: 11-30-2016

Together we'll go far



EXHIBIT "B"
DIF IMPROVEMENTS

EXHIBIT "B"

PM 34577 (PA06-0021)
ENGINEER'S ESTIMATE OF DIF IMPROVEMENTS
SAN MICHELE ROAD

Fusco Engineering

TYPE	QUANTITY	UNIT	UNIT PRICE	TOTAL
Street Work - DIF				
Roadway Excavation	3051 C.Y.		29.00	88,479
A.B. Class II	1 Thickness (ft.)			
	34,338 S.F.	2,489 Ton	33.00	82,137
A.C.	0.5 Thickness (ft.)			
	34,338 S.F.	1,244 Ton	80.00	99,520
Curb and Gutter - 8"	1,811 L.F.		30.00	54,330
Striping	1 L.S.			0
Traffic Control	0 L.S.	10,000.00		0
TOTAL COST (VALUE) OF IMPROVEMENTS:				\$ 324,466
25% ENGINEERING:				\$ 81,117
10% PLANNING:				\$ 32,447
10% CONTINGENCY:				\$ 32,447
SUBTOTAL:				\$ 470,476
RIGHT-OF-WAY DEDICATION: (Length x Width) x \$5.00/sf				\$ 269,200
GRAND TOTAL:				\$ 739,676



Footnotes:

PM 34577 (PA06-0021)
ENGINEER'S ESTIMATE OF DIF IMPROVEMENTS
INDIAN STREET

Fusco Engineering

TYPE	QUANTITY	UNIT	UNIT PRICE	TOTAL
Street Work - DIF				
Roadway Excavation	756 C.Y.		29.00	21,924
A.B. Class II	1 Thickness (ft.)			
	16,792 S.F.	1,217 Ton	33.00	40,161
A.C.	0.5 Thickness (ft.)			
	16,792 S.F.	608 Ton	80.00	48,640
Curb and Gutter - 8"	873 L.F.		30.00	26,190
Striping	0 L.S.			0
Traffic Control	0 L.S.	10,000.00		0
TOTAL COST (VALUE) OF IMPROVEMENTS:				\$ 136,915
25% ENGINEERING:				\$ 34,229
10% PLANNING:				\$ 13,692
10% CONTINGENCY:				\$ 13,692
SUBTOTAL:				\$ 198,527
RIGHT-OF-WAY DEDICATION: (Length x Width) x \$5.00/sf				\$ 88,400
GRAND TOTAL:				\$ 286,927



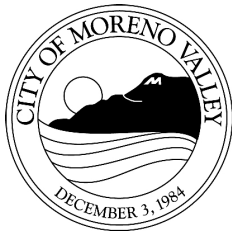
Footnotes:

EXHIBIT "C" – DIF Credit Calculation Table

Item	Process for DIF Credit Calculation	Streets	Traffic Signals	Police	Fire	Library	Park	Community / Rec Centers	Public Facilities*	Interchange Improvement	2% Admin Fee
1	Engineer's Estimate	\$1,026,602	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2	Project costs as identified in DIF study	\$746,360	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3	Actual DIF Obligation	\$254,760	\$172,820	\$172,820	\$382,885	\$0	\$0	\$0	\$342,660	\$157,922	\$21,126
4	Developer's Credit Amount** - Least of Lines 1 2 & 3	\$254,760	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

*may include, but not be limited to, City Hall, Corporate Yard, Animal Shelter, and/or maintenance equipment.

**credit amount shall not exceed obligation.



APPROVALS	
BUDGET OFFICER	<i>me</i>
CITY ATTORNEY	<i>SMB</i>
CITY MANAGER	<i>d</i>

Report to City Council

TO: Mayor and City Council

FROM: Ahmad R. Ansari, P.E., Public Works Director/City Engineer

AGENDA DATE: May 27, 2014

TITLE: PA06-0021, PM 34577 – ACCEPT RESTATED AND AMENDED TRANSPORTATION UNIFORM MITIGATION FEE (TUMF) IMPROVEMENT AND CREDIT AGREEMENT #T13-001 FOR HEACOCK STREET IMPROVEMENTS ASSOCIATED WITH THE I-215 LOGISTICS CENTER PROJECT

RECOMMENDED ACTION

Recommendations:

1. Accept the Restated and Amended Transportation Uniform Mitigation Fee Improvement and Credit Agreement #T13-001 (Amended TUMF Agreement) for PA06-0021, PM 34577 improvements.
2. Authorize the City Manager to execute the Amended TUMF Agreement.
3. Direct the City Clerk to forward the signed Amended TUMF Agreement to the County Recorder's Office for recordation.

SUMMARY

Developers are required to pay TUMF to the City for projects that impact designated arterial streets. The TUMF Program funds may only be used for capital expenditures associated with the Regional System of Highways and Arterials (RSHA) and for capital expenditures for transit system improvements consistent with the TUMF Nexus Study. These purposes include expenditures for the planning, environmental review, engineering and design costs, right-of-way acquisition, and administrative costs. The Amended TUMF Agreement will allow the developer to be credited and potentially reimbursed for the qualifying improvements.

Subsequent to City Council acceptance of the original TUMF Improvement and Credit Agreement on April 23, 2013, the developer processed Amended Plot Plan P13-076 which increased the building size, effectively increasing the developer's TUMF fee obligation. Also since then, the developer awarded the project construction to the lowest responsible bidder and the improvements have been completed. The developer's credit is the lower of the TUMF Nexus Study amount, the bid amount from the lowest responsible bidder to construct the qualifying improvements, and the TUMF Fee Obligation.

DISCUSSION

The Transportation Uniform Mitigation Fee (TUMF) Program applies to those jurisdictions in Western Riverside County that have adopted and are implementing the TUMF Program Ordinance. The TUMF Program has been developed pursuant to and consistent with authority provided in the requirements of California Government Code, Chapter 5, Section 66000-66008, "Fees for Development Projects" (also known as California Assembly Bill 1600 [AB1600] or the Mitigation Fee Act) which governs the assessment of development impact fees in California. Pursuant to the City of Moreno Valley Municipal Code 3.44.070, the Western Riverside Council of Governments (WRCOG) has been appointed the Administrator of the Transportation Uniform Mitigation Fee Program.

As part of the project conditions of approval, the developer constructed required TUMF-related public improvements. Section 3.44.040 of the City's Municipal Code allows the developer to receive a credit for qualifying public improvements made to designated arterial street(s). Heacock Street is a designated street in WRCOG's TUMF Nexus Study. The developer of Parcel Map No. 34577 (PA06-0021) constructed public improvements on Heacock Street.

The developer is eligible to receive TUMF Credits for specific improvements identified in the TUMF Nexus Study for Heacock Street. Qualifying TUMF improvements include roadway excavation, pavement, base, curb and gutter, striping, traffic control, planning, environmental review, engineering and design costs, right-of-way acquisition, and administrative costs associated with RSHA roads that have been identified in the Nexus Study.

Per the Amended TUMF Improvement, the initial credit is the lower of the Nexus Study amount (\$212,000) or the amount of the lowest responsible bid (\$393,166), up to the TUMF obligation (\$948,478). Therefore, the initial credit is \$212,000. The Restated and Amended TUMF Improvement and Credit Agreement is attached to this Staff Report as Attachment 1.

ALTERNATIVES

1. Accept the Restated and Amended Transportation Uniform Mitigation Fee Improvement and Credit Agreement #T13-001 (Amended TUMF Agreement) for PA06-0021, PM 34577 and authorize the City Manager to execute the Amended TUMF Agreement.
2. Do not accept the Restated and Amended Transportation Uniform Mitigation Fee Improvement and Credit Agreement #T13-001 (Amended TUMF Agreement) for PA06-0021, PM 34577 and do not authorize the City Manager to execute the Amended TUMF Agreement. Not approving staff’s recommendation would result in the developer not receiving the appropriate TUMF credit afforded by the Amended TUMF Agreement.

FISCAL IMPACT

There are no fiscal impacts associated with the proposed action.

CITY COUNCIL GOALS

PUBLIC FACILITIES AND CAPITAL PROJECTS:

Ensure that needed public facilities, roadway improvements, and other infrastructure improvements are constructed and maintained.

NOTIFICATION

Publication of agenda.

ATTACHMENTS

Attachment 1 – Restated and Amended TUMF Improvement and Credit Agreement

Prepared By:
Clement Jimenez, P.E.
Senior Engineer

Department Head Approval:
Ahmad R. Ansari, P.E.
Public Works Director/City Engineer

Concurred By:
Mark W. Sambito, P.E.
Engineering Division Manager

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**RESTATED AND AMENDED IMPROVEMENT AND CREDIT / REIMBURSEMENT
AGREEMENT**

TRANSPORTATION UNIFORM MITIGATION FEE PROGRAM T13-001

This **IMPROVEMENT AND CREDIT AGREEMENT** ("Agreement") is entered into this ___ day of _____, 20___, by and between the City of Moreno Valley, a California municipal corporation ("AGENCY"), and I-215 Logistics, LLC, a Delaware limited liability company, with its principal place of business at 3501 Jamboree Road, Suite 230, Newport Beach, CA 92660 ("Developer"). AGENCY and Developer are sometimes hereinafter referred to individually as "Party" and collectively as "Parties".

RECITALS

WHEREAS, Developer owns 76 acres of real property located within the AGENCY of City of Moreno Valley, California, which is more specifically described in the legal description set forth in Exhibit "A", attached hereto and incorporated herein by this reference ("Property");

WHEREAS, Developer has requested from AGENCY-certain entitlements and/or permits for the construction of improvements on the Property, which are more particularly described as P13-076 Amended Plot Plan for an industrial building and all related public infrastructure associated with this project ("Project");

WHEREAS, the AGENCY is a member agency of the Western Riverside Council of Governments ("WRCOG"), a joint powers agency comprised of the County of Riverside and 17 cities located in Western Riverside County. WRCOG is the administrator for the Transportation Uniform Mitigation Fee ("TUMF") Program;

WHEREAS, as part of the TUMF Program, the AGENCY has adopted "Transportation Uniform Mitigation Fee Nexus Study: 2009 Update" ("2009 Nexus Study")

WHEREAS, as a condition to AGENCY's approval of the Project, AGENCY has required Developer to construct certain street and transportation system improvement(s) of regional importance on the outer northbound lane of Heacock Street between San Michele Road and Cardinal Avenue, approximately 1,332 feet ("TUMF Improvements");

WHEREAS, pursuant to the TUMF Program, the AGENCY requires Developer to pay the TUMF which covers the Developer's fair share of the costs to deliver those TUMF Improvements that help mitigate the Project's traffic impacts and burdens on the Regional System of Highways and Arterials (also known as the "TUMF Network"), generated by the Project and that are necessary to protect the safety, health and welfare of persons that travel to and from the Project using the TUMF Network;

WHEREAS, the TUMF Improvements have been designated as having Regional or Zonal Significance as further described in the 2009 Nexus Study and the 5 year Transportation Improvement Program as may be amended;

WHEREAS, AGENCY and Developer now desire to enter into this Agreement for the following purposes: (1) to provide for the timely delivery of the TUMF Improvements, (2) to ensure that delivery of the TUMF Improvements is undertaken as if the TUMF Improvements were constructed under the direction and authority of the AGENCY, (3) to provide a means by which the Developer's costs for project delivery of the TUMF Improvements and related right-of-ways is offset against Developer's obligation to pay the applicable TUMF for the Project in accordance with the TUMF Administrative Plan adopted by WRCOG, (4) to provide a means, subject to the separate approval of WRCOG, for Developer to be reimbursed to the extent the actual and authorized costs for the delivery of the TUMF Improvements exceeds Developer's TUMF obligation, and (5) to replace in its entirety the April 23, 2013 approved TUMF Improvement and Credit Agreement for this project making it no longer effective once this Agreement is executed, the cause of which is due to the change in building size, effectively causing a change in the TUMF fee obligation, as requested by the Developer through the implementation of P13-076 Amended Plot Plan.

NOW, THEREFORE, for the purposes set forth herein, and for good and valuable consideration, the adequacy of which is hereby acknowledged, Developer and AGENCY hereby agree as follows:

TERMS

1.0 Incorporation of Recitals. The Parties hereby affirm the facts set forth in the Recitals above and agree to the incorporation of the Recitals as though fully set forth herein.

2.0 Construction of TUMF Improvements. Developer shall construct or have constructed at its own cost, expense, and liability certain street and transportation system improvements generally described as saw cutting and removal of existing pavement, roadway earthwork, pavement, base, curb and gutter, cross gutter and spandrel, relocation of signs, traffic striping, traffic control, and drainage improvements on the outer northbound lane of Heacock Street between San Michele Road and Cardinal Avenue, approximately 1,332 feet, and as shown more specifically on the plans, profiles, and specifications which have been or will be prepared by or on behalf of Developer and approved by AGENCY, and which are incorporated herein by this reference ("TUMF Improvements"). Construction of the TUMF Improvements shall include any transitions and/or other incidental work deemed necessary for drainage or public safety. Developer shall be responsible for the replacement, relocation, or removal of any component of any existing public or private improvement in conflict with the construction or installation of the TUMF Improvements. Such replacement, relocation, or removal shall be performed to the complete satisfaction of AGENCY and the owner of such improvement. Developer further promises and agrees to provide all equipment, tools, materials, labor, tests, design work, and engineering services necessary to fully and adequately complete the TUMF Improvements.

2.1 Pre-approval of Plans and Specifications. Developer is prohibited from commencing work on any portion of the TUMF Improvements until all plans and specifications for the TUMF Improvements have been submitted to and approved by AGENCY. Approval by AGENCY shall not relieve Developer from ensuring that all TUMF Improvements conform with all other requirements and standards set forth in this Agreement.

2.2 Permits and Notices. Prior to commencing any work, Developer shall, at its sole cost, expense, and liability, obtain all necessary permits and licenses and give all necessary and incidental notices required for the lawful construction of the TUMF Improvements and performance of Developer's obligations under this Agreement. Developer shall conduct the work in full compliance with the regulations, rules, and other requirements contained in any permit or license issued to Developer.

2.3 Public Works Requirements. In order to insure that the TUMF Improvements will be constructed as if they had been constructed under the direction and supervision, or under the authority of, AGENCY, Developer shall comply with all of the following requirements with respect to the construction of the TUMF Improvements:

(a) Developer shall obtain bids for the construction of the TUMF Improvements, in conformance with the standard procedures and requirements of AGENCY with respect to its public works projects, or in a manner which is approved by the Public Works Department.

(b) The contract or contracts for the construction of the TUMF Improvements shall be awarded to the responsible bidder(s) submitting the lowest responsive bid(s) for the construction of the TUMF Improvements.

(c) Developer shall require, and the specifications and bid and contract documents shall require, all such contractors to pay prevailing wages (in accordance with Articles 1 and 2 of Chapter 1, Part 7, Division 2 of the Labor Code) and to otherwise comply with applicable provisions of the Labor Code, the Government Code and the Public Contract Code relating to public works projects of cities/counties and as required by the procedures and standards of AGENCY with respect to the construction of its public works projects or as otherwise directed by the Public Works Department.

(d) All such contractors shall be required to provide proof of insurance coverage throughout the term of the construction of the TUMF Improvements which they will construct in conformance with AGENCY's standard procedures and requirements.

(e) Developer and all such contractors shall comply with such other requirements relating to the construction of the TUMF Improvements which AGENCY may impose by written notification delivered to Developer and each such contractor at any time, either prior to the receipt of bids by Developer for the construction of the TUMF Improvements,

or, to the extent required as a result of changes in applicable laws, during the progress of construction thereof.

Developer shall provide proof to AGENCY, at such intervals and in such form as AGENCY may require that the foregoing requirements have been satisfied as to the TUMF Improvements.

2.4 Quality of Work; Compliance With Laws and Codes. The construction plans and specifications for the TUMF Improvements shall be prepared in accordance with all applicable federal, state and local laws, ordinances, regulations, codes, standards, and other requirements. The TUMF Improvements shall be completed in accordance with all approved maps, plans, specifications, standard drawings, and special amendments thereto on file with AGENCY, as well as all applicable federal, state, and local laws, ordinances, regulations, codes, standards, and other requirements applicable at the time work is actually commenced.

2.5 Standard of Performance. Developer and its contractors, if any, shall perform all work required, constructing the TUMF Improvements in a skillful and workmanlike manner, and consistent with the standards generally recognized as being employed by professionals in the same discipline in the State of California. Developer represents and maintains that it or its contractors shall be skilled in the professional calling necessary to perform the work. Developer warrants that all of its employees and contractors shall have sufficient skill and experience to perform the work assigned to them, and that they shall have all licenses, permits, qualifications and approvals of whatever nature that are legally required to perform the work, and that such licenses, permits, qualifications and approvals shall be maintained throughout the term of this Agreement.

2.6 Alterations to TUMF Improvements. All work shall be done and the TUMF Improvements completed as shown on approved plans and specifications, and any subsequent alterations thereto. If during the course of construction and installation it is determined that the public interest requires alterations in the TUMF Improvements, Developer shall undertake such design and construction changes as may be reasonably required by AGENCY. Any and all alterations in the plans and specifications and the TUMF Improvements to be completed may be accomplished without first giving prior notice thereof to Developer's surety for this Agreement.

3.0 Maintenance of TUMF Improvements. AGENCY shall not be responsible or liable for the maintenance or care of the TUMF Improvements until AGENCY approves and accepts them. AGENCY shall exercise no control over the TUMF Improvements until accepted. Any use by any person of the TUMF Improvements, or any portion thereof, shall be at the sole and exclusive risk of Developer at all times prior to AGENCY's acceptance of the TUMF Improvements. Developer shall maintain all of the TUMF Improvements in a state of good repair until they are completed by Developer and approved and accepted by AGENCY, and until the security for the performance of this Agreement is released. It shall be Developer's responsibility to initiate all maintenance work, but if it shall fail to do so, it shall promptly perform such maintenance work when notified to do so by AGENCY. If Developer fails to

properly prosecute its maintenance obligation under this section, AGENCY may do all work necessary for such maintenance and the cost thereof shall be the responsibility of Developer and its surety under this Agreement. AGENCY shall not be responsible or liable for any damages or injury of any nature in any way related to or caused by the TUMF Improvements or their condition prior to acceptance.

4.0 Fees and Charges. Developer shall, at its sole cost, expense, and liability, pay all fees, charges, and taxes arising out of the construction of the TUMF Improvements, including, but not limited to, all plan check, design review, engineering, inspection, sewer treatment connection fees, and other service or impact fees established by AGENCY.

5.0 AGENCY Inspection of TUMF Improvements. Developer shall, at its sole cost, expense, and liability, and at all times during construction of the TUMF Improvements, maintain reasonable and safe facilities and provide safe access for inspection by AGENCY of the TUMF Improvements and areas where construction of the TUMF Improvements is occurring or will occur.

6.0 Liens. Upon the expiration of the time for the recording of claims of liens as prescribed by Sections 3115 and 3116 of the Civil Code with respect to the TUMF Improvements, Developer shall provide to AGENCY such evidence or proof as AGENCY shall require that all persons, firms and corporations supplying work, labor, materials, supplies and equipment to the construction of the TUMF Improvements, have been paid, and that no claims of liens have been recorded by or on behalf of any such person, firm or corporation. Rather than await the expiration of the said time for the recording of claims of liens, Developer may elect to provide to AGENCY a title insurance policy or other security acceptable to AGENCY guaranteeing that no such claims of liens will be recorded or become a lien upon any of the Property.

7.0 Acceptance of TUMF Improvements; As-Built or Record Drawings. If the TUMF Improvements are properly completed by Developer and approved by AGENCY, and if they comply with all applicable federal, state and local laws, ordinances, regulations, codes, standards, and other requirements, AGENCY shall be authorized to accept the TUMF Improvements. AGENCY may, in its sole and absolute discretion, accept fully completed portions of the TUMF Improvements prior to such time as all of the TUMF Improvements are complete, which shall not release or modify Developer's obligation to complete the remainder of the TUMF Improvements. Upon the total or partial acceptance of the TUMF Improvements by AGENCY, Developer shall file with the Recorder's Office of the County of Riverside a notice of completion for the accepted TUMF Improvements in accordance with California Civil Code section 3093 ("Notice of Completion"), at which time the accepted TUMF Improvements shall become the sole and exclusive property of AGENCY without any payment therefore. Notwithstanding the foregoing, AGENCY may not accept any TUMF Improvements unless and until Developer provides one (1) set of "as-built" or record drawings or plans to the AGENCY for all such TUMF Improvements. The drawings shall be certified and shall reflect the condition of the TUMF Improvements as constructed, with all changes incorporated therein.

8.0 Warranty and Guarantee. Developer hereby warrants and guarantees all the TUMF Improvements against any defective work or labor done, or defective materials furnished in the performance of this Agreement, including the maintenance of the TUMF Improvements, for a period of one (1) year following completion of the work and acceptance by AGENCY ("Warranty"). During the Warranty, Developer shall repair, replace, or reconstruct any defective or otherwise unsatisfactory portion of the TUMF Improvements, in accordance with the current ordinances, resolutions, regulations, codes, standards, or other requirements of AGENCY, and to the approval of AGENCY. All repairs, replacements, or reconstruction during the Warranty shall be at the sole cost, expense, and liability of Developer and its surety. As to any TUMF Improvements which have been repaired, replaced, or reconstructed during the Warranty, Developer and its surety hereby agree to extend the Warranty for an additional one (1) year period following AGENCY's acceptance of the repaired, replaced, or reconstructed TUMF Improvements. Nothing herein shall relieve Developer from any other liability it may have under federal, state, or local law to repair, replace, or reconstruct any TUMF Improvement following expiration of the Warranty or any extension thereof. Developer's warranty obligation under this section shall survive the expiration or termination of this Agreement.

9.0 Administrative Costs. If Developer fails to construct and install all or any part of the TUMF Improvements, or if Developer fails to comply with any other obligation contained herein, Developer and its surety shall be jointly and severally liable to AGENCY for all administrative expenses, fees, and costs, including reasonable attorney's fees and costs, incurred in obtaining compliance with this Agreement or in processing any legal action or for any other remedies permitted by law.

10.0 Default; Notice; Remedies.

10.1 Notice. If Developer neglects, refuses, or fails to fulfill or timely complete any obligation, term, or condition of this Agreement, or if AGENCY determines there is a violation of any federal, state, or local law, ordinance, regulation, code, standard, or other requirement, AGENCY may at any time thereafter declare Developer to be in default or violation of this Agreement and make written demand upon Developer or its surety, or both, to immediately remedy the default or violation ("Notice"). Developer shall substantially commence the work required to remedy the default or violation within five (5) days of the Notice. If the default or violation constitutes an immediate threat to the public health, safety, or welfare, AGENCY may provide the Notice verbally, and Developer shall substantially commence the required work within twenty-four (24) hours thereof. Immediately upon AGENCY's issuance of the Notice, Developer and its surety shall be liable to AGENCY for all costs of construction and installation of the TUMF Improvements and all other administrative costs or expenses as provided for in this Section 10.0 of this Agreement.

10.2 Failure to Remedy; AGENCY Action. If the work required to remedy the noticed default or violation is not diligently prosecuted to a completion acceptable to AGENCY within the time frame contained in the Notice, AGENCY may complete all remaining work, arrange for the completion of all remaining work, and/or conduct such remedial activity as in its

sole and absolute discretion it believes is required to remedy the default or violation. All such work or remedial activity shall be at the sole and absolute cost, expense, and liability of Developer and its surety, without the necessity of giving any further notice to Developer or surety. AGENCY's right to take such actions shall in no way be limited by the fact that Developer or its surety may have constructed any of the TUMF Improvements at the time of AGENCY's demand for performance. In the event AGENCY elects to complete or arrange for completion of the remaining work and the TUMF Improvements, AGENCY may require all work by Developer or its surety to cease in order to allow adequate coordination by AGENCY.

10.3 Other Remedies. No action by AGENCY pursuant to this Section 10.0 et seq. of this Agreement shall prohibit AGENCY from exercising any other right or pursuing any other legal or equitable remedy available under this Agreement or any federal, state, or local law. AGENCY may exercise its rights and remedies independently or cumulatively, and AGENCY may pursue inconsistent remedies. AGENCY may institute an action for damages, injunctive relief, or specific performance.

11.0 Security; Surety Bonds. Prior to the commencement of any work on the TUMF Improvements, Developer or its contractor shall provide AGENCY with surety bonds in the amounts and under the terms set forth below ("Security"). The amount of the Security shall be based on the estimated actual costs to construct the TUMF Improvements, as determined by AGENCY after Developer has awarded a contract for construction of the TUMF Improvements to the lowest responsive and responsible bidder in accordance with this Agreement ("Estimated Costs"). If AGENCY determines, in its sole and absolute discretion, that the Estimated Costs have changed, Developer or its contractor shall adjust the Security in the amount requested by AGENCY. Developer's compliance with this Section 11.0 et seq. of this Agreement shall in no way limit or modify Developer's indemnification obligation provided in Section 12.0 of this Agreement.

11.1 Performance Bond. To guarantee the faithful performance of the TUMF Improvements and all the provisions of this Agreement, to protect AGENCY if Developer is in default as set forth in Section 10.0 et seq. of this Agreement, and to secure the one-year guarantee and warranty of the TUMF Improvements, Developer or its contractor shall provide AGENCY a faithful performance bond in an amount which sum shall be not less than one hundred percent (100%) of the Estimated Costs. The AGENCY may, in its sole and absolute discretion, partially release a portion or portions of the security provided under this section as the TUMF Improvements are accepted by AGENCY, provided that Developer is not in default on any provision of this Agreement and the total remaining security is not less than ten percent (10%) of the Estimated Costs. All security provided under this section shall be released at the end of the Warranty period, or any extension thereof as provided in Section 11.0 of this Agreement, provided that Developer is not in default on any provision of this Agreement.

11.2 Labor & Material Bond. To secure payment to the contractors, subcontractors, laborers, materialmen, and other persons furnishing labor, materials, or equipment for performance of the TUMF Improvements and this Agreement, Developer or its

contractor shall provide AGENCY a labor and materials bond in an amount which sum shall not be less than fifty percent (50%) of the Estimated Costs. The security provided under this section may be released by written authorization of AGENCY after ninety (90) days from the date AGENCY accepts the TUMF Improvements. The amount of such security shall be reduced by the total of all stop notice or mechanic's lien claims of which AGENCY is aware, plus an amount equal to twenty percent (20%) of such claims for reimbursement of AGENCY's anticipated administrative and legal expenses arising out of such claims.

11.3 Additional Requirements. The surety for any surety bonds provided as Security shall have a current A.M. Best rating of at least "A" and FSC-VIII, shall be licensed to do business in California, and shall be satisfactory to AGENCY. As part of the obligation secured by the Security and in addition to the face amount of the Security, Developer, its contractor or the surety shall secure the costs and reasonable expenses and fees, including reasonable attorney's fees and costs, incurred by AGENCY in enforcing the obligations of this Agreement. Developer, its contractor and the surety shall stipulate and agree that no change, extension of time, alteration, or addition to the terms of this Agreement, the TUMF Improvements, or the plans and specifications for the TUMF Improvements shall in any way affect its obligation on the Security.

11.4 Evidence and Incorporation of Security. Evidence of the Security shall be provided on the forms set forth in Exhibit "B", unless other forms are deemed acceptable by the AGENCY, and when such forms are completed to the satisfaction of AGENCY, the forms and evidence of the Security shall be attached hereto as Exhibit "B" and incorporated herein by this reference.

12.0 Indemnification. Developer shall defend, indemnify, and hold harmless AGENCY, the Moreno Valley Community Services District, and the Moreno Valley Housing Authority, its elected officials, employees, and agents from any and all actual or alleged claims, demands, causes of action, liability, loss, damage, or injury to property or persons, including wrongful death, whether imposed by a court of law or by administrative action of any federal, state, or local governmental agency, arising out of or incident to any acts, omissions, negligence, or willful misconduct of Developer, its employees, contractors, or agents in connection with the performance of this Agreement, or arising out of or in any way related to or caused by the TUMF Improvements or their condition prior to AGENCY's approval and acceptance of the TUMF Improvements ("Claims"). This indemnification includes, without limitation, the payment of all penalties, fines, judgments, awards, decrees, attorneys fees, and related costs or expenses, and the reimbursement of AGENCY, its elected officials, employees, and/or agents for all legal expenses and costs incurred by each of them. This Indemnification excludes only such portion of any Claim which is caused solely and exclusively by the negligence or willful misconduct of AGENCY as determined by a court or administrative body of competent jurisdiction. Developer's obligation to indemnify shall survive the expiration or termination of this Agreement, and shall not be restricted to insurance proceeds, if any, received by AGENCY, its elected officials, employees, or agents.

13.0 Insurance.

13.1 Types; Amounts. Developer shall procure and maintain, and shall require its contractors to procure and maintain, during performance of this Agreement, insurance of the types and in the amounts described below ("Required Insurance"). If any of the Required Insurance contains a general aggregate limit, such insurance shall apply separately to this Agreement or be no less than two times the specified occurrence limit.

13.1.1 General Liability. Occurrence version general liability insurance, or equivalent form, with a combined single limit of not less than Two Million Dollars (\$2,000,000) per occurrence for bodily injury, personal injury, and property damage.

13.1.2 Business Automobile Liability. Business automobile liability insurance, or equivalent form, with a combined single limit of not less than One Million Dollars (\$1,000,000) per occurrence. Such insurance shall include coverage for the ownership, operation, maintenance, use, loading, or unloading of any auto owned, leased, hired, or borrowed by the insured or for which the insured is responsible.

13.1.3 Workers' Compensation. Workers' compensation insurance with limits as required by the Labor Code of the State of California and employers' liability insurance with limits of not less than One Million Dollars (\$1,000,000) per occurrence, at all times during which insured retains employees.

13.1.4 Professional Liability. For any consultant or other professional who will engineer or design the TUMF Improvements, liability insurance for errors and omissions with limits not less than Two Million Dollars (\$2,000,000) per occurrence, shall be procured and maintained for a period of five (5) years following completion of the TUMF Improvements. Such insurance shall be endorsed to include contractual liability.

13.2 Deductibles. Any deductibles or self-insured retentions must be declared to and approved by AGENCY. At the option of AGENCY, either: (a) the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects AGENCY, its elected officials, officers, employees, agents, and volunteers; or (b) Developer and its contractors shall provide a financial guarantee satisfactory to AGENCY guaranteeing payment of losses and related investigation costs, claims, and administrative and defense expenses.

13.3 Additional Insured; Separation of Insureds. The Required Insurance, except for the professional liability and workers' compensation insurance, shall name AGENCY, the Moreno Valley Community Services District, and the Moreno Valley Housing Authority, its elected officials, officers, employees, and agents as additional insureds with respect to work performed by or on behalf of Developer or its contractors, including any materials, parts, or equipment furnished in connection therewith. The Required Insurance shall contain standard separation of insureds provisions, and shall contain no special limitations on the scope of its protection to AGENCY, its elected officials, officers, employees, or agents.

13.4 Primary Insurance; Waiver of Subrogation. The Required Insurance shall be primary with respect to any insurance or self-insurance programs covering AGENCY, its elected officials, officers, employees, or agents. The policy required for workers' compensation insurance shall provide that the insurance company waives all right of recovery by way of subrogation against AGENCY in connection with any damage or harm covered by such policy.

13.5 Certificates; Verification. Developer and its contractors shall furnish AGENCY with original certificates of insurance and endorsements effecting coverage for the Required Insurance. The certificates and endorsements for each insurance policy shall be signed by a person authorized by that insurer to bind coverage on its behalf. All certificates and endorsements must be received and approved by AGENCY before work pursuant to this Agreement can begin. AGENCY reserves the right to require complete, certified copies of all required insurance policies, at any time.

13.6 Term; Cancellation Notice. Developer and its contractors shall maintain the Required Insurance for the term of this Agreement and shall replace any certificate, policy, or endorsement which will expire prior to that date. All policies shall be endorsed to provide that the Required Insurance shall not be suspended, voided, reduced, canceled, or allowed to expire except on thirty (30) days' prior written notice to AGENCY.

13.7 Insurer Rating. Unless approved in writing by AGENCY, all Required Insurance shall be placed with insurers licensed to do business in the State of California and with a current A.M. Best rating of at least "A" and FSC-VIII.

14.0 TUMF Credit.

14.1 Developer's TUMF Obligation. Developer hereby agrees and accepts that as of the date of this Agreement, the amount Developer is obligated to pay to AGENCY pursuant to the project's conditions of approval and City Municipal Code Section 3.44 as part of the TUMF Program is Nine Hundred Forty Eight Thousand Four Hundred Seventy Seven and 72/100 Dollars (\$948,477.72) ("TUMF Obligation"). This TUMF Obligation shall be initially determined under the nexus study and fee schedule in effect for the AGENCY at the time the Developer submits a building permit application for the TUMF Improvement. Notwithstanding, this TUMF Obligation does not have to be paid until the Certificate of Occupancy is obtained.

14.2 Fee Adjustments. Notwithstanding the foregoing, Developer agrees that this Agreement shall not estop AGENCY from adjusting the TUMF in accordance with the provisions of City Resolution No. 2010-01 in accordance with City Ordinance No. 807 and City Ordinance No. 835 and City Municipal Code Section 3.44.

14.3 Credit Offset Against TUMF Obligation. Pursuant to City Resolution No. 2010-01 in accordance with City Ordinance No. 807 and City Ordinance No. 835 and City Municipal Code Section 3.44 and in consideration for Developer's obligation under this

Agreement for the delivery of TUMF Improvements, credit shall be applied by AGENCY to offset the TUMF Obligation ("Credit") subject to adjustment and reconciliation under Section 14.5 of this agreement. Developer hereby agrees that the amount of the Credit shall be applied after Developer has initiated the process of project delivery of TUMF Improvements to the lowest responsible bidder in accordance with this Agreement. Developer further agrees that the dollar amount of the Credit shall be equal to the lesser of: (A) the bid amount set forth in the contract awarded to the lowest responsible bidder, or (B) the unit cost assumptions for the TUMF Improvement in effect at the time of the contract award, as such assumptions are identified and determined in the 2009 Nexus Study and the TUMF Administrative Plan adopted by WRCOG ("Unit Cost Assumptions").

The bid amount and the Unit Cost Assumptions shall hereafter be collectively referred to as "Estimated Credit". At no time will the Credit exceed the Developer's TUMF Obligation. If the dollar amount of the Estimated Credit exceeds the dollar amount of the TUMF Obligation, Developer will be deemed to have completely satisfied its TUMF Obligation for the Project and may apply for a reimbursement agreement, to the extent applicable, as provided in Section 14.6 of this Agreement. If the dollar amount of the Estimated Credit is less than the dollar amount of the TUMF Obligation, the Developer agrees the Credit shall be applied to offset the TUMF Obligation as follows:

(1) For residential units in the Project, the Credit shall be applied to all residential units to offset and/or satisfy the TUMF Obligation. The residential units for which the TUMF Obligation has been offset and/or satisfied by use of the Credit, and the amount of offset applicable to each unit, shall be identified in the notice provided to the Developer by AGENCY pursuant to this section.

(2) For commercial and industrial structures in the Project, the Credit shall be applied to all commercial and industrial development to offset and/or satisfy the TUMF Obligation. The commercial or industrial structure(s) for which the TUMF Obligation has been offset and/or satisfied by use of the Credit, and the amount of offset applicable to such structure(s), shall be identified in the notice provided to the Developer by AGENCY pursuant to this section.

AGENCY shall provide Developer written notice of the determinations that AGENCY makes pursuant to this section, including how the Credit is applied to offset the TUMF Obligation as described above.

14.4 Verified Cost of the TUMF Improvements. Upon recordation of the Notice of Completion for the TUMF Improvements and acceptance of the TUMF Improvements by AGENCY, Developer shall submit to the AGENCY Public Works Director the information set forth in the attached Exhibit "C". The AGENCY Public Works Director, or his or her designee, shall use the information provided by Developer to calculate the total actual costs incurred by Developer in delivering the TUMF Improvements covered under this Agreement ("Verified Costs"). The AGENCY Public Works Director will use his or her best efforts to

determine the amount of the Verified Costs and provide Developer written notice thereof within thirty (30) calendar days of receipt of all the required information from Developer.

14.5 Reconciliation; Final Credit Offset Against TUMF Obligation. The Developer is aware of and accepts the fact that Credits are speculative and conceptual in nature. The actual amount of Credit that shall be applied by AGENCY to offset the TUMF Obligation shall be equal to the lesser of: (A) the Verified Costs or (B) Unit Cost Assumptions for the TUMF Improvements as determined in accordance with Section 14.3 of this Agreement ("Actual Credit"). No Actual Credit will be awarded until the Verified Costs are determined through the reconciliation process. Please be advised that while a Developer may use an engineer's estimates in order to estimate Credits for project planning purposes, the Actual Credit awarded will only be determined by the reconciliation process.

(a) TUMF Balance. If the dollar amount of the Actual Credit is less than the dollar amount of the TUMF Obligation, the AGENCY Public Works Director shall provide written notice to Developer of the amount of the difference owed ("TUMF Balance") and Developer shall pay the TUMF Balance in accordance with City Resolution No. 2010-01 in accordance with City Ordinance No. 807 and City Ordinance No. 835 and City Municipal Code Section 3.44 to fully satisfy the TUMF Obligation (see Exhibit "F" - Example "A").

(b) TUMF Reimbursement. If the dollar amount of the Actual Credit exceeds the TUMF Obligation, Developer will be deemed to have fully satisfied the TUMF Obligation for the Project and may apply for a reimbursement agreement, to the extent applicable, as provided in Section 14.6 of this Agreement. AGENCY shall provide Developer written notice of the determinations that AGENCY makes pursuant to this section (see Exhibit "F" - Example "B").

(c) TUMF Overpayment. If the dollar amount of the Actual Credit exceeds the Estimated Credit, but is less than the TUMF Obligation, but the Actual Credit plus additional monies collected by AGENCY from Developer for the TUMF Obligation exceed the TUMF Obligation ("TUMF Overpayment"), Developer will be deemed to have fully satisfied the TUMF Obligation for the Project and may be entitled to a refund. The AGENCY's Public Works Director shall provide written notice to WRCOG and the Developer of the amount of the TUMF Overpayment and AGENCY shall direct WRCOG to refund the Developer in accordance with City Municipal Code Section 3.44 (see Exhibit "F" - Example C).

14.6 Reimbursement Agreement. If authorized under either Section 14.3 or Section 14.5 Developer may apply to AGENCY and WRCOG for a reimbursement agreement for the amount by which the Actual Credit exceeds the TUMF Obligation, as determined pursuant to Section 14.3 of this Agreement, City Municipal Code Section 3.44, and the TUMF Administrative Plan adopted by WRCOG ("Reimbursement Agreement"). If AGENCY and WRCOG agree to a Reimbursement Agreement with Developer, the Reimbursement Agreement shall be executed on the form set forth in Exhibit "D," and shall contain the terms and conditions set forth therein. The Parties agree that the Reimbursement Agreement shall be subject to all terms and conditions of this Agreement, and that upon execution, an executed copy of the

Reimbursement Agreement shall be attached hereto and shall be incorporated herein as a material part of this Agreement as though fully set forth herein.

15.0 Miscellaneous.

15.1 Assignment. Developer may assign all or a portion of its rights pursuant to this Agreement to a purchaser of a portion or portions of the Property ("Assignment"). Developer and such purchaser and assignee ("Assignee") shall provide to AGENCY such reasonable proof as it may require that Assignee is the purchaser of such portions of the Property. Any assignment pursuant to this section shall not be effective unless and until Developer and Assignee have executed an assignment agreement with AGENCY in a form reasonably acceptable to AGENCY, whereby Developer and Assignee agree, except as may be otherwise specifically provided therein, to the following: (1) that Assignee shall receive all or a portion of Developer's rights pursuant to this Agreement, including such credit as is determined to be applicable to the portion of the Property purchased by Assignee pursuant to Section 14.0 et seq. of this Agreement, and (2) that Assignee shall be bound by all applicable provisions of this Agreement.

15.2 Relationship Between the Parties. The Parties hereby mutually agree that this Agreement shall not operate to create the relationship of partnership, joint venture, or agency between AGENCY and Developer. Developer's contractors are exclusively and solely under the control and dominion of Developer. Nothing herein shall be deemed to make Developer or its contractors an agent or contractor of AGENCY.

15.3 Warranty as to Property Ownership; Authority to Enter Agreement. Developer hereby warrants that it owns fee title to the Property and that it has the legal capacity to enter into this Agreement. Each Party warrants that the individuals who have signed this Agreement have the legal power, right, and authority make this Agreement and bind each respective Party.

15.4 Prohibited Interests. Developer warrants that it has not employed or retained any company or person, other than a bona fide employee working solely for Developer, to solicit or secure this Agreement. Developer also warrants that it has not paid or agreed to pay any company or person, other than a bona fide employee working solely for Developer, any fee, commission, percentage, brokerage fee, gift, or other consideration contingent upon the making of this Agreement. For breach of this warranty, AGENCY shall have the right to rescind this Agreement without liability.

15.5 Notices. All notices, demands, invoices, and written communications shall be in writing and delivered to the following addresses or such other addresses as the Parties may designate by written notice:

To AGENCY: CITY OF MORENO VALLEY
Land Development

Attn: City Engineer
14177 Frederick Street
P.O. Box 88005
Moreno Valley, CA 92552-0805
Fax No. (951) 413-3158

To Developer: I-215 Logistics, LLC
Attn: David Nazaryk
3501 Jamboree Road, Suite 230
Newport Beach, CA 92660

Depending upon the method of transmittal, notice shall be deemed received as follows: by facsimile, as of the date and time sent; by messenger, as of the date delivered; and by U.S. Mail first class postage prepaid, as of 72 hours after deposit in the U.S. Mail.

15.6 Cooperation; Further Acts. The Parties shall fully cooperate with one another, and shall take any additional acts or sign any additional documents as may be necessary, appropriate, or convenient to attain the purposes of this Agreement.

15.7 Construction; References; Captions. It being agreed the Parties or their agents have participated in the preparation of this Agreement, the language of this Agreement shall be construed simply, according to its fair meaning, and not strictly for or against any Party. Any term referencing time, days, or period for performance shall be deemed calendar days and not work days. All references to Developer include all personnel, employees, agents, and contractors of Developer, except as otherwise specified in this Agreement. All references to AGENCY include its elected officials, officers, employees, agents, and volunteers except as otherwise specified in this Agreement. The captions of the various articles and paragraphs are for convenience and ease of reference only, and do not define, limit, augment, or describe the scope, content, or intent of this Agreement.

15.8 Amendment; Modification. No supplement, modification, or amendment of this Agreement shall be binding unless executed in writing and signed by both Parties.

15.9 Waiver. No waiver of any default shall constitute a waiver of any other default or breach, whether of the same or other covenant or condition. No waiver, benefit, privilege, or service voluntarily given or performed by a Party shall give the other Party any contractual right by custom, estoppel, or otherwise.

15.10 Binding Effect. Each and all of the covenants and conditions shall be binding on and shall inure to the benefit of the Parties, and their successors, heirs, personal representatives, or assigns. This section shall not be construed as an authorization for any Party to assign any right or obligation.

15.11 No Third Party Beneficiaries. There are no intended third party beneficiaries of any right or obligation assumed by the Parties.

15.12 Invalidity; Severability. If any portion of this Agreement is declared invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions shall continue in full force and effect.

15.13 Consent to Jurisdiction and Venue. This Agreement shall be construed in accordance with and governed by the laws of the State of California. Any legal action or proceeding brought to interpret or enforce this Agreement, or which in any way arises out of the Parties' activities undertaken pursuant to this Agreement, shall be filed and prosecuted in the appropriate California State Court in the County of Riverside, California. Each Party waives the benefit of any provision of state or federal law providing for a change of venue to any other court or jurisdiction including, without limitation, a change of venue based on the fact that a governmental entity is a party to the action or proceeding, or that a federal right or question is involved or alleged to be involved in the action or proceeding. Without limiting the generality of the foregoing waiver, Developer expressly waives any right to have venue transferred pursuant to California Code of Civil Procedure Section 394.

15.14 Time is of the Essence. Time is of the essence in this Agreement, and the Parties agree to execute all documents and proceed with due diligence to complete all covenants and conditions.

15.15 Counterparts. This Agreement may be signed in counterparts, each of which shall constitute an original and which collectively shall constitute one instrument.


15.16 Entire Agreement. This Agreement contains the entire agreement between AGENCY and Developer and supersedes any prior oral or written statements or agreements between AGENCY and Developer.

[SIGNATURES OF PARTIES ON NEXT PAGE]

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the day and year first above written.


DEVELOPER:

I-215 Logistics, LLC,
a Delaware limited liability company

By:  _____

Its: VP _____

ATTEST:

By:  _____

Its: VP _____

CITY OF MORENO VALLEY:

By: _____

Its: _____

ATTEST:

By: _____

Its: _____

APPROVED AS TO FORM CITY ATTORNEY:

Date: _____

By: _____

EXHIBIT "A"

LEGAL DESCRIPTION OF PROPERTY

[ATTACH BEHIND THIS PAGE]

EXHIBIT A-1

Legal Description

Parcel Map No. 34577, as shown by map on file in Book 234 of Parcel Maps at Pages 85-89 thereof, Records of Riverside County, California

EXHIBIT "B"
FORMS FOR SECURITY

[ATTACHED BEHIND THIS PAGE]

EXHIBIT B-1



Wells Fargo Bank, N.A.
 U.S. Trade Services
 Standby Letters of Credit
 MAC A0195-212
 One Front Street, 21st Floor
 San Francisco, California 94111
 Phone: 1(800)798-2815 Option 1
 E-Mail: sfrade@wellsfargo.com

**IRREVOCABLE LETTER OF CREDIT
 AS FAITHFUL PERFORMANCE BOND**

Irrevocable Letter of Credit No.IS0014770U

Project No. PA06-0021 (PM 34577)

Dated: SEPTEMBER 07, 2012

Public R/W
 Improvements US \$5,365,000.00

City of Moreno Valley
 14177 Frederick Street
 P.O. Box 88005
 Moreno Valley, CA 92552-0805

Re: Irrevocable Letter of Credit Delivered as Improvement Security Pursuant to California Government Code Sections 66499 et seq. and Regulations of the City of Moreno Valley

Gentlemen:

Wells Fargo Bank, N.A., a financial institution subject to regulation by the State of California and the United States Government, establishes and delivers to the City of Moreno Valley this irrevocable letter of credit in your favor for the account of I-215 Logistics, LLC A Delaware Limited Liability Company located at 3501 Jamboree Rd., Suite 230 Newport Beach, CA 92660 up to an aggregate sum of Five Million Three Hundred Sixty Five Thousand and No/100Dollars (US \$5,365,000.00) as "Improvement Security" as required by Government Code Sections 66499 et seq. and Regulations of the City of Moreno Valley, for Project No. PA06-0021 (PM 34577).

All or any portion of the funds available pursuant to this irrevocable letter of credit will be paid upon the written demand of the City of Moreno Valley. The written demand need not present documentation of any type as a condition of payment, including proof of loss, but will be available by your draft at sight drawn on us and accompanied by your signed certification stating either that:

1. "I-215 Logistics, LLC A Delaware Limited Liability Company has not complied with the performance requirements as set forth in the agreements entered into with the City of Moreno Valley."

Together we'll go far





I.L.O.C (FP) NO. IS0014770U
PROJECT NO. PA06-0021 (PM 34577)
PAGE 2 OF 3

OR

2. "I-215 Logistics, LLC A Delaware Limited Liability Company has not maintained the offsite improvements as set forth in the agreements entered into with the City of Moreno Valley for the one year guarantee and warranty period provided, however, that the maximum amount which may be drawn under this subparagraph 2. shall be limited to 10% of the letter of credit.

This irrevocable letter of credit expires at the institution's counter on September 05, 2013; however, it is a condition of this letter of credit that it shall be deemed automatically extended without amendment for successive one year periods from the present and all future expiration dates thereof unless 60 days prior to any such date the institution shall notify the City in writing that the institution elects not to consider this letter of credit renewed for any such additional period.

Upon our sending you such notice of the non-extension of the expiration date of this Letter of Credit, you may also draw under this Letter of Credit, on or before the Final Expiration Date specified in such notice, by presentation of the following documents to us at our above address:

1. A draft drawn on us at sight marked "Drawn under Wells Fargo Bank, N.A. Standby Letter of Credit No. IS0014770U."
2. The original of this Standby Letter of Credit and any amendments thereto.
3. Your signed and dated statement worded as follows (with the instructions in brackets therein complied with):

The undersigned, an authorized representative of the beneficiary of Wells Fargo Bank, N. A. Letter of Credit No. IS0014770U, hereby certifies that it has received notification from Wells Fargo Bank, N.A. that this letter of credit will not be extended past its current expiration date. The undersigned further certifies that (i) as of the date of this statement, it has not received a letter of credit or other instrument acceptable to it as a replacement; and (ii) I-215 Logistics, LLC a Delaware Limited Liability Co. has not been released from its obligations."
I.L.O.C (FP) NO. IS0014770U

Together we'll go far





PROJECT NO. PA06-0021 (PM 34577)

PAGE 3 OF 3

When the work is completed to the satisfaction of the City, the City Engineer of the City of Moreno Valley will accept the work and thereupon the amount of the obligation of this security will be reduced by 90% with the remaining 10% will be held as security for a one year guarantee period and warranty period provided for in the agreements.

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

This Letter of Credit is Irrevocable.

Wells Fargo Bank, N.A.
(TYPE/PRINT - INSTITUTION)

By: Sharon Peace-Smoot

Sharon Peace-Smoot, AVP
(TYPE/PRINT - NAME & TITLE)

By: Angie Mendenhall

Angie Mendenhall, Operations Officer
(TYPE/PRINT - NAME & TITLE)

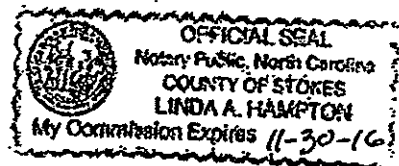
ACKNOWLEDGMENT

STATE OF NORTH CAROLINA

COUNTY OF Forsyth; TO WIT:

THE FOREGOING INSTRUMENT WAS ACKNOWLEDGED BEFORE ME THIS 7th DAY OF September, 2012 BY NAME AND TITLE Sharon Peace-Smoot, AVP + Angie Mendenhall, Operations Officer.

Linda A. Hampton
(NOTARY PUBLIC)



MY COMMISSION EXPIRES: 11-30-2016

Together we'll go far





Wells Fargo Bank, N.A.
 U.S. Trade Services
 Standby Letters of Credit
 MAC A0195-212
 One Front Street, 21st Floor
 San Francisco, California 94111
 Phone: 1(800)798-2815 Option 1
 E-Mail: sftrade@wellsfargo.com

**IRREVOCABLE LETTER OF CREDIT
 AS FAITHFUL PERFORMANCE BOND**

Irrevocable Letter of Credit No. IS0014767U

Project No. PA06-0021 (PM 34577)

Dated: SEPTEMBER 07, 2012

Public R/W
 Improvements US \$2,682,500.00

City of Moreno Valley
 14177 Frederick Street
 P.O. Box 88005
 Moreno Valley, CA 92552-0805

Re: Irrevocable Letter of Credit Delivered as Security for Labor and Materials Pursuant to Government Code Sections 66499 et seq. and Regulations of the City of Moreno Valley

Gentlemen:

Wells Fargo Bank, N.A., a financial institution subject to regulation by the State of California and the United States Government, establishes and delivers to the City of Moreno Valley this irrevocable letter of credit in your favor for the account of I-215 Logistics, LLC A Delaware Limited Liability Company located at 3501 Jamboree Rd., Suite 230 Newport Beach, CA 92660 up to an aggregate sum of Two Million Six Hundred Eighty Two Thousand Five Hundred and No/100 Dollars (US \$2,682,500.00) as "ISecurity for Labor and Materials" as required by Government Code Sections 66499 et seq. and Regulations of the City of Moreno Valley, for Project No. PA06-0021 (PM 34577).

All or any portion of the funds available pursuant to this irrevocable letter of credit will be paid upon the written demand of the City of Moreno Valley. The written demand need not present documentation of any type as a condition of payment, including proof of loss, but will be available by your draft at sight drawn on us and accompanied by your signed certification stating either that:

1. "I-215 Logistics, LLC A Delaware Limited Liability Company has not complied with the labor and material payment requirements as set forth in the agreements entered into with the City of Moreno Valley."

Together we'll go far





I.L.O.C (FP) NO. IS0014767U
PROJECT NO. PA06-0021 (PM 34577)
PAGE 2 OF 3

This irrevocable letter of credit expires at the institution's counter on September 05, 2013; however, it is a condition of this letter of credit that it shall be deemed automatically extended without amendment for successive one year periods from the present and all future expiration dates thereof unless 60 days prior to any such date the institution shall notify the City in writing that the institution elects not to consider this letter of credit renewed for any such additional period.

Upon our sending you such notice of the non-extension of the expiration date of this Letter of Credit, you may also draw under this Letter of Credit, on or before the Final Expiration Date specified in such notice, by presentation of the following documents to us at our above address:

1. A draft drawn on us at sight marked "Drawn under Wells Fargo Bank, N.A. Standby Letter of Credit No. IS0014767U."
2. The original of this Standby Letter of Credit and any amendments thereto.
3. Your signed and dated statement worded as follows (with the instructions in brackets therein complied with):

The undersigned, an authorized representative of the beneficiary of Wells Fargo Bank, N. A. Letter of Credit No. IS0014767U, hereby certifies that it has received notification from Wells Fargo Bank, N.A. that this letter of credit will not be extended past its current expiration date. The undersigned further certifies that (i) as of the date of this statement, it has not received a letter of credit or other instrument acceptable to it as a replacement; and (ii) I-215 Logistics, LLC a Delaware Limited Liability Co. has not been released from its obligations."

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

This Letter of Credit is Irrevocable.

Together we'll go far





WELLS FARGO
 C (FP) NO. IS0014767U
 PROJECT NO. PA06-0021 (PM 34577)
 PAGE 3 OF 3

Wells Fargo Bank, N.A.
 (TYPE/PRINT - INSTITUTION)

By: Sharon Peace-Smoot

Sharon Peace-Smoot, AVP
 (TYPE/PRINT - NAME & TITLE)

By: Angie Mendenhall

Angie Mendenhall, Operations officer
 (TYPE/PRINT - NAME & TITLE)

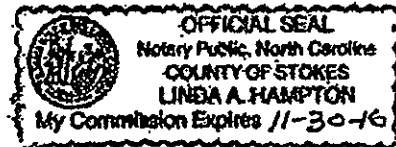
ACKNOWLEDGMENT

STATE OF NORTH CAROLINA

COUNTY OF Forsyth; TO WIT:

THE FOREGOING INSTRUMENT WAS ACKNOWLEDGED BEFORE ME THIS
7th DAY OF September, 2012 BY NAME AND TITLE Sharon Peace Smoot, AVP
+ Angie Mendenhall, Operations officer

Linda A. Hampton
 (NOTARY PUBLIC)



MY COMMISSION EXPIRES: 11-30-2016

Together we'll go far



EXHIBIT "C"

DOCUMENTATION TO BE PROVIDED TO AGENCY BY DEVELOPER FOR DETERMINATION OF CONSTRUCTION COSTS

To assist AGENCY in determining the Construction Costs for a completed TUMF Improvement, Developer shall provide the following documents to AGENCY:

1. Plans, specifications and Developer's civil engineer's cost estimate;
2. List of bidders from whom bids were requested;
3. Construction schedules and progress reports;
4. Contracts, insurance certificates and change orders with each contractor or vendor;
5. Invoices received from all vendors;
6. Canceled checks for payments made to contractors and vendors (copy both front and back of canceled checks);
7. Spreadsheet showing total costs incurred in and related to the construction of each TUMF Improvement and the check number for each item of cost and invoice;
8. Final lien releases from each contractor and vendor; and
9. Such further documentation as may be reasonably required by AGENCY to evidence the completion of construction and the payment of each item of cost and invoice.

EXHIBIT C-1

EXHIBIT "D"

**REIMBURSEMENT AGREEMENT
TRANSPORTATION UNIFORM MITIGATION FEE PROGRAM**

THIS REIMBURSEMENT AGREEMENT ("Agreement") is entered into this ___ day of _____, 20___, by and between the [INSERT "City" OR "County"] of _____, [**INSERT "a California municipal corporation" FOR CITY OR "a subdivision of the State of California" FOR COUNTY**] ("AGENCY"), and _____, a California [**INSERT TYPE OF ENTITY - corporation, partnership, sole proprietorship or other legal entity**], with its principal place of business at [**ENTER ADDRESS**] ("Developer"). AGENCY and Developer are sometimes hereinafter referred to individually as "Party" and collectively as "Parties".

RECITALS

WHEREAS, AGENCY and Developer are parties to an agreement dated _____, 20___, entitled "Improvement and Credit Agreement - Transportation Uniform Mitigation Fee Program" (hereinafter "Credit Agreement");

WHEREAS, Sections 14.1 through 14.3 of the Credit Agreement provide that Developer is obligated to pay AGENCY the TUMF Obligation, as defined therein, but shall receive credit to offset the TUMF Obligation if Developer constructs and AGENCY accepts the TUMF Improvements in accordance with the Credit Agreement;

WHEREAS, Section 14.5 of the Credit Agreement provides that if the dollar amount of the credit to which Developer is entitled under the Credit Agreement exceeds the dollar amount of the TUMF Obligation, Developer may apply to AGENCY and WRCOG for a reimbursement agreement for the amount by which the credit exceeds the TUMF Obligation;

WHEREAS, Section 14.5 additionally provides that a reimbursement agreement executed pursuant to the Credit Agreement (i) shall be executed on the form attached to the Credit Agreement, (ii) shall contain the terms and conditions set forth therein, (iii) shall be subject to all terms and conditions of the Credit Agreement, and (iv) shall be attached upon execution to the Credit Agreement and incorporated therein as a material part of the Credit Agreement as though fully set forth therein; and

WHEREAS, AGENCY and WRCOG have consented to execute a reimbursement agreement with Developer pursuant to the Credit Agreement, (insert appropriate reference for city or county), and the TUMF Administrative Plan adopted by WRCOG.

EXHIBIT D-1

NOW, THEREFORE, for the purposes set forth herein, and for good and valuable consideration, the adequacy of which is hereby acknowledged, the Parties hereby agree as follows:

TERMS

1.0 Incorporation of Recitals. The Parties hereby affirm the facts set forth in the Recitals above and agree to the incorporation of the Recitals as though fully set forth herein.

2.0 Effectiveness. This Agreement shall not be effective unless and until the Credit Agreement is effective and in full force in accordance with its terms.

3.0 Definitions. Terms not otherwise expressly defined in this Agreement, shall have the meaning and intent set forth in the Credit Agreement.

4.0 Amount of Reimbursement. Subject to the terms, conditions, and limitations set forth in this Agreement, the Parties hereby agree that Developer is entitled to receive the dollar amount by which the Actual Credit exceeds the dollar amount of the TUMF Obligation as determined pursuant to the Credit Agreement, (insert appropriate reference for city or county), and the TUMF Administrative Plan adopted by WRCOG ("Reimbursement"). The Reimbursement shall be subject to verification by WRCOG. AGENCY and Developer shall provide any and all documentation reasonably necessary for WRCOG to verify the amount of the Reimbursement. The Reimbursement shall be in an amount not exceeding [INSERT DOLLAR AMOUNT] ("Reimbursement Amount"). AGENCY shall be responsible for obtaining the Reimbursement Amount from WRCOG and transmitting the Reimbursement Amount to the Developer. In no event shall the dollar amount of the Reimbursement exceed the difference between the dollar amount of all credit applied to offset the TUMF Obligation pursuant to Section 14.3, 14.4, and 14.5 of the Credit Agreement, and one hundred (100%) of the approved unit awarded, as such assumptions are identified and determined in the Nexus Study and the TUMF Administrative Plan adopted by WRCOG.

5.0 Payment of Reimbursement; Funding Contingency. The payment of the Reimbursement Amount shall be subject to the following conditions:

5.1 Developer shall have no right to receive payment of the Reimbursement unless and until (i) the TUMF Improvements are completed and accepted by AGENCY in accordance with the Credit Agreement, (ii) the TUMF Improvements are scheduled for funding pursuant to the five-year Transportation Improvement Program adopted annually by WRCOG, (iii) WRCOG has funds available and appropriated for payment of the Reimbursement amount.

5.2 Developer shall not be entitled to any interest or other cost adjustment for any delay between the time when the dollar amount of the Reimbursement is determined and the

EXHIBIT D-2

time when payment of the Reimbursement is made to Developer by WRCOG through AGENCY.

6.0 Affirmation of Credit Agreement. AGENCY and Developer represent and warrant to each other that there have been no written or oral modifications or amendments of the Credit Agreement, except by this Agreement. AGENCY and Developer ratify and reaffirm each and every one of their respective rights and obligations arising under the Credit Agreement. AGENCY and Developer represent and warrant that the Credit Agreement is currently an effective, valid, and binding obligation.

7.0 Incorporation Into Credit Agreement. Upon execution of this Agreement, an executed original of this Agreement shall be attached as Exhibit "D" to the Credit Agreement and shall be incorporated therein as a material part of the Credit Agreement as though fully set forth therein.

8.0 Terms of Credit Agreement Controlling. Each Party hereby affirms that all provisions of the Credit Agreement are in full force and effect and shall govern the actions of the Parties under this Agreement as though fully set forth herein and made specifically applicable hereto, including without limitation, the following sections of the Credit Agreement: Sections 10.0 through 10.3, Section 12.0, Sections 13.0 through 13.7, Sections 14.0 through 14.6, and Sections 15.0 through 15.17.

[SIGNATURES OF PARTIES ON NEXT PAGE]

EXHIBIT D-3

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the day and year first above written.

("Developer")

By: _____

Its: _____

ATTEST:

By: _____

Its: _____

[INSERT "City" OR "County") of _____

By: _____

Its: _____

ATTEST:

By: _____

Its: _____

EXHIBIT D-4

EXHIBIT "E"

TUMF CREDIT / REIMBURSEMENT ELIGIBILITY PROCESS

1. Prior to the construction of any TUMF Improvement, Developer shall follow the steps listed below:
 - a. Prepare a separate bid package for the TUMF Improvements.
 - b. The plans, cost estimate, specifications and contract document shall require all contractors to pay prevailing wages and to comply with applicable provisions of the Labor Code, Government Code, and Public Contract Code relating to Public Works Projects.
 - c. Bids shall be obtained and processed in accordance with the formal public works bidding requirements of the AGENCY.
 - d. The contract(s) for the construction of TUMF Improvements shall be awarded to the lowest responsible bidder(s) for the construction of such facilities in accordance with the AGENCY's requirements and guidelines.
 - e. Contractor(s) shall be required to provide proof of insurance coverage throughout the duration of the construction.
2. Prior to the determination and application of any Credit pursuant to a TUMF Improvement and Credit Agreement executed between AGENCY and Developer ("Agreement"), Developer shall provide the AGENCY and WRCOG with the following:
 - a. Copies of all information listed under Item 1 above.
 - b. Surety Bond, Letter of Credit, or other form of security permitted under the Agreement and acceptable to the AGENCY and WRCOG, guaranteeing the construction of all applicable TUMF Improvements.
3. Prior to the AGENCY's acceptance of any completed TUMF Improvement, and in order to initiate the construction cost verification process, the Developer shall comply with the requirements as set forth in Sections 7, 14.2 and 14.3 of the Agreement, and the following conditions shall also be satisfied:
 - a. Developer shall have completed the construction of all TUMF Improvements in accordance with the approved Plans and Specifications.
 - b. Developer shall have satisfied the AGENCY's inspection punch list.
 - c. After final inspection and approval of the completed TUMF Improvements, the AGENCY shall have provided the Developer a final inspection release letter.
 - d. AGENCY shall have filed a Notice of Completion with respect to the TUMF Improvements pursuant to Section 3093 of the Civil Code with the County Recorder's Office, and provided a copy of filed Notice of Completion to WRCOG.
 - e. Developer shall have provided AGENCY a copy of the As-Built plans for the TUMF Improvements.
 - f. Developer shall have provided AGENCY copies of all permits or agreements that may have been required by various resource/regulatory agencies for construction, operation and maintenance of any TUMF Improvements.
 - g. Developer shall have submitted a documentation package to the AGENCY to determine the final cost of the TUMF Improvements, which shall include at a minimum, the following documents related to the TUMF Improvements:

EXHIBIT E-1

- i. Plans, specifications, and Developer's Civil Engineer's cost estimates; or Engineer's Report showing the cost estimates.
- ii. Contracts/agreements, insurance certificates and change orders with each vendor or contractor.
- iii. Invoices from all vendors and service providers.
- iv. Copies of cancelled checks, front and back, for payments made to contractors, vendors and service providers.
- v. Final lien releases from each contractor and vendor (unconditional waiver and release).
- vi. Certified contract workers payroll for AGENCY verification of compliance with prevailing wages.
- vii. A total cost summary, in spreadsheet format (MS Excel is preferred) and on disk, showing a breakdown of the total costs incurred. The summary should include for each item claimed the check number, cost, invoice numbers, and name of payee. See attached sample for details. [ATTACH SAMPLE, IF APPLICABLE; OTHERWISE DELETE REFERENCE TO ATTACHED SAMPLE]

EXHIBIT E-2

EXHIBIT "F"

RECONCILIATION EXAMPLES

All examples are based on a single family residential development project of 200 dwelling units:
200 SF dwelling units @ \$6,650 / dwelling unit = \$1,330,000 in fees (TUMF Obligation)

Example A: "TUMF BALANCE"

CREDIT	
TUMF Obligation:	\$1,330,000
Estimated Credit: Bid (\$1,500,000) or unit Cost Assumption (\$1,600,000) whichever is less	<u>\$1,500,000</u>
Potential Reimbursement:	(\$170,000)
RECONCILIATION	
TUMF Obligation:	\$1,330,000
Actual Credit:	<u>\$1,200,000</u>
TUMF Balance (Payment to TUMF):	\$130,000

Example B: "REIMBURSEMENT"

CREDIT	
TUMF Obligation:	\$1,330,000
Estimated Credit: Bid (\$1,500,000) or unit Cost Assumption (\$1,600,000) whichever is less	<u>\$1,500,000</u>
Potential Reimbursement:	(\$170,000)
RECONCILIATION	
TUMF Obligation:	\$1,330,000
Actual Credit:	<u>\$1,500,000</u>
Reimbursement Agreement with Developer (Based on Priority Ranking):	(\$170,000)

Example C: "TUMF OVERPAYMENT"

CREDIT	
TUMF Obligation:	\$1,330,000
Estimated Credit: Bid (\$1,200,000) or unit Cost Assumption (\$1,500,000) whichever is less	<u>\$1,200,000</u>
Remaining TUMF Obligation:	\$130,000
Prorated Fee: \$130,000 / 200 du =	\$650 / du
RECONCILIATION	
Actual Credit:	\$1,300,000
TUMF payments from Developer (\$650 per unit x 200 units)	<u>\$130,000</u>
Actual Credit plus TUMF Payment	\$1,430,000
TUMF Obligation:	\$1,330,000
Actual Credit plus TUMF Payment	<u>\$1,430,000</u>
TUMF Overpayment (Refund to Developer):	(\$100,000)

EXHIBIT F-1

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APPROVALS	
BUDGET OFFICER	<BudgetOfficer+>
CITY ATTORNEY	<i>SMB</i>
CITY MANAGER	<i>D</i>

Report to City Council

TO: Mayor and City Council

FROM: Ahmad R. Ansari, P.E., Public Works Director/City Engineer

AGENDA DATE: May 27, 2014

TITLE: APPROVE THE FIRST AMENDMENT TO THE AGREEMENT WITH COORY ENGINEERING FOR CONSTRUCTION SURVEY SERVICES FOR THE SR-60/MORENO BEACH DRIVE INTERCHANGE IMPROVEMENTS (PHASE 1) – PROJECT NO. 801 0038 70 77

RECOMMENDED ACTION

Recommendations:

1. Approve the “First Amendment to Agreement for Professional Consultant Services” with Coory Engineering to provide additional professional survey services of the SR-60/Moreno Beach Drive Interchange Improvements Phase 1 for \$34,195.
2. Authorize the City Manager to execute the First Amendment to Agreement for Professional Consultant Services with Coory Engineering.
3. Authorize a Change Order to increase the Purchase Order with Coory Engineering for the amount of \$34,195 when the First Amendment has been signed by all parties.

SUMMARY

This report recommends approval of the First Amendment to Agreement for Professional Consultant Services with Coory Engineering for additional surveying services during construction for the SR-60/Moreno Beach Drive Interchange Improvements Phase 1 project. The project is funded with 2007 Tax Allocation Bonds (TABs) and Transportation Uniform Mitigation Fees and has been approved in the 2013/2014 Capital Improvement Plan (CIP). These additional costs were driven primarily by project schedule changes to accelerate completion to put interchange improvements into service more quickly and to appropriately correspond with Tax Allocation Bonds (TABs) financing timelines.

DISCUSSION

The SR-60/Moreno Beach Drive Interchange Improvements Phase 1 project includes reconstruction of the eastbound on- and off-ramps to SR-60, the addition of an eastbound auxiliary lane, connection of the west leg of Eucalyptus Avenue to Moreno Beach Drive, and related improvements. The Construction Cooperative Agreement with Caltrans requires that the City meet Caltrans field survey requirements on the project. The City issued a Request for Proposal (RFP) to provide construction-related survey services based on the construction plans, specifications, and Caltrans requirements. On September 25, 2012, City Council approved an Agreement for Professional Consultant Services with Coory for \$100,805. The scope consisted of field survey layout under the direction of a licensed Land Surveyor within 48 hours' notice, setting monument ties, and staking all proposed improvements in accordance with the Caltrans Survey Manual.

Additional surveying needs identified during the construction process related to changes in two major areas. During the project, the design consultant and City staff analyzed the contractor's schedule and the anticipated pace of expenditure of TABS funds. It became apparent that to expend the target percentage of TABS funds by the deadline, the project had to be re-sequenced. The design consultant and City staff partnered with the contractor and Caltrans to construct a temporary eastbound off-ramp in advance of, and adjacent to, the permanent eastbound off-ramp. The acceleration of the work and its resulting re-sequencing created more night and weekend work of additional staking and surveying services, which utilized more of the survey budget than estimated, and which also became apparent towards the latter part of construction. Additionally, the re-sequencing affected water line relocation, which had to be staked in several trips, as the contractor's work progressed. Coory submitted a proposal for \$34,195 for the additional work. Although this amendment is an increase to the survey services contract, overall time savings were realized on the project. Remaining work is to complete financial close-out, including this amendment, and related post-construction activities.

The contract total is \$135,000 (\$100,805 for the original Agreement plus \$34,195 for the First Amendment). Staff recommends that the City Council approve the First Amendment with Coory Engineering and increase the Purchase Order by \$34,195.

ALTERNATIVES

1. Approve and authorize the recommended actions as presented in this staff report. *This alternative will facilitate the timely close-out of the project.*
2. Do not approve and authorize the recommended actions as presented in this staff report. *This alternative will delay project close-out.*

FISCAL IMPACT

The project is included in the Fiscal Year 2013/2014 Capital Improvement Plan. **There is no impact to the General Fund.**

AVAILABLE FUNDS – FISCAL YEAR 2013/2014

2007 Tax Allocation Bonds	
(Account No. 3412-70-77-80001) (Project No. 801 0038 70 77)	\$ 804,000
Transportation Uniform Mitigation Fees	
(Account No. 3003-70-77-80001) (Project No. 801 0038 70 77)	\$ 3,500,000
Total Project Budget.....	\$ 4,304,000

CONSTRUCTION COSTS – FISCAL YEAR 2013/2014

Construction (includes contingency).....	\$ 2,300,000
Construction Management & Inspection Services.....	\$ 208,000
Construction Support Services (Design & Geotechnical Consultants)	\$ 75,000
Construction Support Services (Survey Consultant)	\$ 101,000
Additional Survey Services	\$ 34,000
Right-of-Way Costs	\$ 400,000
Administrative Costs*	\$ 160,000
Utility and Agency Inspection and Materials Costs**	\$ 115,000
Total Estimated Cost	\$ 3,393,000

*Includes City project administration, printing and other miscellaneous costs.

**Includes EMWD, SCE, Caltrans, RCFC&WCD and CHP.

PROJECT SCHEDULE

Project Acceptance by CaltransJune 2014

CITY COUNCIL GOALS

REVENUE DIVERSIFICATION AND PRESERVATION:

Develop a variety of City revenue sources and policies to create a stable revenue base and fiscal policies to support essential City services, regardless of economic climate.

PUBLIC SAFETY:

Provide a safe and secure environment for people and property in the community, control the number and severity of fire and hazardous material incidents, and provide protection for citizens who live, work and visit the City of Moreno Valley.

PUBLIC FACILITIES AND CAPITAL PROJECTS:

Ensure that needed public facilities, roadway improvements, and other infrastructure improvements are constructed and maintained.

POSITIVE ENVIRONMENT:

Create a positive environment for the development of Moreno Valley’s future.

ATTACHMENTS

Attachment 1: First Amendment to Agreement for Professional Consultant Services with Coory Engineering - Project No. 801 0038 70 77

Attachment 2: Original Agreement for Professional Consultant Services

Prepared By:
Margery A. Lazarus
Senior Engineer, P.E.

Department Head Approval:
Ahmad R. Ansari, P.E.
Public Works Director/City Engineer

Concurred By:
Prem Kumar, P.E.
Deputy Public Works Director/Assistant City Engineer

**FIRST AMENDMENT TO AGREEMENT
FOR PROFESSIONAL CONSULTANT SERVICES
PROJECT NO. 801 0038 70 77**

This **First** Amendment to Agreement is by and between the CITY of MORENO VALLEY, a municipal corporation, hereinafter referred to as "City," and **Coory Engineering**, a sole proprietorship, hereinafter referred to as "Consultant." This First Amendment to Agreement is made and entered into effective on the date the City signs this Amendment.

RECITALS:

Whereas, the City and Consultant entered into an Agreement entitled "AGREEMENT for PROFESSIONAL CONSULTANT SERVICES," hereinafter referred to as "Agreement," dated October 8, 2012.

Whereas, the Consultant is providing consultant survey services for **SR-60/Moreno Beach Drive Interchange Improvements (Phase 1)**.

Whereas, it is desirable to amend the Agreement to expand the scope of the work to be performed by the Consultant as is more particularly described in Section 1 of this First Amendment.

Whereas, the Consultant has submitted a Proposal dated April 29, 2014, for expansion of the scope of work to be performed. A copy of said Proposal is attached as "Exhibit A -- First Amendment" and is incorporated herein by this reference.

SECTION 1 AMENDMENT TO ORIGINAL AGREEMENT:

1.1 The Agreement termination date of **December 31, 2014** is not extended by this Amendment, unless the termination date is further extended by an Amendment to the Agreement.

**AMENDMENT TO AGREEMENT FOR
PROFESSIONAL CONSULTANT SERVICES
PROJECT NO. 801 0038 70 77**

1.2 Exhibit "B" to the Agreement is hereby amended by adding to the scope of work section described in "Exhibit A -- First Amendment," entitled "Amendment No. 1 to Contract – Construction Staking."

1.3 Exhibit "D" to the Agreement is hereby further amended by adding to the cost proposal section thereof described in "Exhibit A -- First Amendment," entitled "Amendment No. 1 to Contract – Construction Staking."

1.4 The City agrees to pay the Consultant and the Consultant agrees to receive a "Not-to-Exceed" fee of **\$34,195**, as set forth in the above-referenced Cost Summary, in consideration of the Consultant's performance of the work set forth in "Exhibit A -- First Amendment."

1.5 The total "Not to Exceed" fee for this contract is \$135,000 (\$100,805 for the original Agreement plus \$34,195 for the First Amendment to Agreement).

SECTION 2

2.1 Except as otherwise specifically provided in this Amendment, all other terms and conditions of the Agreement shall remain in full force and effect.

SIGNATURE PAGE TO FOLLOW

IN WITNESS HEREOF, the parties have each caused their authorized representative to execute this Agreement.

**AMENDMENT TO AGREEMENT FOR
PROFESSIONAL CONSULTANT SERVICES
PROJECT NO. 801 0038 70 77**

City of Moreno Valley

Coory Engineering

BY: _____
City Manager

BY: _____

TITLE: _____
(President or Vice President)

Date

Date

<u>INTERNAL USE ONLY</u>
APPROVED AS TO LEGAL FORM:
_____ City Attorney
_____ Date
RECOMMENDED FOR APPROVAL:
_____ Department Head
_____ Date

BY: _____

TITLE: _____
(Corporate Secretary)

Date

Attachments: "Exhibit A – First Amendment"

W:\CapProj\CapProj\PROJECTS\Marge - 07-41570024 Rte 60 Nason-Moreno Beach Bridge Intrchn\Construction - Moreno Beach
Ph 1\Consultant\Survey\Agreement\First Amendment\Coory 1st Amendment.doc

"Exhibit A - First
Amendment"



COORY ENGINEERING
CIVIL ENGINEERING & LAND SURVEYING

April 29, 2014

Ms. Margery Lazarus
Capital Projects Division
Public Works Department
City of Moreno Valley
P.O. Box: 88005
Moreno Valley, CA 92552-0805

Subject: **Amendment No. 1 to Contract**
CONSTRUCTION STAKING
SR-60 / Moreno Beach Drive ~ Phase 1
Moreno Beach, CA

Dear Marge:

Attached, please find Amendment No. 1 to the Fee Schedule of our contract with you.

The amendment covers the additional requested construction staking in conjunction with the introduction of the shoofly temporary ramp and the additional staking due to the conflicts in the waterline.

Thank you.

COORY ENGINEERING

Samir M. Khoury

SAMIR M. KHOURY, PE

Encl.

1718 N. Neville Street, Orange, CA 92865

TEL: (714) 202-8700

FAX: (714) 202-8701



COORY ENGINEERING
CIVIL ENGINEERING & LAND SURVEYING

April 29, 2014

**SR-60 / MORENO BEACH DRIVE
PHASE 1 IMPROVEMENTS PROJECT**

CONSTRUCTION STAKING SERVICES

AMENDMENT NO. 1 TO FEE SCHEDULE OF CONTRACT

Item #	Description	Project Manager \$180/Hr.	Office Engineer \$125/Hr.	2-men Survey Crew \$215/Hr.	Amount
A1.1	Shoofly Temporary Ramp / Re-Staging / Acceleration	-	-	134	\$28,810.00
A1.2	Waterline conflicts / additional staking	-	-	24	5,160.00
A1.3	Reimbursables	-	-	-	225.00
				Total	\$34,195.00

Coory Engineering

By: Samir M. Khoury
Samir M. Khoury, PE

1718 N. Neville Street, Orange, CA 92865

TEL: (714) 202-8700

FAX: (714) 202-8701

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**AGREEMENT FOR PROFESSIONAL
CONSULTANT SERVICES
TRANSPORTATION UNIFORM MITIGATION FEE (TUMF) - ZONAL
PROJECT NO. 801 0038 70 77
[FORMERLY PROJECT NO. 07-41570024]**

This Agreement is by and between the City of Moreno Valley, California, a municipal corporation, hereinafter described as "City," and **Coory Engineering**, a sole proprietorship, hereinafter described as "Consultant." This Agreement is made and entered into effective on the date the City signs this Agreement.

RECITALS

WHEREAS, the City has determined it is in the public interest to proceed with the work hereinafter described as "Project"; and

WHEREAS, the City has determined the Project involves the performance of professional and technical services of a temporary nature as more specifically described in Exhibit "A" (City's Request for Proposal) and Exhibit "B" (Consultant's Proposal) hereto; and

WHEREAS, the City does not have available employees to perform the services for the Project; and

WHEREAS, the City has requested the Consultant to perform such services for the Project; and

WHEREAS, the Consultant is professionally qualified in California to perform the professional and technical services required for the Project;

THEREFORE, the City and the Consultant, for the consideration hereinafter described, mutually agree as follows:

**AGREEMENT FOR PROFESSIONAL CONSULTANT SERVICES
PROJECT NO. 801 0038 70 77
[FORMERLY PROJECT NO. 07-41570024]**

DESCRIPTION OF PROJECT

1. The project is described as professional consultant **survey services** for:
**SR-60 / MORENO BEACH DRIVE PHASE 1 IMPROVEMENTS PROJECT
PROJECT NO. 801 0038 70 77
[FORMERLY PROJECT NO. 07-41570024]**

SCOPE OF SERVICES

2. The Consultant's scope of service is described on Exhibit "B" attached hereto and incorporated herein by this reference. In the event of a conflict, the City's Request for Proposal shall take precedence over the Consultant's Proposal.
3. The City's responsibility is described on Exhibit "C" attached hereto and incorporated herein by this reference.

PAYMENT TERMS

4. The City agrees to pay the Consultant and the Consultant agrees to receive a "Not-to-Exceed" fee of **\$100,805** in accordance with the payment terms provided on Exhibit "D" attached hereto and incorporated herein by this reference.

TERM OF AGREEMENT

5. This agreement will terminate on **December 31, 2014** unless the termination date is extended by an amendment to the agreement.

TIME FOR PERFORMANCE

6. The Consultant shall commence services upon receipt of written direction to proceed from the City.
7. The Consultant shall perform the work described on Exhibit "A" in accordance with the design/construction schedule as stated in the Notice to Proceed.

**AGREEMENT FOR PROFESSIONAL CONSULTANT SERVICES
PROJECT NO. 801 0038 70 77
[FORMERLY PROJECT NO. 07-41570024]**

8. The Consultant and the City agree that the schedule in Paragraph 7 above represents their best estimates with respect to completion dates, and both the Consultant and the City acknowledge that it will not unreasonably withhold approval of the Consultant's requests for extensions of time in which to complete the work required of the Consultant hereunder.

9. The Consultant shall not be responsible for performance delays caused by others or delays beyond the Consultant's reasonable control, and such delays shall extend the time for performance of the work by the Consultant. Delays caused by non-performance or unjustified delay in performance by a subconsultant of the Consultant are not considered to be beyond the Consultant's reasonable control.

10. (a) The Consultant agrees that the personnel, including the principal Project manager, and all subconsultants assigned to the Project by the Consultant, shall be subject to the prior approval of the City.

(b) No change in subconsultants or key personnel shall be made by the Consultant without written prior approval of the City.

SPECIAL PROVISIONS

11. It is understood and agreed that the Consultant is, and at all times shall be, an independent contractor and nothing contained herein shall be construed as making the Consultant or any individual whose compensation for services is paid by the Consultant, an agent or employee of the City, or authorizing the Consultant to create or assume any obligation or liability for or on behalf of the City.

**AGREEMENT FOR PROFESSIONAL CONSULTANT SERVICES
PROJECT NO. 801 0038 70 77
[FORMERLY PROJECT NO. 07-41570024]**

12. The Consultant may also retain or subcontract for the services of other necessary consultants with the prior written approval of the City. Payment for such services shall be the responsibility of the Consultant. Any and all subconsultants employed by the Consultant shall be subject to the terms and conditions of this Agreement, except that the City shall have no obligation to pay any subconsultant for services rendered on the Project.

13. The Consultant and the City agree to use reasonable care and diligence to perform their respective services under this Agreement. Unless hereinafter specified, neither party shall be responsible for the services of the other or any subcontractor or sub-consultant employed by the other party.

14. The Consultant shall comply with applicable federal, state, and local laws in the performance of work under this Agreement.

15. (a) The Consultant agrees to indemnify, defend, and save the City, the Moreno Valley Housing Authority (MVHA), the Moreno Valley Community Services District (CSD), the Western Riverside Council of Governments (WRCOG), the State of California, Eastern Municipal Water District (EMWD), and Riverside County Flood Control and Water Conservation District (RCFC & WCD) and their officers, agents and employees harmless from any and all liability, claims, demands, damages, or injuries to any person, including injury to the Consultant's employees and all claims which arise from or are connected with the negligent performance of or failure to perform the work or other obligations of the Consultant under this Agreement, or are caused or claim to be caused by the negligent acts, recklessness or willful misconduct of the Consultant, its officers, agents or employees, or its subconsultant(s) or any person acting for the Consultant or under its control or direction.

AGREEMENT FOR PROFESSIONAL CONSULTANT SERVICES
PROJECT NO. 801 0038 70 77
[FORMERLY PROJECT NO. 07-41570024]

(b) The City agrees to indemnify, defend and save the Consultant and their officers, agents and employees harmless from any and all liability, claims, damages or injuries to any person, including injury to the City's, the State's, MVHA's, CSD's, WRCOG's, EMWD's, and RCFC & WCD's employees and all claims which arise from or are connected with the negligent performance or failure to perform the services or other obligations of the City under this Agreement, or are caused or claim to be caused by the negligent acts, recklessness or willful misconduct of the City, the State, MVHA, CSD, WRCOG, EMWD, and RCFC & WCD, their officers, agents or employees, or its subcontractor(s) or any person acting for the City or under its control or direction.

16. (a) The Consultant shall procure and maintain, at its sole expense, throughout the term of this Agreement and any extension thereof, Professional Errors and Omission Insurance coverage in the form and substance and with carriers acceptable to the City. Such coverage limits shall not be less than \$1,000,000 per claim and aggregate.

(b) During the entire term of this Agreement, the Consultant agrees to procure and maintain General Liability Insurance in form and substance and with carriers acceptable to the City at its sole expense to protect against loss from liability imposed by law for damages on account of bodily injury, including death therefrom, suffered or alleged to be suffered by any person or persons whomever, resulting directly or indirectly from any act or activities of the Consultant its sub-consultant or any person acting for the Consultant or under its control or direction, and also to protect against loss from liability imposed by law for damages to any property of any persons caused directly or indirectly by or from acts or activities of the Consultant or its subconsultants, or any person acting for the Consultant or under its control or direction.

**AGREEMENT FOR PROFESSIONAL CONSULTANT SERVICES
PROJECT NO. 801 0038 70 77
[FORMERLY PROJECT NO. 07-41570024]**

(c) Such Public Liability and Property Damage Insurance shall be maintained in full force and effect throughout the terms of the Agreement and any extension thereof in the minimum limits provided below:

GENERAL LIABILITY

Bodily Injury	\$1,000,000 per occurrence
Property Damage	\$ 500,000 per occurrence

A combined single limit policy with aggregate limits in the amount of \$2,000,000 will be considered equivalent to the above minimum limits.

(d) If the operation under this Agreement results in an increased or decreased risk in the opinion of the City Manager, then the Consultant agrees that the minimum general liability limits hereinabove designated shall be changed accordingly upon request by the City Manager.

(e) The Consultant shall procure and maintain, at its sole expense, and throughout the term of this Agreement and any extension thereof, Public Liability and Property Damage Insurance coverage for owned and non-owned automotive equipment operated on City premises. Such coverage limits shall not be less than \$1,000,000 combined single limit.

(f) The Consultant shall procure and maintain, at its sole expense, Workers' Compensation Insurance in such amounts as will fully comply with the laws of the State of California and which shall indemnify, insure and provide legal defense for both the Consultant and the City, the State, MVHA, CSD, WRCOG, EMWD, and RCFC & WCD, against any loss, claim, or damage arising from any injuries or occupational diseases happening to any worker employed by the Consultant in the course of carrying out the Agreement.

**AGREEMENT FOR PROFESSIONAL CONSULTANT SERVICES
PROJECT NO. 801 0038 70 77
[FORMERLY PROJECT NO. 07-41570024]**

(g) A Certificate of Insurance, or an appropriate insurance binder evidencing the above insurance coverage shall be submitted to the City Clerk prior to the execution of this Agreement on behalf of the City.

(h) The Certificate of Insurance or an appropriate binder shall bear an endorsement containing the following provisions:

"Solely as respect to services done by or on behalf of the named insured for the City of Moreno Valley, it is agreed that the City of Moreno Valley, the Moreno Valley Housing Authority (MVHA), the Moreno Valley Community Services District (CSD), the Western Riverside Council of Governments (WRCOG), the State of California, Eastern Municipal Water District (EMWD), and Riverside County Flood Control and Water Conservation District (RCFC & WCD), their officers, employees and agents are included as additional insured under this general liability policy and the coverage(s) provided shall be primary insurance and not contributing with any other insurance available to the City of Moreno Valley, the Community Redevelopment Agency of the City of Moreno Valley, the Moreno Valley Community Services District and Western Riverside Council of Governments, its officers, employees and agents, under any third party liability policy."

(i) Insurance companies providing insurance hereunder shall be rated (A minus: VII - Admitted) or better in Best's Insurance Rating Guide and shall be legally licensed and qualified to conduct insurance business in the State of California.

(j) The terms of the insurance policy or policies issued to provide the above insurance coverage shall not be amended to reduce the above required insurance limits and

AGREEMENT FOR PROFESSIONAL CONSULTANT SERVICES
PROJECT NO. 801 0038 70 77
[FORMERLY PROJECT NO. 07-41570024]

coverages nor shall such policies be canceled by the carrier without thirty (30) days prior written notice by certified or registered mail of amendment or cancellation to the City, except that cancellation for non-payment of premium shall require ten (10) days prior written notice by certified or registered mail. In the event the said insurance is canceled, the Consultant shall, prior to the cancellation date, submit to the City Clerk new evidence of insurance in the amounts established.

17. During the performance of this Agreement, the Consultant will not unlawfully discriminate against any employee or applicant for employment because of race, religion, creed, color, national origin, sex, or age. The Consultant will take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, religion, creed, color, national origin, sex, or age.

18. Consultant and subconsultants shall pay prevailing wage rates when required by the Labor Laws of the State of California.

19. (a) The Consultant shall deliver to the Public Works Director/City Engineer of the City or his designated representative, in both hard copy and electronic format, fully completed and detailed project-related documents which shall become the property of the City. The Consultant may retain, for its files, copies of any and all material, including drawings, documents, and specifications, produced by the Consultant in performance of this Agreement. It shall be understood that the City shall be the owner of all project-related documents and drawings at all times and during all phases of the project.

(b) The Consultant shall be entitled to copies of all furnished materials for his files and his subconsultants, if any.

AGREEMENT FOR PROFESSIONAL CONSULTANT SERVICES
PROJECT NO. 801 0038 70 77
[FORMERLY PROJECT NO. 07-41570024]

(c) The City agrees to hold the Consultant free and harmless from any claim arising from any unauthorized use of computations, maps, and other documents prepared or provided by the Consultant under this Agreement, if used by the City on other projects without the permission of the Consultant. Consultant acknowledges that Consultant work product produced under this agreement may be public record under State law.

20. (a) The City may terminate this Agreement without fault on the part of Consultant by giving at least ten (10) days written notice to the Consultant. The written notice shall specify the date of termination. Upon receipt of such notice, the Consultant may continue services on the project through the date of termination, provided that no service(s) shall be commenced or continued after receipt of the notice, which is not intended to protect the interest of the City. The City shall pay the Consultant within thirty (30) days after the date of termination for all non-objected to services performed by the Consultant in accordance herewith through the date of termination. Such termination may be effective immediately.

(b) Upon notice of termination, the Consultant shall deliver to the Public Works Director/City Engineer of the City or his designated representative, in both hard copy and electronic format, fully completed and detailed project-related documents which shall become the property of the City. The Consultant may retain for its files copies of any and all materials, including drawings, documents, and specifications produced by the Consultant in performance of this Agreement. It shall be understood that the City shall be the owner of all project-related documents and drawings, regardless of the completeness of said documents.

(c) The Consultant shall be entitled to copies of all furnished materials for his files and his subconsultants, if any.

AGREEMENT FOR PROFESSIONAL CONSULTANT SERVICES
PROJECT NO. 801 0038 70 77
[FORMERLY PROJECT NO. 07-41570024]

(d) The City agrees to hold the Consultant free and harmless from any claim arising from any unauthorized use of computations, maps, and other documents prepared or provided by the Consultant. Consultant acknowledges that Consultant work product produced under this Agreement may be public record under State law.

(e) Either party may terminate this Agreement for cause. In the event the City terminates this Agreement for cause, the Consultant shall perform no further service(s) under the Agreement unless the notice of termination authorizes such further work.

21. This Agreement is binding upon the City and the Consultant and their successors and assigns. Except as otherwise provided herein, neither the City nor the Consultant shall assign, sublet, or transfer its interest in this Agreement or any part thereof without the prior written consent of the other.

22. A City representative shall be designated by the City and a Consultant representative shall be designated by the Consultant. The City representative and the Consultant representative shall be the primary contact person for each party regarding performance of this Agreement. The City representative shall cooperate with the Consultant, and the Consultant's representative shall cooperate with the City in all matters regarding this Agreement and in such a manner as will result in the performance of the services in a timely and expeditious fashion.

23. This Agreement represents the entire and integrated Agreement between the City and the Consultant, and supersedes all prior negotiations, representations or Agreements, either written or oral. This Agreement may be modified or amended only by a subsequent written Agreement signed by both parties.

24. Where the payment terms provide for compensation on a time and materials basis, the Consultant shall maintain adequate records to permit inspection and audit of the Consultant's

**AGREEMENT FOR PROFESSIONAL CONSULTANT SERVICES
PROJECT NO. 801 0038 70 77
[FORMERLY PROJECT NO. 07-41570024]**

time and materials charges under this Agreement. The Consultant shall make such records available to the City at the Consultant's office during normal business hours upon reasonable notice. Nothing herein shall convert such records into public records. Except as may be otherwise required by law, such records will be available only to the City. Such records shall be maintained by the Consultant for three (3) years following completion of the services under this Agreement.

25. The City and the Consultant agree, that to the extent permitted by law, until final approval by the City, all data shall be treated as confidential and will not be released to third parties without the prior written consent of both parties.

26. The Consultant shall employ no City official or employee in the work performed pursuant to this Agreement. No officer or employee of the City shall have any financial interest in this Agreement in violation of federal, state, or local law.

27. All Plans, drawings, Specifications, reports, logs, and other documents prepared by the Consultant in its performance under this Agreement shall, upon completion of the project, be delivered to and be the property of the City, provided that the Consultant shall be entitled, at its own expense, to make copies thereof for its own use.

28. The laws of the State of California shall govern the rights, obligations, duties, and liabilities of the parties to this Agreement, and shall also govern the interpretation of this Agreement.

SIGNATURE PAGE FOLLOWS

**AGREEMENT FOR PROFESSIONAL CONSULTANT SERVICES
PROJECT NO. 801 0038 70 77
[FORMERLY PROJECT NO. 07-41570024]**

IN WITNESS HEREOF, the parties have each caused their authorized representative to execute this Agreement.

City of Moreno Valley

Coory Engineering

BY: Michelle Dawson
for
City Manager

BY: Samir M. Khoury 9/28/12
Samir M. Khoury, PE

DATE: 10/3/12

TITLE: Owner
Sole Proprietor

INTERNAL USE ONLY

APPROVED AS TO LEGAL FORM:

Suzanne Bryant
Deputy
City Attorney
October 3, 2012
Date

RECOMMENDED FOR APPROVAL:

[Signature]
Department Head
10/4/12
Date

- Enclosures: Exhibit "A" – City's Request for Proposal
Exhibit "B" – Consultant's Proposal
Exhibit "C" – City's Responsibility
Exhibit "D" – Terms of Payment

**REQUEST FOR PROPOSAL
FOR PROFESSIONAL CONSULTANT CONSTRUCTION SURVEYING SERVICES
SR-60 / MORENO BEACH DRIVE PHASE 1 IMPROVEMENTS PROJECT
FOR
THE CITY OF MORENO VALLEY'S CAPITAL PROJECTS DIVISION
EA 08-32301
PROJECT ACCOUNT NO.797.79731**

I. INVITATION

You are hereby invited to submit a Proposal for Professional Consultant Construction **Surveying Services** associated with the SR-60 / MORENO BEACH DRIVE PHASE 1 IMPROVEMENTS PROJECT as shown on the Plans and Specifications.

Five (5) copies (one of the copies will be unbound and paper clipped, with no tabs, holes, perforations, or cardboard inserts, suitable for copying with an automatic-feed copy machine and one copy shall be on compact disk) of your Proposal shall be submitted no later than **5:00p.m, August 1, 2012** addressed to Capital Projects Division, 14177 Frederick Street (hand delivery), P.O. Box 88005, Moreno Valley, California 92552-0805 (mail delivery), Attention: Margery Lazarus, Senior Engineer, PE.

II. PROJECT DESCRIPTION

The SR-60/Moreno Beach Drive Phase-1 project site is located at the State Route (SR) 60 Interchange and Moreno Beach Drive in the City of Moreno Valley, CA. The work of this project generally includes realigning the SR-60/Moreno Beach eastbound off-and-on-ramps, adding an eastbound auxiliary lane, installation of a new traffic signal at the new intersection of the eastbound ramps and Moreno Beach Drive, adding a retaining wall, adding ramp metering, extension of Eucalyptus Avenue to Moreno Beach Drive, modification of the traffic signal at the intersection of Eucalyptus Avenue and Moreno Beach Drive, coordination of utility relocations, irrigation, and related work. The work lies within State of California (Caltrans) right of way. The work includes earthwork, grading, Asphalt Concrete (AC) paving, concrete retaining walls, roadway excavation, imported borrow, drainage pipes and minor concrete structures, concrete curb and gutter, traffic control, signing, striping, traffic and ramp meter signals, irrigation, erosion control, EMWD water line relocation, overhead SCE relocation, and related work.

III. PROJECT BUDGET AND SCHEDULE

The City of Moreno Valley will fund the construction with Local Funds consisting of TUMF and Successor Agency to RDA Funds (Account 797.79731).

The Consultant shall be required to meet or exceed the following timeline for this contract:

Anticipated Award of Consultant Contract	September 2012
Public Bid for SR-60/Moreno Beach Phase 1 Construction Contract	July 2012
Award of Construction Contract	October 2012
Construction Duration for SR-60/Moreno Beach Phase 1	189 Working Days (9 months)

Exhibit "A"

**REQUEST FOR PROPOSAL FOR
PROFESSIONAL CONSULTANT SERVICES
PROJECT NO. 07-41570024
Page 2 of 12**

IV. SCOPE OF ENGINEERING SERVICES

The selected Consultant will be required to have personnel available for assignment to this project who have successfully provided professional services as it relates to all activities of public works construction surveying. . The Consultant selected shall provide Construction Surveying Services with personnel trained and experienced in survey layout for construction of public works improvements and, particularly, Caltrans.. The project is located within Caltrans Right of Way and all Surveying methods, procedures, frequencies shall comply with the contract specifications, and Caltrans Surveying Manuals and Guidelines. The minimum experience required includes five (5) years of construction surveying on increasingly complex public works and Caltrans projects. The Consultant firm selected must also provide all equipment and supplies necessary to perform the surveying services for the construction of the improvements and support services necessary to complete the scope of work. It is expected that the Consultant selected to fulfill this contract will be able to provide qualified personnel on an on-demand basis with 48-hour notice for construction surveying for the duration of the construction project and, as necessary, to close out the project.

The Consultant must have recent experience working within the Caltrans Right of Way and shall be required to follow all Caltrans safety procedures when executing the work. The Consultant surveyors shall be familiar with the industry standards of practice for the execution of quality public works construction projects and shall be able to understand and interpret public works construction plans and specifications; Caltrans Standard Plans and Specifications; City codes, ordinances and standards; Eastern Municipal Water District (EMWD) standards; Riverside County Flood Control and Water Conservation District (RCFCD) standards; and California Occupational Safety and Health Administration (OSHA) Construction Safety Orders. The Consultant surveyors shall be able to interact professionally with contractors, engineers, inspectors , property owners, business owners, and the public at large; coordinate with other City personnel, Caltrans personnel and consultants; promote quality customer service and a professional image of the City; and respond promptly and courteously to requests. The Consultant surveyors personnel shall be able to follow verbal and written instructions and communicate clearly and concisely, both orally and in writing.

The Consultant surveyors personnel must be under the responsible charge of a person registered by the California State Board of Registration for Professional Engineers and Land Surveyors as a Land Surveyor. (Registration as a Civil Engineer prior to 1982 may be substituted for the registration as a Land Surveyor).

Please be reminded that the Consultant is required to have a current City business license if the firm is awarded the work.

The Consultant shall provide public works construction surveying services to generally include, but not limited to, the following:

- Attend the pre-construction meeting
- Establish and confirm horizontal and vertical control, as required.
- Set monument ties, prior to the beginning of construction, all monuments must be researched, tied out, and submitted to the Project Engineer. Monuments that are destroyed during construction shall be replaced per the 1997 Land Survey Act,

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Article 4, Section 464-Corner Record. Ties shall be submitted per the City of Moreno Valley Tie-Out Standard 601C and 601D on Mylar. Original monument tie-out sheets, corner records, and/or record of survey shall be provided to the City prior to the release of the final progress Payment. Assume two (2) monuments will need to be set for this project.

- Construction staking shall consist of stakes for proposed roadways, waterline improvements, utility improvements, storm drain improvements, cross gutter, sidewalk, concrete curb and gutter, AC pavement limits and grade control, AC berm (or dike), traffic signal equipment locations, fence, wall and related improvements as shown on the plans. Re-staking is to be identified separately on the invoice. Ten (10) trips for on-site re-staking time (allow a maximum of two hours per trip) should be estimated for Proposal purposes.
- Construction Surveying deliverables require performing construction surveying in accordance with the Caltrans Construction Manual, Caltrans Standard Plans, Caltrans Surveying Manual, and the various industry standards stated above in the "Scope of Engineering Services."
- The required work effort will ultimately be initiated through an itemized survey request from the City's Consultant Resident Engineer. The City expects the consultant's field response time to each survey request not to exceed 48 hours as specified in the Caltrans Standard Specifications.

SUBMITTAL SCHEDULE

Proposals Due	5:00 p.m., August 1, 2012
Consultant Selection	On or before September 4, 2012
Notice to Proceed (Tentative)	Week of September 18, 2012

V. CONSULTANT'S PROPOSAL AND COMPENSATION

The Consultant's Proposal shall be no more than 20 pages, excluding a cover letter of up to two pages, dividers, and certificates. Proposals failing to provide sufficient information and assurances of performance to accurately assess each category of the required services and failing to comply with requirements and conditions of the RFP will not be given further consideration. The Consultant's Proposal shall include the following:

- A. A statement that this Request For Proposal shall be incorporated in its entirety as a part of the Consultant's Proposal.
- B. A statement that this Request For Proposal and the Consultant's Proposal will jointly become part of the Agreement for Professional Consultant Services for this project when said Agreement is fully executed by the Consultant and the Mayor or City Manager of Moreno Valley.
- C. A statement that the Consultant's Services to be provided, and fees therefore, will be in accordance with the City's Request For Proposal except as otherwise specified in the Consultant's Proposal under the heading "ADDITIONS OR EXCEPTIONS TO THE CITY'S REQUEST FOR PROPOSAL."

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- D. A single and separate section with the heading "ADDITIONS OR EXCEPTIONS TO THE CITY'S REQUEST FOR PROPOSAL" containing a complete and detailed description of all of the exceptions to the provisions and conditions of this Request for Proposal upon which the Consultant's Proposal is contingent and which shall take precedence over this Request For Proposal.
- E. A statement of qualifications applicable to this project including the names, qualifications and proposed duties of the Consultant's Staff to be assigned to this project; a listing of recent similar projects completed including the names, titles, addresses and telephone numbers of the appropriate persons whom the City could contact. If one or more of the Consultant's staff should become unavailable, the Consultant may substitute other staff of at least equal competence only after prior written approval by the City.
- F. A resource allocation matrix must be submitted with the Proposal. The resource allocation matrix shall list detailed tasks in rows and the appropriate individual (Job Title Only) as well as the number of hours that these individuals will be working on each task listed, included in adjacent columns. The resource allocation matrix is required of both the primary consultant, as well as any sub-consultant. . Failure to do so will result in the Consultant's Proposal being deemed incomplete and it will not receive further consideration. Title Reports shall be a separate line item under the right-of-way task. Construction support services Consultants are not required to provide a Project Schedule with milestones.
- G. A rate schedule must be submitted with the proposal. The rate schedule must list titles, names, roles, and hourly billing rates in rows. A statement that said hourly rate schedules in part of the Consultant's Proposal for use in invoicing for progress payments and for extra work incurred shall also be included. All extra work will require prior approval from the City. **COST PROPOSAL DETAILS MUST BE IN A SEALED ENVELOPE.**
- H. A statement of sub-consultant's qualifications (including relief personnel) applicable to this project including the names, qualifications and proposed duties of the sub-consultant's staff to be assigned to this project; a listing of recent similar projects completed including the names, titles, addresses, and telephone numbers of the appropriate persons whom the City could contact.

A statement that the Consultant acknowledges and understands that the consultant will not be allowed to change a sub-consultant without written permission from the City.
- I. A statement that all charges for Consultant (construction) services is a "Not-to-Exceed Fee" which must include conservatively estimated reimbursable expenses, as submitted with and made a part of said Consultant's Proposal.
- J. A statement that the Consultant will document and provide the results of the work to the satisfaction of the City. This may include preparation of field and final reports or similar evidence of attainment of the Agreement objectives.

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- K. A statement that the Consultant will immediately document and notify the City of any defects or hazardous conditions observed in the vicinity of the project site prior, during, or after the construction work.
- L. A copy of the Consultant's hourly rate schedule and a statement that said hourly rate schedule is part of the Consultant's Proposal for use in invoicing for progress payments and for extra work incurred that is not part of this Request For Proposal. **An itemized cost breakdown for the work described herein must be submitted in a separate sealed envelope as part of your Proposal submittal.** All extra work will require prior approval from the City. . The City requests the consultant to provide in the proposal the number of hours on the job, in addition to the cost proposal. The Cost Proposal must be in a sealed envelope.
- M. A statement that the Consultant will not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin.
- N. A statement that all federal laws and regulations shall be adhered to notwithstanding any state or local laws and regulations. In a case of conflict between federal, state or local laws or regulations the strictest shall be adhered to.
- O. A statement that the Consultant shall allow all authorized federal, state, county, and City officials access to place of work, books, documents, papers, fiscal, payroll, materials, and other relevant contract records pertinent to this specific project. All relevant records shall be retained for at least three years.
- P. A statement that the Consultant shall comply with the Davis-Bacon Fair Labor Standards Act (40 USC 276-a through a-7), and the implementation regulations issued pursuant thereto (29 CFR Section 1, 5), any amendments thereof and the California Labor Code. Pursuant to the said regulations, entitled "Federal Labor Standards Provisions," Federal Prevailing Wage Decision" and State of California prevailing wage rates, respectively.
- Q. A statement that the Consultant shall comply with the Copeland Anti-Kickback Act (18 USC 874) and the Implementation Regulation (29 CFR 3) issued pursuant thereto, and any amendments thereof.
- R. A statement that the Consultant offers and agrees to assign to the City all rights, title, and interest in and to all causes of action it may have under Section 4 of the Clayton Act (15 USC Sec. 15) or under the Cartwright Act (Chapter 2 [commencing with Section 16700] of Part 2 of Division 7 of the Business and Professions Code), arising from purchases of goods, services, or materials pursuant to the public works or the subcontract. This assignment shall be made and become effective at the time the City tenders final payment to the Consultant, without further acknowledgment by the parties.
- S. This solicitation and resultant Contract is not financed in whole or part with federal funds, but the City encourages Bidders to follow Title 49, Code of Federal Regulations, Part 26 (49 CFR 26) entitled "Participation by Disadvantaged Business Enterprises in Department of Transportation Financial Assistance Programs."

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Bidders who obtain DBE participation on this Contract will assist the City in meeting its DBE goals for the Project.

DBEs and other small businesses are strongly encouraged to participate in the performance of this Contract. The City encourages Bidders to give DBEs and other small businesses the opportunity to participate in the performance of the Work that is the subject of this solicitation and to take all necessary and reasonable steps for this assurance. The Bidder shall not discriminate on the basis of race, color, national origin, sex, age, or physical or mental disability, sexual orientation or retaliation in the award and performance of subcontracts.

A Race Neutral program is one that, while benefiting DBEs, is not solely focused on DBE firms. A Race Neutral program utilizes measures that can assist a wide variety of small businesses, including DBEs, such as arranging solicitations, times for the presentation of proposals, quantities, specifications, and delivery schedules in ways that facilitate DBE and other small business participation (e.g., unbundling large contracts to make them more accessible to small businesses, requiring or encouraging prime contractors to subcontract portions of work that they might otherwise perform with their own forces). Race Neutral DBE participation includes: a DBE obtaining a prime contract through customary competitive procurement procedures; a DBE being awarded a subcontract on a prime contract, whether or not the prime contract has a DBE goal; and a DBE being awarded a subcontract from a prime contractor that did not consider its DBE status in making the award.

The Consultant is encouraged to include DBE firms in the proposal. Complete the forms listed in "Attachments" at the end of this RFP.

VI. GENERAL COMPLIANCE WITH LAWS AND WAGE RATES

- A. The Consultant shall be required to comply with all federal, state, and local laws and ordinances applicable to the work. This includes compliance with prevailing wage rates and their payment in accordance with California Labor Code, Section 1775.
- B. The Consultant is required to submit certified payrolls weekly. This applies to all applicable field personnel working on the project. In accordance with Section 1771.5 (b) (5) of the California Labor Code, the City will withhold payments when the payroll records are delinquent or inadequate.

VII. FEDERAL EMPLOYEE BENEFIT

No member of, or delegate to, the Congress of the United States, and no Resident Commissioner shall be admitted to any share or part of the Agreement to the said project or to any benefit to arise from the same.

The Consultant shall complete and include the "Certification for Contracts, Grants, Loans, and Cooperative Agreements" and "Disclosure of Lobbying Activities" forms with the Proposal.

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VIII. PAYMENT TO CONSULTANT

- A. This work is to be performed for a "Not-to-Exceed Fixed Fee."
 - B. The Consultant shall provide a "Project Fee Schedule" indicating the fee for individual tasks with a "Not-to-Exceed Fixed Fee" which shall be the sum of all tasks, by part, phase, and milestone and shall be submitted in a separate sealed envelope with cost proposal.
 - C. Tasks shall include, but not be limited to, all Professional Consultant Services necessary to complete the work covered by this Proposal.
 - D. The City will pay the Consultant for work completed based on milestones completed and accepted by the City. These milestones are:
 - 1. Project Bidding, Advertise and Award.
 - 2. Any other additional authorized work on a task successfully completed and accepted monthly basis.
- The City shall make the sole and final determination if a milestone as described above is complete and acceptable for payment.
- E. Monthly invoices will specifically identify job title, person-hours, and costs incurred by each task.
 - F. Reimbursement costs such as mileage, printing, telephone, photographs, postage and delivery, are to be included in the "Not-to-Exceed Fee."
 - G. All tasks including labor and reimbursable costs such as mileage, printing, telephone, photographs, postage, and delivery shall have supporting documentation presented at the time payment is requested.
 - H. The City will pay the Consultant for all acceptable services rendered in accordance with the "Agreement for Professional Consultant Services."
 - I. When the Consultant is performing, or is requested to perform, work beyond the scope of service in the "Agreement for Professional Consultant Services," an "Amendment to the Agreement" will be executed between the City and Consultant.
 - J. The Consultant shall receive no compensation for any re-work necessary as result of the Consultant's errors or oversight.

IX. INSURANCE

- A. The Consultant shall provide Errors and Omissions Professional Insurance. Such coverage limits shall not be less than \$1,000,000 per claim and aggregate.

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PROJECT NO. 07-41570024
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- B. The Consultant shall have Public Liability and Property Damage Insurance in the amounts as follows:

	<u>GENERAL LIABILITY</u>	
Bodily Injury	\$1,000,000	per occurrence
Property Damage	\$ 1,000,000	per occurrence

A combined single limit policy with aggregate limits in the amount of \$2,000,000 will be considered equivalent to the above minimum limits.

- C. The Consultant shall have Public Liability and Property Damage Insurance coverage for owned and non-owned automotive equipment in the amount of not less than \$1,000,000.
- D. The Consultant shall have Workers' Compensation Insurance in the amounts that fully comply with the laws of the State of California and employer's liability insurance with limits of not less than \$1,000,000 each accident.
- E. A Certificate of Insurance or an appropriate binder shall bear an endorsement containing the following provisions:

"Solely as respect to services done by or on behalf of the named insured for the City of Moreno Valley, it is agreed that the City of Moreno Valley, the Moreno Valley Housing Authority (MVHA) , Western Riverside Council of Governments (WRCOG), and the Moreno Valley Community Services District, its officers, employees and agents are included as additional insured under this general liability policy and the coverage(s) provided shall be primary insurance and not contributing with any other insurance available to the City of Moreno Valley, the Moreno Valley Housing Authority , Western Riverside Council of Governments (WRCOG),and the Moreno Valley Community Services District, its officers and employees and agents, under any third party liability policy."

- F. Insurance companies providing insurance hereunder shall be rated (A minus: VII - Admitted) or better in Best's Insurance Rating Guide and shall be legally licensed and qualified to conduct insurance business in the State of California.
- G. The terms of the insurance policy or policies issued to provide the above insurance coverage shall not be amended to reduce the above required insurance limits and coverage's nor shall such policies be canceled by the carrier without thirty (30) days prior written notice by certified or registered mail of amendment or cancellation to the Agency, except that cancellation for non-payment of premium shall require ten (10) days prior written notice by certified or registered mail. In the event the said insurance is canceled, the Consultant shall, prior to the cancellation date, submit to the City Clerk new evidence of insurance in the amount established.
- H. It is the consultant's responsibility to ensure that all subconsultants comply with the following: Each subconsultant that encroaches within the City's right-of-way and

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affects (i.e., damages or impacts) City infrastructure must comply with the liability insurance requirements of the City's Land Development Division. Examples of such subconsultant work include soil sample borings, utility potholing, etc.

The "Application for Encroachment Permit" form (four pages), including "Application for Encroachment Permit Liability Insurance Requirements," is available in the Land Development Division and must be completed and submitted in full to the City.. It is the Consultant's responsibility to ensure that all subconsultants submit the appropriate encroachment permit and insurance documentation at the same time that the Consultant's insurance documentation is submitted.

X. INDEMNIFICATION

- A. To the maximum extent allowable by law, the Consultant, when functioning in the capacity of a design professional, agrees to indemnify, defend, and save the City, the City of Moreno Valley Housing Authority(MVHA), the Moreno Valley Community Services District (CSD), and the Western Riverside Council of Governments (WRCOG), their officers, agents and employees harmless from any and all liability, claims, demands, damages, or injuries to any person, including injury to the Consultant's employees and .all claims that arise out of, pertain to, or relate to the negligence, recklessness or willful misconduct of the Consultant, its officers, agents or employees, or its sub consultant(s) or any person acting for the Consultant or under its control or direction; provided, however, that this indemnification and hold harmless shall not include claims arising from the negligence or willful misconduct of the City, MVHA, CSD, and WRCOG; their officers, agents or employees.
- B. The consultant, when not functioning in the capacity of a design professional, agrees to indemnify, defend, and save the City, the Moreno Valley Housing Authority(MVHA), the Moreno Valley Community Services District (CSD), and the Western Riverside Council of Governments (WRCOG), their officers, agents and employees harmless 'from any and all liability, claims, demands, damages, or injuries to any person, including injury to the Consultant's employees and all claims which arise from or are connected with the negligent performance of or failure to perform the work or other obligations of the Consultant under this Agreement, or are caused or claim to be caused by the negligent acts of the Consultant, its officers, agents or employees, or its sub consultant(s) or any person acting for the Consultant or under its control or direction; provided, however, that this indemnification and hold harmless shall not include claims arising from the sole negligence or willful misconduct of the City, MVHA, CSD, and WRCOG, their officers, agents or employees.
- C. The City agrees to indemnify, defend and save the Consultant and their officers, agents and employees harmless from any and all liability, claims, damages or injuries to any person, including injury to the City's, MVHA, CSD's, and WRCOG's employees and all claims which arise from or are connected with the negligent performance or failure to perform the services or other obligations of the City under this Agreement, or are caused or claim to be caused by the negligent acts of the City, MVHA, CSD, and WRCOG, their officers, agents or employees, or its subcontractor(s) or any person acting for the City or under its control or direction;

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provided, however, that this indemnification and hold harmless shall not include any claims arising from the negligence or willful misconduct of the Consultant, its officers, agents or employees.

XI. TERMINATION FOR CONVENIENCE OF THE CITY

The City reserves the right to terminate the "Agreement for Professional Consultant Services" for the "convenience of the City" at any time by giving ten (10) days written notice to the Consultant of such termination and specifying the effective date thereof. All finished or unfinished drawings, maps, documents, field notes and other materials produced and procured by the Consultant under the said aforementioned Agreement is, at the option of the City, City property and shall be delivered to the City by the Consultant within ten (10) working days from the date of such termination. The City will reimburse the Consultant for all acceptable work performed as set forth in the executed Agreement.

XII. INDEPENDENT CONTRACTOR

The Consultant's relationship to the City in the performance of the Consultant's services for this project is that of an independent Contractor. The personnel performing said Construction Materials Testing & Geotechnical Services shall at all times be under the Consultant's exclusive direction and control and shall be employees of the Consultant and not employees of the City. The Consultant shall pay all wages, salaries and other amounts due his employees in connection with the performance of said work and shall be responsible for all employee reports and obligations, including but not necessarily restricted to, social security, income tax withholding, unemployment compensation, and Workers' Compensation.

XIII. CONTRACT

The Contract includes the Agreement for Professional Consultant Services, City's Request for Proposal, Consultant's Proposal, and Exhibits.

The Political Reform Act and the City's Conflict of Interest Code require that consultants be considered as potential filers of Statements of Economic Interest. Consultants, as defined by Section 18701, may be required to file an Economic Interest Statement (Form 700) within 30 days of signing a Consultant Agreement with the City, on an annual basis thereafter if the contract is still in place, and within 30 days of completion of the contract.

XIV. GENERAL CONDITIONS

A. Pre-contractual expenses are defined as expenses incurred by the Consultant in: (1) preparing the Proposal; (2) submitting the Proposal to the City; (3) presentation during selection interview; (4) negotiating with the City any matter related to this Proposal; (5) any other expenses incurred by the Consultant prior to an executed Agreement.

The City shall not, in any event, be liable for any pre-contractual expenses incurred by the Consultant.

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- B. The City reserves the right to withdraw this RFP at any time without prior notice. Further, the City makes no representations that any Agreement will be awarded to any Consultant responding to this RFP. The City expressly reserves the right to postpone reviewing the Proposals for its own convenience and to reject any and all Proposals responding to this RFP without indicating any reasons for such rejection(s).
- C. The City reserves the right to reject any or all Proposals submitted. Any Contracts awarded for these Consultant engagements will be made to the Consultant who, in the opinion of the City, is best qualified.

XV. SELECTION CRITERIA

It is the City's intent to select and utilize one Consultant firm for the project. The City may award the services in part and/or phases. The Consultant may be invited to a selection interview. The Proposals will be rated/ranked according to the following criteria:

- A. The Firm's General Experience and Qualification Information (20 points) – Information about the company (and all sub-consultants) including professional licenses held; ability to furnish required insurance and meet stipulations of the City's "boiler plate" agreement; details about comparable projects completed by the firm, as well as local experience; and its ability to provide the required services in an efficient and expeditious manner.
- B. Experience of Key Personnel (40 points) – Background on key personnel (including all sub-consultants) qualifications, abilities, familiarity with state and federal procedures, local experience on comparable projects and length of service with the firm, reference information preferably with municipal agencies, and proven track record and depth of understanding/knowledge of the proposed Project Manager and key personnel.
- C. Project Approach/Understanding (40 points) – Understanding of Project, discussion of major issues identified on the project and how the consultant team plans to address them; the management approach and organization necessary to complete the specific project; and outline quality control measures to ensure delivery of a quality product on time and within budget that provides a cost efficient, timely and predictable execution of the project construction.

XVI. Other Requirements

- A. Conflict of Interest
 - 1. The Consultant shall disclose any financial, business, or other relationship with City that may have an impact upon the outcome of this contract, or any ensuing City Construction project. The Consultant shall also list current clients who may have financial interest in the outcome of this Agreement, or any ensuing City construction project, which will follow.

**REQUEST FOR PROPOSAL FOR
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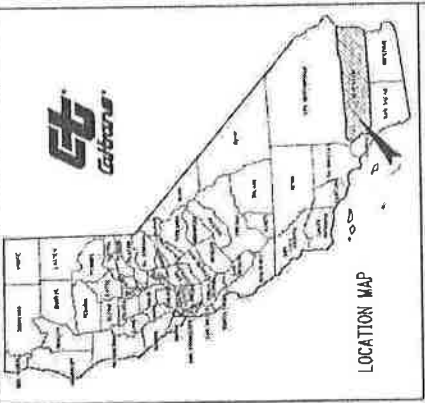
2. The Consultant hereby certifies that it does not now have, nor shall it acquire any financial or business interest that would conflict with the performance of services under this Agreement.
3. Any subcontract in excess of \$25,000 entered into as a result of this Agreement, shall contain all of the provisions of this Agreement.
4. The Consultant hereby certifies that neither the Consultant, its employees, nor any firm affiliated with the Consultant providing services on this project prepared the Plans, Specifications, and Estimates for any construction project included within this contract . An affiliated firm is one, which is subject to the control of the same persons through joint-ownership, or otherwise.
5. The Consultant further certifies that neither Consultant, nor any firm affiliated with the Consultant, will bid on any construction subcontracts included within the construction contract. Additionally, Consultant certifies that no person working under this Agreement is also employed by the construction contractor for any project included within this agreement.
6. Except for subcontractors whose services are limited to materials testing, no subcontractor who is providing services on this Agreement shall have provided services on the design of any project within this contract.

Attachments (incorporated by reference)

Attachment "A"	Plan Title Sheet
Attachment "B"	City Standard Consultant Agreement (no changes to this agreement will be allowed)
Attachment "C"	Caltrans/City Cooperative Agreement for SR-60Moreno Beach Drive Phase-1 Improvements
Attachment "D"	Disclosure of Lobbying Activities (Form LLL)
Attachment "E"	List of Subconsultants
Attachment "F"	Proposer's List of Subconsultants (DBE and Non-DBE) Parts I and II
Attachment "G"	Exhibit 10-02- Local Agency Proposer DBE Information
Attachment "H"	Compilation of Plans based on current status of completion - CD available upon request

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Sheet	08	County	RIV	Route	60	Date	18.8/19.6	Sheet	1	of	155
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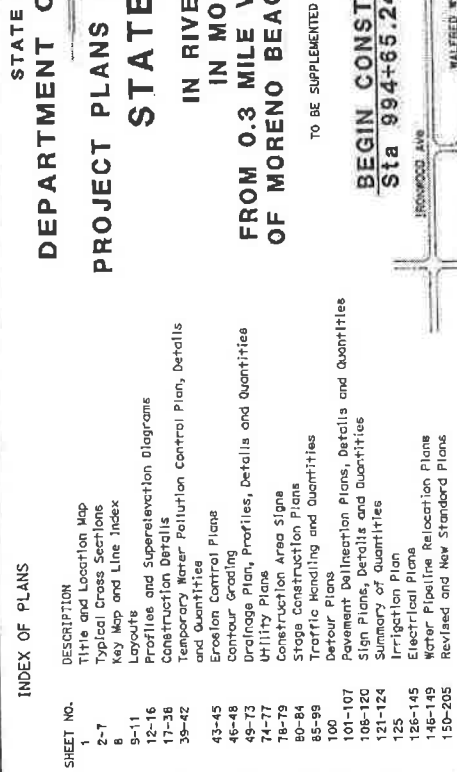


STATE OF CALIFORNIA
 DEPARTMENT OF TRANSPORTATION
 PROJECT PLANS FOR CONSTRUCTION ON
 STATE HIGHWAY
 IN RIVERSIDE COUNTY
 IN MORENO VALLEY
 FROM 0.3 MILE WEST TO 0.4 MILE EAST
 OF MORENO BEACH DRIVE OVERCROSSING

TO BE SUPPLEMENTED BY STANDARD PLANS DATED MAY 2006

BEGIN CONSTRUCTION
 Sta 994+65.24 PM 18.8

END CONSTRUCTION
 Sta 1030+40.00 PM 19.6



STRUCTURE PLANS
 206-211 Retaining Wall RW 3605R

APPROVED AS TO LIMITS ON STATE FACILITIES AND CONFORMANCE WITH APPLICABLE STATE STANDARDS AND METERS AND DATE TECHNICAL OVERSIGHT WAS PERFORMED	REGISTRATION NO.	12/31/12	DATE SIGNED
DAVID SPEIRS	CG0986		

PLANS APPROVAL DATE: 08/25/12
 PROJECT ENGINEER: DAVID SPEIRS
 PROJECT NO.: 08-323014
 CONTRACT NO.: 08-00000593
 PROJECT NUMBER & PHASE: 0800000593
 UNIT 2232

PROJ. NO. 08-323014
 DATE PLOTTED: 8/22/2012
 TIME PLOTTED: 11:43

PROJ. NO. 08-323014
 DATE PLOTTED: 8/22/2012
 TIME PLOTTED: 11:43

PROJ. NO. 08-323014
 DATE PLOTTED: 8/22/2012
 TIME PLOTTED: 11:43

NO SCALE

THE CONTRACTOR SHALL POSSESS THE CLASS (OR CLASSES) OF LICENSE AS SPECIFIED IN THE "NOTICE TO BIDDERS."

BORDER LAST REVISED 1/2/2010 CALTRANS WEB SITE IS: [HTTP://WWW.DOT.CA.GOV/](http://www.dot.ca.gov/)

NO SCALE

NO SCALE

NO SCALE

NO SCALE

NO SCALE

NO SCALE

NO SCALE

NO SCALE

NO SCALE

NO SCALE

NO SCALE

Attachment "A"

**AGREEMENT FOR PROFESSIONAL
CONSULTANT SERVICES
TRANSPORTATION UNIFORM MITIGATION FEE (TUMF) - ZONAL
PROJECT NO. XX-XXXXX**

This Agreement is by and between the City of Moreno Valley, California, a municipal corporation, hereinafter described as "City," and **Consultant Company**, a (California corporation, partnership, sole ownership) hereinafter described as "Consultant." This Agreement is made and entered into effective on the date the City signs this Agreement.

RECITALS

WHEREAS, the City has determined it is in the public interest to proceed with the work hereinafter described as "Project"; and

WHEREAS, the City has determined the Project involves the performance of professional and technical services of a temporary nature as more specifically described in Exhibit "A" (City's Request for Proposal) and Exhibit "B" (Consultant's Proposal) hereto; and

WHEREAS, the City does not have available employees to perform the services for the Project; and

WHEREAS, the City has requested the Consultant to perform such services for the Project; and

WHEREAS, the Consultant is professionally qualified in California to perform the professional and technical services required for the Project;

THEREFORE, the City and the Consultant, for the consideration hereinafter described, mutually agree as follows:

Attachment "B"

**AGREEMENT FOR PROFESSIONAL
CONSULTANT SERVICES
PROJECT NO. XX-XXXX**

DESCRIPTION OF PROJECT

1. The project is described as professional consultant _____ services for:

Project Name

Project No. XX-XXXX

SCOPE OF SERVICES

2. The Consultant's scope of service is described on Exhibit "B" attached hereto and incorporated herein by this reference. In the event of a conflict, the City's Request for Proposal shall take precedence over the Consultant's Proposal.

3. The City's responsibility is described on Exhibit "C" attached hereto and incorporated herein by this reference.

PAYMENT TERMS

4. The City agrees to pay the Consultant and the Consultant agrees to receive a "Not-to-Exceed" fee of \$_____ in accordance with the payment terms provided on Exhibit "D" attached hereto and incorporated herein by this reference.

TERM OF AGREEMENT

5. This agreement will terminate on **Month Date, Year** unless the termination date is extended by an amendment to the agreement.

TIME FOR PERFORMANCE

6. The Consultant shall commence services upon receipt of written direction to proceed from the City.

7. The Consultant shall perform the work described on Exhibit "A" in accordance with the schedule set forth in Exhibit "E" attached hereto and incorporated by this reference.

Or

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7. The Consultant shall perform the work described on Exhibit "A" in accordance with the design/construction schedule as stated in the Notice to Proceed.

8. The Consultant and the City agree that the schedule in Paragraph 7 above represents their best estimates with respect to completion dates, and both the Consultant and the City acknowledge that it will not unreasonably withhold approval of the Consultant's requests for extensions of time in which to complete the work required of the Consultant hereunder.

9. The Consultant shall not be responsible for performance delays caused by others or delays beyond the Consultant's reasonable control, and such delays shall extend the time for performance of the work by the Consultant. Delays caused by non-performance or unjustified delay in performance by a subconsultant of the Consultant are not considered to be beyond the Consultant's reasonable control.

10. (a) The Consultant agrees that the personnel, including the principal Project manager, and all subconsultants assigned to the Project by the Consultant, shall be subject to the prior approval of the City.

(b) No change in subconsultants or key personnel shall be made by the Consultant without written prior approval of the City.

SPECIAL PROVISIONS

11. It is understood and agreed that the Consultant is, and at all times shall be, an independent contractor and nothing contained herein shall be construed as making the Consultant or any individual whose compensation for services is paid by the Consultant, an agent or employee of the City, or authorizing the Consultant to create or assume any obligation or liability for or on behalf of the City.

12. The Consultant may also retain or subcontract for the services of other necessary

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consultants with the prior written approval of the City. Payment for such services shall be the responsibility of the Consultant. Any and all subconsultants employed by the Consultant shall be subject to the terms and conditions of this Agreement, except that the City shall have no obligation to pay any subconsultant for services rendered on the Project.

13. The Consultant and the City agree to use reasonable care and diligence to perform their respective services under this Agreement. Unless hereinafter specified, neither party shall be responsible for the services of the other or any subcontractor or sub-consultant employed by the other party.

14. The Consultant shall comply with applicable federal, state, and local laws in the performance of work under this Agreement.

[for Non-design contracts]

15. (a) The Consultant agrees to indemnify, defend, and save the City, the Community Redevelopment Agency of the City of Moreno Valley (RDA), the Moreno Valley Community Services District (CSD) and the Western Riverside Council of Governments (WRCOG), their officers, agents and employees harmless from any and all liability, claims, demands, damages, or injuries to any person, including injury to the Consultant's employees and all claims which arise from or are connected with the negligent performance of or failure to perform the work or other obligations of the Consultant under this Agreement, or are caused or claim to be caused by the negligent acts, recklessness or willful misconduct of the Consultant, its officers, agents or employees, or its subconsultant(s) or any person acting for the Consultant or under its control or direction.

(b) The City agrees to indemnify, defend and save the Consultant and their officers, agents and employees harmless from any and all liability, claims, damages or injuries to

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any person, including injury to the City's, RDA's, CSD's, and WRCOG's employees and all claims which arise from or are connected with the negligent performance or failure to perform the services or other obligations of the City under this Agreement, or are caused or claim to be caused by the negligent acts, recklessness or willful misconduct of the City, RDA, CSD and WRCOG, their officers, agents or employees, or its subcontractor(s) or any person acting for the City or under its control or direction.

Or [for Design contracts]

15. (a) To the maximum extent allowable by law, the Consultant agrees to indemnify, defend, and save the City, the Community Redevelopment Agency of the City of Moreno Valley (RDA), the Moreno Valley Community Services District (CSD) and the Western Riverside Council of Governments (WRCOG), their officers, agents and employees harmless from any and all liability, claims, demands, damages, or injuries to any person, including injury to the Consultant's employees and all claims that arise out of, pertain to, or relate to the negligence, recklessness or willful misconduct of the Consultant, its officers, agents or employees, or its subconsultant(s) or any person acting for the Consultant or under its control or direction; provided, however, that this indemnification and hold harmless shall not include claims arising from the negligence or willful misconduct of the City, RDA, CSD and WRCOG, their officers, agents or employees.

(b) The City agrees to indemnify, defend and save the Consultant and their officers, agents and employees harmless from any and all liability, claims, damages or injuries to any person, including injury to the City's, RDA's, CSD's, and WRCOG's employees and all claims which arise from or are connected with the negligent performance or failure to perform the services or other obligations of the City under this Agreement, or are caused or claim to be caused by the negligent acts of the City, RDA, CSD and WRCOG, their officers, agents or

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employees, or its subcontractor(s) or any person acting for the City or under its control or direction; provided, however, that this indemnification and hold harmless shall not include any claims arising from the negligence or willful misconduct of the Consultant, its officers, agents or employees.

Or [for Design/CM contracts]

15. (a) To the maximum extent allowable by law, the Consultant, when functioning in the capacity of a design professional, agrees to indemnify, defend, and save the City, the Community Redevelopment Agency of the City of Moreno Valley (RDA), the Moreno Valley Community Services District (CSD) and the Western Riverside Council of Governments (WRCOG), their officers, agents and employees harmless from any and all liability, claims, demands, damages, or injuries to any person, including injury to the Consultant's employees and all claims that arise out of, pertain to, or relate to the negligence, recklessness or willful misconduct of the Consultant, its officers, agents or employees, or its subconsultant(s) or any person acting for the Consultant or under its control or direction; provided, however, that this indemnification and hold harmless shall not include claims arising from the negligence or willful misconduct of the City, RDA, CSD, and WRCOG, their officers, agents or employees.

(b) The consultant, when not functioning in the capacity of a design professional, agrees to indemnify, defend, and save the City, the Moreno Valley Community Redevelopment Agency (RDA), the Moreno Valley Community Services District (CSD) and the Western Riverside Council of Governments (WRCOG), their officers, agents and employees harmless from any and all liability, claims, demands, damages, or injuries to any person, including injury to the Consultant's employees and all claims which arise from or are connected with the negligent performance of or failure to perform the work or other obligations of the Consultant under this Agreement, or are

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caused or claim to be caused by the negligent acts of the Consultant, its officers, agents or employees, or its subconsultant(s) or any person acting for the Consultant or under its control or direction; provided, however, that this indemnification and hold harmless shall not include claims arising from the sole negligence or willful misconduct of the City, RDA, CSD, and WRCOG, their officers, agents or employees.

(c) The City agrees to indemnify, defend and save the Consultant and their officers, agents and employees harmless from any and all liability, claims, damages or injuries to any person, including injury to the City's, RDA's, CSD's, and WRCOG's employees and all claims which arise from or are connected with the negligent performance or failure to perform the services or other obligations of the City under this Agreement, or are caused or claim to be caused by the negligent acts of the City, RDA, CSD, and WRCOG, their officers, agents or employees, or its subcontractor(s) or any person acting for the City or under its control or direction; provided, however, that this indemnification and hold harmless shall not include any claims arising from the negligence or willful misconduct of the Consultant, its officers, agents or employees.

16. (a) The Consultant shall procure and maintain, at its sole expense, throughout the term of this Agreement and any extension thereof, Professional Errors and Omission Insurance coverage in the form and substance and with carriers acceptable to the City. Such coverage limits shall not be less than \$1,000,000 per claim and aggregate.

(b) During the entire term of this Agreement, the Consultant agrees to procure and maintain General Liability Insurance in form and substance and with carriers acceptable to the City at its sole expense to protect against loss from liability imposed by law for damages on account of bodily injury, including death therefrom, suffered or alleged to be suffered by any

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person or persons whomever, resulting directly or indirectly from any act or activities of the Consultant its sub-consultant or any person acting for the Consultant or under its control or direction, and also to protect against loss from liability imposed by law for damages to any property of any persons caused directly or indirectly by or from acts or activities of the Consultant or its subconsultants, or any person acting for the Consultant or under its control or direction.

(c) Such Public Liability and Property Damage Insurance shall be maintained in full force and effect throughout the terms of the Agreement and any extension thereof in the minimum limits provided below:

<u>GENERAL LIABILITY</u>	
Bodily Injury	\$1,000,000 per occurrence
Property Damage	\$ 500,000 per occurrence

A combined single limit policy with aggregate limits in the amount of \$2,000,000 will be considered equivalent to the above minimum limits.

(d) If the operation under this Agreement results in an increased or decreased risk in the opinion of the City Manager, then the Consultant agrees that the minimum general liability limits hereinabove designated shall be changed accordingly upon request by the City Manager.

(e) The Consultant shall procure and maintain, at its sole expense, and throughout the term of this Agreement and any extension thereof, Public Liability and Property Damage Insurance coverage for owned and non-owned automotive equipment operated on City premises. Such coverage limits shall not be less than \$1,000,000 combined single limit.

(f) The Consultant shall procure and maintain, at its sole expense, Workers' Compensation Insurance in such amounts as will fully comply with the laws of the State of

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California and which shall indemnify, insure and provide legal defense for both the Consultant and the City, RDA, CSD and WRCOG against any loss, claim, or damage arising from any injuries or occupational diseases happening to any worker employed by the Consultant in the course of carrying out the Agreement.

(g) A Certificate of Insurance, or an appropriate insurance binder evidencing the above insurance coverage shall be submitted to the City Clerk prior to the execution of this Agreement on behalf of the City.

(h) The Certificate of Insurance or an appropriate binder shall bear an endorsement containing the following provisions:

"Solely as respect to services done by or on behalf of the named insured for the City of Moreno Valley, it is agreed that the City of Moreno Valley, the Community Redevelopment Agency of the City of Moreno Valley, the Moreno Valley Community Services District and Western Riverside Council of Governments, their officers, employees and agents are included as additional insured under this general liability policy and the coverage(s) provided shall be primary insurance and not contributing with any other insurance available to the City of Moreno Valley, the Community Redevelopment Agency of the City of Moreno Valley, the Moreno Valley Community Services District and Western Riverside Council of Governments, its officers, employees and agents, under any third party liability policy."

(i) Insurance companies providing insurance hereunder shall be rated (A minus: VII - Admitted) or better in Best's Insurance Rating Guide and shall be legally licensed

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and qualified to conduct insurance business in the State of California.

(j) The terms of the insurance policy or policies issued to provide the above insurance coverage shall not be amended to reduce the above required insurance limits and coverages nor shall such policies be canceled by the carrier without thirty (30) days prior written notice by certified or registered mail of amendment or cancellation to the City, except that cancellation for non-payment of premium shall require ten (10) days prior written notice by certified or registered mail. In the event the said insurance is canceled, the Consultant shall, prior to the cancellation date, submit to the City Clerk new evidence of insurance in the amounts established.

17. During the performance of this Agreement, the Consultant will not unlawfully discriminate against any employee or applicant for employment because of race, religion, creed, color, national origin, sex, or age. The Consultant will take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, religion, creed, color, national origin, sex, or age.

18. Consultant and subconsultants shall pay prevailing wage rates when required by the Labor Laws of the State of California.

19. (a) The Consultant shall deliver to the Public Works Director/City Engineer of the City or his designated representative, in both hard copy and electronic format, fully completed and detailed project-related documents which shall become the property of the City. The Consultant may retain, for its files, copies of any and all material, including drawings, documents, and specifications, produced by the Consultant in performance of this Agreement. It shall be understood that the City shall be the owner of all project-related documents and drawings at all times and during all phases of the project.

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(b) The Consultant shall be entitled to copies of all furnished materials for his files and his subconsultants, if any.

(c) The City agrees to hold the Consultant free and harmless from any claim arising from any unauthorized use of computations, maps, and other documents prepared or provided by the Consultant under this Agreement, if used by the City on other projects without the permission of the Consultant. Consultant acknowledges that Consultant work product produced under this agreement may be public record under State law.

20. (a) The City may terminate this Agreement without fault on the part of Consultant by giving at least ten (10) days written notice to the Consultant. The written notice shall specify the date of termination. Upon receipt of such notice, the Consultant may continue services on the project through the date of termination, provided that no service(s) shall be commenced or continued after receipt of the notice, which is not intended to protect the interest of the City. The City shall pay the Consultant within thirty (30) days after the date of termination for all non-objected to services performed by the Consultant in accordance herewith through the date of termination. Such termination may be effective immediately.

(b) Upon notice of termination, the Consultant shall deliver to the Public Works Director/City Engineer of the City or his designated representative, in both hard copy and electronic format, fully completed and detailed project-related documents which shall become the property of the City. The Consultant may retain for its files copies of any and all materials, including drawings, documents, and specifications produced by the Consultant in performance of this Agreement. It shall be understood that the City shall be the owner of all project-related documents and drawings, regardless of the completeness of said documents.

(c) The Consultant shall be entitled to copies of all furnished materials for his

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files and his subconsultants, if any.

(d) The City agrees to hold the Consultant free and harmless from any claim arising from any unauthorized use of computations, maps, and other documents prepared or provided by the Consultant. Consultant acknowledges that Consultant work product produced under this Agreement may be public record under State law.

(e) Either party may terminate this Agreement for cause. In the event the City terminates this Agreement for cause, the Consultant shall perform no further service(s) under the Agreement unless the notice of termination authorizes such further work.

21. This Agreement is binding upon the City and the Consultant and their successors and assigns. Except as otherwise provided herein, neither the City nor the Consultant shall assign, sublet, or transfer its interest in this Agreement or any part thereof without the prior written consent of the other.

22. A City representative shall be designated by the City and a Consultant representative shall be designated by the Consultant. The City representative and the Consultant representative shall be the primary contact person for each party regarding performance of this Agreement. The City representative shall cooperate with the Consultant, and the Consultant's representative shall cooperate with the City in all matters regarding this Agreement and in such a manner as will result in the performance of the services in a timely and expeditious fashion.

23. This Agreement represents the entire and integrated Agreement between the City and the Consultant, and supersedes all prior negotiations, representations or Agreements, either written or oral. This Agreement may be modified or amended only by a subsequent written Agreement signed by both parties.

24. Where the payment terms provide for compensation on a time and materials basis,

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the Consultant shall maintain adequate records to permit inspection and audit of the Consultant's time and materials charges under this Agreement. The Consultant shall make such records available to the City at the Consultant's office during normal business hours upon reasonable notice. Nothing herein shall convert such records into public records. Except as may be otherwise required by law, such records will be available only to the City. Such records shall be maintained by the Consultant for three (3) years following completion of the services under this Agreement.

25. The City and the Consultant agree, that to the extent permitted by law, until final approval by the City, all data shall be treated as confidential and will not be released to third parties without the prior written consent of both parties.

26. The Consultant shall employ no City official or employee in the work performed pursuant to this Agreement. No officer or employee of the City shall have any financial interest in this Agreement in violation of federal, state, or local law.

27. All Plans, drawings, Specifications, reports, logs, and other documents prepared by the Consultant in its performance under this Agreement shall, upon completion of the project, be delivered to and be the property of the City, provided that the Consultant shall be entitled, at its own expense, to make copies thereof for its own use.

28. The laws of the State of California shall govern the rights, obligations, duties, and liabilities of the parties to this Agreement, and shall also govern the interpretation of this Agreement.

SIGNATURE PAGE FOLLOWS

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IN WITNESS HEREOF, the parties have each caused their authorized representative to execute this Agreement.

City of Moreno Valley

Consultant Company

BY: _____
Department Head/Mayor/City Manager
(Select only one please)

DATE: _____

BY: _____

TITLE: _____
(President or Vice President)

BY: _____

TITLE: _____
(Corporate Secretary)

ATTEST:

City Clerk *(not needed if City Manager signs)*

APPROVED AS TO LEGAL FORM:

City Attorney

DATE: _____

- Enclosures: Exhibit "A" – City's Request for Proposal
Exhibit "B" – Consultant's Proposal
Exhibit "C" – City's Responsibility
Exhibit "D" – Terms of Payment
Exhibit "E" – Consultant's Schedule

CITY - SERVICES TO BE PROVIDED
TO CONSULTANT

1. Furnish the Consultant all in-house data which is pertinent to services to be performed by the Consultant and which is within the custody or control of the City, including, but not limited to, copies of record and off-record maps and other record and off-record property data, right-of-way maps and other right-of-way data, pending or proposed subject property land division and development application data, all newly developed and pertinent design and project specification data, and such other pertinent data which may become available to the City.
2. Provide timely review, processing, and reasonably expeditious approval of all submittals by the Consultant.
3. Provide timely City staff liaison with the Consultant when requested and when reasonably needed.

EXHIBIT "C"

TERMS OF PAYMENT

1. The Consultant's compensation shall not exceed \$_____.
2. The Consultant will obtain, and keep current during the term of this Agreement, the required City of Moreno Valley business license. Proof of a current City of Moreno Valley business license will be required prior to any payments by the City. Any invoice not paid because the proof of a current City of Moreno Valley business license has not been provided will not incur any fees, late charges, or other penalties. Complete instructions for obtaining a City of Moreno Valley business license are located at: http://www.moval.org/do_biz/biz-license.shtml
3. The Consultant will electronically submit an invoice to the City once a month for progress payments along with documentation evidencing services completed to date. The progress payment is based on actual time and materials expended in furnishing authorized professional services during the preceding calendar month. At no time will the City pay for more services than have been satisfactorily completed and the City Engineer's determination of the amount due for any progress payment shall be final. The consultant will submit all original invoices to Accounts Payable staff at AccountsPayable@moval.org. Accounts Payable questions can be directed to (951) 413-3073. Copies of invoices may be submitted to the Capital Projects Division at zara@moval.org or calls directed to (951) 413-3131.
4. The Consultant agrees that City payments will be received via Automated Clearing House (ACH) Direct Deposit and that the required ACH Authorization form will be completed prior to any payments by the City. Any invoice not paid because the completed ACH Authorization Form has not been provided will not incur any fees,

late charges, or other penalties. The ACH Authorization Form is located at:

http://www.moval.org/city_hall/forms.shtml#bf

5. The minimum information required on all invoices is:
 - A. Vendor Name, Mailing Address, and Phone Number
 - B. Invoice Date
 - C. Vendor Invoice Number
 - D. City-provided Reference Number (e.g. Project, Activity)
 - E. Detailed work hours by class title (e.g. Manager, Technician, or Specialist), services performed and rates, explicit portion of a contract amount, or detailed billing information that is sufficient to justify the invoice amount; single, lump amounts without detail are not acceptable.

6. The City shall pay the Consultant for all invoiced, authorized professional services within forty-five (45) days of receipt of the invoice for same.

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Revised 10/13/09

EXHIBIT "D"

CONSTRUCTION COOPERATIVE AGREEMENT

This agreement, effective on January 4, 2012, is between the State of California, acting through its Department of Transportation, referred to as CALTRANS, and:

City of Moreno Valley, a body politic and municipal corporation or chartered city of the State of California, referred to as CITY.

For the purpose of this agreement, the term PARTNERS collectively refers to CALTRANS and CITY (all signatory parties to this agreement). The term PARTNER refers to any one of those signatory parties individually.

RECITALS

1. California Streets and Highways Code sections 114 and 130 authorize PARTNERS to enter into a cooperative agreement for performance of work within the State Highway System (SHS) right of way.
2. This agreement outlines the terms and conditions of cooperation between PARTNERS to complete the construction capital phase to improve the eastbound ramp configuration at Moreno Beach Drive on State Route 60 (SR-60) in the City of Moreno Valley and construct auxiliary lanes for the eastbound portion of the freeway between the Nason Street overcrossing and the Moreno Beach Drive overcrossing.

For the purpose of this agreement, improvements to the eastbound ramp configuration at Moreno Beach Drive on SR-60 in the City of Moreno Valley and construction of auxiliary lanes for the eastbound portion of the freeway between the Nason Street overcrossing and the Moreno Beach Drive overcrossing will be referred to as PROJECT. All responsibilities assigned in this agreement to complete the construction capital phase of PROJECT will be referred to as OBLIGATIONS.

3. This agreement is separate from and does not modify or replace any other cooperative agreement or memorandum of understanding between PARTNERS regarding PROJECT.
4. Prior to this agreement, the CITY developed the Project Report; Plans, Specifications and Estimate; and the Right of Way Certification (Cooperative Agreement No. 8-1314).
5. CITY prepared the environmental documentation for PROJECT.
6. The estimated date for OBLIGATION COMPLETION is December 31, 2014.

7. In this agreement capitalized words represent defined terms and acronyms. The Definitions section contains a complete definition for each capitalized term.
8. From this point forward, PARTNERS define in this agreement the terms and conditions under which they will accomplish OBLIGATIONS.

RESPONSIBILITIES

9. CITY is SPONSOR for 100% of PROJECT.
10. CALTRANS will provide IQA for the portions of WORK within existing and proposed SHS right of way. CALTRANS retains the right to reject noncompliant WORK, protect public safety, preserve property rights, and ensure that all WORK is in the best interest of the SHS.
11. CITY may provide IQA for the portions of WORK outside existing and proposed SHS right of way.
12. CITY is the only FUNDING PARTNER for this agreement. CITY's funding commitment is defined in the FUNDING SUMMARY.
13. CALTRANS is the CEQA lead agency for PROJECT.
14. CALTRANS is the NEPA lead agency for PROJECT.
15. CITY is IMPLEMENTING AGENCY for CONSTRUCTION.

SCOPE

Scope: General

16. PARTNERS will perform all OBLIGATIONS in accordance with federal and California laws, regulations, and standards; FHWA STANDARDS; and CALTRANS STANDARDS.
17. IMPLEMENTING AGENCY for a PROJECT COMPONENT will provide a Quality Management Plan (QMP) for that component as part of the PROJECT MANAGEMENT PLAN. The District Construction Division, with input from Structure Construction must approve the Quality Management Plan (QMP) before the encroachment permit for construction is issued.
18. Any PARTNER may, at its own expense, have representatives observe any OBLIGATIONS performed by another PARTNER. Observation does not constitute authority over those OBLIGATIONS.

19. Each PARTNER will ensure that all of its personnel participating in OBLIGATIONS are appropriately qualified, and if necessary licensed, to perform the tasks assigned to them.
20. IMPLEMENTING AGENCY shall retain consultants and shall invite CALTRANS to participate in the selection and retention of consultants that participate in OBLIGATIONS. At least one representative from the Construction Division of CALTRANS shall participate in the selection process. A construction management firm shall not be selected without the approval by this representative.
21. If WORK is done under contract (not completed by a PARTNER's own employees) and is governed by the California Labor Code's definition of "public works" (section 1720(a)(a)), that PARTNER will conform to sections 1720 – 1815 of the California Labor Code and all applicable regulations and coverage determinations issued by the Director of Industrial Relations.
22. IMPLEMENTING AGENCY for each PROJECT COMPONENT included in this agreement will be available to help resolve problems generated by that component for the entire duration of PROJECT.
23. CALTRANS will issue, upon proper application, the encroachment permits required for WORK within SHS right of way.

Contractors and/or agents, and utility owners will not perform WORK without an encroachment permit issued in their name.

24. If any PARTNER discovers unanticipated cultural, archaeological, paleontological, or other protected resources during WORK, all WORK in that area will stop and that PARTNER will notify all PARTNERS within 24 hours of discovery. WORK may only resume after a qualified professional has evaluated the nature and significance of the discovery and a plan is approved for its removal or protection.
25. PARTNERS will hold all administrative drafts and administrative final reports, studies, materials, and documentation relied upon, produced, created, or utilized for PROJECT in confidence to the extent permitted by law. Where applicable, the provisions of California Government Code section 6254.5(e) will govern the disclosure of such documents in the event that PARTNERS share said documents with each other.

PARTNERS will not distribute, release, or share said documents with anyone other than employees, agents, and consultants who require access to complete PROJECT without the written consent of the PARTNER authorized to release them, unless required or authorized to do so by law.

26. If any PARTNER receives a public records request, pertaining to OBLIGATIONS, that PARTNER will notify PARTNERS within five (5) working days of receipt and make PARTNERS aware of any disclosed public records. PARTNERS will consult with each other prior to the release of any public documents related to the PROJECT.

27. If HM-1 or HM-2 is found during a PROJECT COMPONENT, IMPLEMENTING AGENCY for that PROJECT COMPONENT will immediately notify PARTNERS.
28. CALTRANS, independent of PROJECT, is responsible for any HM-1 found within the existing SHS right of way. CALTRANS will undertake HM MANAGEMENT ACTIVITIES related to HM-1 with minimum impact to PROJECT schedule.
29. CITY, independent of PROJECT, is responsible for any HM-1 found within PROJECT limits and outside the existing SHS right of way. CITY will undertake or cause to be undertaken HM MANAGEMENT ACTIVITIES related to HM-1 with minimum impact to PROJECT schedule.
30. If HM-2 is found within PROJECT limits, the public agency responsible for the advertisement, award, and administration (AAA) of the PROJECT construction contract will be responsible for HM MANAGEMENT ACTIVITIES related to HM-2.
31. CALTRANS' acquisition or acceptance of title to any property on which any HM-1 or HM-2 is found will proceed in accordance with CALTRANS' policy on such acquisition.
32. PARTNERS will comply with all of the commitments and conditions set forth in the environmental documentation, environmental permits, approvals, and applicable agreements as those commitments and conditions apply to each PARTNER's responsibilities in this agreement.
33. IMPLEMENTING AGENCY for each PROJECT COMPONENT will furnish PARTNERS with written quarterly progress reports during the implementation of OBLIGATIONS in that component.
34. Upon OBLIGATION COMPLETION, ownership or title to all materials and equipment constructed or installed for the operations and/or maintenance of the SHS within SHS right of way as part of WORK become the property of CALTRANS.

CALTRANS will not accept ownership or title to any materials or equipment constructed or installed outside SHS right of way.
35. IMPLEMENTING AGENCY for a PROJECT COMPONENT will accept, reject, compromise, settle, or litigate claims of any non-agreement parties hired to do WORK in that component.
36. PARTNERS will confer on any claim that may affect OBLIGATIONS or PARTNERS' liability or responsibility under this agreement in order to retain resolution possibilities for potential future claims. No PARTNER will prejudice the rights of another PARTNER until after PARTNERS confer on claim.
37. PARTNERS will maintain, and will ensure that any party hired by PARTNERS to participate in OBLIGATIONS will maintain, a financial management system that

conforms to Generally Accepted Accounting Principles (GAAP), and that can properly accumulate and segregate incurred PROJECT costs, and provide billing and payment support.

38. PARTNERS will comply with the appropriate federal cost principles and administrative requirements outlined in the Applicable Cost Principles and Administrative Requirements table below. These principles and requirements apply to all funding types included in this agreement.
39. PARTNERS will ensure that any party hired to participate in OBLIGATIONS will comply with the appropriate federal cost principles and administrative requirements outlined in the Applicable Cost Principles and Administrative Requirements table below.

Applicable Cost Principles and Administration Requirements		
The federal cost principles and administrative requirements associated with each organization type apply to that organization.		
Organization Type	Cost Principles	Administrative Requirements
Federal Governments	2 CFR Part 225	OMB A-102
State and Local Government	2 CFR, Part 225	49 CFR, Part 18
Educational Institutions	2 CFR, Part 220	2 CFR, Part 215
Non-Profit Organizations	2 CFR, Part 230	2 CFR, Part 215
For Profit Organizations	48 CFR, Chapter 1, Part 31	49 CFR, Part 18
CFR (Code of Federal Regulations)		
OMB (Office of Management and Budget)		
Related URLs:		
• Various OMB Circular:	http://www.whitehouse.gov/omb/grants_circulars	
• Code of Federal Regulations:	http://www.gpoaccess.gov/CFR	

40. PARTNERS will maintain and make available to each other all OBLIGATIONS-related documents, including financial data, during the term of this agreement.
41. PARTNERS will retain all OBLIGATIONS-related records for three (3) years after the final voucher.
42. PARTNERS have the right to audit each other in accordance with generally accepted governmental audit standards.

CALTRANS, the state auditor, FHWA, and CITY will have access to all OBLIGATIONS-related records of each PARTNER, and any party hired by a PARTNER to participate in OBLIGATIONS, for audit, examination, excerpt, or transcription.

The examination of any records will take place in the offices and locations where said records are generated and/or stored and will be accomplished during reasonable hours of

operation. The auditing PARTNER will be permitted to make copies of any OBLIGATIONS-related records needed for the audit.

The audited PARTNER will review the draft audit, findings, and recommendations, and provide written comments within 30 calendar days of receipt.

Upon completion of the final audit, PARTNERS have 30 days to refund or invoice as necessary in order to satisfy the obligation of the audit.

Any audit dispute not resolved by PARTNERS is subject to dispute resolution. Any costs arising out of the dispute resolution process will be paid within 30 calendar days of the final audit or dispute resolution findings.

43. Any PARTNER that hires another party to participate in OBLIGATIONS will conduct a pre-award audit of that party in accordance with the *Local Assistance Procedures Manual*.

44. PARTNERS will not incur costs beyond the funding commitments in this agreement. If IMPLEMENTING AGENCY anticipates that funding for WORK will be insufficient to complete WORK, IMPLEMENTING AGENCY will promptly notify SPONSOR.

IMPLEMENTING AGENCY has no obligation to perform WORK if funds to perform WORK are unavailable.

45. If WORK stops for any reason, IMPLEMENTING AGENCY will place all facilities impacted by WORK in a safe and operable condition acceptable to CALTRANS.

46. If WORK stops for any reason, each PARTNER will continue to implement all of its applicable commitments and conditions included in the PROJECT environmental documentation, permits, agreements, or approvals that are in effect at the time that WORK stops, as they apply to each PARTNER's responsibilities in this agreement, in order to keep PROJECT in environmental compliance until WORK resumes.

47. Each PARTNER accepts responsibility to complete the activities that it selected on the SCOPE SUMMARY. Activities marked with "N/A" on the SCOPE SUMMARY are not included in the scope of this agreement.

48. Contract administration procedures shall conform to CALTRANS' Construction Manual, Local Assistance Procedures Manual (if Federal funds are used), and the PROJECT encroachment permits.

49. If the Resident Engineer is not also a registered Landscape Architect, CITY will furnish, at CITY expense and subject to approval of CALTRANS Landscape Architecture, a registered Landscape Architect to perform work related to architecture treatment and landscaping and to perform the function of an Assistant Resident Engineer/Inspector who is responsible for both daily on-site inspections and final decisions including, but not

limited to, any highway planting and the irrigation systems that comprise a portion of the PROJECT work. Final decisions shall continue to be subject to the satisfaction and approval of CALTRANS.

- 50. Within one hundred eighty (180) days following the completion and acceptance of the PROJECT construction contract, to furnish CALTRANS with a complete set of "As-Built" plans (hard copy and electronic formats) in accordance with CALTRANS' then current CADD Users Manual, Plans Preparation Manual, and CALTRANS practice. The submittal must also include all CALTRANS requested contract records, including survey documents and Records of Surveys (to include monument perpetuation per the Land Surveyor Act, section 8771, including but not limited to preconstruction monumentation documents and a post construction Record of Survey). CITY shall also submit corrected full-sized hardcopy structure plans.

Scope: Environmental Permits, Approvals and Agreements

- 51. Each PARTNER identified in the Environmental Permits table below accepts the responsibility to complete the assigned activities.

Environmental Permits						
Permit	Coordinate	Prepare	Obtain	Implement	Renew	Amend
404 USACOE	CITY	CITY	CITY	CITY	CITY	CITY
401 RWQCB	CITY	CITY	CITY	CITY	CITY	CITY
NPDES SWRCB	CITY	CITY	CITY	CITY	CITY	CITY
1602 DFG	CITY	CITY	CITY	CITY	CITY	CITY

Scope: CONSTRUCTION

- 52. CITY will advertise, open bids, award, approve, and administer the construction contract in accordance with the California Public Contract Code and the California Labor Code.

CITY will not advertise the construction contract until CALTRANS completes or accepts the final plans, specifications, and estimate package; CALTRANS approves the Right of Way Certification; and SPONSOR verifies full funding of CONSTRUCTION SUPPORT and CONSTRUCTION CAPITAL.

By accepting responsibility to advertise and award the construction contract, CITY also accepts responsibility to administer the construction contract.

PARTNERS agree that CITY is designated as the Legally Responsible Person and the Approved Signatory Authority pursuant to the Construction General Permit, State Water Resources Control Board (SWRCB) Order Number 2009-0009-DWQ, as defined in Appendix 5, Glossary, and assumes all roles and responsibilities assigned to the Legally

Responsible Person and the Approved Signatory Authority as mandated by the Construction General Permit.

53. IMPLEMENTING AGENCY will implement changes to the construction contract through contract change orders (CCOs). PARTNERS will review and concur on all CCOs over \$50,000.
- CALTRANS must approve all CCOs affecting public safety or the preservation of property, all design and specification changes, and all major changes as defined in the CALTRANS Construction Manual prior to implementing the CCO.
54. If the lowest responsible construction contract bid is greater than the funding commitment to CONSTRUCTION CAPITAL, all PARTNERS must be involved in determining how to proceed. If PARTNERS do not agree in writing on a course of action within 15 working days, this agreement will terminate.
55. CITY will require the construction contractor to furnish payment and performance bonds naming CITY as obligee, and CALTRANS as additional obligee, and to carry liability insurance in accordance with CALTRANS specifications.
56. CITY will submit a written request to CALTRANS for any SFM identified in the PROJECT plans, specifications, and estimate a minimum of 45 days prior to the bid advertisement date for PROJECT construction contract. CITY will submit a written request to CALTRANS for any additional SFM deemed necessary during PROJECT construction.
57. CALTRANS will make SFM available at a CALTRANS-designated location after CITY requests SFM and pays CALTRANS' invoice for estimated SFM costs.
58. As IMPLEMENTING AGENCY for CONSTRUCTION, CITY is responsible for maintenance within PROJECT limits as part of the construction contract.
59. PARTNERS will execute a separate maintenance agreement prior to OBLIGATION COMPLETION.

COST

Cost: General

60. The cost of any awards, judgments, or settlements generated by OBLIGATIONS is an OBLIGATIONS COST.
61. CALTRANS, independent of PROJECT, will pay all costs for HM MANAGEMENT ACTIVITIES related to HM-1 found within the existing SHS right of way.

62. CITY, independent of PROJECT, will pay, or cause to be paid, all costs for HM MANAGEMENT ACTIVITIES related to HM-1 found within PROJECT limits and outside of the existing SHS right of way.
63. HM MANAGEMENT ACTIVITIES costs related to HM-2 are CONSTRUCTION SUPPORT and CONSTRUCTION CAPITAL costs.
64. The cost to comply with and implement the commitments set forth in the environmental documentation is an OBLIGATIONS COST.
65. The cost to ensure that PROJECT remains in environmental compliance is an OBLIGATIONS COST.
66. The cost of any legal challenges to the CEQA or NEPA environmental process or documentation is an OBLIGATIONS COST.
67. Independent of OBLIGATIONS COST, CALTRANS will fund the cost of its own IQA for WORK done within existing or proposed future SHS right of way.
68. Independent of OBLIGATIONS COST, CITY will fund the cost of its own IQA for WORK done outside existing or proposed future SHS right of way.
69. CALTRANS will provide encroachment permits at no cost to PARTNERS, their contractors, consultants and agents, and the following utility companies: Southern California Edison, Moreno Valley Utility, and Eastern Municipal Water District.
70. Fines, interest, or penalties levied against a PARTNER will be paid, independent of OBLIGATIONS COST, by the PARTNER whose actions or lack of action caused the levy. That PARTNER will indemnify and defend each other PARTNER.
71. Travel, per diem, and third-party contract reimbursements are an OBLIGATIONS COST only after those hired by PARTNERS to participate in OBLIGATIONS incur and pay those costs.

Payments for travel and per diem will not exceed the rates paid rank and file state employees under current California Department of Personnel Administration (DPA) rules current at the effective date of this agreement.

If CITY invoices for rates in excess of DPA rates, CITY will fund the cost difference and reimburse CALTRANS for any overpayment.
72. The cost of non-IQA engineering support performed by CALTRANS includes all direct and applicable indirect costs. CALTRANS calculates indirect costs based solely on the type of funds used to pay support costs. State and federal funds are subject to the current Program Functional Rate. Local funds are subject to the current Program Functional Rate

and the current Administration Rate. CALTRANS periodically adjusts the Program Functional Rate and the Administration Rate.

73. If CALTRANS reimburses CITY for any costs later determined to be unallowable, CITY will reimburse those funds.
74. The cost to place PROJECT right of way in a safe and operable condition and meet all environmental commitments is an OBLIGATIONS cost.
75. Because IMPLEMENTING AGENCY is responsible for managing the scope, cost, and schedule of a project component, if there are insufficient funds available in this agreement to place the right of way in a safe and operable condition, the appropriate IMPLEMENTING AGENCY accepts responsibility to fund these activities until such time as PARTNERS amend this agreement.

That IMPLEMENTING AGENCY may request reimbursement for these costs during the amendment process.

76. If there are insufficient funds in this agreement to implement applicable commitments and conditions included in the PROJECT environmental documentation, permits, agreements, and/or approvals that are in effect at a time that WORK stops, each PARTNER implementing commitments or conditions accepts responsibility to fund these activities, as they apply to each PARTNER's responsibilities, until such time as PARTNERS amend this agreement.

Each PARTNER may request reimbursement for these costs during the amendment process.

77. PARTNERS will pay invoices within 30 calendar days of receipt of invoice.

Cost: Environmental Permits, Approvals and Agreements

78. The cost of coordinating, obtaining, complying with, implementing, and if necessary renewing and amending resource agency permits, agreements, and/or approvals is an OBLIGATIONS COST.

Cost: CONSTRUCTION Support

79. The cost to maintain the SHS within PROJECT limits is an OBLIGATIONS COST until PARTNERS execute a separate maintenance agreement.
80. Each PARTNER listed below may submit invoices for CONSTRUCTION Support for source inspection:
 - CALTRANS may invoice CITY
81. PARTNERS will exchange funds for actual costs up to a maximum of \$65,000.

CALTRANS will invoice CITY for \$10,000 initial deposit 30 working days prior to the construction contract bid advertisement date. This deposit represents two (2) months' estimated support costs for source inspection.

Thereafter, CALTRANS will submit to CITY monthly invoices for estimated monthly costs based on the prior month's actual expenditures.

After PARTNERS agree that all WORK is complete, CALTRANS will submit a final accounting for all OBLIGATIONS COSTS. Based on the final accounting, PARTNERS will refund or invoice as necessary in order to satisfy the financial commitments of this agreement.

Cost: CONSTRUCTION Capital

82. The cost of all SFM is a CONSTRUCTION CAPITAL cost.

CALTRANS will invoice CITY for the actual cost of any SFM as a CONSTRUCTION CAPITAL cost.

After PARTNERS agree that all WORK is complete, CALTRANS will submit a final accounting for all SFM costs. Based on the final accounting, PARTNERS will refund or invoice as necessary in order to satisfy the financial commitments of this agreement.

SCHEDULE

83. PARTNERS will manage the schedule for OBLIGATIONS through the work plan included in the PROJECT MANAGEMENT PLAN. The Project Manager must approve the PROJECT MANAGEMENT PLAN before the encroachment permit for construction is issued.

GENERAL CONDITIONS

84. PARTNERS understand that this agreement is in accordance with and governed by the Constitution and laws of the State of California. This agreement will be enforceable in the State of California. Any PARTNER initiating legal action arising from this agreement will file and maintain that legal action in the Superior Court of the county in which the CALTRANS district office that is signatory to this agreement resides, or in the Superior Court of the county in which PROJECT is physically located.
85. All OBLIGATIONS of CALTRANS under the terms of this agreement are subject to the appropriation of resources by the Legislature, the State Budget Act authority, and the allocation of funds by the California Transportation Commission.

86. Any PARTNER performing IQA does so for its own benefit. No one can assign liability to that PARTNER due to its IQA activities.

87. Neither CITY nor any officer or employee thereof is responsible for any injury, damage or liability occurring by reason of anything done or omitted to be done by CALTRANS and/or its agents under or in connection with any work, authority, or jurisdiction conferred upon CALTRANS under this agreement.

It is understood and agreed that CALTRANS will fully defend, indemnify, and save harmless CITY and all of its officers and employees from all claims, suits, or actions of every name, kind, and description brought forth under, but not limited to, tortious, contractual, inverse condemnation, or other theories or assertions of liability occurring by reason of anything done or omitted to be done by CALTRANS and/or its agents under this agreement.

88. Neither CALTRANS nor any officer or employee thereof is responsible for any injury, damage, or liability occurring by reason of anything done or omitted to be done by CITY and/or its agents under or in connection with any work, authority, or jurisdiction conferred upon CITY under this agreement.

It is understood and agreed that CITY will fully defend, indemnify, and save harmless CALTRANS and all of its officers and employees from all claims, suits, or actions of every name, kind, and description brought forth under, but not limited to, tortious, contractual, inverse condemnation, or other theories or assertions of liability occurring by reason of anything done or omitted to be done by CITY and/or its agents under this agreement.

89. PARTNERS do not intend this agreement to create a third party beneficiary or define duties, obligations, or rights in parties not signatory to this agreement. PARTNERS do not intend this agreement to affect their legal liability by imposing any standard of care for fulfilling OBLIGATIONS different from the standards imposed by law.

90. PARTNERS will not assign or attempt to assign OBLIGATIONS to parties not signatory to this agreement.

91. PARTNERS will not interpret any ambiguity contained in this agreement against each other. PARTNERS waive the provisions of California Civil Code section 1654.

92. A waiver of a PARTNER's performance under this agreement will not constitute a continuous waiver of any other provision. An amendment made to any article or section of this agreement does not constitute an amendment to or negate all other articles or sections of this agreement.

93. A delay or omission to exercise a right or power due to a default does not negate the use of that right or power in the future when deemed necessary.

94. If any PARTNER defaults in its OBLIGATIONS, a non-defaulting PARTNER will request in writing that the default be remedied within 30 calendar days. If the defaulting PARTNER fails to do so, the non-defaulting PARTNER may initiate dispute resolution.
95. PARTNERS will first attempt to resolve agreement disputes at the PROJECT team level. If they cannot resolve the dispute themselves, the CALTRANS district director and the Director of Public Works/City Engineer of CITY will attempt to negotiate a resolution. If PARTNERS do not reach a resolution, PARTNERS' legal counsel will initiate mediation. PARTNERS agree to participate in mediation in good faith and will share equally in its costs.

Neither the dispute nor the mediation process relieves PARTNERS from full and timely performance of OBLIGATIONS in accordance with the terms of this agreement. However, if any PARTNER stops fulfilling OBLIGATIONS, any other PARTNER may seek equitable relief to ensure that OBLIGATIONS continue.

Except for equitable relief, no PARTNER may file a civil complaint until after mediation, or 45 calendar days after filing the written mediation request, whichever occurs first.

PARTNERS will file any civil complaints in the Superior Court of the county in which the CALTRANS district office signatory to this agreement resides. The prevailing PARTNER will be entitled to an award of all costs, fees, and expenses, including reasonable attorney fees as a result of litigating a dispute under this agreement or to enforce the provisions of this article including equitable relief.

96. PARTNERS maintain the ability to pursue alternative or additional dispute remedies if a previously selected remedy does not achieve resolution.
97. If any provisions in this agreement are deemed to be, or are in fact, illegal, inoperative, or unenforceable, those provisions do not render any or all other agreement provisions invalid, inoperative, or unenforceable, and PARTNERS will automatically sever those provisions from this agreement.
98. PARTNERS intend this agreement to be their final expression and supersede any oral understanding or writings pertaining to OBLIGATIONS.
99. If during performance of WORK additional activities or environmental documentation is necessary to keep PROJECT in environmental compliance, PARTNERS will amend this agreement to include completion of those additional tasks.
100. PARTNERS will execute a formal written amendment if there are any changes to OBLIGATIONS.
101. This agreement will terminate upon OBLIGATION COMPLETION or an amendment to terminate this agreement, whichever occurs first.

However, all indemnification, document retention, audit, claims, environmental commitment, legal challenge, and ownership articles will remain in effect until terminated or modified in writing by mutual agreement.

102. The following documents are attached to, and made an express part of this agreement:
SCOPE SUMMARY, FUNDING SUMMARY.

DEFINITIONS

CALTRANS – The California Department of Transportation

CALTRANS STANDARDS – CALTRANS policies and procedures, including, but not limited to, the guidance provided in the *Guide to Capital Project Delivery Workplan Standards* (previously known as WBS Guide) available at <http://www.dot.ca.gov/hq/projmgmt/guidance.htm>.

CEQA (California Environmental Quality Act) – The act (California Public Resources Code, sections 21000 et seq.) that requires state and local agencies to identify the significant environmental impacts of their actions and to avoid or mitigate those significant impacts, if feasible.

CFR (Code of Federal Regulations) – The general and permanent rules published in the Federal Register by the executive departments and agencies of the federal government.

CONSTRUCTION CAPITAL – See PROJECT COMPONENT.

CONSTRUCTION SUPPORT – See PROJECT COMPONENT.

COOPERATIVE AGREEMENT CLOSURE STATEMENT – A document signed by PARTNERS that verifies the completion of all OBLIGATIONS included in this agreement and in all amendments to this agreement.

COST – The responsibility for cost responsibilities in this agreement can take one of three assignments:

- **OBLIGATIONS COST** – A cost associated with fulfilling OBLIGATIONS that will be funded as part of this agreement. The responsibility is defined by the funding commitments in this agreement.
- **PROJECT COST** – A cost associated with PROJECT that can be funded outside of OBLIGATIONS. A PROJECT COST may not necessarily be part of this agreement. This responsibility is defined by the PARTNERS' funding commitments at the time the cost is incurred.
- **PARTNER COST** – A cost that is the responsibility of a specific PARTNER, independent of PROJECT.

FHWA – Federal Highway Administration

FHWA STANDARDS – FHWA regulations, policies and procedures, including, but not limited to, the guidance provided at www.fhwa.dot.gov/topics.htm.

FUNDING PARTNER – A PARTNER that commits a defined dollar amount to fulfill OBLIGATIONS. Each FUNDING PARTNER accepts responsibility to provide the funds identified on the FUNDING SUMMARY under its name.

FUNDING SUMMARY – The table that designates an agreement’s funding sources, types of funds, and the **PROJECT COMPONENT** in which the funds are to be spent. Funds listed on the **FUNDING SUMMARY** are “not-to-exceed” amounts for each **FUNDING PARTNER**.

GAAP (Generally Accepted Accounting Principles) – Uniform minimum standards and guidelines for financial accounting and reporting issued by the Federal Accounting Standards Advisory Board that serve to achieve some level of standardization. See <http://www.fasab.gov/accepted.html>.

HM-1 – Hazardous material (including, but not limited to, hazardous waste) that may require removal and disposal pursuant to federal or state law whether it is disturbed by **PROJECT** or not.

HM-2 – Hazardous material (including, but not limited to, hazardous waste) that may require removal and disposal pursuant to federal or state law only if disturbed by **PROJECT**.

HM MANAGEMENT ACTIVITIES – Management activities related to either **HM-1** or **HM-2** including, without limitation, any necessary manifest requirements and disposal facility designations.

IMPLEMENTING AGENCY – The **PARTNER** responsible for managing the scope, cost, and schedule of a **PROJECT COMPONENT** to ensure the completion of that component.

IQA (Independent Quality Assurance) – Ensuring that **IMPLEMENTING AGENCY**’s quality assurance activities result in **WORK** being developed in accordance with the applicable standards and within an established Quality Management Plan (QMP). **IQA** does not include any work necessary to actually develop or deliver **WORK** or any validation by verifying or rechecking work performed by another partner.

NEPA (National Environmental Policy Act of 1969) – The federal act that establishes a national policy for the environment and a process to disclose the adverse impacts of projects with a federal nexus.

OBLIGATION COMPLETION – **PARTNERS** have fulfilled all **OBLIGATIONS** included in this agreement, and all amendments to this agreement, and have signed a **COOPERATIVE AGREEMENT CLOSURE STATEMENT**.

OBLIGATIONS – All responsibilities included in this agreement.

OBLIGATIONS COST – See **COST**.

OMB (Office of Management and Budget) – The federal office that oversees preparation of the federal budget and supervises its administration in Executive Branch agencies.

PARTNER – Any individual signatory party to this agreement.

PARTNERS – The term that collectively references all of the signatory agencies to this agreement. This term only describes the relationship between these agencies to work together to achieve a mutually beneficial goal. It is not used in the traditional legal sense in which one PARTNER's individual actions legally bind the other partners.

PROJECT – The undertaking to improve the eastbound ramp configuration at Moreno Beach Drive on SR-60 in the city of Moreno Valley and construct auxiliary lanes for the eastbound portion of the freeway between the Nason Street overcrossing and the Moreno Beach Drive overcrossing.

PROJECT COMPONENT – A distinct portion of the planning and project development process of a capital project as outlined in California Government Code, section 14529(b).

- **PID (Project Initiation Document)** – The activities required to deliver the project initiation document for PROJECT.
- **PA&ED (Project Approval and Environmental Document)** – The activities required to deliver the project approval and environmental documentation for PROJECT.
- **PS&E (Plans, Specifications, and Estimate)** – The activities required to deliver the plans, specifications, and estimate for PROJECT.
- **R/W (Right of Way) SUPPORT** – The activities required to obtain all property interests for PROJECT.
- **R/W (Right of Way) CAPITAL** – The funds for acquisition of property rights for PROJECT.
- **CONSTRUCTION SUPPORT** – The activities required for the administration, acceptance, and final documentation of the construction contract for PROJECT.
- **CONSTRUCTION CAPITAL** – The funds for the construction contract.

PROJECT COST – See COST.

PROJECT MANAGEMENT PLAN – A group of documents used to guide a project's execution and control throughout that project's lifecycle.

QMP (Quality Management Plan) – An integral part of the Project Management Plan that describes IMPLEMENTING AGENCY's quality policy and how it will be used.

RESIDENT ENGINEER – A civil engineer licensed in the State of California who is responsible for construction contract administration activities. Said engineer must be independent of the design engineering company and the construction contractor.

SAFETEA-LU – Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users

SCOPE SUMMARY – The attachment in which each PARTNER designates its commitment to specific scope activities within each PROJECT COMPONENT as outlined by the *Guide to Capital Project Delivery Workplan Standards* (previously known as WBS Guide) available at <http://www.dot.ca.gov/hq/projmgmt/guidance.htm>.

SHS (State Highway System) – All highways, right of way, and related facilities acquired, laid out, constructed, improved, or maintained as a state highway pursuant to constitutional or legislative authorization.

SPONSOR – Any PARTNER that accepts the responsibility to establish scope of PROJECT and the obligation to secure financial resources to fund PROJECT. SPONSOR is responsible for adjusting the PROJECT scope to match committed funds or securing additional funds to fully fund the PROJECT scope. If a PROJECT has more than one SPONSOR, funding adjustments will be made by percentage (as outlined in Responsibilities). Scope adjustments must be developed through the project development process and must be approved by CALTRANS as the owner/operator of the SHS.

SFM (State Furnished Material) – Any materials or equipment supplied by CALTRANS.

WORK – All scope activities included in this agreement.

CONTACT INFORMATION

The information provided below indicates the primary contact data for each PARTNER to this agreement. PARTNERS will notify each other in writing of any personnel or location changes. Contact information changes do not require an amendment to this agreement.

The primary agreement contact person for CALTRANS is:
Jamal Elsaleh, Program/Project Management Office Chief
464 W. Fourth Street
San Bernardino, California 92401-1400
Office Phone: (909) 383-6710
Email: jamal.elsaleh@dot.ca.gov

The primary agreement contact person for CITY is:
Margery Lazarus, Senior Engineer, P.E.
P.O. Box 88005
Moreno Valley, California 92552-0805
Office Phone: (951) 413-3133
Email: margeryl@moval.org

SIGNATURES

PARTNERS declare that:

1. Each PARTNER is an authorized legal entity under California state law.
2. Each PARTNER has the authority to enter into this agreement.
3. The people signing this agreement have the authority to do so on behalf of their public agencies.

STATE OF CALIFORNIA
DEPARTMENT OF TRANSPORTATION

CITY OF MORENO

APPROVED

APPROVED

By: *Ray Wolfe*
 RAYMOND W. WOLFE, PhD
 Deputy District Director

By: *Michelle Dawson*
 HENRY GARCIA
 City Manager

P.D.

Date: *1/9/12*

Date: *12/19/11*

CERTIFIED AS TO FUNDS:

APPROVED AS TO FORM AND PROCEDURE

By: *Lisa Pacheco*
 LISA PACHECO
 District Budget Manager

By: *Suzanne Bugas*
 ROBERT L. HANSEN
 City Attorney

Date: *12/23/11*

Date: *12-15-11*

08-RIV-60-18.9/19.6
 EA: 32301
 District Agreement 08-1514
 Project Number 0800000593

SCOPE SUMMARY

4	5	6	7	8	Description	CALTRANS	CITY	N/A
5	270				Construction Engineering and General Contract Administration		X	
		10			Construction Staking Package and Control		X	
		18			Construction Stakes		X	
		20			Construction Engineering Work		X	
		25			Construction Contract Administration Work		X	
			05		Secured Lease for Resident Engineer Office Space or Trailer		X	
			10		Set Up Construction Project Files		X	
			15		Pre-Construction Meeting		X	
			20		Progress Pay Estimates		X	
			25		Weekly Statement of Working Days		X	
			30		Construction Project Files and General Field Office Clerical Work		X	
			35		Labor Compliance Activities		X	
			40		Approved Subcontractor Substitutions		X	
			45		Coordination		X	
			50		Civil Rights Contract Compliance		X	
			99		Other Construction Contract Administration Products		X	
		30			Contract Item Work Inspection		X	
		35			Construction Material Sampling and Testing		X	
			05		Materials Sampling and Testing for Quality Assurance		X	
			10		Plant Inspection for Quality Assurance		X	
			18		Independent Assurance Sampling and Testing		X	
			20		Source Inspection	X		
			40		Safety and Maintenance Reviews		X	
			45		Relief From Maintenance Process		X	
			55		Final Inspection and Acceptance Recommendation		X	
			80		Plant Establishment Administration		X	
			65		Transportation Management Plan Implementation During Construction		X	
			80		Long-Term Environmental Mitigation/Mitigation Monitoring During Construction Contract		X	
			99		Other Construction Engineering and General Contract Administration		X	
5	275				Construction Engineering and General Contract Administration of Structures Work		X	
5	285				Contract Change Order Administration		X	
5	290				Resolve Contract Claims		X	
5	295				Accept Contract, Prepare Final Construction Estimate, and Final Report		X	
4	300				Final Right of Way Engineering		X	

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Initials / Date: OMB Date: 1-9-12
 City Attorney: OMB
 City Manager: WJD Date: 1/12/12

08-RIV-60-18.9/19.0
 EA: 32301
 District Agreement 08-1514
 Project Number 0800000593

FUNDING SUMMARY

Funding Source	Funding Partner	Fund Type	CON Capital	CON Support	Subtotal Support	Subtotal Capital	Subtotal Funds Type
LOCAL	CITY	City	\$8,800,000	\$450,000	\$450,000	\$8,800,000	\$9,250,000
		Subtotals by Component	\$8,800,000	\$450,000	\$450,000	\$8,800,000	\$9,250,000

DISCLOSURE OF LOBBYING ACTIVITIES

Complete this form to disclose lobbying activities pursuant to 31 U.S.C. 1352
(See reverse for public burden disclosure.)

Approved by OMB
0348-0046

1. Type of Federal Action: <input type="checkbox"/> a. contract <input type="checkbox"/> b. grant <input type="checkbox"/> c. cooperative agreement <input type="checkbox"/> d. loan <input type="checkbox"/> e. loan guarantee <input type="checkbox"/> f. loan insurance	2. Status of Federal Action: <input type="checkbox"/> a. bid/offer/application <input type="checkbox"/> b. initial award <input type="checkbox"/> c. post-award	3. Report Type: <input type="checkbox"/> a. initial filing <input type="checkbox"/> b. material change For Material Change Only: year _____ quarter _____ date of last report _____
4. Name and Address of Reporting Entity: <input type="checkbox"/> Prime <input type="checkbox"/> Subawardee Tier _____, if known:	5. If Reporting Entity in No. 4 is a Subawardee, Enter Name and Address of Prime: Congressional District, if known: _____	
6. Federal Department/Agency: Congressional District, if known: 4c _____	7. Federal Program Name/Description: CFDA Number, if applicable: _____	
8. Federal Action Number, if known:	9. Award Amount, if known: \$ _____	
10. a. Name and Address of Lobbying Registrant <i>(if individual, last name, first name, MI):</i>	b. Individuals Performing Services <i>(including address if different from No. 10a)</i> <i>(last name, first name, MI):</i>	
11. Information requested through this form is authorized by title 31 U.S.C. section 1352. This disclosure of lobbying activities is a material representation of fact upon which reliance was placed by the tier above when this transaction was made or entered into. This disclosure is required pursuant to 31 U.S.C. 1352. This information will be available for public inspection. Any person who fails to file the required disclosure shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.	Signature: _____ Print Name: _____ Title: _____ Telephone No.: _____ Date: _____	
Federal Use Only:		Authorized for Local Reproduction Standard Form LLL (Rev. 7-97)

Attachment "D"

INSTRUCTIONS FOR COMPLETION OF SF-LLL, DISCLOSURE OF LOBBYING ACTIVITIES

This disclosure form shall be completed by the reporting entity, whether subawardee or prime Federal recipient, at the initiation or receipt of a covered Federal action, or a material change to a previous filing, pursuant to title 31 U.S.C. section 1352. The filing of a form is required for each payment or agreement to make payment to any lobbying entity for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with a covered Federal action. Complete all items that apply for both the initial filing and material change report. Refer to the implementing guidance published by the Office of Management and Budget for additional information.

1. Identify the type of covered Federal action for which lobbying activity is and/or has been secured to influence the outcome of a covered Federal action.
2. Identify the status of the covered Federal action.
3. Identify the appropriate classification of this report. If this is a followup report caused by a material change to the information previously reported, enter the year and quarter in which the change occurred. Enter the date of the last previously submitted report by this reporting entity for this covered Federal action.
4. Enter the full name, address, city, State and zip code of the reporting entity. Include Congressional District, if known. Check the appropriate classification of the reporting entity that designates if it is, or expects to be, a prime or subaward recipient. Identify the tier of the subawardee, e.g., the first subawardee of the prime is the 1st tier. Subawards include but are not limited to subcontracts, subgrants and contract awards under grants.
5. If the organization filing the report in item 4 checks "Subawardee," then enter the full name, address, city, State and zip code of the prime Federal recipient. Include Congressional District, if known.
6. Enter the name of the Federal agency making the award or loan commitment. Include at least one organizational level below agency name, if known. For example, Department of Transportation, United States Coast Guard.
7. Enter the Federal program name or description for the covered Federal action (item 1). If known, enter the full Catalog of Federal Domestic Assistance (CFDA) number for grants, cooperative agreements, loans, and loan commitments.
8. Enter the most appropriate Federal identifying number available for the Federal action identified in Item 1 (e.g., Request for Proposal (RFP) number; Invitation for Bid (IFB) number; grant announcement number; the contract, grant, or loan award number; the application/proposal control number assigned by the Federal agency). Include prefixes, e.g., "RFP-DE-90-001."
9. For a covered Federal action where there has been an award or loan commitment by the Federal agency, enter the Federal amount of the award/loan commitment for the prime entity identified in Item 4 or 5.
10. (a) Enter the full name, address, city, State and zip code of the lobbying registrant under the Lobbying Disclosure Act of 1995 engaged by the reporting entity identified in Item 4 to influence the covered Federal action.

(b) Enter the full names of the individual(s) performing services, and include full address if different from 10 (a). Enter Last Name, First Name, and Middle Initial (MI).
11. The certifying official shall sign and date the form, print his/her name, title, and telephone number.

According to the Paperwork Reduction Act, as amended, no persons are required to respond to a collection of information unless it displays a valid OMB Control Number. The valid OMB control number for this information collection is OMB No. 0348-0046. Public reporting burden for this collection of information is estimated to average 10 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0046), Washington, DC 20503.

LIST OF SUBCONSULTANTS

PROJECT NAME: _____

PROJECT NO: _____

CONSULTANT NAME: _____

NAME	DESCRIPTION OF SUBCONSULTANT'S WORK:
TELEPHONE	
ADDRESS	
CITY, STATE ZIP	

NAME	DESCRIPTION OF SUBCONSULTANT'S WORK:
TELEPHONE	
ADDRESS	
CITY, STATE ZIP	

NAME	DESCRIPTION OF SUBCONSULTANT'S WORK:
TELEPHONE	
ADDRESS	
CITY, STATE ZIP	

Duplicate this form as necessary to report all subconsultant(s) information

Attachment "E"

PROPOSER'S LIST OF SUBCONSULTANTS (DBE AND NON-DBE) – PART I

The proposer shall list all subconsultants (both DBE and non-DBE) in accordance with Section 2-1.054 of the Standard Specifications and per Title 49, Section 26.11 of the Code of Federal Regulations. This listing is required in addition to listing DBE subconsultants elsewhere in the proposal. **Photocopy this form for additional firms.**

Firm Name/ Address/ City, State, ZIP	Phone/ Fax	Annual Gross Receipts	Description of Portion of Work to be Performed	Certified DBE?
Name	Phone	<input type="checkbox"/> < \$1 million		<input type="checkbox"/> YES
Address		<input type="checkbox"/> < \$5 million		<input type="checkbox"/> NO
City State ZIP	Fax	<input type="checkbox"/> < \$10 million		If YES list DBE #:
		<input type="checkbox"/> < \$15 million		Age of Firm (Yrs.)
		<input type="checkbox"/> > \$15 million		
Name	Phone	<input type="checkbox"/> < \$1 million		<input type="checkbox"/> YES
Address		<input type="checkbox"/> < \$5 million		<input type="checkbox"/> NO
City State ZIP	Fax	<input type="checkbox"/> < \$10 million		If YES list DBE #:
		<input type="checkbox"/> < \$15 million		Age of Firm (Yrs.)
		<input type="checkbox"/> > \$15 million		
Name	Phone	<input type="checkbox"/> < \$1 million		<input type="checkbox"/> YES
Address		<input type="checkbox"/> < \$5 million		<input type="checkbox"/> NO
City State ZIP	Fax	<input type="checkbox"/> < \$10 million		If YES list DBE #:
		<input type="checkbox"/> < \$15 million		Age of Firm (Yrs.)
		<input type="checkbox"/> > \$15 million		
Name	Phone	<input type="checkbox"/> < \$1 million		<input type="checkbox"/> YES
Address		<input type="checkbox"/> < \$5 million		<input type="checkbox"/> NO
City State ZIP	Fax	<input type="checkbox"/> < \$10 million		If YES list DBE #:
		<input type="checkbox"/> < \$15 million		Age of Firm (Yrs.)
		<input type="checkbox"/> > \$15 million		
Name	Phone	<input type="checkbox"/> < \$1 million		<input type="checkbox"/> YES
Address		<input type="checkbox"/> < \$5 million		<input type="checkbox"/> NO
City State ZIP	Fax	<input type="checkbox"/> < \$10 million		If YES list DBE #:
		<input type="checkbox"/> < \$15 million		Age of Firm (Yrs.)
		<input type="checkbox"/> > \$15 million		

Distribution: 1) Original – Local Agency File

PROPOSER'S LIST OF SUBCONSULTANTS (DBE AND NON-DBE) – PART II

The proposer shall list all subconsultants who provided a quote or proposal but were not selected to participate as a subconsultant on this project. This is required for compliance with Title 49, Section 26 of the Code of Federal Regulations. **Photocopy this form for additional firms.**

Firm Name/ Address/ City, State, ZIP		Phone/ Fax	Annual Gross Receipts	Description of Portion of Work to be Performed	Certified DBE?
Name		Phone	<input type="checkbox"/> < \$1 million		<input type="checkbox"/> YES
Address		Fax	<input type="checkbox"/> < \$5 million		<input type="checkbox"/> NO
City State ZIP			<input type="checkbox"/> < \$10 million		If YES list DBE #:
			<input type="checkbox"/> < \$15 million		Age of Firm (Yrs.)
			<input type="checkbox"/> > \$15 million		
Name		Phone	<input type="checkbox"/> < \$1 million		<input type="checkbox"/> YES
Address		Fax	<input type="checkbox"/> < \$5 million		<input type="checkbox"/> NO
City State ZIP			<input type="checkbox"/> < \$10 million		If YES list DBE #:
			<input type="checkbox"/> < \$15 million		Age of Firm (Yrs.)
			<input type="checkbox"/> > \$15 million		
Name		Phone	<input type="checkbox"/> < \$1 million		<input type="checkbox"/> YES
Address		Fax	<input type="checkbox"/> < \$5 million		<input type="checkbox"/> NO
City State ZIP			<input type="checkbox"/> < \$10 million		If YES list DBE #:
			<input type="checkbox"/> < \$15 million		Age of Firm (Yrs.)
			<input type="checkbox"/> > \$15 million		
Name		Phone	<input type="checkbox"/> < \$1 million		<input type="checkbox"/> YES
Address		Fax	<input type="checkbox"/> < \$5 million		<input type="checkbox"/> NO
City State ZIP			<input type="checkbox"/> < \$10 million		If YES list DBE #:
			<input type="checkbox"/> < \$15 million		Age of Firm (Yrs.)
			<input type="checkbox"/> > \$15 million		

Distribution: 1) Original – Local Agency File

**INSTRUCTIONS - LOCAL AGENCY PROPOSER DBE INFORMATION
(CONSULTANT CONTRACTS)**

SUCCESSFUL PROPOSER:

The form requires specific information regarding the consultant or other contract: Local Agency, Location, Project Description, Total Contract Amount, Proposal Date, and successful Proposer's Name.

The form has a column for the Work Item Number and Description or Services to be Subcontracted to DBEs. The prime consultant shall indicate all work to be performed by DBEs including, if the prime consultant is a DBE, work performed by its own forces, if a DBE. The DBE shall provide a certification number to the prime consultant. Enter DBE prime consultant's and subconsultant's certification number. The form has a column for the Names of DBE certified contractors to perform the work (must be certified on or before the proposals are due and include DBE address and phone number).

Enter the Total Claimed DBE Participation dollar amount of items of work in the total DBE Dollar Amount column. (If 100% of item is not to be performed by the DBE, describe exact portion of time to be performed by the DBE.) See "Notice to Proposers Disadvantaged Business Enterprise Information," (Exhibit 10-I) to determine how to count the participation of DBE firms.


Exhibit 10-O2 must be signed and dated by the successful proposer at contract execution. Also list a phone number in the space provided and print the name of the person to contact.

Local agencies should complete the Contract Number, Federal-aid Project Number, Federal Share, and Contract Award fields and verify that all information is complete and accurate before signing and sending a copy of the form to the District Local Assistance Engineer within 15 days of contract execution. Failure to submit a completed and accurate form within the 15-day time period may result in the deobligation of funds on this project.

District DBE Coordinator should verify that all information is complete and accurate. Once the information has been verified, the **District Local Assistance Engineer** signs and dates the form.



CITY of MORENO VALLEY
CAPITAL PROJECTS DIVISION



Professional Consultant
Construction Surveying Services
for Project EA 08-32301
SR-60 / MORENO BEACH DRIVE - PHASE 1
IMPROVEMENTS PROJECT
Project Account No. 797.79731

PRESENTED BY:



COORY ENGINEERING

1718 N. Neville Street, Orange, CA 92865
TEL.: (714) 202-8700 FAX: (714) 202-8701

August 1, 2012

Exhibit "B"



COORY ENGINEERING
CIVIL ENGINEERING & LAND SURVEYING

Capital Projects Division
City of Moreno Valley
14177 Frederick Street
Moreno Valley, CA 92552

August 1, 2012

Subject: **Construction Survey Services**
SR-60 / Moreno Beach Drive
Phase 1 Improvements Project
Moreno Valley, CA

Ladies and Gentlemen:

Coory Engineering is pleased to submit this proposal, and offer our company resources to the City of Moreno Valley in response to your Request for Proposal for the Construction Survey Services for the SR-60 / Moreno Beach Drive, Phase 1 Improvements Project. Our team is assembled with commitment and discipline to partner with the City of Moreno Valley and to implement this project on time and within a low budget. **Our overhead is very low and our fees are reasonable.**

Over the years, **our company completed similar projects for local agencies within Caltrans right-of-way and in compliance with CT encroachment permit, plans & specifications, and CT / local agencies survey staking manual and guidelines as applicable. Our field staff has excellent working relationship with Project Resident Engineers, Agency Representatives, and Caltrans Oversight Engineers. We are also looking forward to propose the survey work on the upcoming Nason Street project. If we are successful to be selected to perform the two projects at the same time, we will even bring in more savings to the City.**

We commit our resources acquired over thirty two years of successful execution of public and private projects, and offer our experienced and skilled project managers and surveyors for the execution of this project. We assign our top personnel to the key positions on the project. The assigned **Project Manager** for this project will be the undersigned, **Samir M. Khoury, a surveyor and a registered civil engineer with over thirty years of experience** as detailed later on in this proposal. Moreover, all other assigned personnel have superior knowledge of the ins and outs of various city improvement projects.

1718 N. Neville Street, Orange, CA 92865

TEL: (714) 202-8700

FAX: (714) 202-8701

August 1, 2012

Construction Survey Services
SR-60 / Moreno Beach Drive
Phase 1 Improvements Project
Moreno Valley, CA

We appreciate the opportunity to present our proposal and look forward to collaborative development of seamless delivery of this project, in a successful manner. **Our proposal meets or exceeds all requirements outlined in the City's RFP.**

Should you have any technical or contractual questions, please contact the undersigned at (714) 202-8700 or email skhoury@cooryengineering.com.

Sincerely,

Samir M. Khoury, PE
President, Coory Engineering

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Company Information

- Coory Engineering is certified by the State of California as a Small Business Enterprise (SBE).
- Address: 1718 N. Neville Street
Orange, CA 92865,
Telephone: (714) 202-8700,
Fax: (714) 202-8701.
- The company is a sole proprietorship, owned by Samir M. Khoury.
- Our firm was established in April of 1980.
- We specialize in the practice of General Civil Engineering, Land Surveying and Construction Management. Municipal projects comprise the majority of our work load.

Company contact person:

Mr. Samir M. Khoury
Telephone: (714) 202-8700
Email: Skhoury@cooryengineering.com

Samir M. Khoury is the responsible party for entering into contracts, signing agreements and entering into potential negotiation points.

A. Project Understanding

It is our understanding that the City of Moreno Valley is looking for a consulting firm that can provide Construction Survey services for the SR-60 / Moreno Beach Drive Phase 1 Improvements Project in the City of Moreno Valley.

Per the project plans and the RFP, the project in general is proposing the re-alignment of the SR-60/Moreno Beach eastbound off and on ramps, adding an eastbound auxiliary lane, installation of a new traffic signal at the new intersection of the eastbound ramps and Moreno Beach Drive, adding a retaining wall, adding ramp metering, extension of Eucalyptus Avenue to Moreno Beach Drive, modification of the traffic signal at the intersection of Eucalyptus Avenue and Moreno Beach Drive, coordination of utility relocations, irrigation, and related work. The work lies within Caltrans right of way, the work includes earthwork, grading, asphalt concrete paving, concrete retaining walls, roadway excavation, imported borrow, drainage pipes and minor concrete structures, concrete curb and gutter, EMWD water line relocation, overhead SCE relocation and related work.

Possible typical issue areas in a construction surveying project like this are the following:

- The availability of sufficient survey control
- Communication
- Lost stakes/ Re-staking
- Documentation
- Multiple concurrent tasks
- Utility coordination
- As-builts

The above items of possible typical project's issues do not pose a problem for us. We understand the parameters and nature of a project of this type and magnitude and are familiar with its complexities and the typical difficulties that are encountered. As part of the scope of delivering this project, Coory Engineering is familiar with the project plans, specifications and contract documents. This task is more of a second nature to us as a Survey company than it might be for other surveying outfits because of the nature of the services we provide as a whole. In addition to surveying services, we are also heavily involved in the preparation and delivery of construction documents and specifications for municipal projects such as this one. As such, there is no learning curve when our firm is involved.

B. Project Approach

Over the years our experience has led us to the following approach in dealing with projects such as this one:

1. Research:

1.1 Research Control: Since there is already a design in place for this project, our first task would be to request that the City share with us the survey control that was used in the design phase. This will ensure that we are working within the same parameters as the intended design. As a routine however, we would still conduct our own independent research through City, County and Caltrans records in search for surveying monuments to be used in establishing horizontal and vertical control. Based on our research, our survey crew search for and locate these monuments in the field.

1.2 Construction Documents: A crucial step in this research process is the physical studying of the project plans and specifications to be fully familiar with the project intentions, needs, requirements and methodologies.

2. Site Preparation: Based on the research, the project plans and our assessment of the physical project parameters, we will locate and set a vertical and horizontal field survey control network. The control network will be verified for closure and accuracy, and will be placed in areas outside the construction zone areas, and posted with warnings not to be disturbed. This control will also be available for use by the contractors using laser equipment for purposes of rough-grading operation.

3. Electronic Files: We expect to receive from the City electronic files of the project design. These files will be used by our office engineer for the preparation of staking calculations. Portions of these electronic plans will also be downloaded into the data collectors for field use by the surveyors (as needed) along with the survey calculations.

4. Survey Request Form: Typically, to set a construction surveying task into motion, a survey request form needs to be filled out.

Our standard survey request form is clear in indicating the type of survey needed, the desired offsets, when the area will be ready for staking, when the survey stakes will be used and the order of priority if there is more than one area to be staked.

Unless the City has its own survey request form/ format, we will provide the contractor and/or the project manager with ours. A minimum notice of 24 hours is requested.

5. Minimum Hours: Typical industry minimum hours for a "move-in" is 4 hours. However, Coory Engineering does not have a minimum hour condition in place for this project. We are available to serve you with your maximum and minimal needs. Of course, better planning would slate a full day of work for a move-in if possible.

6. Record Keeping: We are a highly organized company. Cut sheets will be provided on the same day that our work is done. The City will receive a copy of the cut sheets. The surveyor will retain a copy at all times and one copy will be delivered to our project files in the office. For speed, cut sheets are delivered to the City on the same day that a survey is conducted. However, our office copy will be verified for accuracy upon receipt from the field crew. In cases where a conflict is discovered in the cut sheets, the conflict is communicated with the field immediately.

Our cut sheets for any day of work are numbered 1, 2, 3 etc. However, for better filing and an easier re-tracing system, each page will have a continuous serial number.

All other project related paperwork will be filed and maintained up to date, readily available for delivery to the City upon request or upon audit.

7. Design Errors: If design errors are discovered by our surveyors or our office engineer while preparing the staking calculations, the errors will be reported to the City immediately. Plans will not be revised until permitted by the City and/or its designer.

8. Safety Issues: Our crews are used to working in a busy construction environment. They are well versed on safety and safety procedures are strictly enforced and followed.

C. Project Management Plan

The following is a summary of tasks/ services that we will perform for this project:

- Our survey staff will work under the direction of the City's Resident Engineer / Project Manager and perform services in strict compliance with the contract plans, specifications, and Caltrans survey staking manual / guidelines.
- Meet with the City's Project Manager, CM Resident Engineer, CT Oversight Engineer and contractor to coordinate survey staking activities, notifications, and survey notes.
- Identify conflicts, provide field survey data to the Resident Engineer and designer, recommend solutions, document field changes for As-Built.
- Review contract documents, plans and specifications and become thoroughly familiar with the project.
- Research records and establish survey control.
- Participate in pre-construction, field, construction progress, contractors, public utility agencies and other governmental agency meetings.
- Coordinate with field contractors to determine the work to be completed and the status of the completed work.
- Maintain daily communication with City representatives and establish upcoming workload and schedule. Adjust schedule as necessary.
- Define in-house project team responsibilities & establish a system of checks & balances.
- Conduct in-house meetings with the survey crews to layout the planned work, delegate daily activities, deliverables and schedule.
- Establish a filing system & maintain a log.
- Conduct field construction surveying.
- Coordinate ongoing construction surveys and staking as required.
- Review and monitor contractor's request for re-staking.
- Submit reports of completed work to field inspector.
- Maintain copies of all survey documents (Field notes, Cut Sheets, etc...).
- Keep copies of construction surveying documents on-site.
- Provide measurement of contractor's extra work when requested by the City.

- Provide labor compliance reports and certified payroll of field work.
- Participate in final walk-through meetings, as-built plan completion meetings and administrative meetings as necessary.

A project of this nature will require constant open communication and support. It needs the leadership of a project manager with experience who can communicate, anticipate, plan ahead and execute the plan seamlessly on time and within budget. Coory engineering will offer the services of Samir Khoury to act as Project Manager for this project. Samir is a surveyor and a registered civil engineer. He is an ex-employee of the Cities of Lynwood and Santa Fe Springs, and currently serves as a consultant to various cities.

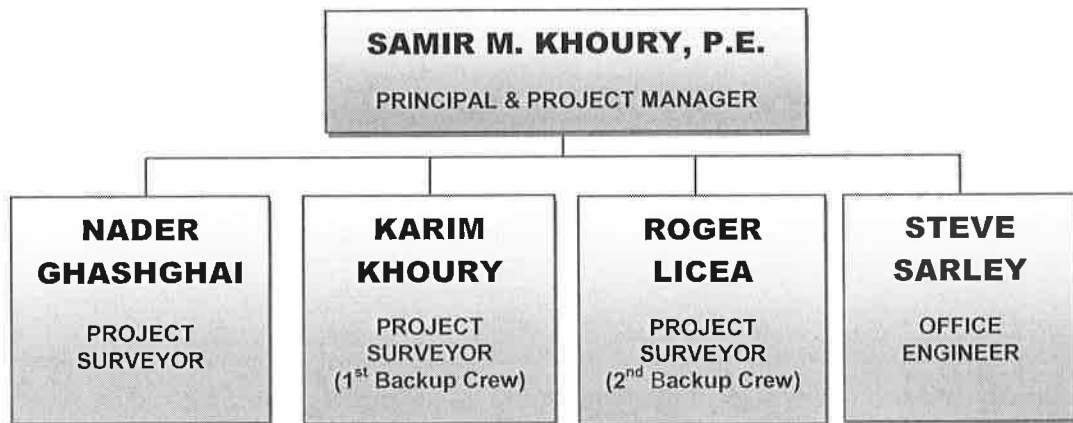
Samir will be involved in City meetings with contractors, public utility agencies and other government agency representatives as requested. He will also attend pre-construction meetings, field meetings, construction progress meetings, equal opportunity meetings, final walk-through meetings, as-built plan completion meetings and other administrative meetings as necessary. Samir will be communicating and coordinating with the City project manager, construction manager and project engineer daily, to keep track of the remaining project budget versus the remaining project work on a regular basis.

Samir will be in charge of in-house meetings with the survey crews to layout the planned work, establish the tasks of the day, the methods of surveying to be employed and the order in which they are to be delivered.

Samir will prepare and maintain a log of survey work requested and completed, survey related computer files, daily survey work, survey field notes, survey grade sheets and survey related records and files. He will be providing labor compliance reports and certified payroll of Coory Engineering's field work.

We assign the following key personnel to provide the requested surveying services: Samir Khoury/ Project Administrator and Project Manager, Nader Ghashghai/ Project Surveyor, Karim Khoury/ (1st Backup) Project Surveyor, Roger Licea/ (2nd Backup) Project Surveyor and Steve Sarley/ Office Engineer for Staking Calculations. Other staff members are available to assist on the project as needed. Below is a project specific organizational chart.

Project-specific Organizational Chart:



Key Personnel for This Project:

Samir M. Khoury / Project Manager:

Samir has over 30 years of experience, is a surveyor and a registered civil engineer in the State of California and he is an ex-employee of the Cities of Santa Fe Springs and Lynwood. He managed many projects for these cities and other cities within Caltrans right-of-way, coordinating work from the design stage through construction and completion. His experience ranges from involvement with heavy construction activities to simple routine street improvement projects. He will be responsible for entering into contract with the city, will oversee the project at large and will be responsible for quality control and quality assurance.

Nader Ghashghai / Project Surveyor

Primary Project Crew:

Nader holds a B.S. degree in Geomatics Engineering and Photogrammetry from Fresno State University. He has over 27 years of experience working in the field of surveying. Nader has been associated with Coory Engineering for the past 17 years. He will be in charge of the primary surveying crew assigned to this project.

Karim Khoury / Project Surveyor

1st Backup Project Crew:

Karim has over 20 years of experience working in the field of Surveying, Civil Engineering and land development. His background in Civil Design is what gives him an edge and makes him an asset in the field of Surveying. He has been associated with Coory Engineering for the past 20 years. He will be in charge of one of the surveying crews assigned to this project.

Roger Licea / Project Surveyor

2nd Backup Project Crew:

Roger has 20 years of experience working in the field of surveying, civil engineering design & land development. Roger is experienced in the use of GPS & Robotic instruments. Roger's experience includes field data collection, construction staking, ALTA surveys, Topographic & Boundary surveys, Flood Certificates, Earthwork Volume surveying. Roger is experienced working with Geologists. He has headed various surveys on many military bases from Coronado base in San Diego to Alameda Point.

Other personnel:

Other personnel assigned to this project are Survey Technicians, draftsmen and clerical staff as needed.

D. Qualifications and Experience

Qualifications:

- i. Coory Engineering has no outstanding or pending complaints as determined through the state of California Department of Consumer Affairs.
- ii. Among the other personnel, we currently employ 4 Professional Engineers licensed in the state of California and 3 survey crews.
- iii. Coory Engineering has been providing design, Survey and Construction Management services for the development of Capital Improvement projects for over 32 years.

Firm Background and Experience:

Coory Engineering is a General Civil Engineering, Surveying and Construction Management company with a major emphasis on Public Works/ Capital Improvement projects. Our firm is located in the City of Orange. Established in 1980, we have been in business for 32 years and are currently staffed with 19 employees. Many of our employees are ex-City employees that are familiar with City work and environment.

Over the years, our firm has repeatedly delivered one successful project after another, and we have done so for a number of public agencies.

In general, street improvement type projects represent the majority of public agencies' project work load. As a result, our work load has predominantly been dedicated to street improvement projects; new streets, street rehabilitation, sewer, water, storm drain, traffic signals, signing and striping, street lighting, utility work and utility coordination, NPDES, irrigation and landscaping, retaining walls, paving, and all associated construction staking.

Below is a partial list of Cities for whom we have performed Design, Construction Management and Construction Surveying services over the years:

Santa Fe Springs	Whittier	Norwalk	Pico Rivera
Montebello	Irwindale	Calabasas	West Covina
La Habra	Alhambra	Lynwood	Huntington Park
Azusa	Buena Park	Cerritos	Chino
Commerce	Downey	El-Monte	El Segundo

Comparable Examples of previous work:

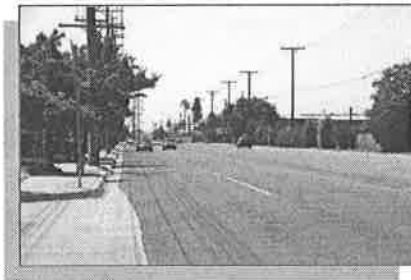
We were the engineering company of choice for the Cities mentioned below. These projects are similar in scope to the subject Project. We performed all the construction surveying:

• **LIVE OAK / ARROW HIGHWAY REHABILITATION PROJECT**

- Overall Cost: \$14,000,000.
- 4.5 Miles Long.
- Included Street Reconstruction and Landscaping.
- **Caltrans ramps and bridge repair. (605 Freeway).**
- Various types of infrastructures including Water, Sewer, Storm Drain, Signals & Lighting.
- Completed – 2009.



• **GLADSTONE STREET REHABILITATION PROJECT**



- Overall Cost: \$600,000. **(Stimulus Fund).**
- 0.7 Miles Long.
- Complete Reconstruction.
- Completed – 2010.

• **KNOTT AVENUE REHABILITATION PROJECT**

- Overall Cost: \$1,950,000. **(Stimulus Fund).**
- 1.0 Mile Long.
- Reconstruction & Cold Milling.
- Concrete Repairs.
- Artificial Turf in Medians.
- Completed – 2011.



• **LOS ANGELES ST. REHABILITATION PROJECT**



- Cost: \$1,500,000.
- 0.7 Miles Long.
- Complete Street Reconstruction.
- **Caltrans Freeway Off-ramps and bridge repair.**
- New & Modified Traffic Signals.
- Completed – 2011.

References:

i. **City of Irwindale**

Contact:

Mr. Kwok Tam, P.E.
Public Works Director/City Engineer
(626) 430-2212
5050 North Irwindale Avenue
Irwindale, CA 91706
ktam@ci.irwindale.ca.us.

Services Provided: Construction Surveying and Design for various public works projects such as Street Rehabilitation, Street Improvement, Storm Drain, Signing & Striping, Traffic Signal, Street Lighting, NPDES, including Specifications, Construction Management & Inspection. Also, we provided public works engineering support to relieve city staff as needed.

ii. **City of Santa Fe Springs**

Contact:

Mr. Don Jensen, P.E.
Director of Public Works/ City Engineer
(562) 868-0511
11710 Telegraph Road
Santa Fe Springs, CA 90670
djensen@santafesprings.org.

Services Provided: Construction Surveying and Design for various public works projects such as Street Rehabilitation, Street Improvement, Storm Drain, Signing & Striping, Traffic Signal, Street Lighting, NPDES, including Specifications, Construction Management & Inspection. Also, we provided public works engineering support to relieve city staff as needed, especially, to cover traffic engineering.

iii. **City of Buena Park**

Contact:

Mr. Nabil Henein, P.E.
Deputy City Engineer
(714) 562-3685
P.O. Box 5009
Buena Park, CA 90622-5009
nhenein@buenapark.com.

Services Provided: Construction Surveying and Design for various public works projects such as Street Rehabilitation, Street Improvement, Storm Drain, Signing & Striping, Traffic Signal, Street Lighting, NPDES, including Specifications, Construction Management & Inspection.

E. Staffing Plan

We are committing 3 crews to be dedicated to this project. Each crew is made up of two persons, a party Chief and a Chainman. Nader Ghashghai's crew will be the primary crew deployed for the project surveying services. If additional crews are needed to satisfy the workload on any given day, then additional crews will be deployed. Each crew is self-sufficient. Each crew is furnished with a fully equipped, fully stocked survey truck. Our crews can be in three separate locations at the same time, performing separate or related tasks.

Approach:

A typical survey task is initiated in one of two ways; pre-scheduled per a project master schedule, or 24 hours in advance of the requested task by an authorized person who makes this request in writing by completing a "Request for Surveying" form. The form is received by Samir Khoury (the Project Manager) who passes it on to Steve Sarley (the Office Engineer). Steve prepares the calculations and an exhibit of the work to be done. The survey crew is prepared and deployed. When additional survey crews are needed, the protocol to follow is the same. Samir deploys the needed number of crews to the job site as necessary.

With 3 crews available to this project, enough resources are available to ensure project needs are met seamlessly and on time.

EXPERIENCE / ALLOCATION MATRIX

Survey Team	AVAILABILITY (%)	Experience (Years)	Education	Street Improvement	Fwy Projects	Road Rehabilitation	Storm Drain	Open Channels	Dry Utilities	Wet Utilities	Traffic Control	On-ramps/Off-ramps	Retaining Walls	Piles	Boundary Surveys	As-builts	COMPARABLE PROJECT EXPERIENCE
Samir Khoury (Project Manager)	100%	32	BS	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	I-105 Century Freeway, Live Oak/ Arrow Hwy Rehabilitation Golden Springs 265 Acre Industrial Park, w/ 96" SD Improvements.
Steve Sarley (Office Engineer)	100%	25	AA	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	I-105 Century Freeway, Live Oak/ Arrow Hwy Rehabilitation Golden Springs 265 Acre Industrial Park, w/ 96" SD Improvements.
Nader Ghasghhai (Party Chief)	100%	27	BS	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	600' Bridge/ Tunnel/ Meadows Field Runway. I-99 North on-ramp at 7 th Standard Rd. Drainage Channel at Buena Vista Rd realignment/ Inwindale. I-105 Century Freeway, Live Oak/ Arrow Hwy Rehabilitation Golden Springs 265 Acre Industrial Park Imp.
Karim Khoury (Party Chief)	100%	20	LBCC ITT HASP	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Live Oak/ Arrow Hwy Rehabilitation Golden Springs 265 Acre Industrial Park, w/ 96" SD Improvements.
Roger Licea (Party Chief)	100%	20	RCC LATT ITT	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Live Oak/ Arrow Hwy Rehabilitation Golden Springs 265 Acre Industrial Park, w/ 96" SD Improvements.

F. Work Plan and Schedule

Within one week of the City's Notice to Proceed, Coory Engineering will be available to meet with the City staff to initiate the Project. The meeting will establish clear lines of communications and will cover the review and revision of the project schedule and scope of work. The meeting will be used as a platform to establish general guidelines and to discuss project parameters and constraints and to obtain any additional data.

Coory Engineering will meet with City staff on a regular basis to review the cost, schedule, status and progress of the work, as well as anticipated problems and potential solutions. Coory Engineering will submit status reports on various tasks as needed to keep the City informed.

Coory Engineering shall be available for meetings with City staff, utility agencies and project contractor as needed to complete the project.

Coory Engineering will attend the preconstruction meeting and provide recommendations as necessary.

Coory Engineering will follow and adhere to the agreed-upon construction schedule. We will prepare calculations and conduct construction surveying tasks within 24 hours of notice to provide services, or at a pre-scheduled timeline within the agreed-upon working days.

G. Quality Control and Assurance

We at Coory Engineering have developed and implemented a system of checks and balances that delivers value engineering, constructability, budget control, design completeness and timely delivery.

Before kicking off a project, the project manager and surveyors are issued construction documents, plans and specifications to be fully informed and familiar with the project. Project team members are invited to an in-house project kickoff meeting. The entire team from Principal to technicians is fully informed on the project parameters, scope and schedule expectations. Items that are identified as potential problems are addressed and solutions to the problems are shared. With the combined collaborative input of the team, we are able to review, discuss, share and plan the procedures and project guidelines to be followed. We establish responsibilities and expectations for deliverables. By discussing the project and airing out solutions, we are able to identify and avoid shortfalls or conflicts.

Over the years, the track record of this system of in-house peer review speaks for itself. This system of project development has been proven to deliver timely quality and budget control.

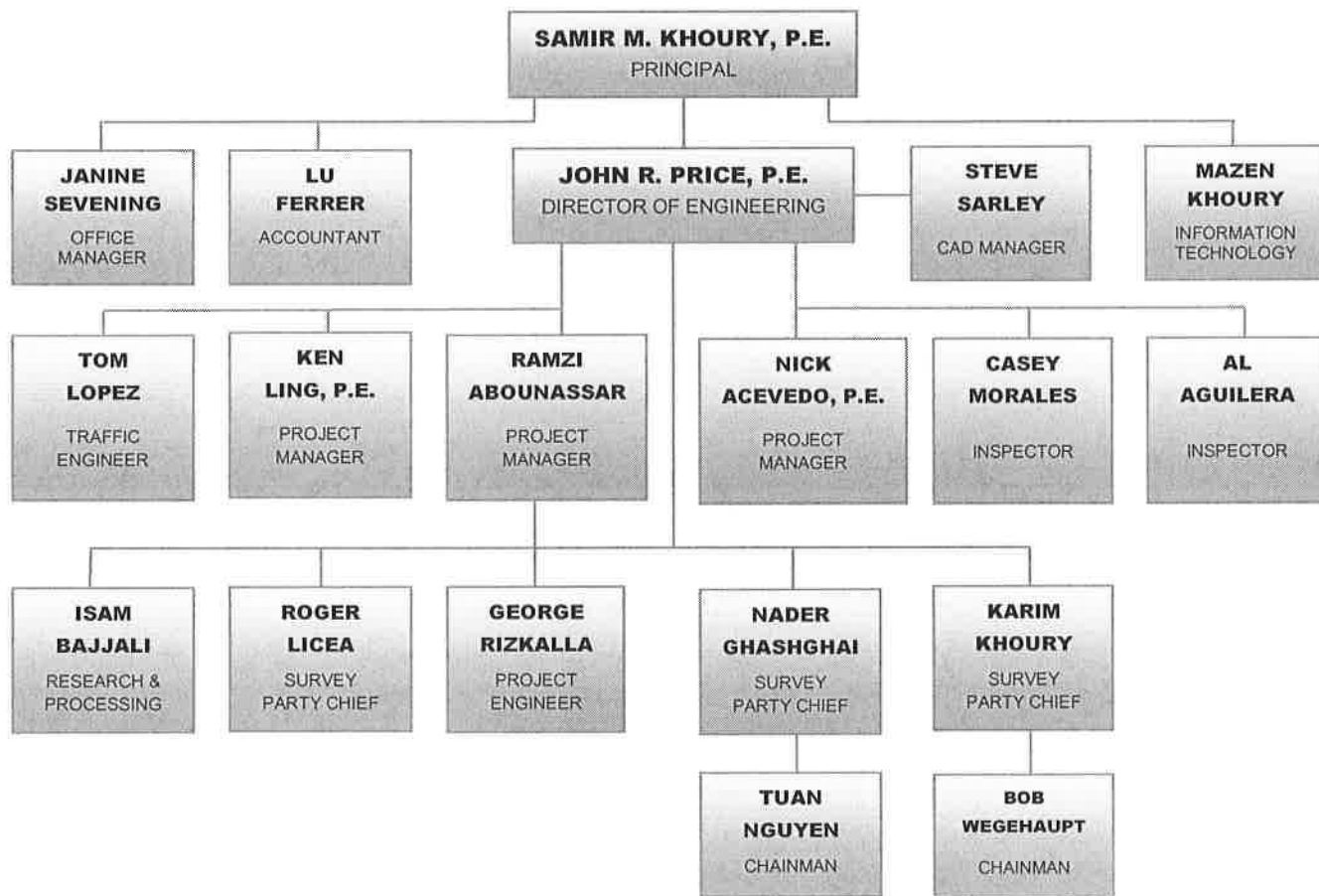
We have a long history of delivering capital improvement projects to our clients on time and within budget. We strive on minimizing change orders to our clients. You are welcome to contact our listed references.

H. Additional Relevant Information

Our team is assembled with commitment and discipline to partner with the City of Moreno Valley and implement the subject project on time and within budget. Our staff members have superior knowledge of the ins and outs of city improvement projects and they have a long track record of successfully completing projects on time and budget.

The following is our company's organizational chart.

COMPANY'S ORGANIZATIONAL CHART



WHY COORY ENGINEERING

Coory Engineering is distinguished for the following reasons:

- Our Overhead is very low and our fees are reasonable.
- We have been in this business for many years (established in 1980). Therefore, in our 32 years of service, we have acquired a lot of experience and have served all types of projects, ranging from simple to the very complex.
- Our crews are supervised by Samir Khoury who was formally educated as a surveyor and then as an engineer, acquiring RCE license No. 30567 in 1979. Samir worked in the field and in the office for over thirty years.
- Coory Engineering is a design/survey company. We also offer inspection and construction management services. Therefore, we have a strong understanding of the design message that needs to be applied in the field. This ability gives us a strong tool to quickly identify technical conflicts and the ability to offer quick solutions without delaying the job. We have a strong understanding of the various industry standards including the Green Book, LAPM, EMWD, CALTRANS, CALDOT, WATCH, ETC.
- We are punctual, fast, fully equipped and properly insured. Our errors and omissions insurance exceed City requirements.
- We respect and follow construction protocol and the chain of command.
- Coory Engineering is experienced with and accustomed in serving public agencies. We are familiar with public works. 70% of our work load is dedicated to public agencies.
- We are known for our integrity as can be verified from our numerous references.

I. Proposal Statements

1. Moreno Valley's Request for Proposal for Professional Consultant Construction Survey Services for Project No. EA 08-32301 (Account No. 797.79731) shall be incorporated in its entirety as part of Coory Engineering's Proposal to perform these services.
2. Moreno Valley's Request for Proposal for Professional Consultant Construction Survey Services for Project No. EA 08-32301 (Account No. 797.79731) and Coory Engineering's Proposal to provide these services will jointly become part of the Agreement for Professional Consultant Services for this project when said Agreement is fully executed by Coory Engineering and the Mayor or City Manager of Moreno Valley.
3. Coory Engineering's Services to be provided, and fees therefore, will be in accordance with the City of Moreno Valley's Request for Proposal except as otherwise specified in the Consultant's proposal under the heading "ADDITIONS OR EXCEPTIONS TO THE CITY'S REQUEST FOR PROPOSAL", if any.
4. The Hourly Rate Schedule included in the separate sealed envelope is hereby made a part of Coory Engineering's Proposal for use in invoicing for progress payments and for extra work incurred. All extra work will require prior approval from the City of Moreno Valley.
5. No Sub-consultants are proposed at this time. It is acknowledged and understood that Coory Engineering will not be allowed to introduce or change a sub-consultant without written permission from the City of Moreno Valley.
6. All charges for Coory Engineering's services are a "Not-to-Exceed Fee" and include conservatively estimated reimbursable expenses, as submitted with and made a part of this proposal.
7. Coory Engineering will document and provide the results of the work to the satisfaction of the City. This may include preparation of field and final reports, or similar evidence of attainment of the Agreement objectives.
8. Coory Engineering will immediately document and notify the City of any defects or hazardous conditions observed in the vicinity of the project site prior, during or after the construction work.
9. The Hourly Rate Schedule included in the separate sealed envelope is hereby made a part of Coory Engineering's Proposal for use in invoicing for progress payments and for extra work incurred that is not part of Moreno Valley's Request for Proposal for Professional Consultant Construction Survey Services for Project No. EA 08-32301 (Account No. 797.79731). All extra work will require prior approval from the City of Moreno Valley.

An itemized cost breakdown for the work described herein is included in a sealed envelope as part of our Proposal submittal.

10. Coory Engineering does not and will not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin.
11. All Federal laws and regulations shall be adhered to, notwithstanding any State or local laws or regulations. In case of conflict between Federal, State or local laws or regulations, the strictest shall be adhered to.
12. Coory Engineering shall allow all authorized Federal, State, County, and City officials access to our place of work, books, documents, papers, fiscal, payroll, materials, and other relevant contract records pertinent to this special project. All relevant records shall be retained for at least three years.
13. Coory Engineering shall comply with the Davis-Bacon Fair Labor Standards Act (40 USC 276-a through a-7), and the implementation regulations issued pursuant thereto (29 CFR Section 1, 5), any amendments thereof and the California Labor Code. Pursuant to the said regulations, entitled "Federal Labor Standards Provisions," Federal Prevailing Wage Decisions" and State of California prevailing wage rates, respectively.
14. Coory Engineering shall comply with the Copeland Anti-Kickback Act (18 USC 874) and the Implementation Regulation (29 CFT 3) issued pursuant thereto, and amendments thereof.
15. Coory Engineering offers and agrees to assign to the City all right, title, and interest in and to all causes of action it may have under Section 4 of the Clayton Act (15 USC Sec. 15) or under the Cartwright Act (Chapter 2 [commencing with Section 13700] of Part 2 of Division 7 of the Business and Professions Code), arising from purchases of goods, services, or materials pursuant to the public works or the subcontract. This assignment shall be made and become effective at the time the City tenders final payment to the Consultant, without further acknowledgment by the parties.
16. Coory Engineering shall not discriminate on the basis of race, color, national origin, or sex in the award and performance of subcontracts. Coory Engineering will take all necessary and reasonable steps to make sure that DBEs and other small businesses have the opportunity to participate in the performance of the work that is subject to solicitation (if other consultants are deemed necessary for the performance of this proposal).
17. A Completed "Disclosure of Lobbying Activities" form is included in the appendix of this proposal.
18. No Sub-consultants are proposed for this project at this time. We have 3 survey crews available for this project as needed.

J. Additions or Exceptions to the City's Request for Proposal

Coory Engineering takes no Exceptions to the provisions and conditions of the City of Moreno Valley's Request for Proposal for Professional Consultant Construction Survey Services for Project No. EA 08-32301 (Account No. 797.79731).

APPENDIX

1. Resource Allocation Matrix
2. Lobbying Disclosure Form

Note: The company Rate Schedule mentioned in city's RFP item "G", Page 4 of 12 is included in the "FEES Sealed Envelope" in order to protect the confidential nature of consultant's selection based on qualifications.

RESOURCE ALLOCATION MATRIX

Item #	Description	Project Manager	Office Engineer	2-men Survey Crew
1.	Research	4	4	-
2.	Monument Tie-Outs and Mark-ups for replacement	1	1	8
3.	Set site Control	-	-	6
4.	Meetings	60	-	20
5.	Mark Removals	1	2	8
6.	Mark Roadway Excavation	1	2	8
7.	Retaining Walls	1	2	8
8.	Staking for Piles	1	4	36
9.	Curb & Gutter	4	12	50
10.	Dykes	1	4	24
11.	Driveways	1	1	6
12.	Sidewalks, if needed	-	1	16
13.	Curb Ramps	-	2	12
14.	Local Depressions	-	2	8
15.	24" RCP - Storm Drain	1	3	24
16.	84" RCP - Storm Drain	1	1	4
16.	Pipe Culvert	1	1	4
17.	Water Lines	1	2	12
18.	Staking for Paving	3	8	40
19.	Chain Link Fence	1	2	12
20.	Guard Rail	1	2	14
21.	Beam Barrier	-	1	2
22.	Cable Railing	-	1	4
23.	Concrete Barrier	-	1	3
24.	Ramp Metering	-	1	4
25.	Staking for Signals and Lighting	1	2	16
26.	Staking for Sign Locations	1	2	16
27.	Miscellaneous Staking	2	8	40
28.	Re-Staking Due to Damaged Stakes	2	4	20
Totals		90	76	425



COORY ENGINEERING
CIVIL ENGINEERING & LAND SURVEYING

Ms. Margery Lazarus, PE
Senior Engineer
Capital Projects Division
City of Moreno Valley
14177 Frederick Street
Moreno Valley, CA 92552

September 6, 2012

Subject: **Construction Survey Services**
SR-60 / Moreno Beach Drive
Phase 1 Improvements Project
Moreno Valley, CA

Dear Ms. Lazarus:

Thank you for discussing the subject project with me in regards to the details of the required services.

In accordance with our discussion, attached, please find our updated fee schedule.

We are looking forward to serving the City of Moreno Valley.

Sincerely,

Samir M. Khoury

Samir M. Khoury, PE
President, Coory Engineering

1718 N. Neville Street, Orange, CA 92865

TEL: (714) 202-8700

FAX: (714) 202-8701

FEE SCHEDULE

Item #	Description	Project Manager \$180/Hr.	Office Engineer \$125/Hr.	2-men Survey Crew \$215/Hr.	Amount
1.	Research	2 Hrs	3 Hrs	0 Hrs	\$735.00
2.	Monument Tie-Outs and Mark-ups for replacement	1	1	6	1,595.00
3.	Set site Control	0	0	6	1,290.00
4.	Meetings	8	0	0	1,440.00
5.	Mark Removals	1	2	8	2,150.00
6.	Mark Roadway Excavation	1	2	8	2,150.00
7.	Retaining Walls	1	2	8	2,150.00
8.	Moreno Beach, Eucalyptus, Ramps and Auxiliary Lane Alignments and curbs	4	12	90	21,570.00
9.	Dykes	1	4	16	4,120.00
10.	Driveways	1	1	6	1,595.00
11.	Curb Ramps	0	2	12	2,830.00
12.	24" RCP - Storm Drain	1	3	18	4,425.00
13.	84" RCP - Storm Drain	1	1	4	1,165.00
14.	Pipe Culvert	1	1	4	1,165.00
15.	Water Lines / Utilities	1	2	20	4,730.00
16.	Staking for Rough Grading & Fine Grading / Roadways	3	8	30	7,990.00
17.	Staking for RW - Chain- Link Fence	1	2	12	3,010.00
18.	Guard Rail	1	2	14	3,440.00
19.	Beam Barrier	0	1	2	555.00
20.	Concrete Barrier	0	1	3	770.00
21.	Staking for Sign Locations	1	2	16	3,870.00
22.	Miscellaneous Staking	2	6	30	7,560.00
23.	Re-Staking Due to Damaged Stakes	-	-	20	4,300.00
24.	Reimbursables	-	-	-	7,000.00
Totals		32 Hrs.	58 Hrs.	333 Hrs.	\$91,605.00
SUB-TOTAL NOT TO EXCEED					\$91,605.00
Additional Services Only as Authorized by the City					9,200.00
TOTAL NOT TO EXCEED					\$100,805.00

Coory Engineering

By: *Samir M. Khoury*

Samir M. Khoury, PE

Note: The following company's rate schedule shall be used for invoicing for progress payments and for extra work incurred. All extra work will require prior City approval.



COORY ENGINEERING
CIVIL ENGINEERING & LAND SURVEYING

COMPANY'S RATE SCHEDULE

Professional Consultant
Construction Surveying Services
For Project EA 08-32301
SR-60 / MORENO BEACH DRIVE - PHASE 1 IMPROVEMENTS
PROJECT
Project Account No. 797.79731

• **OFFICE:**

PRINCIPAL ENGINEER (Samir M. Khoury, Project Manager): \$180.00/HR
OFFICE ENGINEER (Steve Sarley, Office Engineer / Staking Calculations): 125.00

• **SURVEYING:**

1-MAN PARTY: (Nader Ghashghai, Party Chief): \$125.00/HR
2-MEN PARTY: (Any of our 3 survey crews): 215.00

Coory Engineering

By: Samir M. Khoury
Samir M. Khoury, PE

1718 N. Neville Street, Orange, CA 92865

TEL: (714) 202-8700

FAX: (714) 202-8701

CITY - SERVICES TO BE PROVIDED
TO CONSULTANT

1. Furnish the Consultant all in-house data which is pertinent to services to be performed by the Consultant and which is within the custody or control of the City, including, but not limited to, copies of record and off-record maps and other record and off-record property data, right-of-way maps and other right-of-way data, pending or proposed subject property land division and development application data, all newly developed and pertinent design and project specification data, and such other pertinent data which may become available to the City.
2. Provide timely review, processing, and reasonably expeditious approval of all submittals by the Consultant.
3. Provide timely City staff liaison with the Consultant when requested and when reasonably needed.

EXHIBIT "C"

TERMS OF PAYMENT

1. The Consultant's compensation shall not exceed \$100,805.
2. The Consultant will obtain, and keep current during the term of this Agreement, the required City of Moreno Valley business license. Proof of a current City of Moreno Valley business license will be required prior to any payments by the City. Any invoice not paid because the proof of a current City of Moreno Valley business license has not been provided will not incur any fees, late charges, or other penalties. Complete instructions for obtaining a City of Moreno Valley business license are located at: http://www.moval.org/do_biz/biz-license.shtml
3. The Consultant shall notify the City in writing ten (10) days in advance of incurring costs at the following milestones: 50%, 75%, and 90% of expended budget. The City will monitor Consultant's expenditure levels in comparison to the physical construction work completed, and if progress is satisfactory in the judgment of the City, City will provide written authorization to proceed to the next milestone. City reserves the right to adjust staffing levels and personnel as appropriate. Consultant shall not change any personnel or subconsultants without prior authorization by the City.
4. The Consultant will submit an invoice to the City once a month for progress payments along with documentation evidencing services completed to date. The progress payment is based on actual time and materials expended in furnishing authorized professional services during the preceding calendar month. At no time will the City pay for more services than have been satisfactorily completed and the

EXHIBIT "D"

City Engineer's determination of the amount due for any progress payment shall be final. The consultant will submit all original invoices to Accounts Payable staff at AccountsPayable@moval.org. Accounts Payable questions can be directed to (951) 413-3073. Copies of invoices may be submitted to the Capital Projects Division at zara@moval.org or calls directed to (951) 413-3131.

5. The Consultant agrees that City payments will be received via Automated Clearing House (ACH) Direct Deposit and that the required ACH Authorization form will be completed prior to any payments by the City. Any invoice not paid because the completed ACH Authorization Form has not been provided will not incur any fees, late charges, or other penalties. The ACH Authorization Form is located at:
http://www.moval.org/city_hall/forms.shtml#bf
6. The minimum information required on all invoices is:
 - A. Vendor Name, Mailing Address, and Phone Number
 - B. Invoice Date
 - C. Vendor Invoice Number
 - D. City Purchase Order Number
 - E. City-provided Reference Number (e.g. Project, Activity)
 - F. Detailed work hours by class title (e.g. Manager, Technician, or Specialist), services performed and rates, explicit portion of a contract amount, or detailed billing information that is sufficient to justify the invoice amount; single, lump amounts without detail are not acceptable.
7. The City shall pay the Consultant for all invoiced, authorized professional services within forty-five (45) days of receipt of the invoice for same.

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APPROVALS	
BUDGET OFFICER	<i>me</i>
CITY ATTORNEY	<i>SMB</i>
CITY MANAGER	<i>d</i>

Report to City Council

TO: Mayor and City Council

FROM: Chris Paxton, Administrative Services Director

AGENDA DATE: May 27, 2014

TITLE: AUTHORIZATION TO AWARD THE CONTRACT AGREEMENT FOR COPIER LEASE AND MAINTENANCE SERVICES TO SOCAL OFFICE TECHNOLOGIES

RECOMMENDED ACTION

Recommendations:

1. Award the Copier Lease and Maintenance Service Agreement to SoCal Office Technologies of 3536 E. Concourse St., Ontario, CA 91764.
2. Instruct the Purchasing Manager to issue purchase orders in the amount of seventy thousand dollars (\$70,000) for services required through June 30, 2015.
3. Authorize the Administrative Services Director to issue required change orders/amendments and up to four subsequent one-year agreement amendments, subject to the approval of the City Attorney.

SUMMARY

This report recommends award of a contract to provide city-wide copier lease and ongoing maintenance services. Copier services are budgeted for in the 7310 Internal Service Fund. The current copier agreement expires on June 30, 2014. A request for proposal was advertised and the invitation to propose was sent to fifteen copier providers.

This report recommends approval of an agreement to SoCal Office Technologies, for City copier needs. The term of the lease is five years. With this award the intent is to receive new copiers during the first week of July, 2014.

DISCUSSION

The current copier vendor has supplied copy machine hardware and service since 2006. In 2011 Council extended the contract for an additional three years due to a negotiated 23.75% discount. The current copier fleet is at its limit of operational life and will be replaced with new units when awarded to the best valued vendor.

The RFP for Copier Services was advertised on March 22, 2014 and March 26, 2014. Six proposals were received by the due date from the following companies: Canon Solutions America, Imaging Technologies, Iotec Digital, Sema Inc., SoCal Office Technologies and Toshiba Incorporated.

A team of evaluators reviewed the proposals using a weighted selection criteria system. After careful evaluation, using the established criteria, SoCal Office Technologies was the highest scored vendor and considered the best value for the City. Negotiations were conducted and a best and final offer was accepted. The recommendation is for Council to award the agreement to SoCal Office Technologies based on the overall best value to the City. The agreement will consist of supplying all new copy machines along with a full-maintenance service agreement. The City agreement includes the initial one-year term with four available one-year extensions.

ALTERNATIVES

1. Staff recommends that City Council award the Copy Machine Lease and Service Agreement to SoCal Office Technologies and instruct the Purchasing Manager to issue purchase orders in the amount of Seventy Thousand Dollars (\$70,000) for services required through June 30, 2015; and authorize the Administrative Services Director to issue required change orders/amendments and up to four subsequent one-year agreement amendments, subject to the approval of the City Attorney.
2. Do not award the Copy Machine Lease and Service Agreement to SoCal Office Technologies and do not authorize the Administrative Services Director to issue required change orders/amendments and up to four subsequent one-year agreement amendments, and provide further direction to staff.

FISCAL IMPACT

The annual agreement will encumber Seventy Thousand Dollars (\$70,000) for the initial first year term and for each subsequent term thereafter. The internal service fund 7310-18-40-18438 contains the budget for this need. Costs are charged back to the user divisions on a quarterly basis as a full cost recovery. Funds from the charge back process are placed in 7310-18-40-18410-585010 revenue account.

ATTACHMENTS

1. City of Moreno Valley Independent Contractor's Agreement with attachments

Prepared By:
Rix Skonberg
Purchasing & Facilities Division Manager

Department Head Approval:
Chris Paxton
Administrative Services Director

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City of Moreno Valley

INDEPENDENT CONTRACTOR AGREEMENT

This Agreement is made by and between the City of Moreno Valley, California, a municipal corporation, with its principal place of business at 14177 Frederick Street, Moreno Valley, CA 92552, hereinafter referred to as the “City”, and **SoCAL Office Technologies, a Corporation**; with its principal place of business at 3536 E. Concourse St., Ontario, CA 91764 hereinafter referred to as the “Contractor,” based upon City policies and the following legal citations:

RECITALS

- A. Government Code Section 53060 authorizes the engagement of persons to perform special services as independent contractors;
- B. Contractor desires to perform and assume responsibility for the provision of professional Copier Lease and Maintenance contracting services required by the City on the terms and conditions set forth in this Agreement. Contractor represents that it is experienced in providing professional Copier Lease and Maintenance contracting services, is licensed in the State of California, if applicable;
- C. City desires to engage Contractor to render such services for the Copier Lease and Maintenance as set forth in this Agreement;
- D. The public interest, convenience, necessity and general welfare will be served by this Agreement; and
- E. This Agreement is made and entered into effective the date the City signs this Agreement.

TERMS

1. CONTRACTOR INFORMATION:

Contractor’s Name: SoCal Office Technologies
 Address: 3536 E. Concourse St.
 City: Ontario State: CA Zip: 91764
 Business Phone: (562) 342-7300 Fax No. (562)342-5233
 Other Contact Number: (562) 977-7464
 Business License Number: _____
 Federal Tax I.D. Number: _____

2. CONTRACTOR SERVICES, FEES, AND RELEVANT DATES:

- 1. The Contractor’s scope of service is described in Exhibit “A” attached hereto and incorporated herein by this reference.
- 2. The City’s responsibilities, other than payment, are described in Exhibit “B” attached hereto and incorporated herein by this reference.

3. Payment terms are provided in Exhibit "C" attached hereto and incorporated herein by this reference.
4. The initial term of this Agreement shall be from July 1, 2014 to June 30th, 2015. Four additional one year terms will be provided unless terminated earlier as provided herein. The City acknowledges that it will not unreasonably withhold approval of the Contractor's requests for extensions of time in which to complete the work required. The Contractor shall not be responsible for performance delays caused by others or delays beyond the Contractor's reasonable control (excluding delays caused by non-performance or unjustified delay by Contractor, his/her/its employees, or subcontractors), and such delays shall extend the time for performance of the work by the Contractor.

3. **STANDARD TERMS AND CONDITIONS:**

- A. Control of Work. Contractor is solely responsible for the content and sequence of the work, and will not be subject to control and direction as to the details and means for accomplishing the anticipated results of services. The City will not provide any training to Contractor or his/her/its employees.
- B. Intent of Parties. Contractor is, and at all times shall be, an independent contractor and nothing contained herein shall be construed as making the Contractor or any individual whose compensation for services is paid by the Contractor, an agent or employee of the City, or authorizing the Contractor to create or assume any obligation or liability for or on behalf of the City, or entitling the Contractor to any right, benefit, or privilege applicable to any officer or employee of the City.
- C. Subcontracting. Contractor may retain or subcontract for the services of other necessary contractors with the prior written approval of the City. Payment for such services shall be the responsibility of the Contractor. Any and all subcontractors shall be subject to the terms and conditions of this Agreement, with the exception that the City shall have no obligation to pay for any subcontractor services rendered. Contractor shall be responsible for paying prevailing wages where required by law [See California Labor Code Sections 1770 through 1777.7].
- D. Conformance to Applicable Requirements. All work prepared by Contractor shall be subject to the approval of City.
- E. Substitution of Key Personnel. Contractor has represented to City that certain key personnel will perform and coordinate the services under this Agreement. Should one or more of such personnel become unavailable, Contractor may substitute other personnel of at least equal competence upon written approval of City. In the event that City and Contractor cannot agree as to the substitution of key personnel, City shall be entitled to terminate this Agreement for cause. As discussed below, any personnel who fail or refuse to perform the services in a manner acceptable to the City, or who are determined by the City to be uncooperative, incompetent, a threat to the adequate or timely completion of the project or a threat to the safety of

persons or property, shall be promptly removed from the project by the Contractor at the request of the City. The key personnel for performance of this Agreement are as follows: **[INSERT NAME(S)]**.

- F. City's Representative. The City hereby designates the City Manager, or his or her designee, to act as its representative for the performance of this Agreement ("City's Representative"). Contractor shall not accept direction or orders from any person other than the City's Representative or his or her designee.
- G. Contractor's Representative. Contractor hereby designates **[INSERT NAME OR TITLE]**, or his or her designee, to act as its representative for the performance of this Agreement ("Contractor's Representative"). Contractor's Representative shall have full authority to represent and act on behalf of the Contractor for all purposes under this Agreement. The Contractor's Representative shall supervise and direct the services, using his or her best skill and attention, and shall be responsible for all means, methods, techniques, sequences and procedures and for the satisfactory coordination of all portions of the services under this Agreement.
- H. Legal Considerations. The Contractor shall comply with applicable federal, state, and local laws in the performance of this Agreement. Contractor shall be liable for all violations of such laws and regulations in connection with services. If the Contractor performs any work knowing it to be contrary to such laws, rules and regulations and without giving written notice to the City, Contractor shall be solely responsible for all costs arising therefrom. Contractor shall defend, indemnify and hold City, its officials, directors, officers, employees and agents free and harmless, pursuant to the indemnification provisions of this Agreement, from any claim or liability arising out of any failure or alleged failure to comply with such laws, rules or regulations.
- I. Standard of Care; Performance of Employees. Contractor shall perform all services under this Agreement in a skillful and competent manner, consistent with the standards generally recognized as being employed by professionals in the same discipline in the State of California. Contractor represents and maintains that it is skilled in the profession necessary to perform the services. Contractor warrants that all employees and subcontractor shall have sufficient skill and experience to perform the services assigned to them. Finally, Contractor represents that it, its employees and subcontractors have all licenses, permits, qualifications and approvals of whatever nature that are legally required to perform the services and that such licenses and approvals shall be maintained throughout the term of this Agreement. Any employee of the Contractor or its subcontractors who is determined by the City to be uncooperative, incompetent, a threat to the adequate or timely completion of the project, a threat to the safety of persons or property, or any employee who fails or refuses to perform the services in a manner acceptable to the City, shall be promptly removed from the project by the Contractor and shall not be re-employed to perform any of the services or to work on the project.

- J. Contractor Indemnification. Contractor shall indemnify, defend and hold the City, the Moreno Valley Housing Authority, and the Moreno Valley Community Services District (CSD), their officers, agents and employees harmless from any and all claims, damages, losses, causes of action and demands, including, without limitation, the payment of all consequential damages, expert witness fees, reasonable attorney's fees and other related costs and expenses, incurred in connection with or in any manner arising out of Contractor's performance of the work contemplated by this Agreement and this Agreement. Acceptance of this Agreement signifies that the Contractor is not covered under the City's general liability insurance, employee benefits, or worker's compensation. It further establishes that the Contractor shall be fully responsible for such coverage. Contractor's obligation to indemnify shall survive expiration or termination of this Agreement, and shall not be restricted to insurance proceeds, if any, received by the City, the Moreno Valley Housing Authority, and the CSD, and their officers, agents and employees.
- K. Additional Indemnity Obligations. Contractor shall defend, with counsel of City's choosing and at Contractor's own cost, expense and risk, any and all claims, suits, actions or other proceedings of every kind covered by Section "J" that may be brought or instituted against City, the Moreno Valley Housing Authority, and the CSD, and their officers, agents and employees. Contractor shall pay and satisfy any judgment, award or decree that may be rendered against City, the Moreno Valley Housing Authority, and the CSD, and their officers, agents and employees as part of any such claim, suit, action or other proceeding. Contractor shall also reimburse City for the cost of any settlement paid by City, the Moreno Valley Housing Authority, and the CSD, and their officers, agents and employees as part of any such claim, suit, action or other proceeding. Such reimbursement shall include payment for City's attorney's fees and costs, including expert witness fees. Contractor shall reimburse City, the Moreno Valley Housing Authority, and the CSD, and their officers, agents and employees for any and all legal expenses and costs incurred by each of them in connection therewith or in enforcing the indemnity herein provided.
- L. Insurance Requirements. The Contractor will comply with the following insurance requirements at its sole expense. Insurance companies shall be rated (A Minus: VII—Admitted) or better in Best's Insurance Rating Guide and shall be legally licensed and qualified to conduct business in the State of California:

The Contractor shall procure and maintain, at its sole expense, Workers' Compensation Insurance in such amounts as will fully comply with the laws of the State of California and which shall indemnify, insure and provide legal defense for the Contractor and the City, the Housing Authority and CSD against any loss, claim, or damage arising from any injuries or occupational diseases happening to any worker employed by the Contractor in the course of carrying out the Agreement. This coverage may be waived if the Contractor is determined to be functioning as a sole proprietor and the city provided form

“Exception to Worker’s Compensation Coverage” is signed, notarized and attached to this Agreement

X General Liability Insurance—to protect against loss from liability imposed by law for damages on account of bodily injury, including death, and/or property damage suffered or alleged to be suffered by any person or persons whomever, resulting directly or indirectly from any act or activities of the Contractor, sub-Contractor, or any person acting for the Contractor or under its control or direction. Such insurance shall be maintained in full force and effect throughout the terms of the Agreement and any extension thereof in the minimum amounts provided below:

Bodily Injury	\$1,000,000 per occurrence/ \$2,000,000 aggregate
Property Damage	\$500,000 per occurrence/ \$500,000 aggregate

Professional Errors and Omission Insurance—such coverage shall not be less than \$1,000,000 per claim and aggregate.

X Liability and Property Damage Insurance coverage for owned and non-owned automotive equipment operated on City/CSD/Housing Authority premises. Such coverage limits shall not be less than \$1,000,000 combined single limit.

X A Certificate of Insurance and appropriate additional insured endorsement evidencing the above applicable insurance coverage shall be submitted to the City prior to the execution of this Agreement. The Certificate of Insurance or an appropriate binder shall bear an endorsement containing the following provisions:

Solely as respect to services done by or on behalf of the named insured for the City of Moreno Valley, it is agreed that the City of Moreno Valley, the Moreno Valley Housing Authority, and the Moreno Valley Community Services District, their officers, employees and agents are included as additional insured under this policy and the coverage(s) provided shall be primary insurance and not contributing with any other insurance available to the City of Moreno Valley, the Moreno Valley Housing Authority, and the Moreno Valley Community Services District, its officers, employees and agents, under any third party liability policy

The terms of the insurance policy or policies issued to provide the above coverage shall neither be amended to reduce the required insurance limits and coverages nor shall such policies be canceled by the carrier without thirty (30) days prior written notice by certified or registered mail of amendment or cancellation to the City, except that cancellation for non-payment of premium shall require ten (10) days prior written notice by certified or registered mail. In the event the insurance is canceled, the Contractor shall, prior to the

cancellation date, submit new evidence of insurance in the amounts established.

- M. Intellectual Property. Any system or documents developed, produced or provided under this Agreement, including any intellectual property discovered or developed by Contractor in the course of performing or otherwise as a result of its work, shall become the sole property of the City unless explicitly stated otherwise in this Agreement. The Contractor may retain copies of any and all material, including drawings, documents, and specifications, produced by the Contractor in performance of this Agreement. The City and the Contractor agree that to the extent permitted by law, until final approval by the City, all data shall be treated as confidential and will not be released to third parties without the prior written consent of both parties.
- N. Entire Agreement. This Agreement constitutes the entire agreement between the parties. There are no understandings, agreements, or representations of warranties, expressed or implied, not specified in this Agreement. This Agreement applies only to the current proposal as attached. This Agreement may be modified or amended only by a subsequent written Agreement signed by both parties. Assignment of this Agreement is prohibited without prior written consent.
- O. (a) ~~The City may terminate the whole or any part of this Agreement at any time without cause by giving at least ten (10) days written notice to the Contractor. The written notice shall specify the date of termination. Upon receipt of such notice, the Contractor may continue work through the date of termination, provided that no work or service(s) shall be commenced or continued after receipt of the notice which is not intended to protect the interest of the City. The City shall pay the Contractor within thirty (30) days after receiving any invoice after the date of termination for all non-objected to services performed by the Contractor in accordance herewith through the date of termination.~~
- (b) Either party may terminate this Agreement for cause. In the event the City terminates this Agreement for cause, the Contractor shall perform no further work or service(s) under the Agreement unless the notice of termination authorizes such further work.
- (c) If this Agreement is terminated as provided herein, City may require Contractor to provide all finished or unfinished documents and data and other information of any kind prepared by Contractor in connection with the performance of services under this Agreement. Contractor shall be required to provide such documents and other information within fifteen (15) days of the request.
- (d) In the event this Agreement is terminated in whole or in part as provided herein, City may procure, upon such terms and in such manner as it may determine appropriate, similar to those terminated.
- P. Payment. Payments to the Contractor pursuant to this Agreement will be reported to Federal and State taxing authorities as required. The City will not withhold any sums from compensation payable to Contractor. Contractor is independently responsible for the payment of all applicable taxes. Where the

payment terms provide for compensation on a time and materials basis, the Contractor shall maintain adequate records to permit inspection and audit of the Contractor's time and materials charges under the Agreement. Such records shall be retained by the Contractor for three (3) years following completion of the services under the Agreement.

- Q. Restrictions on City Employees. The Contractor shall not employ any City employee or official in the work performed pursuant to this Agreement. No officer or employee of the City shall have any financial interest in this Agreement in violation of federal, state, or local law.
- R. Choice of Law and Venue. The laws of the State of California shall govern the rights, obligations, duties, and liabilities of the parties to this Agreement, and shall govern the interpretation of this Agreement. Any legal proceeding arising from this Agreement shall be brought in the appropriate court located in Riverside County, State of California.
- S. Delivery of Notices. All notices permitted or required under this Agreement shall be given to the respective parties at the following address, or at such other address as the respective parties may provide in writing for this purpose:

Contractor:

SoCal Office Technologies
3536 E. Concourse St.
Ontario, CA 91764
Attn: Doug MacPhee

City:

City of Moreno Valley
14177 Frederick Street
P.O. Box 88005
Moreno Valley, CA 92552
Attn: Purchasing & Facilities Division Manager
Administrative Services Department

Such notice shall be deemed made when personally delivered or when mailed, forty-eight (48) hours after deposit in the U.S. Mail, first class postage prepaid and addressed to the party at its applicable address. Actual notice shall be deemed adequate notice on the date actual notice occurred, regardless of the method of service.

- T. Time of Essence. Time is of the essence for each and every provision of this Agreement.
- U. City's Right to Employ Other Contractors. City reserves right to employ other contractors in connection with this project.

- V. Amendment; Modification. No supplement, modification, or amendment of this Agreement shall be binding unless executed in writing and signed by both parties.
- W. Waiver. No waiver of any default shall constitute a waiver of any other default or breach, whether of the same or other covenant or condition. No waiver, benefit, privilege, or service voluntarily given or performed by a party shall give the other party any contractual rights by custom, estoppel, or otherwise.
- X. No Third Party Beneficiaries. There are no intended third party beneficiaries of any right or obligation assumed by the parties.
- Y. Counterparts. This Agreement may be signed in counterparts, each of which shall constitute an original.
- Z. Invalidity; Severability. If any portion of this Agreement is declared invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions shall continue in full force and effect.
- AA. Assignment or Transfer. Contractor shall not assign, hypothecate, or transfer, either directly or by operation of law, this Agreement or any interest herein without the prior written consent of the City. Any attempt to do so shall be null and void, and any assignees, hypothecates or transferees shall acquire no right or interest by reason of such attempted assignment, hypothecation or transfer.

SIGNATURE PAGE TO FOLLOW

IN WITNESS HEREOF, the parties have each caused their authorized representative to execute this Agreement.

City of Moreno Valley

SoCal Office Technologies

BY: _____
Mayor

BY: _____

TITLE: _____
(President or Vice President)

Date

Date

BY: _____

TITLE: _____
(Corporate Secretary)

Date

INTERNAL USE ONLY

ATTEST:

City Clerk
(only needed if Mayor signs)

APPROVED AS TO LEGAL FORM:

City Attorney

Date

RECOMMENDED FOR APPROVAL:

Department Head
(if contract exceeds 15,000)

Date

EXHIBIT A

COPIER MODEL PROPOSAL SCHEDULE

<i>Proposed Brand & Model</i>	<i>PPM Minimum Required</i>	<i>Proposed PPM</i>	<i>Number of Units Proposed</i>
	20-25		
Xerox WC5335PT	35-55	35	18
Xerox WC5875APT2	55-65	75	8
Xerox W7855PT2	Color Mid-range to light production. 35+ ppm	55	2
Xerox W7225P2	Color Low Volume 12-13 ppm	25	1
<i>Add any additional proposed machines below</i>			

PRICE PROPOSAL SHEET

Company Name: Socal Office Technologies, A Xerox Company

Cost-per-copy is to include all overhead costs including ongoing service/maintenance, supplies, man hours, delivery, stocking time, etc.

<i>Item</i>	<i>Amount</i>
1 Quarterly quantity of allowed black & white copies:	700,000
1 Cost per black & white copy from 1a:	\$.016
1 Cost per copy overage b & w copy (over qty per qtr	.005
2 Quarterly quantity of allowed color copies:	15,000
2 Cost per color copy from 2a:	\$.081
2 Cost per overage color copy (over qty per qtr in 2a)	.049

1 . Will you stock your owned supplies (toner, developer, cleaner, etc) in our facility?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
2 . If yes to #1, will you manage this inventory, replenish all copier needs as necessary on a regular basis, and replenish warehouse stock as necessary?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
3 . Will you supply paper? (optional, see #8 below)	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
4 . Is there a charge for a scanned image that is NOT printed?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
5 . Indicate quantity of hours of included group staff training on your equipment in the first few weeks of copier set-up. (e.g. 8 hrs, 16 hrs, unlimited, etc.)	Unlimited	
6 . State your price to move and set-up a large copier anytime during the term of this contract. (small copiers not included)	<i>Inside Same Bldg.</i>	<i>Within City Limits</i>
	No charge	\$300

EXHIBIT B

City's Responsibilities

The City will provide the following items to the awarded vendor:

1. Storage space for copy machine operational supplies. This storage will consist of both warehouse and office space.
2. Provide a physical work area or web access to vendor's copy machines in order to monitor supply needs, machine diagnostics and track of copy counts.

EXHIBIT C

TERMS OF PAYMENT

1. The Contractor will obtain, and keep current during the term of this Agreement, the required City of Moreno Valley business license. Proof of a current City of Moreno Valley business license will be required prior to any payments by the City. Any invoice not paid because the proof of a current City of Moreno Valley business license has not been provided will not incur any fees, late charges, or other penalties. Complete instructions for obtaining a City of Moreno Valley business license are located at: http://www.moval.org/do_biz/biz-license.shtml

2. The Contractor will electronically submit an invoice to the City on a monthly basis for progress payments along with documentation evidencing services completed to date. The progress payment is based on actual time and materials expended in furnishing authorized professional services since the last invoice. At no time will the City pay for more services than have been satisfactorily completed and the City's determination of the amount due for any progress payment shall be final. The Contractor will submit all original invoices to Accounts Payable staff at AccountsPayable@moval.org

Accounts Payable questions can be directed to (951) 413-3073.

The Contractor agrees that City payments will be received via Automated Clearing House (ACH) Direct Deposit and that the required ACH Authorization form will be completed prior to any payments by the City. Any invoice not paid because the completed ACH Authorization Form has not been provided will not incur any fees, late charges, or other penalties. The ACH Authorization Form is located at: http://www.moval.org/city_hall/forms.shtml#bf

3. The minimum information required on all invoices is:

- A. Vendor Name, Mailing Address, and Phone Number
- B. Invoice Date
- C. Vendor Invoice Number
- D. City-provided Reference Number (e.g. Project, Activity)
- E. Detailed work hours by class title (e.g. Manager, Technician, or Specialist), services performed and rates, explicit portion of a contract amount, or detailed billing information that is sufficient to justify the invoice amount; single, lump amounts without detail are not acceptable.

6. The City shall pay the Contractor for all invoiced, authorized professional services within thirty (30) days of receipt of the invoice for same.
7. Reimbursement for Expenses. Contractor shall not be reimbursed for any expenses unless authorized in writing by City.
8. Maintenance and Inspection. Contractor shall maintain complete and accurate records with respect to all costs and expenses incurred under this Agreement. All such records shall be clearly identifiable. Contractor shall allow a representative of City during normal business hours to examine, audit, and make transcripts or copies of such records and any other documents created pursuant to this Agreement. Contractor shall allow inspection of all work, data, documents, proceedings, and activities related to the Agreement for a period of three (3) years from the date of final payment under this Agreement.



APPROVALS	
BUDGET OFFICER	<i>me</i>
CITY ATTORNEY	<i>SMB</i>
CITY MANAGER	<i>d</i>

Report to City Council

TO: Mayor and City Council

FROM: Chris Paxton, Administrative Services Director

DATE: May 27, 2014

TITLE: AUTHORIZATION TO AWARD THE CONTRACT AGREEMENT FOR CITYWIDE JANITORIAL SERVICES TO DMS FACILITY SERVICES, INC.

RECOMMENDED ACTION

Recommendations:

1. Award the Janitorial Services Contract Agreement to DMS Facility Services, Inc., 417 East Huntington Drive, Monrovia, CA 91016.
2. Instruct the Purchasing Manager to issue purchase orders in the amount of Three Hundred Sixteen Thousand Dollars (\$316,000) for routine and special event services required through June 30, 2015.
3. Authorize the Administrative Services Director to issue required change orders/amendments and up to four subsequent one-year agreement amendments, subject to the approval of the City Attorney.

SUMMARY

This report recommends award of a contract to provide city wide janitorial services. Janitorial services are budgeted for in the 7310 Internal Service Fund. Contracted janitorial services are provided for all city facilities per a predetermined schedule.

The current janitorial agreement expires on June 30th, 2014. A request for proposal was advertised and the invitation to propose was sent to fifteen janitorial service vendors.

DISCUSSION

The City contracts for janitorial services for all of its facilities. The contract is administered by Facilities staff and a schedule of services is in place to meet each buildings requirement. Additional janitorial services are required for special events at various City facilities.

The RFP for Janitorial Services was advertised on 03/06/14 and 03/08/14. A scheduled walk-through was attended by twenty vendors. Eight proposals were received by the due date from the following companies: American Building Maintenance, DMS Facility Services, Inc., General Building Management, Guaranteed Janitorial Services, Inc., Premier Janitorial Services, Valley Maintenance Corp., Varsity Facility Services and Wurm's Janitorial Services, Inc.

A team of evaluators reviewed the proposals using a weighted selection criteria system. After careful evaluation, using the established criteria, DMS Facility Services, Inc., was the highest scored vendor and considered the best value for the City. DMS was contacted and asked to submit a best and final offer. The recommendation is for Council to award the agreement to DMS Facility Services, Inc., based on the overall best value to the City. The City agreement includes the initial one-year term with four available one-year extensions.

ALTERNATIVES

1. Staff recommends that City Council award the Janitorial Services Agreement to DMS Facility Services, Inc., and instruct the Purchasing Manager to issue purchase orders in the amount of Three Hundred Sixteen Thousand Dollars (\$316,000) for routine and special event services required through June 30, 2015; and authorize the Administrative Services Director to issue required change orders/amendments and up to four subsequent one-year agreement amendments, subject to the approval of the City Attorney.
2. Do not award the Janitorial Services Agreement to DMS Facility Services, Inc., and do not authorize the Administrative Services Director to issue required change orders/amendments and up to four subsequent one-year agreement amendments, and provide further direction to staff.

FISCAL IMPACT

The approved Fiscal Year 2014/2015 internal service fund 7310 includes budgeted funding for janitorial services. Funding for routine and special event janitorial needs is required in an amount of Three Hundred Sixteen Thousand Dollars (\$316,000) for the initial first year term and for each subsequent term thereafter.

CITY COUNCIL GOALS

Public Facilities and Capital Projects. Ensure that needed public facilities, roadway improvements, and other infrastructure improvements are constructed and maintained.

ATTACHMENTS

1. City of Moreno Valley Independent Contractor's Agreement with attachments.

Prepared By:
Rix Skonberg
Purchasing & Facilities Division Manager

Department Head Approval:
Chris Paxton
Administrative Services Director

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City of Moreno Valley

INDEPENDENT CONTRACTOR AGREEMENT

This Agreement is made by and between the City of Moreno Valley, California, a municipal corporation, with its principal place of business at 14177 Frederick Street, Moreno Valley, CA 92552, hereinafter referred to as the “City”, and **DMS Facility Services, Inc., a California Corporation**, with its principal place of business at **417 East Huntington Drive, Monrovia, CA, 91016**, hereinafter referred to as the “Contractor,” based upon City policies and the following legal citations:

RECITALS

- A. Government Code Section 53060 authorizes the engagement of persons to perform special services as independent contractors;
- B. Contractor desires to perform and assume responsibility for the provision of professional janitorial cleaning services required by the City on the terms and conditions set forth in this Agreement. Contractor represents that it is experienced in providing professional janitorial contracting services, is licensed in the State of California, if applicable;
- C. City desires to engage Contractor to render such services for janitorial cleaning as set forth in this Agreement;
- D. The public interest, convenience, necessity and general welfare will be served by this Agreement; and
- E. This Agreement is made and entered into effective the date the City signs this Agreement.

TERMS

1. CONTRACTOR INFORMATION:

Contractor’s Name: DMS Facility Services, Inc.
Address: 417 East Huntington Drive
City: Monrovia State: CA Zip: 91016
Business Phone: 626.305.8500 Fax No. 626.305.8582
Other Contact Number: N/A
Business License Number: Pending
Federal Tax I.D. Number:

2. CONTRACTOR SERVICES, FEES, AND RELEVANT DATES:

- A. The Contractor’s scope of service is described in Exhibit “A” attached hereto and incorporated herein by this reference. The Contractor’s scope is also outlined in the City’s RFP #JLL 13/14-10, Exhibit “A-1”, attached hereto and incorporated herein by this reference.
- B. The City’s responsibilities, other than payment, are described in Exhibit “B” attached hereto and incorporated herein by this reference.

- C. Payment terms are provided in Exhibit “C” attached hereto and incorporated herein by this reference.
- D. Contractor’s Proposal is attached at Exhibit “D” and incorporated herein by this reference.
- E. The initial term of this Agreement shall be from July 1, 2014 to June 30, 2015. This Agreement may be renewed annually at the end of each fiscal year for a period not to exceed four (4) additional years, upon both parties’ written concurrence each year; and provided that funding appropriations and program approvals have been granted by the City Council of the City of Moreno Valley; and if no written notice of termination is received by either party. The City acknowledges that it will not unreasonably withhold approval of the Contractor’s requests for extensions of time in which to complete the work required. The Contractor shall not be responsible for performance delays caused by others or delays beyond the Contractor’s reasonable control (excluding delays caused by non-performance or unjustified delay by Contractor, his/her/its employees, or subcontractors), and such delays shall extend the time for performance of the work by the Contractor.

3. **STANDARD TERMS AND CONDITIONS:**

- A. Control of Work. Contractor is solely responsible for the content and sequence of the work, and will not be subject to control and direction as to the details and means for accomplishing the anticipated results of services. The City will not provide any training to Contractor or his/her/its employees.
- B. Intent of Parties. Contractor is, and at all times shall be, an independent contractor and nothing contained herein shall be construed as making the Contractor or any individual whose compensation for services is paid by the Contractor, an agent or employee of the City, or authorizing the Contractor to create or assume any obligation or liability for or on behalf of the City, or entitling the Contractor to any right, benefit, or privilege applicable to any officer or employee of the City.
- C. Subcontracting. Contractor may retain or subcontract for the services of other necessary contractors with the prior written approval of the City. Payment for such services shall be the responsibility of the Contractor. Any and all subcontractors shall be subject to the terms and conditions of this Agreement, with the exception that the City shall have no obligation to pay for any subcontractor services rendered. Contractor shall be responsible for paying prevailing wages where required by law [See California Labor Code Sections 1770 through 1777.7].
- D. Conformance to Applicable Requirements. All work prepared by Contractor shall be subject to the approval of City.
- E. Substitution of Key Personnel. Contractor has represented to City that certain key personnel will perform and coordinate the services under this Agreement. Should one or more of such personnel become unavailable, Contractor may substitute other personnel of at least equal competence upon written approval of City. In the event that City and Contractor cannot agree as to the substitution of key personnel, City shall be entitled to terminate this Agreement for cause. As discussed below, any personnel who fail or refuse to perform the services in a manner acceptable to the City, or who are determined by the City to be uncooperative, incompetent, a threat to

the adequate or timely completion of the project or a threat to the safety of persons or property, shall be promptly removed from the project by the Contractor at the request of the City. The key personnel for performance of this Agreement are as follows:

Bob Sanchez.

- F. City's Representative. The City hereby designates the City Manager, or his or her designee, to act as its representative for the performance of this Agreement ("City's Representative"). Contractor shall not accept direction or orders from any person other than the City's Representative or his or her designee.
- G. Contractor's Representative. Contractor hereby designates **Bob Sanchez**, or his or her designee, to act as its representative for the performance of this Agreement ("Contractor's Representative"). Contractor's Representative shall have full authority to represent and act on behalf of the Contractor for all purposes under this Agreement. The Contractor's Representative shall supervise and direct the services, using his or her best skill and attention, and shall be responsible for all means, methods, techniques, sequences and procedures and for the satisfactory coordination of all portions of the services under this Agreement.
- H. Legal Considerations. The Contractor shall comply with applicable federal, state, and local laws in the performance of this Agreement. Contractor shall be liable for all violations of such laws and regulations in connection with services. If the Contractor performs any work knowing it to be contrary to such laws, rules and regulations and without giving written notice to the City, Contractor shall be solely responsible for all costs arising therefrom. Contractor shall defend, indemnify and hold City, its officials, directors, officers, employees and agents free and harmless, pursuant to the indemnification provisions of this Agreement, from any claim or liability arising out of any failure or alleged failure to comply with such laws, rules or regulations.
- I. Standard of Care; Performance of Employees. Contractor shall perform all services under this Agreement in a skillful and competent manner, consistent with the standards generally recognized as being employed by professionals in the same discipline in the State of California. Contractor represents and maintains that it is skilled in the profession necessary to perform the services. Contractor warrants that all employees and subcontractor shall have sufficient skill and experience to perform the services assigned to them. Finally, Contractor represents that it, its employees and subcontractors have all licenses, permits, qualifications and approvals of whatever nature that are legally required to perform the services and that such licenses and approvals shall be maintained throughout the term of this Agreement. Any employee of the Contractor or its subcontractors who is determined by the City to be uncooperative, incompetent, a threat to the adequate or timely completion of the project, a threat to the safety of persons or property, or any employee who fails or refuses to perform the services in a manner acceptable to the City, shall be promptly removed from the project by the Contractor and shall not be re-employed to perform any of the services or to work on the project.
- J. Contractor Indemnification. Contractor shall indemnify, defend and hold the City, the Moreno Valley Housing Authority, and the Moreno Valley Community Services District (CSD), their officers, agents and employees harmless from any and all claims, damages, losses, causes of action and demands, including, without limitation, the payment of all consequential damages, expert witness fees, reasonable attorney's

fees and other related costs and expenses, incurred in connection with or in any manner arising out of Contractor's performance of the work contemplated by this Agreement and this Agreement. Acceptance of this Agreement signifies that the Contractor is not covered under the City's general liability insurance, employee benefits, or worker's compensation. It further establishes that the Contractor shall be fully responsible for such coverage. Contractor's obligation to indemnify shall survive expiration or termination of this Agreement, and shall not be restricted to insurance proceeds, if any, received by the City, the Moreno Valley Housing Authority, and the CSD, and their officers, agents and employees.

- K. Additional Indemnity Obligations. Contractor shall defend, with counsel of City's choosing and at Contractor's own cost, expense and risk, any and all claims, suits, actions or other proceedings of every kind covered by Section "J" that may be brought or instituted against City, the Moreno Valley Housing Authority, and the CSD, and their officers, agents and employees. Contractor shall pay and satisfy any judgment, award or decree that may be rendered against City, the Moreno Valley Housing Authority, and the CSD, and their officers, agents and employees as part of any such claim, suit, action or other proceeding. Contractor shall also reimburse City for the cost of any settlement paid by City, the Moreno Valley Housing Authority, and the CSD, and their officers, agents and employees as part of any such claim, suit, action or other proceeding. Such reimbursement shall include payment for City's attorney's fees and costs, including expert witness fees. Contractor shall reimburse City, the Moreno Valley Housing Authority, and the CSD, and their officers, agents and employees for any and all legal expenses and costs incurred by each of them in connection therewith or in enforcing the indemnity herein provided.
- L. Insurance Requirements. The Contractor will comply with the following insurance requirements at its sole expense. Insurance companies shall be rated (A Minus: VII—Admitted) or better in Best's Insurance Rating Guide and shall be legally licensed and qualified to conduct business in the State of California:

The Contractor shall procure and maintain, at its sole expense, Workers' Compensation Insurance in such amounts as will fully comply with the laws of the State of California and which shall indemnify, insure and provide legal defense for the Contractor and the City, the Housing Authority and CSD against any loss, claim, or damage arising from any injuries or occupational diseases happening to any worker employed by the Contractor in the course of carrying out the Agreement. This coverage may be waived if the Contractor is determined to be functioning as a sole proprietor and the city provided form "Exception to Worker's Compensation Coverage" is signed, notarized and attached to this Agreement

X General Liability Insurance—to protect against loss from liability imposed by law for damages on account of bodily injury, including death, and/or property damage suffered or alleged to be suffered by any person or persons whomever, resulting directly or indirectly from any act or activities of the Contractor, sub-Contractor, or any person acting for the Contractor or under its control or direction. Such insurance shall be maintained in full force and effect throughout the terms of the Agreement and any extension thereof in the minimum amounts provided below:

Bodily Injury	\$1,000,000 per occurrence/ \$2,000,000 aggregate
Property Damage	\$500,000 per occurrence/ \$500,000 aggregate

X Liability and Property Damage Insurance coverage for owned and non-owned automotive equipment operated on City/CSD/Housing Authority premises. Such coverage limits shall not be less than \$1,000,000 combined single limit.

□ A Certificate of Insurance and appropriate additional insured endorsement evidencing the above applicable insurance coverage shall be submitted to the City prior to the execution of this Agreement. The Certificate of Insurance or an appropriate binder shall bear an endorsement containing the following provisions:

Solely as respect to services done by or on behalf of the named insured for the City of Moreno Valley, it is agreed that the City of Moreno Valley, the Moreno Valley Housing Authority, and the Moreno Valley Community Services District, their officers, employees and agents are included as additional insured under this policy and the coverage(s) provided shall be primary insurance and not contributing with any other insurance available to the City of Moreno Valley, the Moreno Valley Housing Authority, and the Moreno Valley Community Services District, its officers, employees and agents, under any third party liability policy.

The terms of the insurance policy or policies issued to provide the above coverage shall neither be amended to reduce the required insurance limits and coverages nor shall such policies be canceled by the carrier without thirty (30) days prior written notice by certified or registered mail of amendment or cancellation to the City, except that cancellation for non-payment of premium shall require ten (10) days prior written notice by certified or registered mail. In the event the insurance is canceled, the Contractor shall, prior to the cancellation date, submit new evidence of insurance in the amounts established.

- M. Intellectual Property. Any system or documents developed, produced or provided under this Agreement, including any intellectual property discovered or developed by Contractor in the course of performing or otherwise as a result of its work, shall become the sole property of the City unless explicitly stated otherwise in this Agreement. The Contractor may retain copies of any and all material, including drawings, documents, and specifications, produced by the Contractor in performance of this Agreement. The City and the Contractor agree that to the extent permitted by law, until final approval by the City, all data shall be treated as confidential and will not be released to third parties without the prior written consent of both parties.
- N. Entire Agreement. This Agreement constitutes the entire agreement between the parties. There are no understandings, agreements, or representations of warranties, expressed or implied, not specified in this Agreement. This Agreement applies only to the current proposal as attached. This Agreement may be modified or amended only by a subsequent written Agreement signed by both parties. Assignment of this Agreement is prohibited without prior written consent.
- O. (a) The City may terminate the whole or any part of this Agreement at any time without cause by giving at least ten (10) days written notice to the Contractor. The

written notice shall specify the date of termination. Upon receipt of such notice, the Contractor may continue work through the date of termination, provided that no work or service(s) shall be commenced or continued after receipt of the notice which is not intended to protect the interest of the City. The City shall pay the Contractor within thirty (30) days after receiving any invoice after the date of termination for all non-objected to services performed by the Contractor in accordance herewith through the date of termination.

(b) Either party may terminate this Agreement for cause. In the event the City terminates this Agreement for cause, the Contractor shall perform no further work or service(s) under the Agreement unless the notice of termination authorizes such further work.

(c) If this Agreement is terminated as provided herein, City may require Contractor to provide all finished or unfinished documents and data and other information of any kind prepared by Contractor in connection with the performance of services under this Agreement. Contractor shall be required to provide such documents and other information within fifteen (15) days of the request.

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

- P. Payment. Payments to the Contractor pursuant to this Agreement will be reported to Federal and State taxing authorities as required. The City will not withhold any sums from compensation payable to Contractor. Contractor is independently responsible for the payment of all applicable taxes. Where the payment terms provide for compensation on a time and materials basis, the Contractor shall maintain adequate records to permit inspection and audit of the Contractor's time and materials charges under the Agreement. Such records shall be retained by the Contractor for three (3) years following completion of the services under the Agreement.
- Q. Restrictions on City Employees. The Contractor shall not employ any City employee or official in the work performed pursuant to this Agreement. No officer or employee of the City shall have any financial interest in this Agreement in violation of federal, state, or local law.
- R. Choice of Law and Venue. The laws of the State of California shall govern the rights, obligations, duties, and liabilities of the parties to this Agreement, and shall govern the interpretation of this Agreement. Any legal proceeding arising from this Agreement shall be brought in the appropriate court located in Riverside County, State of California.
- S. Delivery of Notices. All notices permitted or required under this Agreement shall be given to the respective parties at the following address, or at such other address as the respective parties may provide in writing for this purpose:

Contractor:

DMS Facility Services, Inc.
417 East Huntington Drive
Monrovia, CA 91016
Attn: Bob Sanchez

City:

City of Moreno Valley
14177 Frederick Street
P.O. Box 88005
Moreno Valley, CA 92552
Attn: Purchasing & Facilities Division Manager

Such notice shall be deemed made when personally delivered or when mailed, forty-eight (48) hours after deposit in the U.S. Mail, first class postage prepaid and addressed to the party at its applicable address. Actual notice shall be deemed adequate notice on the date actual notice occurred, regardless of the method of service.

- T. Time of Essence. Time is of the essence for each and every provision of this Agreement.
- U. City's Right to Employ Other Contractors. City reserves right to employ other contractors in connection with this project.
- V. Amendment; Modification. No supplement, modification, or amendment of this Agreement shall be binding unless executed in writing and signed by both parties.
- W. Waiver. No waiver of any default shall constitute a waiver of any other default or breach, whether of the same or other covenant or condition. No waiver, benefit, privilege, or service voluntarily given or performed by a party shall give the other party any contractual rights by custom, estoppel, or otherwise.
- X. No Third Party Beneficiaries. There are no intended third party beneficiaries of any right or obligation assumed by the parties.
- Y. Counterparts. This Agreement may be signed in counterparts, each of which shall constitute an original.
- Z. Invalidity; Severability. If any portion of this Agreement is declared invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions shall continue in full force and effect.
- AA. Assignment or Transfer. Contractor shall not assign, hypothecate, or transfer, either directly or by operation of law, this Agreement or any interest herein without the prior written consent of the City. Any attempt to do so shall be null and void, and any assignees, hypothecates or transferees shall acquire no right or interest by reason of such attempted assignment, hypothecation or transfer.

SIGNATURE PAGE TO FOLLOW

IN WITNESS HEREOF, the parties have each caused their authorized representative to execute this Agreement.

City of Moreno Valley

DMS Facility Services, Inc.

BY: _____
Mayor

BY: _____

TITLE: _____
(President or Vice President)

Date

Date

BY: _____

TITLE: _____
(Corporate Secretary)

Date

<u>INTERNAL USE ONLY</u>
ATTEST:
_____ City Clerk
APPROVED AS TO LEGAL FORM:
_____ City Attorney
_____ Date
RECOMMENDED FOR APPROVAL:
_____ Department Head
_____ Date

Exhibit A
SCOPE OF SERVICES

- A. The Agreement between the City of Moreno Valley and Contractor is for routine janitorial services, supplies, and equipment on an annual basis at various City facilities located throughout the City of Moreno Valley as outlined in the attached Request for Proposals as well as any negotiated changes. See Exhibit A-1 for additional description of Scope of Services, as outlined in the City's RFP # JLL 13/14-10.
- B. Extra and On-Call Services. In the event the Contractor is required by the City and agrees to perform extra work, the following procedure shall govern such work:
- A cost estimate will be submitted for approval prior to work being done. The Contractor shall maintain records sufficient to distinguish the direct cost of other operations. He shall furnish reports of extra work on forms furnished by the Contractor, itemizing all costs for labor, materials, equipment rental, and hours worked.
- Labor costs shall be based on the proposed wage scale for each type of workman. Employer payments for payroll taxes and insurance, health and welfare, pension, vacation, and other direct labor costs are to be included.
1. On-Call service shall be defined as emergency or additional work that is similar in nature to the Basic Services. The Contractor shall furnish all labor, material, and equipment to perform such on-call services per the costs quoted by the Contractor and listed on Page 32 of the RFP. Response time for on-call services shall be within two hours or as otherwise directed by the Facilities Maintenance Division Manager or his designee. The City reserves the right to use or not use the Contractor to perform any On-Call Services.
 2. Extra services are those items not listed in the Basic Services and if not already listed and quoted on Page 32 of the RFP, shall be negotiated on a time-and-material, not-to-exceed basis. The City reserves the right to use or not use the Contractor to perform any Extra Services.
- C. All services and completed work must meet local, county, state, and federal codes and regulations.

EXHIBIT A-1
CITY'S RFP (Attached)



CITY OF MORENO VALLEY

**NOTICE INVITING PROPOSALS FOR
JANITORIAL SERVICES**

RFP NO. JLL 13/14-10

March, 2014

Purchasing & Facilities Division
14177 Frederick Street
P.O. Box 88005
Moreno Valley, CA 92552-0805

**NOTICE INVITING REQUESTS FOR PROPOSALS
CONTINUED – RFP # JLL 13/14-10**

1. PUBLIC NOTICE IS HEREBY GIVEN THAT

The City of Moreno Valley (hereinafter referred to as “City”) is receiving sealed Proposals at the Office of the City Clerk, located at 14177 Frederick Street, Moreno Valley, California 92553, on Tuesday, April 8th, 2014, BEFORE 2:00 p.m. Proposals will be publicly opened and the names of submitting vendors read aloud for the work generally described as follows:

Routine janitorial services and provision of cleaning supplies and equipment on an annual basis for various City facilities located throughout the City of Moreno Valley.

2. OBTAINING PROPOSAL DOCUMENTS

Proposal Documents and Specifications may be obtained as follows:

A. Online

The Proposal Documents can be downloaded from the City of Moreno Valley’s website at no cost at:

http://www.moreno-valley.ca.us/city_hall/bids_rfps.shtml

NOTE: All companies downloading the RFP and interested in submitting a Proposal, **shall** notify the Purchasing & Facilities Division of the City of Moreno Valley. Please email:

Jeremy Leslie at purchasingdivision@moval.org

to report your interest. This step is crucial to interested proposers receiving any future addendum to the RFP. Responsibility therefore rests with each individual company wishing to submit a Proposal.

B. Delivery Service

Vendors are expected to do all that is possible to download the RFP from the City website. Should any vendor not be able to download the RFP from the City website, please contact Jeremy Leslie at purchasingdivision@moval.org.

3. WALK-THRU OF A RELEVANT SAMPLING OF FACILITIES

The City shall conduct a walk-thru of a relevant sampling of the sites on Wednesday, March 19th, 2014, beginning at 9:00 a.m. at City Hall in the Training Room on the 2nd floor, located at 14177 Frederick, Moreno Valley, California 92553.

**NOTICE INVITING REQUESTS FOR PROPOSALS
CONTINUED – RFP # JLL 13/14-10**

Should the number of interested parties wishing to attend the walk-thru exceed a manageable number, a second walk-thru may be conducted on Thursday, March 20th, 2014 beginning at 9:00 a.m.

Those planning to attend the walk-thru should contact Alice Rod at facilitiesmaintenance@moval.org no later than Thursday, March 13th, 2014, so it can be determined in advance if an additional walk-thru will be necessary.

The City desires to provide all interested parties with fair and equal access to all relevant City personnel and necessary information. At the same time, the City desires to keep disruption to the organization as a result of this process to a minimum. Interested Contractors must provide their own transportation to each of the sites that will be inspected. It is highly recommended that all interested Contractors attend the scheduled walk-thru, as requests for subsequent inspections will not be granted. Additionally, those who attend will be able to hear all questions posed and related answers.

Sites not included in the walk-thru can be visited during business hours by the vendors at their convenience and access will be restricted to only those areas open to the public during business hours. Building layouts will also be provided wherever possible to reduce the need to physically visit a site. Whether or not they attend the walk-thru, Contractors will be responsible for determining the square footage and boundaries of each site, examining the physical conditions and surroundings of the proposed work, and judging for themselves the extent to which these factors will influence the performance of the contract work. The existing condition of each proposed location is not intended, nor to be inferred, as a representation of satisfactory maintenance or performance, whether expressed or implied by the City or its employees. The Contractor shall not be relieved of liability under the Contract, nor shall the City be liable for any loss sustained by the Contractor, as a result of any variance between conditions as referred to in the specifications and the actual condition revealed during the examination of the locations of the proposed work. No additional compensation or relief from any obligation of the Contract will be granted because of lack of knowledge of the work sites or conditions under which the work will be accomplished

4. PROPOSAL SUBMITTALS

No Proposal will be accepted unless it is made on the Proposal Forms furnished by the City contained herein. Documents that must accompany the Contractor's Proposal include:

- Non-Collusion Affidavit
- Information on Contractor/Statement of Experience
- Detailed Standard Services and Work Plan
- Contractor's Injury and Illness Prevention program
- List of References

5. LICENSES

**NOTICE INVITING REQUESTS FOR PROPOSALS
CONTINUED – RFP # JLL 13-14-10**

The Contractor shall obtain and pay for all required licenses necessitated by the Contractor's operations. Prior to beginning any work, the Contractor shall secure the appropriate business license from the City, as required by the City of Moreno Valley business license regulations.

6. SUCCESSFUL CONTRACTOR DOCUMENTS

The successful Contractor will be required to execute a City Agreement, secure and furnish proof of Workers' Compensation Insurance and a Faithful Performance bond, and furnish any other insurance certificates as required within fourteen (14) calendar days after the date of the award of the Contract. Failure to execute and furnish said documents within said fourteen (14) days shall be just cause for the annulment of the award and pursuit of an Agreement with the next responsible Contractor.

Prior to beginning any work, the Contractor shall secure the appropriate business license from the City, as required by the City of Moreno Valley business license regulations.

7. OWNER'S RIGHT RESERVED

Within such limits as may be prescribed by law, the City reserves the right to reject any and all Proposals, to accept, reject or waive a variance in a Proposal, to make no award, to issue subsequent requests for Proposals, to waive any informality in a Proposal or accept the Proposal or Proposals that best serve the interest of the City.

The City reserves the right to accept part or all of the quoted items.

8. WAGE RATES

The Contractor shall be required to comply fully with Federal and State Minimum Wage guidelines. Contractor will specify as part of their Proposal the current wages for all employees to be used as part of this contract.

City of Moreno Valley Janitorial Services RFP # JLL 13-14-10

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**SECTION II
GENERAL TERMS AND CONDITIONS**

A. INTRODUCTION, TERM OF AGREEMENT AND BACKGROUND

1. Introduction

The purpose of this notice is to solicit Proposals from qualified firms (hereinafter referred to as "Contractor") interested in contracting with the City of Moreno Valley (hereinafter referred to as "City") to provide janitorial services, supplies (other than consumables), and equipment on an annual basis for various City facilities. The initial period of the Agreement will be from the date the City signs the Agreement through June 30, 2015. The Agreement may be renewed annually at the end of each fiscal year for a period not to exceed four (4) additional one year terms, upon both parties' written concurrence each year; and provided that funding appropriations and program approvals have been granted by the City Council of the City of Moreno Valley; and if no written notice of termination is received by either party. Requests for price increases during the annual term of the Agreement will not be accepted or approved. Prior to the renewal of the Agreement for any new fiscal year, no less than 120 days prior to June 30 and no later than March 1st, the Contractor may request an increase to be effective on July 1st. Price increases will only be allowed to the extent of the Los Angeles/Riverside/Orange County CPI (Consumer Price Index), based on the annual March 1st increase. If no increase is indicated in the Los Angeles/Riverside/ Orange County CPI Index, the Contractor will not be allowed a price increase.

2. Background

There are a variety of facilities located throughout the City that require routine janitorial services, as listed in Section III, Specific Requirements.

B. OBJECTIVE

The City's objective is to ensure the provision of janitorial services for the facilities named herein at the service level specified in Sections III and IV with maximum efficiency and minimum cost.

The Contracting firm will provide qualified employees, quality supplies and equipment to perform the required services for the facilities specified herein. All supplies and equipment provided by the Contractor will remain the property of the Contractor. Unless otherwise specified, service is to be performed after regular business hours only.

The final Contract will be established through competitive negotiations.

Responses to the Request for Proposal (RFP) will be evaluated on the completeness of the Proposal documents submitted, including reference documents; the thoroughness,

City of Moreno Valley Janitorial Services RFP # JLL 13-14-10

appropriateness and business approach detailed in the work plan, as well as the estimated hours to perform the requested services; the compliance with Federal/State Minimum Wage and Workers' Compensation requirements; the experience of the Contractor as a whole to perform the requested services; and the cost of performing the requested services. Award of the Contract shall be made to the lowest responsive, responsible Contractor that best meets the City's specifications and needs and represents the best value for the City. Price is only one factor and the lowest price may not represent the best value to the City.

C. INSTRUCTIONS TO CONTRACTORS

To be entitled for consideration, proposals must be made in accordance with the following:

1. Each Contractor shall exercise utmost diligence to obtain a full set of specifications and related Proposal documents. The City will advise the Contractor of changes in the contract documents and specifications by the issuance of addenda during the Proposal period. All addenda will be placed on the City web site. See Notice Inviting Proposals, #2. All such changes shall become a part of the Contract. No Proposal may be withdrawn after the closing date and time or the opening of the Proposals because of having been compiled from an incomplete set of contract documents and/or specifications.
2. Any questions or doubt as to the true meaning and intent of the Proposal documents and specifications shall be brought to the attention of the City in writing. All questions regarding this RFP are to be directed in writing to Jeremy Leslie at purchasingdivision@moval.org in the Purchasing & Facilities Division. All questions and subsequent responses will be provided to all companies that have requested copies of the RFP. You may contact Purchasing & Facilities by email at either purchasingdivision@moval.org. All questions and responses shall become part of the final contract. The City will not be responsible for any other explanations or interpretations. No oral agreement or conversation with any officers, employees, or agents of the City, either before or after execution of the Contract, shall affect or modify any of the terms or obligations contained in any of the documents comprising said Contract. Request for an interpretation shall be made in writing and delivered to the City **at least five (5) business days** before the time announced for opening the Proposals.

D. PROPOSAL FORM AND SUBMITTAL

Proposals shall be submitted on City forms included hereinafter (pages 26-34) to the City Clerk of the City of Moreno Valley. List Proposal cost for each item separately. Prices must be stated in the units specified herein.

Provide One (1) original and three (3) copies of the Contractor's Proposal and additional documents must be submitted in one package. It is the Contractor's

City of Moreno Valley Janitorial Services RFP # JLL 13-14-10

responsibility to ensure that submissions are delivered to the correct location before the deadline.

Additional documents that must accompany the Contractor's Proposal include:

- Non-Collusion Affidavit (use form on page 35)
- Information on Contractor/Statement of Experience (use form on pages 36-40)
- Detailed Standard Services and Work Plan (See Section II, R.1)
- Contractor's Injury and Illness Prevention program (See Section II, R.6)
- List of References (See Section II, R.5 for details)

Completed Proposals shall be enclosed in one sealed envelope, addressed as follows: City Clerk, City of Moreno Valley, 14177 Frederick Street, P.O. Box 88005, Moreno Valley, California 92552-0805, endorsed with the Contractor's company name and address on the upper left corner, on the front of the envelope, the RFP number, name of project, hour and date of RFP opening as specified in Notice Inviting Requests for Proposals and the words "SEALED REQUEST FOR PROPOSAL, DO NOT OPEN WITH REGULAR MAIL."

IMPORTANT

IDENTIFYING YOUR RESPONSE

All packages must bear the RFP number and be visible on the outside of the delivery carrier's package.

ON-TIME RECEIPT OF YOUR RESPONSE

The responsibility of ensuring that your time-sensitive document is received by the due date and time AND delivered to the City Clerk's Office rests solely with the sender. You may hand deliver your document to the proper office listed in the invitation. Only an official time stamp from the City Clerk's Office is acceptable as proof of timely delivery. A delivery time stated by a delivery service is not valid as proof of timely delivery. The City of Moreno Valley (City); the Community Services District (CSD) and the Moreno Valley Housing Authority (MVHA) assumes no responsibility for bids, proposal or quotes which arrive at the City office stated in the invitation beyond the due date and time.

PLEASE NOTE: Deliveries made to the City by the United States Postal Service, or any other delivery service, will be routed through an internal delivery system. Utilizing any delivery service will delay delivery to the actual addressed City office or individual and may cause your response to be late and unacceptable.

Regardless of the method you choose to submit your time-sensitive document, you must allow for our internal delivery system to process your item to the required office before the due date and time. In order to be fair to all responders, late bids, proposals or quotes will not be accepted and will be returned unopened.

You are encouraged to call 951.413.3000 for verification of receipt.

City of Moreno Valley Janitorial Services RFP # JLL 13-14-10

All prices, quotes, and notations must be typewritten or written in ink. No erasures will be permitted. Mistakes may be crossed out and corrections made adjacent. Corrections must be initialed by the person signing the RFP.

If the Proposal is made by an individual, it shall be signed and the full name and address shall be given; if made by a partnership, it shall be signed with the partnership name by one of the partners, who shall sign their own name and, in addition, the name and address of each partner shall be given on a separate sheet of paper; if it is made by a corporation, it shall be signed by the president or a vice-president plus the secretary or assistant secretary, attested by the corporate seal and the name of the state under the laws of which the corporation was incorporated, and the names and titles of all officers of the corporation shall be given. Proposals not received by the City Clerk before the time and date set forth in the Notice Inviting Proposals shall be declared late and returned unopened to the Contractor.

E. WITHDRAWAL OF PROPOSALS

Any Proposal may be withdrawn prior to the time and date set forth in the Notice Inviting Proposals, provided that a written request executed by the Contractor or their duly authorized representative for the withdrawal of such Proposal is filed with the City Clerk prior to such time and date. The withdrawal of a Proposal shall not in itself prejudice the right of a Contractor to file a new Proposal provided the new Proposal is received before the closing date and time.

No Proposal may be withdrawn or changed after the time noted for submission of Proposals, even if the reason is due to the Proposal being compiled from an incomplete set of RFP documents and/or specifications. The Contractor with the lowest proposal may seek relief of the RFP by submitting a written request within five days after the opening of RFPs. Whether or not to grant a request for withdrawal of an RFP is within the sole discretion of the City. Said written request shall certify all of the following:

1. A mistake was made.
2. Specifying in detail how the mistake occurred.
3. The mistake made the Proposal materially different than it was intended to be.
4. The mistake was made while filling out the RFP and not due to an error in judgment or to carelessness in inspecting the site of the work or in reading the specifications (PCC 5101, 5103).

F. DISQUALIFICATION OF PROPOSALS

More than one Proposal from an individual, firm, partnership, corporation, or association under the same or different name will not be considered. Reasonable grounds for believing that any Contractor has an interest in more than one Proposal will cause the rejection of all Proposals in which that Contractor is interested.

City of Moreno Valley Janitorial Services RFP # JLL 13-14-10

If there is a reason for believing that collusion exists among the Contractors, none of the participants in such collusion will be considered in awarding the Contract.

Proposals in which the prices obviously are unbalanced may be rejected.

If the experience or financial background of the Contractor is inadequate or past performance has been unsatisfactory, the Proposal may be rejected.

No Proposal will be accepted from a Contractor who is not fully and properly licensed as a contractor in accordance with the provisions of Chapter 9 of Division 3 of the Business and Professions Code on the date and at the time of the submittal of the Proposal for the work to be done by him or her (B & P 7028.15).

G. REJECTION OF PROPOSALS

A licensed contractor shall not submit a Proposal to a public agency unless his or her contractor's license number appears clearly on the RFP and the license expiration date is stated. Any Proposal not containing this information or Proposal containing information which is subsequently proven false shall be considered non-responsive and shall be rejected by the City [B & P 7028.15 (e)].

Proposals may be rejected if they show any alterations of form, additions not called for, conditional or alternative Proposals uncalled for, incompleteness, erasures, or irregularities of any kinds; however, the right is reserved to reject any and all Proposals and to waive irregularities to the extent permitted by law.

The List of References form is informational only and contractors that have not worked on Public Works projects should state, "Have Not Worked on Public Works Projects" and include other similar work.

H. AWARD OF CONTRACT

Every attempt will be made to award the Contract within sixty (60) calendar days after the opening of the Proposals.

I. EXECUTION OF AGREEMENT

An Independent Contractor Agreement shall be signed by the successful Contractor in duplicate counterpart and returned within fourteen (14) calendar days after the date of the award of the Contract by the City Council. The Agreements shall be returned together with:

- Faithful Performance bond (on the form provided herein)
- Workers' Compensation Certificate
- Insurance certificate(s)

City of Moreno Valley Janitorial Services RFP # JLL 13-14-10

In the event that the successful Contractor to whom the Contract is awarded defaults in executing the required Agreement or fails to submit the required documents to the City within fourteen (14) calendar days after the date of the Award of the Contract, acceptance of the Proposal and award of the Contract may be considered null and void. The Contract may then be awarded to the next lowest responsible Contractor.

J. CONTRACTOR INDEBTEDNESS AND INDEMNIFICATION

Indebtedness incurred by or on behalf of the Contractor for any cause in connection with this work must be paid by the Contractor. The City of Moreno Valley has no obligation for any indebtedness or claim other than payments under the terms of the Contract, and the Contractor shall not represent that they have any authority to create such obligation on behalf of the City.

Contractor shall indemnify, defend and hold the City of Moreno Valley (City), the Moreno Valley Housing Authority (MVHA), and the Moreno Valley Community Services District (CSD), their officers, agents and employees harmless from any and all claims, damages, losses, causes of action and demands, including, without limitation, the payment of all consequential damages, expert witness fees, reasonable attorney's fees and other related costs and expenses, incurred in connection with or in any manner arising out of Contractor's performance of the work contemplated by this Agreement and this Agreement. Acceptance of this Agreement signifies that the Contractor is not covered under the City's general liability insurance, employee benefits, or worker's compensation. It further establishes that the Contractor shall be fully responsible for such coverage. Contractor's obligation to indemnify shall survive expiration or termination of this Agreement, and shall not be restricted to insurance proceeds, if any, received by the City, MVHA, and the CSD, and their officers, agents and employees.

K. CONTRACT BONDS

The Faithful Performance Bond shall be submitted on the City's bond form included herein. Bond shall be signed by both the Contractor and the Surety, with all signatures notarized and all acknowledgments attached thereto. The attorney-in-fact for a corporate surety shall be registered as such in the State of California and an original notarized Power of Attorney, including a corporate seal and effective date, is filed with the bond. Certified copies of the Power of Attorney are acceptable, providing they are contemporaneously signed, notarized, and corporately sealed.

L. DEFAULT BY CONTRACTOR

In case of default by the awarded Contractor, the City may procure the work, materials or service from other sources. The City may deduct any excess cost from any unpaid balance due the Contractor or may bill for same at the City's discretion. The prices in such events shall be the prevailing market price at the time of purchase.

M. MATERIAL, EQUIPMENT AND SAFETY REGULATIONS

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The work, labor, and materials which the Contractor proposes to furnish to the City must comply in all respects with the appropriate equipment and safety regulations of all Federal, State, and local regulatory commissions whether such equipment or safety features have been outlined or required in these specifications or not. Contractor shall assume full responsibility for any violations and/or noncompliance with such regulations.

In compliance with California state law, Contractor shall have an active ongoing Injury and Illness Prevention Program in place. Evidence of such shall be submitted with the Contractor's Proposal.

Contractor shall use only biodegradable cleaning products that will return to a natural state within fifteen (15) days after entering the sewage system. The City reserves the right to request a list of all products being used by the awarded Contractor. Samples may also be requested by the City at any time during the contract period. Should any products normally require an MSDS, such documentation shall be provided by the Contractor.

Contractor shall furnish and maintain in good condition all equipment and supplies, except for consumables, required for the performance of this Agreement. The equipment and supplies shall meet all requirements, ordinances, and laws. All vacuum cleaners shall have HEPA filters.

N. CONFLICT OF INTEREST

Submission of a Proposal certifies that no City employee, whose position in City service enables him or her to influence any award of a contract hereunder, is employed by the submitter or has any direct or indirect financial interest in any transaction resulting from this RFP.

O. INSURANCE REQUIREMENTS

The Contractor will comply with the following insurance requirements at its sole expense. Insurance companies shall be rated (A Minus: VII—Admitted) or better in Best's Insurance Rating Guide and shall be legally licensed and qualified to conduct business in the State of California:

The Contractor shall procure and maintain, at its sole expense, Workers' Compensation Insurance in such amounts as will fully comply with the laws of the State of California and which shall indemnify, insure and provide legal defense for the Contractor and the City, the MVHA, and CSD against any loss, claim, or damage arising from any injuries or occupational diseases happening to any worker employed by the Contractor in the course of carrying out the Agreement. This coverage may be waived if the Contractor is determined to be functioning as a sole proprietor and the city provided form "Exception to Worker's Compensation Coverage" is signed, notarized and attached to the Agreement.

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General Liability Insurance—to protect against loss from liability imposed by law for damages on account of bodily injury, including death, and/or property damage suffered or alleged to be suffered by any person or persons whomever, resulting directly or indirectly from any act or activities of the Contractor, subcontractor, or any person acting for the Contractor or under its control or direction. Such insurance shall be maintained in full force and effect throughout the terms of the Agreement and any extension thereof in the minimum amounts provided below:

Bodily Injury	\$1,000,000 per occurrence/ \$2,000,000 aggregate
Property Damage	\$500,000 per occurrence/ \$500,000 aggregate

Liability and Property Damage Insurance coverage for owned and non-owned automotive equipment operated on City/CSD/MVHA premises. Such coverage limits shall not be less than \$1,000,000 combined single limit.

A Certificate of Insurance and appropriate additional insured endorsement evidencing the above applicable insurance coverage shall be submitted to the City prior to the execution of the Agreement. The Certificate of Insurance or an appropriate binder shall bear an endorsement containing the following provisions:

“Solely as respect to services done by or on behalf of the named insured for the City of Moreno Valley, it is agreed that the City of Moreno Valley, the Moreno Valley Housing Authority, and the Moreno Valley Community Services District, their officers, employees and agents are included as additional insured under this policy and the coverage(s) provided shall be primary insurance and not contributing with any other insurance available to the City of Moreno Valley, the Moreno Valley Housing Authority, and the Moreno Valley Community Services District, its officers, employees and agents, under any third party liability policy.”

The terms of the insurance policy or policies issued to provide the above coverage shall neither be amended to reduce the required insurance limits and coverage’s nor shall such policies be canceled by the carrier without thirty (30) days prior written notice by certified or registered mail of amendment or cancellation to the City, except that cancellation for non-payment of premium shall require ten (10) days prior written notice by certified or registered mail. In the event the insurance is canceled, the Contractor shall, prior to the cancellation date, submit new evidence of insurance in the amounts established.

P. LICENSES AND PERMITS

The Contractor shall obtain and incur all costs for certificates, licenses, and permits necessitated by their operations. Prior to starting any work, the Contractor and any approved subcontractor shall obtain and maintain a City of Moreno Valley business license throughout the life of the Contract.

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The Contractor shall, upon demand, present to the City all necessary certificates, licenses, and permits as required by Federal, State, and local regulation as necessary to perform the work and deliver materials provided to the City.

Q. LABOR, LABOR CODE AND MINIMUM WAGE

The Contractor and all approved subcontractors shall be required to comply fully with Federal and State Minimum Wage guidelines. Contractor will specify as part of their Proposal the current wages for all employees to be used as part of the Contract. Only competent labor shall be employed on the work, and the Contractor shall comply with the Labor Code of the State of California and Federal and State laws related to labor. Contractor shall obey the provisions of the Labor Code regarding minimum wage and shall not discriminate because of sex, race, national origin, or religion.

R. PROPOSAL REQUIREMENTS

The Contractor shall provide the following information. Failure to provide any one of these items may result in a rejection of the Contractor's entire submission.

1. Detailed **Standard Services and Work Plan** reflecting how Contractor will comply with listed specifications to include:
 - a) Number of workers to be used and number of hours that will be spent at each location (use chart on pages 32-33)
 - b) Equipment to be used at each location (use chart on pages 32-33)
 - c) Organizational chart that shows all executives (use separate piece of paper).
 - d) Brief description of company personnel and training procedures (use a separate piece of paper).
 - e) Personnel List. This list shall include all employees who will be assigned to our sites, their years of experience, length of employment with your company, and wages to be paid (use a separate piece of paper).
2. Information on Contractor/Statement of Experience (use forms on page 36-40).
3. Proposal and Cost breakdown by location (use forms on pages 29-31).
4. Non-Collusion Affidavit (use form on page 35).
5. All Contractors are required to provide references to illustrate that the Contractor can successfully perform maintenance work involved in the Contract. List at least five public agencies that your firm has performed janitorial services for within the past five years. If you have not performed service for five public agencies, list at least five references, including all public agencies for which you have performed service (use separate piece of paper). Provide contact name and phone number.

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6. Copy of Contractor's Injury and Illness Prevention program, in compliance with the State of California.

S. FAILURE TO EXECUTE AN INDEPENDENT CONTRACTOR AGREEMENT

No Proposal, even if accepted by the City, shall be binding upon the City until execution of an Independent Contractor Agreement by the Contractor and the City.

T. EXAMINATION OF SITE AND WORK

Contractors are responsible for determining the square footage and boundaries of each site, examining the physical conditions and surroundings of the proposed work, and judging for themselves the extent to which these factors will influence the performance of the contract work. The existing condition of each proposed work location is not intended, nor to be inferred, as a representation of satisfactory maintenance or performance, whether expressed or implied by the City or its employees. The Contractor shall not be relieved of liability under the Contract, nor shall the City be liable for any loss sustained by the Contractor, as a result of any variance between conditions as referred to in the specifications and the actual condition revealed during the examination of the locations of the proposed work. No additional compensation or relief from any obligations of the Contract will be granted because of lack of knowledge of the work sites or conditions under which the work will be accomplished.

U. PRE-JOB MEETING

Prior to the beginning of any actual work being performed, the Contractor to whom the award is made will be required to meet with City representatives for the purpose of reviewing the Contract documents, specifications, instructions, and procedures.

V. DISPLACED JANITOR OPPORTUNITY ACT

The Displaced Janitor Opportunity Act, enacted by Senate Bill 20, Chapter 795, and effective for contracts awarded on or after January 1, 2002, requires the City to identify the following requirements of the statute in its initial Proposal package. The statutory obligations apply only to contractors with 25 or more employees.

The requirements include notice to a new contractor that they must retain for sixty (60) days any employees employed at the same site for at least the preceding four (4) months by the previous contractor, absent "reasonable and substantiated cause" not to hire based on the employee's performance or conduct. The City, when awarding a replacement contract, will provide, in a timely manner, the name and address of the new contractor to the previous contractor.

The new contractor is not required to pay the same wage or offer the same benefits, but the new contractor must make a written offer of employment to each non-management, non-supervisory service employee in a language in which the employee is literate. The

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offer shall state the time (of no less than 10 days) within which the employee must accept the offer. The new contractor may not discharge any hold-over employees during the first 60 days of their new employment, except for cause. At the end of 60 days, the new contractor must provide a written performance evaluation to each retained employee and must offer the employee continued employment if the performance was satisfactory. Employment thereafter may be at will.

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SECTION III

SPECIFIC REQUIREMENTS

SCOPE OF WORK

A. The specifications for janitorial service for the City shall consist of this document herein referred to as “specifications.” Contract Documents shall consist of the specifications, addenda, bonds, insurance certificates, the Agreement, and all required submittals.

B. Specifications are for service at the following locations:

<u>Building Name</u>	<u>Address</u>	<u>Estimated Cleaning Square</u>
<u>Footage</u>		
Animal Shelter*	14041 Elsworth Avenue	154 Vents
Annex 1	14331 Frederick St	11,668
City Hall	14177 Frederick St	57,626
City Yard	15670 Perris Blvd	3,000
Conference & Recreation Center	14075 Frederick St	42,413
Emergency Operations Center	22870 Calle San Juan de Los Lagos	8,492
Employment Resource Center	12625 Frederick St Ste K3&K4	4,977
Fire Station #2 **	24935 Hemlock	8,848
Fire Station #6 **	22250 Eucalyptus	9,490
Fire Station #48 **	10511 Village Rd	4,754
Fire Station #58 **	28040 Eucalyptus	10,320
Fire Station #65 **	15111 Indian Ave	4,877
Fire Station #91 **	16110 Lasselle	8,848
Fire Station #99 **	13400 Morrison Ave	10,348
Gang Task Force	14340 Elsworth	1,857
Library	25480 Alessandro Blvd	15,000
March Field Community Center	15325 5 th St	4,000
Public Safety Building	22850 Calle San Juan de Los Lagos	44,700
Rainbow Ridge Portable	15950 Indian	1,920
Red Maple Portable	25100 Red Maple Lane	1,920
Senior Center	25075 Fir Ave	14,700
Sunnymead Middle THINK	12875 Heacock	960
Sunnymead Elementary	24050 Dracaea	893
TownGate Community Center	13100 Arbor Park	4,000
Transportation Trailer	15670 Perris Blvd	1,440

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*Only air conditioning vents are cleaned once a year at this site. No other routine services are performed at the Animal Shelter.

**Only carpets and/or furniture upholstery (41 total recliners collectively) are cleaned twice a year. No other routine services are performed at the Fire Stations.

C. Care of Work Areas - Employees of the Contractor shall not disturb papers on desks, open drawers or cabinets, use telephones, radios or television sets, or tamper with personal or City property. Any potentially important envelope or other material found in the waste containers or on the floor shall be left in the area with a note and the Purchasing & Facilities Division Manager, or his/her designee, shall be notified via telephone or e-mail by 9:00 a.m. the next business day. Employees of the Contractor shall protect the City from damages as a result of their work. City property or City staff's personal property damaged by Contractor's employees shall be repaired or replaced at Contractor's expense. In the event of such damage, the Contractor's employee shall leave a note in the general area of the damage and the Contractor shall contact the Facilities Maintenance office the next business day by 9:00 a.m.

D. Security - In the event of a situation that may result in further damage or breach of security to City property if not corrected immediately (i.e. water leak, broken window, unsecured exterior door, etc.), employees of the Contractor are to inform their supervisor, who is to contact a Facilities representative via an after-hours number that will be provided to the Contractor. Upon leaving, employees of the Contractor shall ensure that all doors and windows they may have opened are securely closed and locked and that any lights they turned on are turned off. Should the Contractor or his employee lose any keys that provide access to any City facility, the Contractor may be required to pay the cost to re-key all affected locks. All lost keys, alarm codes, or key cards shall be reported to the Purchasing & Facilities Division Manager or his designee immediately.

The Contractor's employees shall not admit anyone, including City employees, into any of the buildings or locked offices. City employees who are authorized to be in the building or secured areas have their own keys and/or key cards.

E. Emergencies – Employees of the Contractor are to call 9-1-1 immediately if:

1. They observe anyone destroying City property either inside or outside the building.
2. Someone is trying to force their way into a City facility.
3. They observe a fire.

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4. They smell smoke or a strong odor of gas.
5. Any other situation that would prompt a reasonable person to seek outside assistance.

F. Hazardous Materials – The Contractor shall not use any hazardous materials or chemicals in any City facility without submission of the corresponding Material Safety Data Sheet (MSDS) and express authorization from the Purchasing & Facilities Division Manager or his designee. Should the Contractor’s employees happen to generate a hazardous material during the course of their work, the Contractor shall remove and dispose of it immediately in accordance with all laws and regulations. If a hazardous material, such as empty aerosol cans, used motor oil, etc., is discovered on City property by the Contractor’s employees, they shall notify their supervisor immediately. The supervisor shall notify a Facilities Maintenance representative via an after-hours number should the situation require immediate clean-up and/or removal of the substance. If the situation is not urgent, the Contractor shall notify the Facilities Maintenance Division’s office by 9:00 a.m. the following business day.

G. Coordination and Phasing - The Council Chambers, banquet rooms, conference rooms, and office spaces may be in use by employees and citizens during the time that the Contractor’s employees arrive to perform services. All work shall be performed in a phased operation so that these meetings are not disrupted. In no case shall work commence in an area where a meeting is in progress. If an office is occupied by a City employee who is working after hours, the Contractor’s employee may ask the occupant if cleaning can commence in that office/area.

H. Personnel - The Contractor’s employees shall extend the highest quality of courtesy in speech, action, and deed to all City employees, officials, citizens, and visitors/guests. The City, through the Facilities Maintenance Division, retains the right to demand immediate dismissal or removal from the premises of any of Contractor’s employees considered being in violation of the requirements of these specifications. No employee under the influence of alcohol or drugs shall be allowed on the premises or in the building. The Contractor will immediately remove any of their employees whose conduct or workmanship is unsatisfactory.

Contractor’s Employees may not:

1. Perform any service beyond their capability or training.
2. Use cleaning equipment or electrical outlets that are in need of repair.
3. Unplug electrical cords from outlets in use, i.e. computers, printers, etc.
4. Open and/or look in desk drawers, furniture, file cabinets, clothing, etc.

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5. Take any items from a facility, no matter how small or insignificant the item may be (e.g. partial roll of toilet tissue, stick of gum, one penny). If in doubt, the Contractor's employee should ask their supervisor.
6. Loiter in the parking areas before or after work.
7. Keep or remove trash or discarded items. These types of items are still considered to be the property of the City and are to be deposited in the appropriate bins.
8. Enter restricted areas, such as roofs, computer server rooms, etc., unescorted by City personnel.
9. Bring relatives, friends, or other non-employees of the Contractor to work with them.
10. Smoke inside any facility or within 20 feet of the exterior of any entrance.
11. Use City telephones for any purpose, except to call 911.
12. Use individual desks to take breaks. Appropriate locations will be designated for breaks (e.g. kitchen, break room, etc.)

The Contractor shall assign a supervisor working regular working hours for the duration of this Contract. He/she shall have a minimum of five (5) years' experience in janitorial maintenance supervision. The Contractor or his staff shall have expertise and experience in cleaning solutions and spot extraction from a variety of surfaces. The supervisor shall be capable of communicating effectively both in written and spoken English.

I. Personnel Attire – All employees shall be required to wear appropriate attire and picture identification badges that readily identifies the individuals as employees of the Contractor. All badges shall be approved by the Purchasing & Facilities Division Manager, or his/her designee, and be provided by the Contractor at Contractor's expense.

J. Requirements Subsequent to Contract Execution – The Contractor is required to comply with the following:

1. The Contractor shall furnish all labor, cleaning materials, and equipment necessary to perform the specified work, with the exception of consumable items such as toilet paper, hand towels, paper towels, hand soap, toilet seat covers, and waste container liners. Such consumables shall be purchased and stocked by the City. The Contractor shall be responsible for obtaining these items from a designated area at each site and refilling all containers and dispensers. Any consumables provided by the City that are in short supply must be reported to the Facilities Maintenance Division the next working day. The City does not

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provide waste container liners for interior recycle bins. Should the Contractor desire to use liners in these bins, the Contractor will bear the sole cost to purchase, stock, and replace them.

Prior to commencement of work, the Contractor shall supply the City with an inventory of all equipment and cleaning supplies to be kept on City premises. The list or chart will identify the location where said equipment/supplies are to be kept. Contractor shall use only biodegradable cleaning products that will return to a natural state within fifteen (15) days after entering the sewage system. Material Safety Data Sheets (MSDS) shall be provided by the Contractor for all of Contractor's cleaning supplies used and/or stored on City premises prior to such supplies being utilized in any City facility. The MSDS of all products used at the Public Safety Building shall be posted in all of the janitorial closets at the Public Safety Building, per County of Riverside regulations.

2. Contractor's equipment shall be new or in the best maintained working condition for its intended function. Equipment that is faulty or does not perform to the satisfaction of the City shall be replaced at Contractor's expense. Contractor's equipment and supplies shall be stored only in designated areas. All vacuum cleaners must have HEPA filters.
3. Prior to commencement of any work, the Contractor shall supply the names and addresses of each employee to be used on the contract for possible security checks. Any change in personnel shall be processed for clearance prior to work assignment. The City shall retain the right to demand the removal of any employee for disobeying orders, non-performance, unsatisfactory performance, or change in security status. There will be no cost to the Contractor for any security/background check. Security checks are a standard City procedure when hiring new employees.
4. Failure of the Contractor to perform any services required by the Contract specifications, evidenced by the inspection by the Purchasing & Facilities Division Manager or his designee, may result in the following actions being taken:
 - a. Notification will be made to the Contractor directing that a correction of the deficiency be started within two hours or as otherwise directed by the Purchasing & Facilities Division Manager or his designee at no increase or additional cost to the total contractual amount.
 - b. A report will be sent to the Contractor indicating the services that were not performed, the number of days the Contractor has to correct the situation, the

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facility in question, the location within the facility, the time, date, square footage if necessary, the amount to be deducted from the upcoming monthly payment (if any), and the requirement of the Contractor to submit his proposed remedy to the Purchasing & Facilities Division Manager within a specified time.

- c. Should the Contractor fail to perform the services promptly and correctly or not take steps to ensure future performance of the service in conformity with contract specifications, the Purchasing & Facilities Division Manager, at his sole discretion, shall have the right to:
 - 1) Reduce the contract price to reflect the reduced value of services.
 - 2) Have the services performed by another Contractor, in conformity with the Contract, and charge the original Contractor for all costs incurred by the City plus fifteen percent (15%) for overhead.

- 5. Working Hours – All work specified as Basic Services shall be performed within the time frames listed below:
 - a. Commencement of work shall occur no sooner than 6:00 p.m. and be completed no later than 1:00 a.m., unless otherwise specified for a particular site or authorized by the Purchasing & Facilities Division Manager or his designee. Details and exceptions are noted in Section R, Frequency of Service.

 - b. On-Call and Extra Work shall be on the day and at the times selected by the City.

- 6. Administrative Responsibilities – The Facilities Maintenance Division is the contract administrator for the Contract, unless otherwise specified. Direct contact for daily work shall be the Purchasing & Facilities Division Manager or his designee. Requests or demands by other City employees shall be courteously listened to and referred to the Purchasing & Facilities Division Manager or his designee.
 - a. No work shall be performed which is contrary to the contract level of service or frequency charts without prior authorization by the Purchasing & Facilities Division Manager or his designee.

 - b. The Contractor agrees that should he perform work outside the scope of the Contract without a written amendment or authorization of the Purchasing &

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Facilities Division Manager or his designee, such work shall be deemed to be gratuitous effort on the part of the Contractor, and the Contractor shall have no claim against the City for such work.

- c. The Contractor shall meet with the City representative periodically to inspect facilities and discuss matters of mutual concern. The frequency will be determined by the City representative, who shall be the sole judge of what constitutes the acceptable quality of work performed.
- d. The Contractor shall supply the Purchasing & Facilities Division Manager with name(s) and phone number(s) of responsible person(s) representing the Contractor for 24-hour emergency response. The above-mentioned information shall remain current at all times. Any changes shall be forwarded to the City in writing by the end of that business day. Failure to maintain current emergency information may result in a \$200 penalty for each occurrence. Emergency response is defined as anything:
 - 1) Per City representative(s)
 - 2) By prior agreement
 - 3) Public health/safety matters

K. Extra Work and On-call Services –

1. On-Call service shall be defined as emergency or additional work that is similar in nature to the Basic Services. The Contractor shall furnish all labor, material, and equipment to perform such on-call services per the costs quoted by the Contractor and listed on Page 31 of this document. Response time for on-call services shall be within two hours or as otherwise directed by the Purchasing & Facilities Division Manager or his designee. The City reserves the right to use or not use the Contractor to perform any On-Call Services.
2. Extra services are those items not listed in the Basic Services and if not already listed and quoted on Page 31 of this document, shall be negotiated on a time-and-material, not-to-exceed basis. The City reserves the right to use or not use the Contractor to perform any Extra Services.

L. Contractor Payments – Payment for work described in these specifications shall be made on a monthly basis for work performed.

1. Each month, between the first and tenth day of the month, the Contractor shall submit a separate invoice for each site for the work performed during the previous month and include the corresponding City Purchase Order number.
2. Payment to the Contractor shall be made approximately thirty (30) days after submission of invoices for services rendered.

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M. City to Provide – The following shall be provided to the Contractor:

1. Electricity.
2. Water.
3. Trash container liners, including those for the sanitary napkin containers. No liners will be provided for recycle bins.
4. Consumable items (toilet paper, paper towels, hand soap, toilet seat covers).
5. Various janitor spaces – not available at all sites. All equipment and supplies must be kept only in these spaces and the areas must be kept clean and orderly. All faucets and lights are to be turned off upon leaving.
6. Dumpster and/or recycle bins are outside of the building for the disposal of trash and recyclables – not available at all sites. All dumpster/recycle enclosures shall be kept clean. At no time shall excess trash be left on the ground around the bins or inside the building. If an exterior bin is full, the trash is to be deposited into another City bin, even if it is at another site. All boxes are to be broken down before being placed in the recycle bin.

N. Feminine Product Dispensers – The Contractor shall be responsible for supplying and restocking the product for the dispensers. The Contractor may retain all revenues collected from these dispensers. The City shall provide and repair the dispensers at its expense. The City shall also provide liners for the sanitary waste containers.

O. Contract Termination

1. The City reserves the right to terminate the Agreement for cause immediately or without cause after a 30-day written notice is delivered to the Contractor either personally or by mail at the address shown on the Contract Agreement.
2. In the event of such termination, the bonds required shall remain in effect for six (6) months after the date of termination to provide surety that any remedial work required at the time of termination will be completed.
3. If the Contractor fails to meet the specifications of the Contract for any fifteen (15) consecutive or non-consecutive days, the City may, at its option, terminate the balance of the Contract by written notice of termination to the Contractor. Notice of such termination shall take effect three (3) days after such notice is mailed.

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4. This agreement may be terminated by either party upon written notice not less than thirty (30) days prior to the proposed termination date.
 5. The City reserves the right to cancel, reduce, alter, or add services to any building or portion thereof. Any such changes shall be accomplished through an Addendum to the Contract. Any monetary effect on the Contract from such changes shall be discussed and agreed upon between the City and the Contractor prior to such Addendum being finalized.
 6. The City reserves the right to make additions, deletions, revisions, and/or otherwise modify the Janitorial Services Specifications or the location(s) of service. Any addition or deletion of a facility shall be accomplished through an Addendum to the Contract. Any monetary effect on the Contract from such changes shall be discussed and mutually agreed upon between the City and the Contractor prior to such Addendum being finalized.
- P. Subcontracting Services – The Contractor shall not subcontract or assign the performance of any of the services in this agreement without prior written approval of the Purchasing & Facilities Division Manager or his designee.
- Q. Reservation of Rights – The City reserves the right to arrange for any or all items of extra service, except as provided in the Contract, to be performed by separate Contract or purchase order by one or more other Contractors, if it is in the City’s best interest.
- R. Frequency of Service – All work described in Basic Services shall be performed in a manner equal to the best quality of the trade, regardless of its frequency. The Purchasing & Facilities Division Manager or his designee shall be the judge as to the acceptability of all work performed.
1. Routine Schedule
- a. Five (5) days per week, all sites, Sunday through Thursday (between 6:00 p.m. and 1:00 a.m.) except as noted below. Deviations from the days and times listed require prior approval from the Purchasing & Facilities Division Manager or his designee.
 - (1) City Yard Big Bay restrooms only also to be cleaned one additional day (every Friday)
 - (2) Red Maple only to receive five (5) day service during school breaks (winter, spring, and summer), approximately 16 weeks total.

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- b. Seven (7) days per week, including working holidays:
 - (1) Public Safety Building (between 8:00 p.m. and 11:30 p.m.)
 - (2) Library (between 8:00 p.m. and 1:00 a.m.)
 - (3) Conference & Recreation Center (between 8:00 p.m. and 1:00 a.m.), except for the office area, which is only cleaned Sunday through Wednesday.

- c. Four (4) days per week according to the routine hours listed above in 1.a:
 - (1) TownGate Community Park (Monday – Thursday)
 - (2) Emergency Operations Center (Sunday – Wednesday)
 - (3) Transportation Trailer (Sunday - Wednesday)

- d. Two (2) days per week according to the routine hours listed above in 1.a:
 - (1) Gang Task Force (Tuesday & Thursday)
 - (2) Sunnymead Middle School THINK (Wednesday & Friday)
 - (3) Sunnymead Elementary Portable (Wednesday & Friday)

- e. Once a Month:
 - (1) City Yard Mechanic’s Shop break room (First Sunday of the month)

- f. Twice a Year:
 - (1) All Fire Stations (Only clean the carpets and furniture upholstery at these sites). The times and days the work will be performed is negotiable.
 - (2) Animal Shelter (Only the air conditioning vents are cleaned at this site). The times and days the work will be performed is negotiable.

2. Holiday Schedule

City offices are closed for certain holidays during the year. All facilities will be closed on the following holidays and will not require service on the night of the observed closure, unless otherwise notified by the City.

Martin Luther King Day	3 rd Monday in January
President’s Day	3 rd Monday in February
Memorial Day	Last Monday in May
Independence Day	July 4
Labor Day	1 st Monday in September
Veteran’s Day	November 11
Thanksgiving	4 th Thursday in November
Day after Thanksgiving	4 th Friday in November
Christmas Break	December 24-January 1

SECTION IV

SPECIFICATIONS – REQUIRED BASIC SERVICES

A. General Procedures and Definitions

1. The Janitor's closet shall be kept in a neat, clean and orderly condition at all times, and securely locked when not in use. Mops are to be cleaned, rinsed, and wrung out prior to storing. Mop buckets are to be emptied at the end of each use.
2. The Janitor's closet should be stocked with ample consumable items at all times. The contractor is to notify the Purchasing & Facilities Division Manager or his designee the following work day if consumable supplies are low.
3. All paper towel dispensers shall be filled to capacity each time service is performed.
4. All trash shall be discarded in the appropriate waste bin, usually located in the parking lot, and shall be considered the property of the City until it is removed by the City's waste management hauler. At no time shall the Contractor's employees be permitted to keep any items found on City property, even if it is in a waste or recycle container.
5. Office doors shall not all be opened at once. Only those office doors in the immediate area where Contractor's staff are working are to be opened and then closed upon completion of cleaning. No office that has been opened by janitorial personnel may be left unattended.
6. All doors are to left in the same condition as they were found, i.e. if it was found open and unlocked, it is to be left open and unlocked after cleaning is performed.
7. Upon leaving a site, all designated lights shall be turned off.
8. "Hard surface" floors are defined as vinyl (VCT), tile, or composite (excluding bare concrete).
9. "Specialty flooring" is defined as rubberized, stone, wood, or laminate.
10. Any fixture found to be damaged, inoperable, or malfunctioning is to be reported to the Facilities Maintenance Division by 9:00 a.m. the following business day, unless immediate attention is required to prevent additional damage. In that case, the janitor will contact their supervisor who is to immediately notify the Facilities Maintenance Division standby person.
11. Any graffiti that cannot be removed with typical graffiti remover is to be reported to the Facilities Maintenance Division the following business day by 9:00 a.m.
12. "Low" is defined as that area from the floor to 5 feet above the floor.
13. "Medium" is defined as that area between 5 and 12 feet above the floor.
14. "High" is defined as any area higher than 12 feet above the floor.

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15. "High Traffic Areas" are defined as areas used daily by the public and/or staff. They are usually hallways and entrances to break rooms, restrooms, and lobbies.

B. Daily - All Areas

1. Wipe clean all clear desk areas and counters. No items on desks, tables, overheads, etc. are to be moved.
2. Empty all desk and area trash containers (interior and exterior of the building) and replace liners as needed. Liners are to be concealed on waste containers that have decorative lids. Trash bags are not to be dragged along the ground; care is to be taken to avoid spillage or staining of carpets, floors, and exterior surfaces. Any stains resulting from Contractor's actions shall be cleaned at Contractor's expense.
3. Clean all interior and exterior ashtray urns. Those with sand are to be sifted until all debris is removed. Those without sand are to be wiped clean after all the debris has been removed.
4. Remove graffiti from walls and furniture.
5. Sweep/dust all hard surfaces and specialty flooring per manufacturer's recommendations.
6. Vacuum all carpeting, including stairwells, with particular attention given to high traffic areas.
7. Spot clean carpeting of any stains the size of a dime or smaller. Contractor will notify the Facilities Maintenance Division of any spots larger than the size of a dime.
8. Clean, dust, and soft buff all counters, tables, and furniture.
9. Spot clean partitions; doors and frames; stairway walls and handrails; and wall switches.
10. Clean customer service windows.
11. Spot clean interior office, cubicle, door, and reception windows as needed.
12. Clean, sanitize, and polish all drinking fountains (interior and exterior of building).
13. Vacuum elevator floor and door tracks (floor level) and spot clean cab walls.
14. Clean glass on all glass-topped tables, primarily in conference rooms and offices.
15. Clean both sides of interior and exterior door glass panels.
16. Empty all large recycle bins (usually found in copy rooms). The small containers at desks are not to be emptied.

C. Daily - All Restrooms

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1. Empty all waste containers (all types) and replace all liners.
2. Refill all consumable products with City furnished supplies (feminine products in the coin-operated dispensers to be provided by Contractor).
3. Clean and disinfect all sinks, toilets, urinals, toilet seats (both sides), shower stalls, and exterior surfaces of all the aforementioned units, as well as the exposed piping.
4. Wet-wipe and sanitize toilet partitions with a cleaning and sanitizing solution.
5. Clean and polish all metal frames and fixtures.
6. Clean and polish mirrors.
7. Clean splash marks on walls adjacent to and above sinks, urinals, & toilets.
8. Spot clean all ceramic tile and walls.
9. Wet mop all floors.
10. Remove all graffiti from restroom walls, mirrors, and fixtures.
11. Wet wipe and clean both sides of restroom entry doors and door handles.

D. Daily - All Kitchens, Coffee Areas, and Break Rooms

1. Empty all waste containers and replace all liners.
2. Wash all counter tops, tabletops, and sinks.
3. Wipe exterior of large appliances, i.e. refrigerators, microwave ovens, etc.
4. Wet mop and sanitize all hard surface floors and spot clean adjacent carpeting.
5. Clean Specialty flooring per manufacturer's recommendation.
6. Refill paper towel dispensers.
7. No cleaning of dishes, silverware, or coffee pots will be required.

E. Weekly - All Areas

1. Spot clean all walls and woodwork.
2. Clean exterior of all trash containers.
3. Perform "Low" dusting including base molding or top set, sills, ledges, chair rails, stairway handrails, partitions, chairs, tables, desks, telephones, filing cabinets, and all office furniture.
4. Wet mop and buff hard surface floors. Remove heel marks.

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5. Clean interior and exterior of all microwave ovens.
6. Clean and sanitize all restroom floors and walls.
7. Dust base plates and shelves/counters in all stairwells.
8. Thoroughly clean specialty floors per manufacturer's recommendation.

F. Monthly – All Areas

1. Vacuum all draperies.
2. Vacuum upholstered furniture.
3. Wash and clean vinyl furniture.
4. Clean and polish wood furniture and damp wipe plastic laminated desks, tables, and counters in public use areas and conference rooms (only cleared surfaces).
5. Dust interior glass, doors, door frames, sills, partitions, cabinets and furniture within the "Medium" height zone.
6. Brush down all walls, columns, and beams.
7. Clean and wipe down all baseboards and panel furniture base covers.
8. Damp wipe, vacuum, and clean all room corners.
9. Pour one gallon of clean water in all floor drains to flush traps.
10. Clean all blinds.

G. Quarterly (September, December, March, June) – All Areas

1. Clean both sides of all interior partitions and door glass.
2. Deep clean carpets in high traffic areas only, per manufacturer's recommendations (all sites).
3. Spot-wash painted metal furniture.
4. Perform "High" zone dusting of all interior glass, ledges, moldings, window frames, and walls
5. At Animal Shelter Only - Remove and wash all register vents (AC and exhaust). Vacuum and clean inside of duct work to at least 24", wherever possible. One week advance notification to the Facilities Maintenance Division is required each time work is performed.
6. At TownGate Community Center only - Clean and buff flooring in banquet room per manufacturer's recommendations.
7. At Conference & Recreation Center (CRC) only –

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- a. Clean and remove gum from bleachers in gymnasium per manufacturer's recommendations.
- b. Scrub and buff hardwood floors in the gymnasium and Grand Valley Ball Room per manufacturer's recommendations.
- c. Deep clean all carpets, pre-treat stains, shampoo/extract, per manufacturer's recommendations. One week advance notification to the Facilities Maintenance Division is required each time work is performed.

H. Semi-Annually (October & April) – All Areas

1. Completely wash all walls and painted metal furniture.
2. Dust all exposed light fixtures, inside and out.
3. Strip, wax, and machine polish all hard surface floors (except CRC gym & TownGate banquet room). One week advance notification to the Facilities Maintenance Division is required each time work is performed.
4. Clean both sides of all perimeter windows (CRC only). One week advance notification to the Facilities Maintenance Division is required each time work is performed.
5. Vacuum all ceiling AC and exhaust fan vents (except at Animal Shelter), taking care not to move any of the vents' directions.

I. Annually (June) – All Areas. One week advance notification to the Facilities Maintenance Division is required each time each item is performed.

1. Wash interior shade cloth window coverings per manufacturer's recommendation.
2. Deep clean and reseal grout on tile floors and adjacent walls in all restrooms, kitchens, and lobbies. Adjacent walls to be cleaned from the floor to six inches above the floor.
3. Clean both sides of all interior and perimeter windows (all sites except CRC).
4. All sites (except the CRC) - Deep clean all carpets, pre-treat stains, shampoo/extract, per manufacturer's recommendations.

J. Site Specific Requirements

1. Public Safety Building – Contract administered by the Police Chief or his designee.

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2. CRC – Contract administered by the Parks & Community Services Director or his designee.

K. Special Cleaning (Separate from Routine Cleaning & Scheduled on an As-Needed Basis by the Parks & Community Services Department)

1. Senior Center:

- a. Empty office trash cans.
- b. Vacuum main lobby.
- c. Clean restrooms (mop/sanitize floor, toilets, and sinks).
- d. Refill toilet paper and multifold hand towel dispensers.
- e. Dry mop/sweep and wet mop the banquet room floor.
- f. Clean and wipe down all tables and chairs.
- g. Empty all trash cans in the banquet room and both kitchens and replace all trash can liners.
- h. Break down and dispose of all boxes in the dumpster area.
- i. Mop small catering kitchen and large main kitchen floors.
- j. Wipe down and disinfect all counter tops and cooking surfaces in the small catering kitchen and large main kitchen (includes cleaning the stove, ovens, and warming cabinets).
- k. Make sure all trash is inside the dumpster.
- l. Make sure there is no major trash in the parking lot.

2. TownGate Community Center

- a. Clean warming oven and microwaves inside and out.
- b. Clean all floors (banquet room, restrooms, kitchen).
- c. Remove streamers or foreign items from chairs/tables.
- d. Clean black marks off floors when necessary.
- e. Wipe off all tables before cleaning floors.
- f. Empty all trash containers and replace with clean liners.
- g. Wipe off counter tops, tables, and sinks.
- h. Wipe off exterior of freezer, refrigerator, and ice machine.
- i. Clean inside of refrigerator and freezer when spills are present.
- j. Clean restrooms (floors, toilets, urinals, and sinks). Refill dispensers.
- k. Wipe off all doors leading into the banquet room to remove smudges.

3. Conference & Recreation Center

- a. Grand Valley Ball Room
 - i. Vacuum ballroom floor.
 - ii. Remove gum or foreign items from carpet.
 - iii. Sweep stage and platform area; clean black marks when necessary.
 - iv. Wipe off all tables before vacuuming.

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- v. Empty all trash containers and replace with clean liners.
- vi. Wipe off all doors leading into the banquet room to remove smudges.
- vii. Wipe all handrails on stage (front and back areas).
- b. Kitchen
 - i. Clean convection oven inside and out.
 - ii. Clean stove/oven inside and out.
 - iii. Sweep and mop floor.
 - iv. Wipe off counter tops, tables, and sinks.
 - v. Wipe off exterior of freezer, refrigerator, and ice machine.
 - vi. Clean inside of refrigerator and freezer when spills present.
- c. Meeting Rooms
 - i. Vacuum carpeting and mop floors.
 - ii. Remove gum or foreign items from carpet.
 - iii. Wipe off all tables, counter tops and sinks.
 - iv. Empty all trash containers and replace with clean liners.

L. Quality Standards

The following performance standards shall be used to evaluate the quality of services:

- Dusting – Free of all dirt, dust streaks, lint, cobwebs, and residue (oily films).
- Sweeping – Free of all dirt, dust, grit, lint, and debris, except embedded dirt and grit.
- Spot Cleaning – Free of noticeable stains/deposits and substantially free of cleaning marks. For floors: Spots the size of a dime or smaller.
- Damp Mopping – Without dirt, dust, marks, film, streaks, debris, standing water, or sticky residue.
- Dust Mopping – Free of cobwebs, debris, dust, and lint.
- Glass Cleaning – Without streaks, film, deposits, stains, have a uniformly bright appearance, and adjacent surfaces have been wiped clean.
- Wax Removal (stripping) – All wax removed down to the flooring material. Floor is free of all dirt, stains, deposits, debris, cleaning solution, standing water, and the floor has a uniform appearance when dry. Plain water rinse and pick-up must immediately follow wax removal operation.
- Waxing (performed immediately after wax removal) - Uniform bright appearance and is free of streaks. Only non-skid/slip resistant rated floor finishes shall be utilized.
- Scrubbing – Surfaces are without embedded dirt, cleaning solution, film, debris, stains, marks, or standing water and floor has a uniformly clean appearance. A plain water rinse must immediately follow the scrubbing process.
- Dusting of Light Fixtures – All components, including bulbs and tubes, are without insects, dirt, lint, film, and streaks.

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- Wall Cleaning – Uniformly clean appearance, free of dirt, stains, streaks, lint, and cleaning marks. Painted surfaces must not be unduly damaged. Hard finish wainscot or glazed ceramic tile surfaces must be bright, free of film, streaks, and deposits.
- Buffing of Floor Surfaces – Glossy, free of surface dirt, and have a uniformly bright appearance. Only non-skid/slip resistant rated floor finishes shall be utilized.
- Carpet Cleaning – Free of all deposits, soil stains, and debris.
- Polishing – Without deposits, oily film, tarnish, and displays a uniformly bright appearance.
- Reconditioning/Refinishing – Surface/finish is bright, clear, glossy, skid resistant, free of scuffmarks, soil and adjacent surfaces are free of incidental residue.
- Sanitizing – Surface is free of filth, odor, or infectious matter.
- Vacuuming – Carpet, fabric, or other surface, is free of debris, dust, loose threads, lint, and non-film soil.
- Grout Cleaning – Grout has been cleaned to its original color and is free of all dirt, mold, mildew, and discoloration.

**CONTRACTOR'S PROPOSAL
CITY OF MORENO VALLEY
JANITORIAL SERVICES**

TO THE HONORABLE MAYOR AND CITY COUNCIL:

1. This Proposal has been submitted to the:

Location: City Clerk, City of Moreno Valley
14177 Frederick Street
P.O. Box 88005
Moreno Valley, CA 92552-0805

Time: Before 2:00 p.m.

Date: April 8th, 2014

2. In compliance with the Notice Inviting Requests for Proposals, the undersigned as Contractor hereby proposes to furnish all materials, equipment, and other labor and methods and do all things necessary for the proper completion of the work, in strict and complete accord with the Agreement, Contract Documents and Specifications now on file in the Administrative Services Department, Facilities Maintenance Division, of the City of Moreno Valley at the prices set forth in the Proposal Schedule herein for routine janitorial services at various City sites.

3. The undersigned as Contractor, hereby declares that he or she has carefully examined the locations of the proposed work generally described above and is familiar with the specifications and local conditions at the sites the work is to be done and also understands that all labor, materials, and equipment to be furnished, shall be for the price proposed, and that the undersigned has also checked the figures in the Proposal schedule and understands that neither the City of Moreno Valley, the Moreno Valley Housing Authority (MVHA), the Moreno Valley Community Services District (CSD), nor any officer or employee thereof, will be responsible for any misunderstandings, errors, or omissions on the part of the undersigned in submitting this Proposal.

4. The complete Contract will include all of the Contract Documents as set forth in full herein. To wit, the Agreement, the Contract Documents and Specifications, all Purchase Orders, any and all Contract Change Orders issued after the execution of the Agreement, any and all addenda issued prior to the opening of the Proposals, the Special Provisions, the Contractor's Proposal, the Notice Inviting Requests for Proposals, the Non-Collusion Affidavit, and the Faithful Performance Bond, all of which are essential parts of the Contract.

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5. The undersigned further agrees that failure to execute and file the Agreement or to file the required Faithful Performance Bond, or Insurance Certificates (amounting to a minimum of \$2,000,000 aggregate for comprehensive general liability and a minimum of \$1,000,000 for automobile liability) to the City within fourteen (14) calendar days after the date of the award of the Contract shall be sufficient cause for the annulment of the Award.

6. The Contractor shall set forth for each site, in clearly legible figures, a monthly cost and an annual cost for each site in the respective spaces provided for this purpose.

7. In case of a discrepancy between the monthly cost and annual cost, the monthly cost shall prevail, except however, that if the amount set forth as a monthly cost is ambiguous, unintelligible, uncertain, or if it is omitted, then the amount set forth in the "Total" column for the item shall prevail in accordance with the following:

As to monthly cost, the amount set forth in the "Total" column shall be divided by the number of months the service is to be performed and the price thus obtained shall be the monthly cost.

8. The Contractor shall also set forth in both words and clearly legible figures the "Total Proposal Amount" in the spaces provided at the bottom of the Proposal Schedule.

9. The City reserves the right to reject any and all Proposals and to waive any irregularity or informality in any Proposal to the extent permitted by law.

10. In submitting the Proposal, the Contractor offers and agrees that if the Proposal is accepted, the Contractor shall guarantee that all work performed under the Contract fully meets the requirements thereof as to quality of workmanship and materials furnished.

11. The Contractor shall submit the "Non-Collusion Affidavit" with the Proposal.

12. RECEIPT OF ADDENDA NO.(S) _____ IS HEREBY ACKNOWLEDGED. PROPOSAL MAY BE REJECTED IF ANY ISSUED ADDENDA IS NOT ACKNOWLEDGED.

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13. The Contractor _____
(Contractor's Name)

is _____ a(n)

(Individual, Partnership, or Corporation)

If a corporation, incorporated under the laws of the State of _____
If an individual, list the individual's name. If a partnership, list the names of all individuals and co-partners composing the firm. If a corporation, state names of president, secretary, treasurer and chief executive officer below.

14. In submitting this Proposal, the undersigned as Contractor agrees to perform the work with its own employees, with the exception that "Extra Services" may be performed by a subcontractor, with advance written approval of the Purchasing & Facilities Division Manager or his designee.

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PROPOSAL SCHEDULE

CONTRACTOR: _____

NOTE: The Proposal shall include, but not be limited to, sales tax and all other applicable taxes and fees.

	SITE	MONTHLY COST	ANNUAL COST
1.	Annex 1 14331 Frederick		
2.	City Hall 14177 Frederick Street		
3.	City Yard 15670 Perris Blvd.		
4.	Conference & Recreation Center 14075 Frederick Street		
5.	Emergency Operations Center 22870 Calle San Juan de Los Lagos		
6.	Employment Resource Center 12625 Frederick Street Ste K3& K4		
7.	Gang Task Force 14340 Elsworth		
8.	Library 25480 Alessandro Blvd		
9.	March Field Park Community Ctr 15325 5 th Street (MARB)		
10.	Public Safety Building (PSB) 22850 Calle San Juan de Los Lagos		
11.	Rainbow Ridge Portable 15950 Indian Ave		
12.	Red Maple Portable 25100 Red Maple Lane		
13.	Senior Center 25075 Fir Avenue		
14.	Sunnymead Middle School THINK 12875 Heacock		

City of Moreno Valley Janitorial Services RFP # JLL 13-14-10

PROPOSAL SCHEDULE (Continued)

CONTRACTOR: _____

	SITE	MONTHLY COST	ANNUAL COST
15.	Sunnymead Elementary Portable 24050 Dracaea		
16.	TownGate Community Center 13100 Arbor Park Lane		
17.	Transportation Trailer 15670 Perris Blvd		
18.	Fire Station #2 (Bi-annual) 24935 Hemlock		
19.	Fire Station #6 (Bi-annual) 22250 Eucalyptus		
20.	Fire Station #48 (Bi-annual) 10511 Village Road		
21.	Fire Station #58 (Bi-annual) 28040 Eucalyptus		
22.	Fire Station #65 (Bi-annual) 15111 JFK		
23.	Fire Station #91 (Bi-annual) 16110 Lasselle		
24.	Fire Station #99 (Bi-annual) 13400 Morrison		
25.	Animal Shelter (154 vents - Qtrly) 14041 Elsworth		

ANNUAL COST PROPOSAL TOTAL

Total Amount of Proposal in NUMBERS: \$ _____

Total Amount of Proposal in WORDS: _____

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ON-CALL SERVICES

SERVICE	UNIT	COST
Wash and polish light fixtures, lamps, and reflectors	Per Fixture	
Machine carpet cleaning, other than scheduled requirement	Per Sq Ft	
Special Event Cleaning of one Meeting Room at Conference & Recreation Center	Per Event	
Special Event Cleaning of the Kitchen at Conference & Recreation Center	Per Event	
Special Event Cleaning of Grand Valley Ball Room at the Conference & Recreation Center	Per Event	
Special Event Cleaning at TownGate Community Center	Per Event	
Special Event Cleaning at Senior Center	Per Event	
Labor for On-Call Services (Day) 8 a.m. – 5 p.m.	Per Hour	
Labor for On-Call Services (Evening/Night) 5 p.m. – 8 a.m.	Per Hour	
Labor for On-Call Services Holidays	Per Hour	

EXTRA SERVICES

SERVICE	UNIT	COST
Chair cleaning	Per Chair	
Power wash concrete approach/sidewalk in accordance with all laws & regulations	Per Sq Ft	
Power wash exterior building walls in accordance with all laws & regulations	Per Sq Ft	
Transfer recycled material from container (ranging from 20-50 gallons) in building to bin in parking lot	Per Container	
Clean exterior and interior of commercial oven	Per Unit	
Clean exterior and interior of residential refrigerator/freezer combination unit	Per Unit	
Clean exterior and interior of commercial refrigerator	Per Unit	

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Site	Number of Workers	Number of Hours per Service	Equipment to be Used*
Annex 1 14331 Frederick Street			
City Hall 14177 Frederick Street			
City Yard 15670 Perris Blvd.			
Conference & Recreation Center 14075 Frederick Street			
Emergency Operations Center 22870 Calle San Juan de Los Lagos			
Employment Resource Center 12625 Frederick Ste K3 & K 4			
Gang Task Force 14340 Elsworth			
Library 25480 Alessandro Blvd			
March Field Park Community Ctr 15325 5 th Street (MARB)			
Public Safety Building (PSB) 22850 Calle San Juan de Los Lagos			
Rainbow Ridge Portable 15950 Indian Ave			
Red Maple Portable 25100 Red Maple Lane			
Senior Center 25075 Fir Avenue			
Sunnymead Middle School THINK 12875 Heacock			
Sunnymead Elementary Portable 24050 Dracaea			
TownGate Community Center 13100 Arbor Park Lane			
Transportation Trailer 15670 Perris Blvd			
Fire Station #2 24935 Hemlock			
Fire Station #6 22250 Eucalyptus			

City of Moreno Valley Janitorial Services RFP # JLL 13-14-10

Site	Number of Workers	Number of Hours per Service	Equipment to be Used*
Fire Station #48 10511 Village Road			
Fire Station #58 28040 Eucalyptus			
Fire Station #65 15111 JFK			
Fire Station #91 16110 Lasselle			
Fire Station #99 13400 Morrison			
Animal Shelter (154 vents - Qtrly) 14041 Elsworth			

*A separate chart may be attached to identify the equipment using a legend (e.g. a = upright vacuum cleaner w/HEPA filter, b = mop bucket & sponge mop, etc.)

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Federal Identification (Tax)
No.: _____

Current City Business License Number: _____
(Not required at time Proposal is submitted)
Expiration Date: _____

State of California Contractors State License Number: _____

CONTRACTOR'S
NAME: _____

CONTRACTOR'S
ADDRESS: _____

TELEPHONE
NUMBERS: _____

EMAIL ADDRESS: _____

BY: _____ DATE: _____
(Signature)

TITLE: _____

BY: _____ DATE: _____
(Signature)

TITLE: _____

SIGNING INSTRUCTIONS TO THE CONTRACTOR

All signatures must be notarized. In the event that the contracting firm is a corporation, the President or Vice-president plus the Secretary or Assistant Secretary of the corporation must sign and the corporate seal must be affixed hereto.

NOTE: Name on State Contractor License must agree with Contractor's name.

INFORMATION ON CONTRACTOR/STATEMENT OF EXPERIENCE

The Contractor is required to supply the following information. Additional sheets may be attached, if necessary. The Contractor shall furnish references and other information sufficiently comprehensive to permit an appraisal of his ability to provide the City with quality service.

Submitted by: _____

(Name must correspond with Contractor's License in every detail)

Corporation
___ Partnership

Individual
___ Joint Venture

If a corporation, organized under the laws of what state? _____

Address of Principal Office:

Telephone: _____

Web Site _____

The signatory of the Statement guarantees the truth and accuracy of all statements and of answers to all questions hereinafter made. Failure to accurately complete this Statement, or the making of any false statement therein, may render a Proposal non-responsive at the sole discretion of the Director of Administrative Services. All portions must be completed. Contractors who do not thoroughly complete and return this form will be deemed non-responsive and will be excluded from submitting a Proposal.

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1. How many years has your firm been in business under its present business name?
2. Please list all other or former names under which your firm has operated.
3. How many years of similar janitorial services experience does your firm have?
4. On a separate piece of paper, please list at least four public agencies that your firm has performed janitorial services for within the past five years. If you have not performed service for four public agencies, list at least four references, including all public agencies for which you have performed service. Provide the following information for each reference:

<u>Dates</u> <u>Worked</u>	<u>Type of</u> <u>Work</u>	<u>Contract</u> <u>Amount</u>	<u>Location</u> <u>of Work</u>	<u>Contact Person</u> <u>(Name and Phone Number)</u>
-------------------------------	-------------------------------	----------------------------------	-----------------------------------	---

5. Have you, your firm, or any officer or partner thereof, ever failed to complete a janitorial services contract? Yes No

If yes, give details, including dates: (Use another sheet of paper, if necessary)

6. Has your firm ever been assessed damages or penalties for failing to perform janitorial services in a satisfactory manner or for failing to complete a contract within the scope of work specified in the Contract Documents?
 Yes No If yes, give details:

7. In what other lines of business do you, your firm, or any partner thereof have a financial interest?

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8. Use additional paper if needed to describe the janitorial services/maintenance experience of the principal individual in your firm by furnishing the following information:

Individual's Name: _____

Present Position or Office Held in Your Organization: _____

Years of Janitorial Service Experience: _____

Magnitude and Type of Work: _____

In What Capacity? _____

Use additional paper if needed to describe the janitorial services/maintenance experience of the individual in your firm who will act as the Contract Supervisor for the Agreement by furnishing the following information:

Individual's Name: _____

Present Position or Office Held in Your Organization: _____

Years of Janitorial Service Experience: _____

Magnitude and Type of Work: _____

In What Capacity? _____

9. Use additional paper if needed to describe the janitorial services experience of each crew leader who will supervise the work on this contract (use additional paper if necessary):

Individual's Name: _____

Present Position or Office Held in Your Organization: _____

Years of Janitorial Service Experience: _____

Magnitude and Type of Work: _____

In What Capacity? _____

Individual's Name: _____

Present Position or Office Held in Your Organization: _____

Years of Janitorial Service Experience: _____

Magnitude and Type of Work: _____

In What Capacity? _____

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Individual's Name: _____

Present Position or Office Held in Your Organization: _____

Years of Janitorial Service Experience: _____

Magnitude and Type of Work: _____

In What Capacity? _____

10. Does your firm have any ongoing investigations by any agency regarding violations of the State Labor Code, California Business and Professions Code, or other laws? Yes No If yes, please explain:

11. Does your firm have any outstanding judgments, demands or liens resulting from violations of the Business and Professions Code, the State Labor Code, Civil or Criminal decisions?: Yes No If yes, please explain:

12. Has your firm been cited for violations of OSHA Standards and Requirements within the past five (5) years? Yes No If yes, please explain:

13. Person who inspected the City's facilities on behalf of your firm:

Name and Title: _____

Date(s) Inspected: _____

DECLARATION

(For Individual, Partnership, or Corporation)

Name (Individual, Partner, or Officer): _____

(If an Individual, doing business as)

Declares: I am the _____ of the _____
(capacity) (entity)

submitting the Information Required of Contractor/Statement of Experience form and all of the information furnished is true and correct to the best of my knowledge.

I declare under penalty of perjury that the foregoing is true and correct and that this declaration was subscribed at (location):

_____, State of California on

(Date)

(Individual, Partner, or Officer must sign here): _____

For partnership only:

The foregoing declaration is hereby affirmed

Remaining Partners of firm sign here):

**-SAMPLE - FAITHFUL PERFORMANCE BOND
(100% of Total Contract Amount)**

BOND NO. _____

PREMIUM \$ _____

JANITORIAL SERVICES

KNOW ALL MEN AND WOMEN BY THESE PRESENTS:

THAT WHEREAS, the City Council of the City of Moreno Valley, State of California, herein known as "City", has awarded to _____, as Principal hereinafter designated as "Contractor" and have entered into an agreement whereby the Contractor agrees to perform and complete certain designated public services, which said Agreement, dated _____, and identified as RFP No. RLN-07/08-12, is hereby referred to and made a part hereof; and

WHEREAS, said Contractor under the terms of said Agreement is required to furnish a bond guaranteeing the faithful performance of said Agreement;

NOW THEREFORE, we the undersigned Contractor and _____, as Surety, are held and firmly bound unto the City, County of Riverside in the penal sum of _____ dollars, (\$ _____), lawful money of the United States, to be paid to the said City or its certain attorney, its successors and assigns; for which payment, well and truly to be made, we bind ourselves, our heirs, executors and administrators, successors and assigns, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH, that if the above bound Contractor, his or her or its heirs, executors, administrators, successors or assigns, shall in all things stand to and abide by, and well and truly keep and perform the covenants, conditions and provisions in said Agreement and any alterations thereof made as therein provided, on his or her or their part, to be kept and performed at the time and in the manner therein specified, and in all respects according to their true intent and meaning, and shall indemnify and save harmless the City of Moreno Valley, the Moreno Valley Community Services District and the Moreno Valley Housing Authority, its officers, agents and employees, as therein stipulated, then this obligation shall become null and void; otherwise it shall be and remain in full force and effect. In the event suit is brought upon this bond by the City and judgment is recovered, the Surety shall pay all costs incurred by the City in such suit, including a reasonable attorney fee to be fixed by the Court.

The Surety hereby stipulates and agrees that no change, extension of time, alteration, or addition to the terms of the Agreement or to the work to be performed hereunder, or the Provisions accompanying the same shall in any way affect its obligations on this bond, and it does hereby waive notice of any such change, extension of time, alteration or addition to the terms of the Agreement or to the work or the Provisions.

IN WITNESS WHEREOF, we have hereunto set our hands, and seals on this ____ day of _____.

CONTRACTOR

SURETY

Name: _____

Name: _____

Address: _____

Address: _____

Telephone: _____

Telephone: _____

By: _____

By: _____

Attorney-in-Fact

Title: _____

Approved as to Form this
____ day of _____

City Attorney, in the capacity of General
Legal Counsel to the City of Moreno Valley

WORKERS' COMPENSATION CERTIFICATE

As required by California Labor Code Sections 1860 and 1861, the Contractor certifies as follows:

I am aware of the provisions of Section 3700 of the Labor Code which requires every employer to be insured against liability for worker's compensation or to undertake self-insurance in accordance with the provisions of the Code, and I will comply with such provisions before commencing the performance of the work of this contract.

If I, as the Contractor or at any time during the course of this Agreement, qualify as an employer under California Labor Code Section 3300, unless the hired employee(s) are persons excluded by said Labor Code, I shall furnish the City of Moreno Valley, the Moreno Valley Housing Authority, and the Moreno Valley Community Services District with an insurance certificate from my worker's compensation insurance carrier certifying that I carry such insurance and that the policy shall not be canceled nor the coverage reduced except upon thirty (30) calendar days prior written notice to the City of Moreno Valley, the Moreno Valley Housing Authority, and the Moreno Valley Community Services District.

CONTRACTOR:

Firm Name _____

By: _____

By: _____
Second Party

Date: _____

EXHIBIT B
CITY'S RESPONSIBILITIES

- A. Provide access to work sites for Contractor's employees assigned to the job.
- B. Provide escorts at sites when the Purchasing & Facilities Division Manager determines escorts are required to meet the City's security requirements.
- C. City shall provide electricity.
- D. City shall provide water.
- E. City shall provide waste container liners, including sanitary containers. Liners will not be provided for recycle bins.
- F. City shall provide consumable items (toilet paper, paper towels, hand soap, toilet seat covers).
- G. Secured janitor spaces are available at most sites and will be provided wherever possible.
- H. Dumpster and/or recycle bins are available outside of the building at most sites and will be available to the Contractor wherever possible for the disposal of trash and recyclables.
- I. A copy of the Notice Inviting Request for Proposals, a copy of the General Conditions and the Specifications of the Request for Proposals, and Proposals will remain on file with the City in accordance with applicable laws.

EXHIBIT C
PAYMENT TERMS

A. Contractor rates:

1. Work to be performed under this Agreement shall be specified in individual purchase orders issued by the City. The total amount to be paid by the City to the Contractor under this Agreement shall not exceed \$316,000 per fiscal year. Of this amount \$289,031 represents base janitorial services as specified in Contractor's Proposal (Exhibit D). The balance of \$26,969 represents optional services to be utilized at the City's discretion at the rates specified in Contractor's Proposal.
2. Prior to the renewal of the contract for any new fiscal year, the Contractor may request an increase no later than March 31, to be effective on July 1. Price increases will only be allowed to the extent of the Los Angeles/Riverside/Orange County CPI Index, based on the annual February 1 increase. If no increase is indicated in the Los Angeles/Riverside/Orange County CPI Index, the Contractor will not be allowed a price increase.

B. The Contractor will obtain, and keep current during the term of this Agreement, the required City of Moreno Valley business license. Proof of a current City of Moreno Valley business license will be required prior to any payments by the City. Any invoice not paid because the proof of a current City of Moreno Valley business license has not been provided will not incur any fees, late charges, or other penalties. Complete instructions for obtaining a City of Moreno Valley business license are located at: http://www.moval.org/do_biz/biz-license.shtml

C. The Contractor will electronically submit an invoice to the City on a monthly basis for progress payments along with documentation evidencing services completed to date. The progress payment is based on actual time and materials expended in furnishing authorized professional services since the last invoice. At no time will the City pay for more services than have been satisfactorily completed and the City's determination of the amount due for any progress payment shall be final. The Contractor will submit all original invoices to Accounts Payable staff at AccountsPayable@moval.org

Accounts Payable questions can be directed to (951) 413-3073. Copies of invoices may be submitted to the Facilities Maintenance Division at jasminr@moval.org or calls directed to (951) 413-3740.

D. The Contractor agrees that City payments will be received via Automated Clearing House (ACH) Direct Deposit and that the required ACH Authorization form will be completed prior to any payments by the City. Any invoice not paid because the completed ACH Authorization Form has not been provided will not incur any fees, late charges, or other penalties. The ACH Authorization Form is located at: http://www.moval.org/city_hall/forms.shtml#bf

E. The minimum information required on all invoices is:

- A. Vendor Name, Mailing Address, and Phone Number
 - B. Invoice Date
 - C. Vendor Invoice Number
 - D. City-provided Reference Number (e.g. Project, Activity)
 - E. Detailed work hours by class title (e.g. Manager, Technician, or Specialist), services performed and rates, explicit portion of a contract amount, or detailed billing information that is sufficient to justify the invoice amount; single, lump amounts without detail are not acceptable.
- F. The City shall pay the Contractor for all invoiced, authorized professional services within thirty (30) days of receipt of the invoice for same.
- G. Reimbursement for Expenses. Contractor shall not be reimbursed for any expenses unless authorized in writing by City.
- H. Maintenance and Inspection. Contractor shall maintain complete and accurate records with respect to all costs and expenses incurred under this Agreement. All such records shall be clearly identifiable. Contractor shall allow a representative of City during normal business hours to examine, audit, and make transcripts or copies of such records and any other documents created pursuant to this Agreement. Contractor shall allow inspection of all work, data, documents, proceedings, and activities related to the Agreement for a period of three (3) years from the date of final payment under this Agreement.

EXHIBIT D
CONTRACTOR'S PROPOSAL (Attached)

**CONTRACTOR'S PROPOSAL
CITY OF MORENO VALLEY
JANITORIAL SERVICES**

TO THE HONORABLE MAYOR AND CITY COUNCIL:

1. This Proposal has been submitted to the:

Location: City Clerk, City of Moreno Valley
14177 Frederick Street
P.O. Box 88005
Moreno Valley, CA 92552-0805

Time: Before 2:00 p.m.

Date: April 8th, 2014

2. In compliance with the Notice Inviting Requests for Proposals, the undersigned as Contractor hereby proposes to furnish all materials, equipment, and other labor and methods and do all things necessary for the proper completion of the work, in strict and complete accord with the Agreement, Contract Documents and Specifications now on file in the Administrative Services Department, Facilities Maintenance Division, of the City of Moreno Valley at the prices set forth in the Proposal Schedule herein for routine janitorial services at various City sites.

3. The undersigned as Contractor, hereby declares that he or she has carefully examined the locations of the proposed work generally described above and is familiar with the specifications and local conditions at the sites the work is to be done and also understands that all labor, materials, and equipment to be furnished, shall be for the price proposed, and that the undersigned has also checked the figures in the Proposal schedule and understands that neither the City of Moreno Valley, the Moreno Valley Housing Authority (MVHA), the Moreno Valley Community Services District (CSD), nor any officer or employee thereof, will be responsible for any misunderstandings, errors, or omissions on the part of the undersigned in submitting this Proposal.

4. The complete Contract will include all of the Contract Documents as set forth in full herein. To wit, the Agreement, the Contract Documents and Specifications, all Purchase Orders, any and all Contract Change Orders issued after the execution of the Agreement, any and all addenda issued prior to the opening of the Proposals, the Special Provisions, the Contractor's Proposal, the Notice Inviting Requests for Proposals, the Non-Collusion Affidavit, and the Faithful Performance Bond, all of which are essential parts of the Contract.

City of Moreno Valley Janitorial Services RFP # JLL 13-14-10

5. The undersigned further agrees that failure to execute and file the Agreement or to file the required Faithful Performance Bond, or Insurance Certificates (amounting to a minimum of \$2,000,000 aggregate for comprehensive general liability and a minimum of \$1,000,000 for automobile liability) to the City within fourteen (14) calendar days after the date of the award of the Contract shall be sufficient cause for the annulment of the Award.

6. The Contractor shall set forth for each site, in clearly legible figures, a monthly cost and an annual cost for each site in the respective spaces provided for this purpose.

7. In case of a discrepancy between the monthly cost and annual cost, the monthly cost shall prevail, except however, that if the amount set forth as a monthly cost is ambiguous, unintelligible, uncertain, or if it is omitted, then the amount set forth in the "Total" column for the item shall prevail in accordance with the following:

As to monthly cost, the amount set forth in the "Total" column shall be divided by the number of months the service is to be performed and the price thus obtained shall be the monthly cost.

8. The Contractor shall also set forth in both words and clearly legible figures the "Total Proposal Amount" in the spaces provided at the bottom of the Proposal Schedule.

9. The City reserves the right to reject any and all Proposals and to waive any irregularity or informality in any Proposal to the extent permitted by law.

10. In submitting the Proposal, the Contractor offers and agrees that if the Proposal is accepted, the Contractor shall guarantee that all work performed under the Contract fully meets the requirements thereof as to quality of workmanship and materials furnished.

11. The Contractor shall submit the "Non-Collusion Affidavit" with the Proposal.

12. RECEIPT OF ADDENDA NO.(S) 4 IS HEREBY ACKNOWLEDGED.
PROPOSAL MAY BE REJECTED IF ANY ISSUED ADDENDA IS NOT
ACKNOWLEDGED.

City of Moreno Valley Janitorial Services RFP # JLL 13-14-10

13. The Contractor DMS FACILITY SERVICES LLC
(Contractor's Name)

is a(n) CORPORATION
(Individual, Partnership, or Corporation)

If a corporation, incorporated under the laws of the State of CALIFORNIA.
If an individual, list the individual's name. If a partnership, list the names of all individuals
and co-partners composing the firm. If a corporation, state names of president, secretary,
treasurer and chief executive officer below.

DICK DOTTS - PRESIDENT / CEO

CAROL THORSELL - SECRETARY

ANRE NACASSIO - GERNERAL PARTNER

14. In submitting this Proposal, the undersigned as Contractor agrees to perform the
work with its own employees, with the exception that "Extra Services" may be performed by
a subcontractor, with advance written approval of the Purchasing & Facilities Division
Manager or his designee.

City of Moreno Valley Janitorial Services RFP # JLL 13-14-10

PROPOSAL SCHEDULE

CONTRACTOR: DMS FACILITY SERVICES

NOTE: The Proposal shall include, but not be limited to, sales tax and all other applicable taxes and fees.

	SITE	MONTHLY COST	ANNUAL COST
1.	Annex 1 14331 Frederick	\$953.00	\$11,436.00
2.	City Hall 14177 Frederick Street	\$4,503.00	\$54,036.00
3.	City Yard 15670 Perris Blvd.	\$466.00	\$5,592.00
4.	Conference & Recreation Center 14075 Frederick Street	\$5,264.00	\$63,168.00
5.	Emergency Operations Center 22870 Calle San Juan de Los Lagos	\$689.00	\$8,268.00
6.	Employment Resource Center 12625 Frederick Street Ste K3& K4	\$543.00	\$6,516.00
7.	Gang Task Force 14340 Elsworth	\$241.00	\$2,892.00
8.	Library 25480 Alessandro Blvd	\$1,841.00	\$22,092.00
9.	March Field Park Community Ctr 15325 5 th Street (MARB)	\$450.00	\$5,400.00
10.	Public Safety Building (PSB) 22850 Calle San Juan de Los Lagos	\$6,096.00	\$73,152.00
11.	Rainbow Ridge Portable 15950 Indian Ave	\$156.00	\$1,872.00
12.	Red Maple Portable 25100 Red Maple Lane	\$129.00	\$1,548.00
13.	Senior Center 25075 Fir Avenue	\$1,763.00	\$21,156.00
14.	Sunnymead Middle School THINK 12875 Heacock	\$241.00	\$2,892.00

City of Moreno Valley Janitorial Services RFP # JLL 13-14-10

PROPOSAL SCHEDULE (Continued)

CONTRACTOR: DMS FACILITY SERVICES

	SITE	MONTHLY COST	ANNUAL COST
15.	Sunnymead Elementary Portable 24050 Dracaea	\$111.00	\$1,332.00
16.	TownGate Community Center 13100 Arbor Park Lane	\$530.00	\$6,360.00
17.	Transportation Trailer 15670 Perris Blvd	\$246.00	\$2,952.00
18.	Fire Station #2 (Bi-annual) 24935 Hemlock		\$240.00
19.	Fire Station #6 (Bi-annual) 22250 Eucalyptus		\$270.00
20.	Fire Station #48 (Bi-annual) 10511 Village Road		\$240.00
21.	Fire Station #58 (Bi-annual) 28040 Eucalyptus		\$207.00
22.	Fire Station #65 (Bi-annual) 15111 JFK		\$240.00
23.	Fire Station #91 (Bi-annual) 16110 Lasselle		\$240.00
24.	Fire Station #99 (Bi-annual) 13400 Morrison		\$240.00
25.	Animal Shelter (154 vents - Qtrly) 14041 Elsworth		\$2,690.00

ANNUAL COST PROPOSAL TOTAL

Total Amount of Proposal in NUMBERS: \$ ~~295,031.00~~ \$ 289,031.⁰⁰ (RAS)

Total Amount of Proposal in WORDS: TWO HUNDRED NINETY FIVE THOUSAND THIRTY

ONE DOLLARS AND NO CENTS *Two Hundred Eighty Nine Thousand*
Thirty One Dollars and no cents (RAS)

City of Moreno Valley Janitorial Services RFP # JLL 13-14-10

ON-CALL SERVICES

SERVICE	UNIT	COST
Wash and polish light fixtures, lamps, and reflectors	Per Fixture	\$5.00
Machine carpet cleaning, other than scheduled requirement	Per Sq Ft	\$.11
Special Event Cleaning of one Meeting Room at Conference & Recreation Center	Per Event	\$25.00
Special Event Cleaning of the Kitchen at Conference & Recreation Center	Per Event	\$100.00
Special Event Cleaning of Grand Valley Ball Room at the Conference & Recreation Center	Per Event	\$150.00
Special Event Cleaning at TownGate Community Center	Per Event	\$50.00
Special Event Cleaning at Senior Center	Per Event	\$100.00
Labor for On-Call Services (Day) 8 a.m. – 5 p.m.	Per Hour	\$20.00
Labor for On-Call Services (Evening/Night) 5 p.m. – 8 a.m.	Per Hour	\$15.00
Labor for On-Call Services Holidays	Per Hour	\$30.00

EXTRA SERVICES

SERVICE	UNIT	COST
Chair cleaning	Per Chair	\$4.00
Power wash concrete approach/sidewalk in accordance with all laws & regulations	Per Sq Ft	\$.25
Power wash exterior building walls in accordance with all laws & regulations	Per Sq Ft	\$.25
Transfer recycled material from container (ranging from 20-50 gallons) in building to bin in parking lot	Per Container	\$30.00
Clean exterior and interior of commercial oven	Per Unit	\$25.00
Clean exterior and interior of residential refrigerator/freezer combination unit	Per Unit	\$15.00
Clean exterior and interior of commercial refrigerator	Per Unit	\$25.00

City of Moreno Valley Janitorial Services RFP # JLL 13-14-10

Site	Number of Workers	Number of Hours per Service	Equipment to be Used*
Annex 1 14331 Frederick Street	1	2.75	
City Hall 14177 Frederick Street	3	13	
City Yard 15670 Perris Blvd.	1	1.25	
Conference & Recreation Center 14075 Frederick Street	3	10.75	
Emergency Operations Center 22870 Calle San Juan de Los Lagos	1	2.25	
Employment Resource Center 12625 Frederick Ste K3 & K 4	1	1.5	
Gang Task Force 14340 Elsworth	1	1.5	
Library 25480 Alessandro Blvd	1	3.75	
March Field Park Community Ctr 15325 5 th Street (MARB)	1	1.25	
Public Safety Building (PSB) 22850 Calle San Juan de Los Lagos	3	11.75	
Rainbow Ridge Portable 15950 Indian Ave	1	1	
Red Maple Portable 25100 Red Maple Lane	1	1	
Senior Center 25075 Fir Avenue	1	5	
Sunnymead Middle School THINK 12875 Heacock	1	1	
Sunnymead Elementary Portable 24050 Dracaea	1	.75	
TownGate Community Center 13100 Arbor Park Lane	1	1.5	
Transportation Trailer 15670 Perris Blvd	1	.75	
Fire Station #2 24935 Hemlock	1	3	
Fire Station #6 22250 Eucalyptus	1	4	
Fire Station #48	1	3	

City of Moreno Valley Janitorial Services RFP # JLL 13-14-10

Site	Number of Workers	Number of Hours per Service	Equipment to be Used*
10511 Village Road			
Fire Station #58 28040 Eucalyptus	1	2	
Fire Station #65 15111 JFK	1	3	
Fire Station #91 16110 Lasselle	1	3	
Fire Station #99 13400 Morrison	1	3	
Animal Shelter (154 vents - Qtrly) 14041 Elsworth	2	51.5	

*A separate chart may be attached to identify the equipment using a legend (e.g. a = upright vacuum cleaner w/HEPA filter, b = mop bucket & sponge mop, etc.)

PLEASE NOTE: PER SERVICE HOURS DO NOT INCLUDED WAXING AND CARPET CLEANING HOURS

City of Moreno Valley Janitorial Services RFP # JLL 13-14-10

Federal Identification (Tax) No.: 95-4702231

Current City Business License Number: 08945
(Not required at time Proposal is submitted)
Expiration Date: 8/31/2014

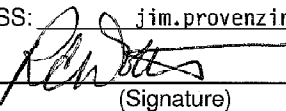
State of California Contractors State License Number: 811288

CONTRACTOR'S
NAME: DMS Facility Services, Inc.

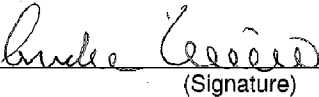
CONTRACTOR'S
ADDRESS: 417 East Huntington Drive
Monrovia, California 91016

TELEPHONE NUMBERS: (626) 305-8500

EMAIL ADDRESS: jim.provenzino@dmsfacilityservices.com

BY:  DATE: April 4, 2014
(Signature)

TITLE: President

BY:  DATE: April 4, 2014
(Signature)

TITLE: Secretary

SIGNING INSTRUCTIONS TO THE CONTRACTOR

All signatures must be notarized. In the event that the contracting firm is a corporation, the President or Vice-president plus the Secretary or Assistant Secretary of the corporation must sign and the corporate seal must be affixed hereto.

NOTE: Name on State Contractor License must agree with Contractor's name.

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of Los Angeles }

On April 4, 2014 before me, ERMA GUTIERREZ Notary Public
Date Here Insert Name and Title of the Officer

personally appeared Richard E. Dotts, President
Name(s) of Signer(s)
Andre Nicassio, Secretary

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



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

WITNESS my hand and official seal.

Signature Erma Gutierrez Notary Public
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: Dms Facility Services, Inc Corporate Information

Document Date: April 4, 2014 Number of Pages: 1

Signer(s) Other Than Named Above: 0

Capacity(ies) Claimed by Signer(s)

Signer's Name: Richard E. Dotts

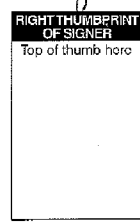
- Individual
- Corporate Officer — Title(s): President
- Partner — Limited General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: _____



Signer Is Representing: Dms Facility Services, Inc

Signer's Name: Andre Nicassio

- Individual
- Corporate Officer — Title(s): Secretary
- Partner — Limited General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: _____



Signer Is Representing: Dms Facility Services, Inc

© 2007 National Notary Association • 9550 De Soto Ave., P.O. Box 2402 • Chatsworth, CA 91313-2402 • www.NationalNotary.org Item #5907 Reorder: Call Toll Free 1-800-876-6827

CALIFORNIA JURAT WITH AFFIANT STATEMENT

- See Attached Document (Notary to cross out lines 1-6 below)
- See Statement Below (Lines 1-5 to be completed only by document signer[s], *not* Notary)

1 _____

2 _____

3 _____

4 _____

5 _____

6 _____

Signature of Document Signer No. 1 _____ Signature of Document Signer No. 2 (if any) _____

State of California
 County of Los Angeles

Subscribed and sworn to (or affirmed) before me on this
4 day of April, 2014 by

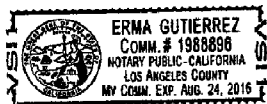
(1) _____
Name of Signer

proved to me on the basis of satisfactory evidence to be the person who appeared before me (.) (.)

(and)
 (2) _____
Name of Signer

proved to me on the basis of satisfactory evidence to be the person who appeared before me.)

Signature _____
Signature of Notary Public



Place Notary Seal Above

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Further Description of Any Attached Document

Title or Type of Document: Non Collusion Affidavit

Document Date: April 4, 2014 Number of Pages: 1

Signer(s) Other Than Named Above: [Signature]

RIGHT THUMBPRINT OF SIGNER #1
 Top of thumb here

RIGHT THUMBPRINT OF SIGNER #2
 Top of thumb here

**FAITHFUL PERFORMANCE BOND
(100% of Total Contract Amount)**

BOND NO. _____

PREMIUM \$ _____

JANITORIAL SERVICES

KNOW ALL MEN AND WOMEN BY THESE PRESENTS:

THAT WHEREAS, the City Council of the City of Moreno Valley, State of California, herein known as "City", has awarded to DMS Facility Services, Inc., as Principal hereinafter designated as "Contractor" and have entered into an agreement whereby the Contractor agrees to perform and complete certain designated public services, which said Agreement, dated _____, and identified as RFP #JLL 13/14-10, is hereby referred to and made a part hereof; and

WHEREAS, said Contractor under the terms of said Agreement is required to furnish a bond guaranteeing the faithful performance of said Agreement;

NOW THEREFORE, we the undersigned Contractor and _____, as Surety, are held and firmly bound unto the City, County of Riverside in the penal sum of Three hundred sixteen thousand dollars, (\$ 316,000), lawful money of the United States, to be paid to the said City or its certain attorney, its successors and assigns; for which payment, well and truly to be made, we bind ourselves, our heirs, executors and administrators, successors and assigns, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH, that if the above bound Contractor, his or her or its heirs, executors, administrators, successors or assigns, shall in all things stand to and abide by, and well and truly keep and perform the covenants, conditions and provisions in said Agreement and any alterations thereof made as therein provided, on his or her or their part, to be kept and performed at the time and in the manner therein specified, and in all respects according to their true intent and meaning, and shall indemnify and save harmless the City of Moreno Valley, the Moreno Valley Community Services District and the Moreno Valley Housing Authority, its officers, agents and employees, as therein stipulated, then this obligation shall become null and void; otherwise it shall be and remain in full force and effect. In the event suit is brought upon this bond by the City and judgment is recovered, the Surety shall pay all costs incurred by the City in such suit, including a reasonable attorney fee to be fixed by the Court.

The Surety hereby stipulates and agrees that no change, extension of time, alteration, or addition to the terms of the Agreement or to the work to be performed hereunder, or the Provisions accompanying the same shall in any way affect its obligations on this

bond, and it does hereby waive notice of any such change, extension of time, alteration or addition to the terms of the Agreement or to the work or the Provisions.

IN WITNESS WHEREOF, we have hereunto set our hands, and seals on this ____ day of _____.

CONTRACTOR

SURETY

Name: _____

Name: _____

Address: _____

Address: _____

Telephone: _____

Telephone: _____

By: _____

By: _____

Attorney-in-Fact

Title: _____

Approved as to Form this

____ day of _____

City Attorney, in the capacity of General
Legal Counsel to the City of Moreno Valley



APPROVALS	
BUDGET OFFICER	<i>me</i>
CITY ATTORNEY	<i>SMB</i>
CITY MANAGER	<i>d</i>

Report to City Council

TO: Mayor and City Council

FROM: John Terell, Community & Economic Development Director

AGENDA DATE: May 27, 2014

TITLE: APPROVE RESOLUTION FOR THE GRANT APPLICATION FOR THE 2014 EDWARD BYRNE MEMORIAL JUSTICE ASSISTANCE GRANT AND ACCEPT THE \$59,072 ALLOCATION TO THE CITY

RECOMMENDED ACTION

Recommendations:

1. Approve Resolution 2014-36. A Resolution of the City Council of the City of Moreno Valley, California, Approving the Grant Application submitted by the Code & Neighborhood Services Division to the Office of Justice Programs for the Edward Byrne Memorial Justice Assistance Grant and Accept the \$59,072 Allocated.
2. Authorize revenue and expenditure budget appropriations of \$59,072 respectively to a new JAG Program fund for fiscal year 2014-2015.

SUMMARY

The U.S. Department of Justice, through the Office of Justice Programs, provides federal leadership for the development of programs nationally aimed at preventing and suppressing crime. This effort is carried out through the formation of partnerships with other federal, state and local agencies. Additionally, the Office of Justice administers grants that assist states, tribes and local governments to focus on programs that address youth crime, substance abuse, family violence and other enforcement needs, the prosecution of offenders, crime prevention and education of the community.

In 2014, the JAG program has allocated a total of \$188,499 to Riverside County, including \$59,072 awarded to the City of Moreno Valley, as a sub-grantee for programs with an emphasis on crime prevention through enforcement efforts. As part of JAG,

Moreno Valley's Code and Neighborhood Services Division is proposing the continued funding of the City's Weekend Code Enforcement Program.

DISCUSSION

Since January 1, 2009, the Code and Neighborhood Services Division has experienced the loss of several positions due to budgetary constraints. Community demand for services has increased during this time due to home foreclosures and deferred property maintenance by area residents. As a result, Code staff has experienced difficulty in their ability to maintain service levels and pursue specialized enforcement activities pro-actively.

Code personnel began searching for additional funding sources to augment traditional funding resources aimed at maintaining the integrity of its neighborhoods. Code staff applied for 2009, 2010, 2011, 2012 and 2013 JAG allocations and has subsequently been awarded a total of \$439,136 to support the City's Weekend Code Enforcement Program.

To date, staff has expended approximately \$353,628 of the total JAG funds awarded and anticipates that the remaining funds will be expended in FY 2014/2015. Therefore, staff is proposing to apply the 2014 allocation to continue the support of these important programs, as well as funding three part-time Code officers currently assigned to the Code Compliance Division.

FISCAL IMPACT

There is no requirement to match funds associated with this grant. All expenses are reimbursed by the grant. Therefore, this is cost neutral to the City and there is no impact to the General Fund.

Description	Fund	GL Account No.	Type (Rev/Exp)	FY 14/15 Budget	Proposed Adjustments	FY 14/15 Amended Budget
Receipt of Grant	JAG	2715-20-26-XXXXX-485000	Rev	\$0	\$59,072	\$59,072
Administration	JAG	2715-20-26-XXXXX-Various	Exp	\$0	\$59,072	\$59,072

ATTACHMENTS

- ATTACHMENT 1:** Proposed Resolution
- ATTACHMENT 2:** Grant Application – Program Narrative
- ATTACHMENT 3:** Grant Application – Budget Review/Budget Worksheet
- ATTACHMENT 4:** Grant Application - Abstract

Prepared By:
Allen D. Brock, CBO
Building & Neighborhood Services Manager

Department Head Approval:
John Terell
Community & Economic Development
Director

RESOLUTION NO. 2014-36

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORENO VALLEY, CALIFORNIA, APPROVING THE GRANT APPLICATION SUBMITTED BY THE CODE & NEIGHBORHOOD SERVICES DIVISION TO THE OFFICE OF JUSTICE PROGRAMS FOR THE EDWARD BYRNE MEMORIAL JUSTICE ASSISTANCE GRANT AND ACCEPT THE \$59,072 ALLOCATION

WHEREAS, The City of Moreno Valley, a city within the State of California, has applied for the 2014 Edward Byrne Memorial Justice Assistance Grant; and

WHEREAS, the Office of Justice allocated \$59,072 of 2014 JAG grant to the City of Moreno Valley.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MORENO VALLEY, CALIFORNIA, DOES HEREBY RESOLVE AS FOLLOWS:

1. The City Council approves the grant application submitted by the Code & Neighborhood Services Division to the County of Riverside for the 2014 Edward Byrne Memorial Justice Assistance Grant.
2. The City Council accepts the \$59,072 allocation from the grant and hereby directs Finance to establish a separate account identified with a separate unique expenditure activity number.
3. The City of Moreno Valley hereby agrees to use the funds in the manner presented in the grant application and in accordance with the application package. It also may execute any and all instruments required by the Office of Justice for participation in the Edward Byrne Memorial Justice Assistance Grant Program.
4. The City of Moreno Valley authorizes the City Manager to execute the grant application in the name of the City of Moreno Valley, and all other documents required by the Office of Justice for participation in the Edward Byrne Memorial Justice Assistance Grant Program.

APPROVED AND ADOPTED this 27th day of May, 2014.

Mayor of the City of Moreno Valley

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

Resolution No. 2014-36
Date Adopted: May 27, 2014

RESOLUTION JURAT

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) ss.
CITY OF MORENO VALLEY)

I, Jane Halstead, City Clerk of the City of Moreno Valley, California, do hereby certify that Resolution No. 2014-36 was duly and regularly adopted by the City Council of the City of Moreno Valley at a regular meeting thereof held on the 27th day of May 2014, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

(Council Members, Mayor Pro Tem and Mayor)

CITY CLERK

(SEAL)

Resolution No. 2014-36
Date Adopted: May 27, 2014

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Edward Byrne Memorial Justice Assistance Grant Program Narrative

The City of Moreno Valley Code & Neighborhood Services Division is responsible for the enforcement of the City's municipal codes relating to neighborhood nuisances, health and safety, substandard housing, vehicle abatement, zoning/land use, illegal signs, parking control, business licenses and illegal vendors. Blight and nuisances can devalue, detract and degrade the quality of any neighborhood. The City has adopted codes that govern the use and maintenance of private property in order to enhance and protect the quality of life for all who work, live and play in Moreno Valley.

Since 2009, the Code and Neighborhood Services Division has experienced reductions in staffing due to the City's budget challenges while community demand for services increased due to the proliferation of home foreclosures and deferred property maintenance by area residents. Existing staff resources were and continue to be challenged in their ability to pursue compliance activities pro-actively.

Faced with increased demand for services and decreased resources, staff began the process of identifying alternate and/or outside funding sources via grants to augment the staffing reductions and maintain existing service levels. Staff identified JAG as a potential funding source and subsequently applied for the JAG grant and was rewarded in 2010, 2011, 2012 and 2013. JAG funding will be used to support the code programs that were impacted most significantly by the reductions in the Weekend Enforcement Program.

Staff has fully expended funding for the grant years 2010 and 2011. Staff estimates that 2012 and 2013 JAG funding will be fully spent by the end of fiscal year 2014/2015. The City of Moreno Valley is currently applying for the 2014 allocation to continue the support of the Weekend Enforcement Program.

Staff has provided a brief description of the program below to comply with application provisions under the Program Narrative section of the U.S. Department of Justice, Edward Byrne Memorial Justice Assistance Grant 2014 local solicitation guidelines.

Weekend Enforcement Program

JAG funds will be utilized to continue deployment of three (3) part-time code officers on weekends when full-time staff is unavailable. Code personnel will continue to pro-actively target specific violations that primarily occur on weekends such as unlicensed vendors, illegal automotive sales, theft of recyclable materials, posting of signs in the public right-of-way, illegal commercial vehicle parking and garage sales. In addition, staff will provide emergency

inspection services for the Moreno Valley Police Department and the Fire Department when necessary for violations including but not limited to the following; fire damaged buildings, unsecured vacant residences and pools, substandard housing and other severe health and safety issues that warrant immediate action.

Staff anticipates that the funding will be expended in fiscal year 2014/2015 and is therefore requesting the 2014 allocation be partially applied to the continuation of this program.

**Edward Byrne Memorial Justice Assistance Grant
Budget Review**

As stated in Attachment 2 – Program Narrative, The City of Moreno Valley's Code & Neighborhood Services Division is proposing to use 2014 JAG funds for the Weekend Enforcement Program. Specifically, staff intends to utilize JAG funds to augment staffing levels, which have been reduced due to budgetary constraints.

Staff has determined the cost for staffing and additional expenditures for the program. The Budget Detail Worksheet details all related costs such as salaries, retirement benefits and Medicare for all personnel, in addition to standard and supplementary costs for field personnel (i.e. cell phone usage, fuel, maintenance costs and office supplies) per JAG requirements.

**FY2014 JAG LAW ENFORCEMENT GRANT
City of Moreno Valley
Budget Detail Worksheet**

A. Personnel

Name/Position	Agency	Computation	Cost
Code Compliance Officer I	City of Moreno Valley	20 hrs. per wk x 42 wks x \$21.67	\$ 18,202
Code Compliance Officer I	City of Moreno Valley	18 hrs. per wk x 42 wks x \$21.67	\$ 16,383
Code Compliance Officer I	City of Moreno Valley	18 hrs. per wk x 42 wks x \$21.67	\$ 16,383
Total Personnel			\$ 50,968

B. Fringe Benefits

Name/Position	Agency	Computation	Cost
Code Compliance Officer I - 3 positions	City of Moreno Valley - CalPERS	\$50,968 x 11%	\$ 5,606
Code Compliance Officer I - 3 positions	City of Moreno Valley - Medicare		\$ 998
Total Fringe Benefits			\$ 6,604

C. Travel

Description	Agency	Computation	Cost
Total Travel			\$ -

D. Equipment

Description	Agency	Computation	Cost
Total Equipment			\$ -

E. Supplies

Description	Agency	Computation	Cost
Office Supplies	City of Moreno Valley	\$40 for grant period per officer	\$ 120
Total Supplies			\$ 120

F. Consultants/Contracts

Description	Agency	Computation	Cost
Total Consultants/Contracts			\$ -

G. Other

Description	Agency	Computation	Cost
Office phones	City of Moreno Valley	\$40 for grant period per officer	\$ 120
Cellular phones	City of Moreno Valley	\$150 for grant period per officer	\$ 450
Vehicle maintenance	City of Moreno Valley	\$50 for grant period per officer	\$ 150
Fuel charges	City of Moreno Valley	\$220 for grant period per officer	\$ 660
Total Other			\$ 1,380

Budget Summary

A. Personnel	\$ 50,968
B. Fringe Benefits	\$ 6,604
C. Travel	\$ -
D. Equipment	\$ -
E. Supplies	\$ 120
F. Consultants/Contracts	\$ -
G. Other	\$ 1,380
Total Project Costs	\$ 59,072

Agency Allocation **\$ 59,072**

**Edward Byrne Memorial Justice Assistance Grant
Abstract**

Applicant's Name: City of Moreno Valley, CA

Title of Project: Weekend Enforcement Program

The City of Moreno Valley's Code & Neighborhood Services Division is proposing to utilize 2014 JAG grant funds for the continued funding of part-time staff assigned to the weekend enforcement program. The presence of grant funded staff members would continue code's ability to respond to unmaintained properties timely and provide seven day coverage.

Goals and Objectives:

Expand staff's focus on enforcement activities described above in an effort to reduce blight.

Provide continued weekend enforcement personnel that will focus on specialized code activities occurring on weekends in effort to reduce the frequency of occurrences.

Augment existing staff and better direct division focus towards property maintenance efforts in blighted residential areas.

Conduct quarterly programmatic and financial reports to assess grant objectives, and verify that grant funds are being utilized appropriately and efficiently.

Complete the dispersing of funds in a timely manner within the four year allocation.

Create a trust fund to deposit allocated funds.

Project Identifiers:

Below, staff has listed the five top project identifiers per JAG's application requirements;

Policing
Task Force
Community Based Programs
Surveillance
Crime Prevention

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APPROVALS	
BUDGET OFFICER	<i>me</i>
CITY ATTORNEY	<i>SMB</i>
CITY MANAGER	<i>d</i>

Report to City Council

TO: Mayor and City Council

FROM: Chris Paxton, Administrative Services Director

DATE: MAY 27, 2014

TITLE: AUTHORIZATION TO AWARD THE CONTRACT AGREEMENT FOR SECURITY GUARD SERVICES TO LYONS SECURITY SERVICE, INC.

RECOMMENDED ACTION

Recommendations:

1. Award the Security Guard Services Contract Agreement to Lyons Security Service, Inc., 2582 North Santiago Blvd., Orange, CA, 92867.
2. Instruct the Purchasing Manager to issue purchase orders in the amount of sixty thousand dollars (\$60,000) for services required through June 30, 2015.
3. Authorize the Administrative Services Director to issue required change orders/amendments and up to four subsequent one-year agreement amendments, subject to the approval of the City Attorney.

SUMMARY

This report recommends award of a contract to provide security guard services. Security guard services are budgeted for in the 7310 Internal Service Fund.

The current security guard service agreement expires on June 30, 2014. A request for proposal was advertised and an invitation was sent to eight security guard service vendors. Security guard services will be provided at specific facilities as outlined in the agreement.

DISCUSSION

The City contracts for security guard services for various facilities and special events. The contract is administered by Facilities staff. The City agreement will be an initial one-year term with four available one-year extensions.

The RFP for security guard services was advertised on 03/20/14 and 03/23/14. Eleven proposals were received from the following companies: American Corporate Security, Inc., American Security Force, Inc., Barry's Security Services, General Security Service, Guardian Eagle Security, Guardsmark, Lyons Security Service, Nu-Way Security, Power Security Group, Security Enforcement Alliance and Security Patrol Management & Services.

A team of evaluators reviewed the proposals using a weighted selection criteria system. After careful evaluation, using the established criteria, Lyons Security Service was the highest scored vendor and considered the best value for the City. Lyons was contacted and asked to submit a best and final offer. The recommendation is for Council to award the agreement to Lyons Security Service based on the overall best value to the City. The City agreement includes the initial one-year term with four available one-year extensions.

ALTERNATIVES

1. Staff recommends that City Council award the security guard Independent Contractor Agreement to Lyons Security Service and instruct the Purchasing Manager to issue purchase orders in the amount of Sixty Thousand Dollars (\$60,000) for services required through June 30, 2015; and authorize the Administrative Services Director to issue required change orders/amendments and up to four subsequent one-year agreement amendments, subject to the approval of the City Attorney.
2. Do not award the Security Guard Service Contractor Agreement to Lyons Security Service and do not authorize the Administrative Services Director to issue required change orders/amendments and up to four subsequent one-year agreement amendments, and provide further direction to staff.

FISCAL IMPACT

The approved Fiscal Year 2014/2015 internal service fund 7310 includes budgeted funding for security guard services. Funding for routine and special event security guard services is required in an amount of Sixty Thousand Dollars (\$60,000) for the initial first year term and for each subsequent term thereafter.

CITY COUNCIL GOALS

Public Safety. Provide a safe and secure environment for people and property in the community, control the number and severity of fire and hazardous material incidents, and provide protection for citizens who live, work and visit the City of Moreno Valley.

ATTACHMENTS

1. City of Moreno Valley Independent Contractor's Agreement with attachments.

Prepared By:
Rix Skonberg
Purchasing & Facilities Division Manager

Department Head Approval:
Chris Paxton
Administrative Services Director

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City of Moreno Valley

INDEPENDENT CONTRACTOR AGREEMENT

This Agreement is made by and between the City of Moreno Valley, California, a municipal corporation, with its principal place of business at 14177 Frederick Street, Moreno Valley, CA 92552, hereinafter referred to as the “City”, and **Lyons Security Service, Inc., a California Corporation**, with its principal place of business at 2582 North Santiago Blvd., Orange, CA, 92867, hereinafter referred to as the “Contractor,” based upon City policies and the following legal citations:

RECITALS

- A. Government Code Section 53060 authorizes the engagement of persons to perform special services as independent contractors;
- B. Contractor desires to perform and assume responsibility for the provision of professional Security Guard contracting services required by the City on the terms and conditions set forth in this Agreement. Contractor represents that it is experienced in providing professional Security Guard contracting services, is licensed in the State of California, if applicable;
- C. City desires to engage Contractor to render such services for Security Guards as set forth in this Agreement;
- D. The public interest, convenience, necessity and general welfare will be served by this Agreement; and
- E. This Agreement is made and entered into effective the date the City signs this Agreement.

TERMS

1. CONTRACTOR INFORMATION:

Contractor’s Name: Lyons Security Services, Inc.
Address: 2582 North Santiago Blvd.
City: Orange State: CA Zip: 92867
Business Phone: 714.283.2031 Fax No. 714.974.1066
Other Contact Number: 714.401.4850
Business License Number: Pending
Federal Tax I.D. Number: 33-0726010

2. CONTRACTOR SERVICES, FEES, AND RELEVANT DATES:

- A. The Contractor’s scope of service is described in Exhibit “A” attached hereto and incorporated herein by this reference.
- B. The City’s responsibilities, other than payment, are described in Exhibit “B” attached hereto and incorporated herein by this reference.
- C. Payment terms are provided in Exhibit “C” attached hereto and incorporated herein by this reference.

D. The term of this Agreement shall be from July 1, 2014 to June 30, 2015 unless terminated earlier as provided herein. This Agreement may be renewed annually at the end of each fiscal year for a period not to exceed four (4) additional years, upon both parties' written concurrence each year; and provided that funding appropriations and program approvals have been granted by the City Council of the City of Moreno Valley; and if no written notice of termination is received by either party. The City acknowledges that it will not unreasonably withhold approval of the Contractor's requests for extensions of time in which to complete the work required. The Contractor shall not be responsible for performance delays caused by others or delays beyond the Contractor's reasonable control (excluding delays caused by non-performance or unjustified delay by Contractor, his/her/its employees, or subcontractors), and such delays shall extend the time for performance of the work by the Contractor.

3. **STANDARD TERMS AND CONDITIONS:**

- A. Control of Work. Contractor is solely responsible for the content and sequence of the work, and will not be subject to control and direction as to the details and means for accomplishing the anticipated results of services. The City will not provide any training to Contractor or his/her/its employees.
- B. Intent of Parties. Contractor is, and at all times shall be, an independent contractor and nothing contained herein shall be construed as making the Contractor or any individual whose compensation for services is paid by the Contractor, an agent or employee of the City, or authorizing the Contractor to create or assume any obligation or liability for or on behalf of the City, or entitling the Contractor to any right, benefit, or privilege applicable to any officer or employee of the City.
- C. Subcontracting. Contractor may retain or subcontract for the services of other necessary contractors with the prior written approval of the City. Payment for such services shall be the responsibility of the Contractor. Any and all subcontractors shall be subject to the terms and conditions of this Agreement, with the exception that the City shall have no obligation to pay for any subcontractor services rendered. Contractor shall be responsible for paying prevailing wages where required by law [See California Labor Code Sections 1770 through 1777.7].
- D. Conformance to Applicable Requirements. All work prepared by Contractor shall be subject to the approval of City.
- E. Substitution of Key Personnel. Contractor has represented to City that certain key personnel will perform and coordinate the services under this Agreement. Should one or more of such personnel become unavailable, Contractor may substitute other personnel of at least equal competence upon written approval of City. In the event that City and Contractor cannot agree as to the substitution of key personnel, City shall be entitled to terminate this Agreement for cause. As discussed below, any personnel who fail or refuse to perform the services in a manner acceptable to the City, or who are determined by the City to be uncooperative, incompetent, a threat to the adequate or timely completion of the project or a threat to the safety of persons or property, shall be promptly removed from the project by the Contractor at the request

of the City. The key personnel for performance of this Agreement are as follows:
Nicholas Guidice.

- F. City's Representative. The City hereby designates the City Manager, or his or her designee, to act as its representative for the performance of this Agreement ("City's Representative"). Contractor shall not accept direction or orders from any person other than the City's Representative or his or her designee.
- G. Contractor's Representative. Contractor hereby designates **Nicholas Guidice**, or his or her designee, to act as its representative for the performance of this Agreement ("Contractor's Representative"). Contractor's Representative shall have full authority to represent and act on behalf of the Contractor for all purposes under this Agreement. The Contractor's Representative shall supervise and direct the services, using his or her best skill and attention, and shall be responsible for all means, methods, techniques, sequences and procedures and for the satisfactory coordination of all portions of the services under this Agreement.
- H. Legal Considerations. The Contractor shall comply with applicable federal, state, and local laws in the performance of this Agreement. Contractor shall be liable for all violations of such laws and regulations in connection with services. If the Contractor performs any work knowing it to be contrary to such laws, rules and regulations and without giving written notice to the City, Contractor shall be solely responsible for all costs arising therefrom. Contractor shall defend, indemnify and hold City, its officials, directors, officers, employees and agents free and harmless, pursuant to the indemnification provisions of this Agreement, from any claim or liability arising out of any failure or alleged failure to comply with such laws, rules or regulations.
- I. Standard of Care; Performance of Employees. Contractor shall perform all services under this Agreement in a skillful and competent manner, consistent with the standards generally recognized as being employed by professionals in the same discipline in the State of California. Contractor represents and maintains that it is skilled in the profession necessary to perform the services. Contractor warrants that all employees and subcontractor shall have sufficient skill and experience to perform the services assigned to them. Finally, Contractor represents that it, its employees and subcontractors have all licenses, permits, qualifications and approvals of whatever nature that are legally required to perform the services and that such licenses and approvals shall be maintained throughout the term of this Agreement. Any employee of the Contractor or its subcontractors who is determined by the City to be uncooperative, incompetent, a threat to the adequate or timely completion of the project, a threat to the safety of persons or property, or any employee who fails or refuses to perform the services in a manner acceptable to the City, shall be promptly removed from the project by the Contractor and shall not be re-employed to perform any of the services or to work on the project.
- J. Contractor Indemnification. Contractor shall indemnify, defend and hold the City, the Moreno Valley Housing Authority, and the Moreno Valley Community Services District (CSD), their officers, agents and employees harmless from any and all claims, damages, losses, causes of action and demands, including, without limitation, the payment of all consequential damages, expert witness fees, reasonable attorney's fees and other related costs and expenses, incurred in connection with or in any manner arising out of Contractor's performance of the work contemplated by this

Agreement and this Agreement. Acceptance of this Agreement signifies that the Contractor is not covered under the City's general liability insurance, employee benefits, or worker's compensation. It further establishes that the Contractor shall be fully responsible for such coverage. Contractor's obligation to indemnify shall survive expiration or termination of this Agreement, and shall not be restricted to insurance proceeds, if any, received by the City, the Moreno Valley Housing Authority, and the CSD, and their officers, agents and employees.

- K. Additional Indemnity Obligations. Contractor shall defend, with counsel of City's choosing and at Contractor's own cost, expense and risk, any and all claims, suits, actions or other proceedings of every kind covered by Section "J" that may be brought or instituted against City, the Moreno Valley Housing Authority, and the CSD, and their officers, agents and employees. Contractor shall pay and satisfy any judgment, award or decree that may be rendered against City, the Moreno Valley Housing Authority, and the CSD, and their officers, agents and employees as part of any such claim, suit, action or other proceeding. Contractor shall also reimburse City for the cost of any settlement paid by City, the Moreno Valley Housing Authority, and the CSD, and their officers, agents and employees as part of any such claim, suit, action or other proceeding. Such reimbursement shall include payment for City's attorney's fees and costs, including expert witness fees. Contractor shall reimburse City, the Moreno Valley Housing Authority, and the CSD, and their officers, agents and employees for any and all legal expenses and costs incurred by each of them in connection therewith or in enforcing the indemnity herein provided.
- L. Insurance Requirements. The Contractor will comply with the following insurance requirements at its sole expense. Insurance companies shall be rated (A Minus: VII—Admitted) or better in Best's Insurance Rating Guide and shall be legally licensed and qualified to conduct business in the State of California:

The Contractor shall procure and maintain, at its sole expense, Workers' Compensation Insurance in such amounts as will fully comply with the laws of the State of California and which shall indemnify, insure and provide legal defense for the Contractor and the City, the Housing Authority and CSD against any loss, claim, or damage arising from any injuries or occupational diseases happening to any worker employed by the Contractor in the course of carrying out the Agreement. This coverage may be waived if the Contractor is determined to be functioning as a sole proprietor and the city provided form "Exception to Worker's Compensation Coverage" is signed, notarized and attached to this Agreement

X General Liability Insurance—to protect against loss from liability imposed by law for damages on account of bodily injury, including death, and/or property damage suffered or alleged to be suffered by any person or persons whomever, resulting directly or indirectly from any act or activities of the Contractor, sub-Contractor, or any person acting for the Contractor or under its control or direction. Such insurance shall be maintained in full force and effect throughout the terms of the Agreement and any extension thereof in the minimum amounts provided below:

Bodily Injury	\$1,000,000 per occurrence/ \$2,000,000 aggregate
Property Damage	\$500,000 per occurrence/ \$500,000 aggregate

X Liability and Property Damage Insurance coverage for owned and non-owned automotive equipment operated on City/CSD/Housing Authority premises. Such coverage limits shall not be less than \$1,000,000 combined single limit.

X A Certificate of Insurance and appropriate additional insured endorsement evidencing the above applicable insurance coverage shall be submitted to the City prior to the execution of this Agreement. The Certificate of Insurance or an appropriate binder shall bear an endorsement containing the following provisions:

Solely as respect to services done by or on behalf of the named insured for the City of Moreno Valley, it is agreed that the City of Moreno Valley, the Moreno Valley Housing Authority, and the Moreno Valley Community Services District, their officers, employees and agents are included as additional insured under this policy and the coverage(s) provided shall be primary insurance and not contributing with any other insurance available to the City of Moreno Valley, the Moreno Valley Housing Authority, and the Moreno Valley Community Services District, its officers, employees and agents, under any third party liability policy

The terms of the insurance policy or policies issued to provide the above coverage shall neither be amended to reduce the required insurance limits and coverages nor shall such policies be canceled by the carrier without thirty (30) days prior written notice by certified or registered mail of amendment or cancellation to the City, except that cancellation for non-payment of premium shall require ten (10) days prior written notice by certified or registered mail. In the event the insurance is canceled, the Contractor shall, prior to the cancellation date, submit new evidence of insurance in the amounts established.

- M. Intellectual Property. Any system or documents developed, produced or provided under this Agreement, including any intellectual property discovered or developed by Contractor in the course of performing or otherwise as a result of its work, shall become the sole property of the City unless explicitly stated otherwise in this Agreement. The Contractor may retain copies of any and all material, including drawings, documents, and specifications, produced by the Contractor in performance of this Agreement. The City and the Contractor agree that to the extent permitted by law, until final approval by the City, all data shall be treated as confidential and will not be released to third parties without the prior written consent of both parties.
- N. Entire Agreement. This Agreement constitutes the entire agreement between the parties. There are no understandings, agreements, or representations of warranties, expressed or implied, not specified in this Agreement. This Agreement applies only to the current proposal as attached. This Agreement may be modified or amended only by a subsequent written Agreement signed by both parties. Assignment of this Agreement is prohibited without prior written consent.
- O. (a) The City may terminate the whole or any part of this Agreement at any time without cause by giving at least ten (10) days written notice to the Contractor. The written notice shall specify the date of termination. Upon receipt of such notice, the

Contractor may continue work through the date of termination, provided that no work or service(s) shall be commenced or continued after receipt of the notice which is not intended to protect the interest of the City. The City shall pay the Contractor within thirty (30) days after receiving any invoice after the date of termination for all non-objected to services performed by the Contractor in accordance herewith through the date of termination.

(b) Either party may terminate this Agreement for cause. In the event the City terminates this Agreement for cause, the Contractor shall perform no further work or service(s) under the Agreement unless the notice of termination authorizes such further work.

(c) If this Agreement is terminated as provided herein, City may require Contractor to provide all finished or unfinished documents and data and other information of any kind prepared by Contractor in connection with the performance of services under this Agreement. Contractor shall be required to provide such documents and other information within fifteen (15) days of the request.

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

- P. Payment. Payments to the Contractor pursuant to this Agreement will be reported to Federal and State taxing authorities as required. The City will not withhold any sums from compensation payable to Contractor. Contractor is independently responsible for the payment of all applicable taxes. Where the payment terms provide for compensation on a time and materials basis, the Contractor shall maintain adequate records to permit inspection and audit of the Contractor's time and materials charges under the Agreement. Such records shall be retained by the Contractor for three (3) years following completion of the services under the Agreement.
- Q. Restrictions on City Employees. The Contractor shall not employ any City employee or official in the work performed pursuant to this Agreement. No officer or employee of the City shall have any financial interest in this Agreement in violation of federal, state, or local law.
- R. Choice of Law and Venue. The laws of the State of California shall govern the rights, obligations, duties, and liabilities of the parties to this Agreement, and shall govern the interpretation of this Agreement. Any legal proceeding arising from this Agreement shall be brought in the appropriate court located in Riverside County, State of California.
- S. Delivery of Notices. All notices permitted or required under this Agreement shall be given to the respective parties at the following address, or at such other address as the respective parties may provide in writing for this purpose:

Contractor:

Lyons Security Service, Inc.
2582 N. Santiago Blvd.
Orange, CA 92867
Attn: Kathleen Guidice

City:

City of Moreno Valley
14177 Frederick Street
P.O. Box 88005
Moreno Valley, CA 92552
Attn: Purchasing & Facilities Division Manager

Such notice shall be deemed made when personally delivered or when mailed, forty-eight (48) hours after deposit in the U.S. Mail, first class postage prepaid and addressed to the party at its applicable address. Actual notice shall be deemed adequate notice on the date actual notice occurred, regardless of the method of service.

- T. Time of Essence. Time is of the essence for each and every provision of this Agreement.
- U. City's Right to Employ Other Contractors. City reserves right to employ other contractors in connection with this project.
- V. Amendment; Modification. No supplement, modification, or amendment of this Agreement shall be binding unless executed in writing and signed by both parties.
- W. Waiver. No waiver of any default shall constitute a waiver of any other default or breach, whether of the same or other covenant or condition. No waiver, benefit, privilege, or service voluntarily given or performed by a party shall give the other party any contractual rights by custom, estoppel, or otherwise.
- X. No Third Party Beneficiaries. There are no intended third party beneficiaries of any right or obligation assumed by the parties.
- Y. Counterparts. This Agreement may be signed in counterparts, each of which shall constitute an original.
- Z. Invalidity; Severability. If any portion of this Agreement is declared invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions shall continue in full force and effect.
- AA. Assignment or Transfer. Contractor shall not assign, hypothecate, or transfer, either directly or by operation of law, this Agreement or any interest herein without the prior written consent of the City. Any attempt to do so shall be null and void, and any assignees, hypothecates or transferees shall acquire no right or interest by reason of such attempted assignment, hypothecation or transfer.

SIGNATURE PAGE TO FOLLOW

IN WITNESS HEREOF, the parties have each caused their authorized representative to execute this Agreement.

City of Moreno Valley

Lyons Security Service, Inc.

BY: _____
Mayor

BY: _____
Kathleen Guidice
President

Date

Date

BY: _____

TITLE: _____
(Corporate Secretary)

Date

<u>INTERNAL USE ONLY</u>
ATTEST:
_____ City Clerk
APPROVED AS TO LEGAL FORM:
_____ City Attorney
_____ Date
RECOMMENDED FOR APPROVAL:
_____ Department Head
_____ Date

EXHIBIT A
SCOPE OF SERVICES

- A. The Agreement between the City of Moreno Valley and Contractor is for routine Security Guard services on an annual basis at various City facilities located throughout the City of Moreno Valley as outlined in the attached Request for Proposals as well as any negotiated changes. See Exhibit A-1 for additional description of Scope of Services, as outlined in the City's RFP # VAG 13/14-07.

- B. All services and completed work must meet local, county, state, and federal codes and regulations.



Request for Proposal

R.F.P. VAG 13/14-07

Security Guard Services - Unarmed

The City of Moreno Valley, Purchasing & Facilities Division, is seeking proposals for "Security Guard Services – Unarmed" at various City facilities.

Proposals are to be delivered to:

City of Moreno Valley
City Clerk's Office
14177 Frederick Street,
Moreno Valley, CA 92553

Proposals are due before 2:00 p.m. on April, 1 2014.

Intent to Quote: Please contact Virginia Garcia at purchasingdivision@moval.org to register as a vendor interested in this RFP. By registering you will be guaranteed to receive any addenda to this RFP.

OBTAINING REQUEST FOR PROPOSAL (R.F.P.) DOCUMENTS:

You may download this document from the City Web site at:

http://www.moreno-valley.ca.us/rfps/bids_rfps.shtml

Before submitting a proposal, the proposer shall carefully examine the scope of work to ensure that he/she has a clear understanding of the requirements regarding the performance of work.

All questions regarding this RFP should be made via email to

Virginia Garcia at: PurchasingDivision@moval.org

SCOPE OF WORK

1. Introduction

The City of Moreno Valley is seeking proposals for unarmed security guard services at various City facilities that include, but are not limited to, City Hall, Library, Conference & Recreation Center, Moreno Valley Utilities, and special events (weddings, receptions, birthday parties, etc.) at various recreation facilities. The City seeks to protect patrons, employees, and public property utilizing contracted security guards who will provide respectful reception, safe access, directions, information, assistance, patrols, and inspections.

2. Functions to be Provided

- a. A list of the Guard's duties for a particular location may be provided by the City. This may not be necessary at every location and it is the City's discretion whether to provide this list or not. If a list is provided, the Guard shall keep a written copy in their possession while on duty to be able to refer to it as needed.
- b. Guards will be responsible for providing directions and information to visitors regarding City offices. Guards will screen, redirect, and report inappropriate visitors according to each site's Post Orders.
- c. Guards will regularly inspect all designated areas, parking lots, and buildings during their shift to verify that they are properly secured, locked, or otherwise in order. Guards may be responsible for the enforcement of "No Trespassing" and "No Parking" areas associated with a building's assignment. Patrols should be varied in pathways and times so as not to establish a pattern. Guards should be responsive to the Contract Administrator or Site Manager's observations that particular locations or situations need special attention.
- d. Guards will escort City staff to their vehicles upon request; this may also extend to requests from the public on a case-by-case basis, depending on the situation. Guards will try to accommodate these types of requests to the best of their ability, unless a more pressing issue takes precedence at the time.
- e. Guards will intercept and question anyone attempting the following:
 - i. Attempting to gain unauthorized access
 - ii. Harming any individual
 - iii. Damaging City-owned property
 - iv. Stealing or other criminal activity
 - v. Being disruptive in any manner
- f. Guards will be responsible for maintaining the appearance and order at security duty stations. Contractor will maintain the guard manual, emergency reference directions, and building related notices in an orderly and neat fashion. Guards will be informed about the information and will understand and comply with Post Orders.
- g. Guards will respond as appropriate to protective alarm signals including distress, fire, elevator, and burglar alarms. Guards will report any after-hour maintenance problems to

designated City staff. When a situation requires an urgent police/medical/fire response, the Guard will call 9-1-1.

- h. Guards will maintain effective liaison with the Moreno Valley Police Department and Moreno Valley Fire Department as it relates to the assigned facility. Guards will contact 9-1-1 if an accident or life-threatening situation is observed in the street, public right-of-way in the vicinity of the building he/she is guarding, or anywhere on the facility's premises. If a disaster occurs while guard is on duty, guard shall obey directions from the Moreno Valley Police Department, Moreno Valley Fire Department, or City Incident Commander.
- i. Guards shall never leave a situation site unsecured and shall remain onsite until the situation has been resolved or they have been properly relieved.
- j. If an incident occurs near the end of a normal shift, the Contract Administrator, Site Manager, Police or Fire Representative may request that the security guard stay beyond the end of the shift. The extra time shall be deemed as authorized emergency overtime if it extends beyond an 8-hour shift.
- k. Guards shall submit detailed incident reports (i.e. accidents, disturbances, alarms, etc.) to the Contract Administrator or Site Manager. Contractor shall maintain written records of all guard force activity and provide comprehensive daily written reports of activity, where required by the City.
- l. Guard will report to duty and end shift at times scheduled by the Contract Administrator or Site Manager.
- m. Guards will report unsafe conditions or non-working equipment to the Contractor Administrator or Site Manager.
- n. Contractor will assist with the development and implementation of security and life safety programs, policies, and procedures.
- o. Guards will refer needed facility services and operational questions from the public, vendors, or visitors to the Contract Administrator or designated City staff.
- p. Guards will monitor and report malfunctions or any electrical alarm, video surveillance, or security lighting equipment to the Contract Administrator.
- q. Guards will provide general security assistance and respond to incidents involving City staff, visitors, and the public.
- r. Upon request, Contractor will provide security services for special events, after-hour meetings, community fairs, workshops, and relocations.
- s. Perform other security duties and services as required, including, but not limited to, restocking supplies at coffee stations or inside restrooms.

3. Qualifications of Guards

- a. Registration Card: Guards must possess a current valid registration card issued by the State of California, Department of Consumer Affairs, Bureau of Security and Investigative Services at all times while performing service for the City. A copy of the Registration card shall be provided to the Site Manager prior to any new Guard taking their post at a City facility. As Registration cards expire, copies of the renewed/new cards shall be provided to the City. No employee or employer is exempt from this requirement. Guards with interim or temporary registration cards shall not be utilized.
- b. Physical Requirements: Guards must be fully capable of performing moderate to arduous physical exertion under either normal or emergency conditions. Guards may be called upon to perform CPR or first aid while waiting for professional medical personnel to arrive. Guards must maintain a professional appearance at all times. They must display a neat and clean appearance with respect to their hair, fingernails, hands, etc. Hair is to be of a natural color. No excessive make-up is allowed. Jewelry is to be kept to a minimum and may not be worn on the face (e.g. nose, lip, or cheek rings). Use of cologne or perfume is to be kept to a minimum. Tattoos are to be covered as much as possible.
- c. Mental Qualifications: Guards must be mentally alert and capable of exercising good judgment, implementing instructions and assimilating necessary specialized training.
- d. Language: Guards must speak, read, and write legibly in English. Bilingual ability in Spanish is desired but not required.
- e. Training: Each Guard shall have successfully completed a minimum 40-hour training course prior to assignment to duty, as well as an orientation developed specifically for the City facility to which they have been assigned. The City reserves the right to inspect the training course(s) of programs provided by the Contractor for the Guards that have been assigned to work at the City.
- f. Identification: Each Guard or Supervisor used at the City shall have a current, valid State-issued identification or driver's license.

4. Personnel Supervision and Administration

- a. All personnel supervising or working under this contract must be acceptable to the Contract Administrator and Site Manager. The Contractor shall introduce each new Guard to the Contract Administrator or Site Manager prior to assignment. The presentation shall consist of a review of the Guard's qualifications and requirement documentation, such as State of California Registration ("Guard Card"), identification, and/or completed training documentation.
- b. The Contractor shall make every attempt to continuously assign the same individual to each location for each shift. The Contractor shall notify the Contract Administrator or Site Manager in writing of any change to the Guard duty roster.
- c. To ensure adequate coverage of qualified personnel, the Contractor must constantly maintain a list of at least five qualified Guards as required by the Contract Administrator.

- d. Should it be necessary to replace a Guard for a shift due to illness, vacation, etc. the Contractor shall notify the Contract Administrator or Site Manager as soon as possible of the change.
- e. The replacement or removal of any Guard, other than for cause, shall be with the approval of the Contract Administrator or Site Manager. The Contract Administrator or Site Manger has the authority to cause the removal of any personnel from such list at any time without cause.
- f. The Contractor will be required to conduct a comprehensive pre-employment check on all personnel recommended for potential assignment to determine suitability for employment on the basis of such factors as qualifications for job, reliability, integrity, psychological, and medical fitness. The Contractor's principal staff and supervisors working under this contract must be individuals of unquestionable integrity.
- g. The Contractor's Field Supervisor (Roving Supervisor) must be on call to the City 24/7 should any problem or question arise that needs immediate attention. They will be responsible for the direct supervision of all Guards and will be available at all times to respond promptly and appropriately to calls for assistance from Guards, Contract Administrator, or Site Manager.
- h. All supervisors assigned pursuant to this contract must have at least five years of similar guard work experience and a minimum of two years of supervisory experience.
- i. Supervisors shall perform in-person, unscheduled, unannounced inspections of each guard post on an average of once every 80-hour period. A written report of these inspections shall be submitted to the Contract Administrator or Site Manager.
- j. Guards who work an 8-hour shift shall be allowed a lunch break that is to be taken on the premises and in a location that allows the Guard to observe the main entrance to the facility. During breaks, Guards are subject to being interrupted to address a situation. When that situation has been resolved, the Guard may resume their break.

5. Equipment, Keys, Uniforms, and Locations

- a. Contractor shall be responsible for ensuring the Guards and Supervisors have appropriate uniforms, report forms, log books, watch/clock, communication device (cell phone, HT, etc.), and other equipment necessary to perform the required work.
- b. All keys, key cards, or other equipment issued to the Guard by the City are to be retained by the Guard and kept secure at all times. Upon departure or reassignment, all items issued by the City to the Guard are to be turned over to their Supervisor, who will ensure they are returned to the Contract Administrator.
- c. The Guards' uniforms will be Contractor's standard issue, unless otherwise requested by the City. At all times, uniforms shall be clean, pressed, free of tears or stains, and fit the Guard appropriately. There shall be patches, badges, or other insignias on the uniform that designate a Security Guard status, to be supplied by the Contractor. Any jacket or coat worn over the uniform shall also bear the same patch, badge, or insignia and shall

be of professional quality (no sweatshirts, “hoodies”, or other casual clothing are allowed). Shoes shall be hard sole and polished if possible. No tennis shoes shall be allowed. Hats may be worn if they bear Contractor’s patch or insignia and are clean and neat in appearance. If the pants have belt loops, belts will be worn. Only full length pants shall be worn. Only short or long sleeved shirts are allowed.

- d. The City reserves the right to add or delete locations and alter times, hours, days, and shifts as it best suits the City’s needs. The current locations and schedule of contracted security guards are as follows:

Location	Hours	Days
City Hall	15:00-20:00 5 hr/day	Mon-Thurs
City Hall	9:00-14:00 5 hr/day	Fridays 2 nd & 4 th of the Month
Library	14:00-18:15 4.25 hr/day	Fridays
Library	13:00-17:15 4.25 hr/day	Sat & Sun
MV Utilities	Varies 4-6 hr/day	Various Weekdays 4 days/mo
Conference & Recreation Center	17:00-22:00 5 hr/day	Mon-Thurs
Special Events	Varies	Varies

- e. Contractor may be called upon to cover shifts for City-employed security guards during their absences (vacations, illness, etc.).

6. Compensation and Fee Schedule

- a. At no time shall the Contractor charge an hourly rate of pay greater than that charged to any other customer where guards are working under similar conditions.
- b. Contractor must meet all State, Federal, County, and City regulations regarding payroll taxes, minimum wage, worker’s compensation, licensing, and fair employment practices. Contractor will withhold and pay all local, state, and federal income taxes, unemployment insurance taxes, make all Social Security deductions and employer contributions and maintain all payroll records.
- c. “Straight Time” shall be defined as any 8-hour shift worked on any day during any time period.
- d. “Overtime” shall be defined as any hours worked beyond a full 8-hour shift. Overtime will be calculated and billed in 15-minute increments.

- e. "Holiday" Rate shall be defined as any hours worked on City-observed holidays as listed below:
- i. January 1, New Year's Day
 - ii. Third Monday in January, MLK Birthday
 - iii. Third Monday in February, President's Day
 - iv. Last Monday in May, Memorial Day
 - v. July 4, Independence Day
 - vi. First Monday in September, Labor Day
 - vii. November 11, Veteran's Day
 - viii. Fourth Thursday & Friday of November Thanksgiving & Day After
 - ix. December 24 & 25, Christmas Eve & Christmas Day
- f. Rates of pay quoted by Contractor shall be valid throughout the entire initial contract period. If a rate adjustment is requested the City will take the request into consideration and are negotiable at the end of each fiscal year at the time of potential contract extension. Any new agreed-upon rates shall become effective on the next July 1 or as mutually agreed upon by both parties.

LEGAL RESPONSIBILITIES

All proposals must be submitted, filed, and executed in accordance with state and federal laws relating to proposals and contracts of this nature whether the same are expressly referred to herein or not. Any person submitting a proposal shall by such action thereby agree to each and all of the terms, conditions, provisions, and requirements set forth, contemplated, and referred to in scope of work and to full compliance therewith.

This request is not to be considered an offer of a contract to provide security guard services. There is no guarantee, express or implied, that any professional organization responding to this request will be contracted to provide security guard services to the City.

RESERVATION OF RIGHTS

The City of Moreno Valley reserves the following options:

- The right to reject all partial price proposals.
- The right to reject any or all price proposals or make no award.
- The right to issue subsequent requests for price proposals.
- The right to waive any informality or irregularity in a price proposal process and any price proposals.

CITY AGREEMENT

The selected firm or firms will be required to enter into the City's standard "Agreement," a copy of which is attached for your review (Exhibit A). This RFP will be incorporated as an addendum to the subsequent agreement.

AWARD CRITERIA

The City recognizes that price is only one of several criteria to be used in evaluating a product or service. Award of the Contract shall be made to the lowest responsive and responsible Proposer that best meets the City's specifications and needs, and represents the best overall value for the City. The City is not bound to accept the lowest price proposal. Submitted proposals will be evaluated on the following criteria:

- 35% Local or Regional Manager profiles, experience, length in profession, awards, proven strategies
- 35% References
- 10% Willingness of Proposer to accept the City of Moreno Valley's terms and conditions
- 10% Completeness, Thoroughness, Neatness of Submittal
- 10% Reasonableness of price

CONTRACT TERM

The initial contract shall be for a period of one (1) year. The term of the agreement may be extended in increments of one year, not to exceed a total contract period of up to five (5) years.

WITHDRAWAL OF PROPOSALS

A proposal submitted in advance of the submission deadline may be withdrawn by a written request signed by the proposer. Such requests must be delivered to Virginia Garcia, Assistant Buyer, prior to the submission deadline date. The withdrawal of a proposal will not prejudice the right of the proposer to submit a new proposal, providing there is time before the closing date and time to do so. Contact Virginia Garcia @ virginia@moval.org.

INSURANCE

Selected proposer(s) shall be required to provide the required insurance coverage prior to the execution of the Agreement as outlined in the attached "Agreement" (Exhibit A) and summarized below.

General Liability

Bodily Injury	\$1,000,000 per occurrence
Property Damage	\$ 500,000 per occurrence

Workers' Compensation In amount to comply with State of California requirements

PROPOSAL REQUIREMENTS

Each proposal must contain the following information to be considered complete. Only complete proposals will be evaluated and scored.

- A. Introduction: Proposals shall be typed and submitted on 8 1/2 x 11" paper, using a simple method of fastening. The proposal shall not include any unnecessary, elaborate or promotional material. Excessive lengthy narrative is discouraged; presentation shall be clear and concise.
- B. Methodology/Approach proposed for the work as defined in the above Scope of Work.
- C. Qualifications: The overall capabilities of the Company organization should be discussed in this section. Include a brief summary of the firm's history, its recent related experience, top-level management and ability of persons assigned to perform the work. Possession of appropriate licenses and certificates.
- D. Personnel: Provide an organizational chart; List the names, relevant experience, and qualifications of all personnel who will be associated with the City's account including supervisors, office managers, dispatchers, and guards (if known).
- E. Reference: List at least three current and/or former clients for whom comparable services have been performed within the last five years. Municipal – local government references are preferred if available. Include the organization's name, contact, email and telephone number.
- F. Authorization: This proposal shall be signed by an official authorized to bind the firm to the terms and conditions contained therein, and the proposal shall contain a statement that the same is valid, binding, and capable of acceptance by the City for ninety (90) days from the date of submittal.
- G. Fee Schedules: Fee schedule shall be included which will be valid for at least one (1) year from the effective date of the contract. There is no Living Wage requirement. The schedule of fees to provide the services outlined above shall include:
 - i. Proposed Hourly Rate of Pay, Markup and Total Billing Rate to City of Moreno Valley (see next page).

Please submit this page with your submittal.

QUOTE PAGE

Hourly Rates	Your Direct Wage to Guard	Your Overhead Administrative Markup	Total Billing Rate to City of Moreno Valley
Straight Time Rate	\$	\$	\$
Overtime Rate	\$	\$	\$
Holiday Rate	\$	\$	\$

Company Name: _____

Person Submitting Quote: _____

I am an official authorized to bind this firm to the terms and conditions contained therein.

Signature: _____

Date: _____

SUBMITTAL OF PROPOSAL

Four (4) hard copies, one original and three copies, of the proposal shall be submitted in response to this Request for Proposal. Do not submit your proposal by e-mail. Proposals must be received before 2:00 p.m. on April 1, 2014. Proposals may be hand delivered or sent by courier or mail. Address to:

City of Moreno Valley
Attn: City Clerk's office
14177 Frederick St
Moreno Valley, CA 92553

NOTE: The City of Moreno Valley assumes no responsibility for quotes that are late due to delivery problems. The responsibility for delivering the RFP before the due date and time rests with the bidder.

Documents sent via U.S. Postal mail or via any other shipping means are routed through an internal mail system. If you chose to send your quote, please allow enough time (1-2 days) for it to go through normal channels and arrive at the City Clerk's office on time. Late quotes will not be accepted and will be returned by Purchasing unopened. The City of Moreno Valley assumes no responsibility for quotes that are late due to your choice of delivery. If you chose to use UPS or FedEx, the RFP name and number must be listed on outside of the carrier envelope.

EXHIBIT B

CITY'S RESPONSIBILITIES

- A. The City of Moreno Valley is responsible for providing access to work sites for contractor's employees assigned to the job.
- B. Provide escorts at sites when require.
- C. Fund all required City permits, excluding a City of Moreno Valley business license.
- D. A copy of the Notice Inviting Bids, the Bid or Request for Quotation, a copy of these General Conditions and the Specifications of the Bid or Request for Quote will remain on file with the City in accordance with applicable laws.

EXHIBIT C

TERMS OF PAYMENT

1. Work to be performed under this Agreement shall be specified in individual purchase orders issued by the City. The total amount to be paid by the City to the Contractor under this Agreement shall not exceed \$60,000 per fiscal year.
 - a. Contractor Hourly Rates are outlined in Contractor's Proposal, attached as Exhibit C-1.
2. The Contractor will obtain, and keep current during the term of this Agreement, the required City of Moreno Valley business license. Proof of a current City of Moreno Valley business license will be required prior to any payments by the City. Any invoice not paid because the proof of a current City of Moreno Valley business license has not been provided will not incur any fees, late charges, or other penalties. Complete instructions for obtaining a City of Moreno Valley business license are located at: http://www.moval.org/do_biz/biz-license.shtml
3. The Contractor will electronically submit an invoice to the City on a monthly basis for progress payments along with documentation evidencing services completed to date. The progress payment is based on actual time and materials expended in furnishing authorized professional services since the last invoice. At no time will the City pay for more services than have been satisfactorily completed and the City's determination of the amount due for any progress payment shall be final. The Contractor will submit all original invoices to Accounts Payable staff at AccountsPayable@moval.org

Accounts Payable questions can be directed to (951) 413-3073.

Copies of invoices may be submitted to the Facilities Maintenance Division at jasmnr@moval.org or calls directed to (951) 413-3740.
3. The Contractor agrees that City payments will be received via Automated Clearing House (ACH) Direct Deposit and that the required ACH Authorization form will be completed prior to any payments by the City. Any invoice not paid because the completed ACH Authorization Form has not been provided will not incur any fees, late charges, or other penalties. The ACH Authorization Form is located at: http://www.moval.org/city_hall/forms.shtml#bf
4. The minimum information required on all invoices is:
 - A. Vendor Name, Mailing Address, and Phone Number
 - B. Invoice Date
 - C. Vendor Invoice Number
 - D. City-provided Reference Number (e.g. Project, Activity)
 - E. Detailed work hours by class title (e.g. Manager, Technician, or Specialist),

services performed and rates, explicit portion of a contract amount, or detailed billing information that is sufficient to justify the invoice amount; single, lump amounts without detail are not acceptable.

6. The City shall pay the Contractor for all invoiced, authorized professional services within thirty (30) days of receipt of the invoice for same.
7. Reimbursement for Expenses. Contractor shall not be reimbursed for any expenses unless authorized in writing by City.
8. Maintenance and Inspection. Contractor shall maintain complete and accurate records with respect to all costs and expenses incurred under this Agreement. All such records shall be clearly identifiable. Contractor shall allow a representative of City during normal business hours to examine, audit, and make transcripts or copies of such records and any other documents created pursuant to this Agreement. Contractor shall allow inspection of all work, data, documents, proceedings, and activities related to the Agreement for a period of three (3) years from the date of final payment under this Agreement.

Please submit this page with your submittal.


QUOTE PAGE

Hourly Rates	Your Direct Wage to Guard	Your Overhead Administrative Markup	Total Billing Rate to City of Moreno Valley
Straight Time Rate	\$ 10.00	\$ 5.58	\$ 15.58
Overtime Rate	\$ 15.00	\$ 5.58	\$ 20.58
Holiday Rate	\$ 15.00	\$ 5.58	\$ 20.58

Company Name: Lyons Security Service, Inc

Person Submitting Quote: Kathleen Guidice

I am an official authorized to bind this firm to the terms and conditions contained therein.

Signature: 

Date: May 6, 2014



APPROVALS	
BUDGET OFFICER	<i>me</i>
CITY ATTORNEY	<i>SMB</i>
CITY MANAGER	<i>d</i>

Report to City Council

TO: Mayor and City Council

FROM: Ahmad R. Ansari, P.E., Public Works Director/City Engineer

AGENDA DATE: May 27, 2014

TITLE: AUTHORIZE A CHANGE ORDER TO INCREASE THE PURCHASE ORDER WITH VANCE CORPORATION FOR THE CACTUS AVENUE WIDENING PROJECT FROM INTERSTATE 215 TO VETERANS WAY - PROJECT NO. 801 0028 70 77

RECOMMENDED ACTION

Recommendations:

1. Authorize a Change Order to increase the existing Purchase Order with Vance Corporation, by an additional \$45,000 for the Cactus Avenue Widening Project from Interstate 215 to Veterans Way.
2. Authorize the Public Works Director/City Engineer to execute the Change Order to the Purchase Order for Vance Corporation.
3. Authorize the Public Works Director/City Engineer to execute any subsequent related minor contract change orders to the contract with Vance Corporation up to, but not exceeding, the revised Purchase Order amount, subject to approval of the City Attorney.

SUMMARY

This report recommends approval of a contract Change Order to increase the Purchase Order with Vance Corporation (Vance) to accommodate the cost of adjustments to final bid quantities and the sum of all contract change orders required to properly close out the Cactus Avenue Widening Project from Interstate 215 to Veterans Way.

DISCUSSION

On October 8, 2013, the City Council awarded Cactus Avenue Widening Project from Interstate 215 (I-215) to Veterans Way to Vance and authorized the issuance of a Purchase Order totaling \$1,038,064.08 (\$988,632.46 bid plus 5% contingency). The Construction Contract with Vance includes the construction of an eastbound 3rd lane, slurry seal of the project area, curb and gutter, striping and traffic signal modifications at the intersections of Elsworth and Veterans Way. During the course of construction, it was determined that additional unforeseen work was required due to changes in site conditions which had occurred from the time plans were developed and the project was fully funded and slated for construction.

Such additional repairs were required to all westbound lanes within the project limits prior to the installation of the slurry overlay due to the deteriorating conditions of the pavement. Additional slope protection measures were also required due to grading requirements for the installation of bio-swells along the construction site, resulting in adjustments to the final quantities. The cost of the abovementioned changes to the scope of work exceeds the currently authorized 5% contingency. To assure sufficient contingency funds are available to address these and other possible issues that may arise as we approach project closeout, staff is requesting the Purchase Order contingency be increased by an additional \$45,000.

Staff is also recommending authorization for the Public Works Director/City Engineer to execute the Contract Change Order to the existing Purchase Order for Vance Corporation and execute any subsequent Change Orders up to, but not exceeding, the new increased Purchase Order amount, subject to approval of the City Attorney.

ALTERNATIVES

1. Approve and authorize the recommended actions as presented in this staff report. *This alternative will facilitate the timely completion of the project.*
2. Do not approve and authorize the recommended actions as presented in this staff report. *This alternative will delay the completion and closeout of the project.*

FISCAL IMPACT

Pursuant to the terms of the California Transportation Commission (CTC) State-Local Partnership Program (SLPP) matching grant, the State will contribute \$560,000 to construct the Cactus Avenue Widening Project from I-215 to Veterans Way. The City Council originally approved a contribution of \$592,000 in Development Impact Fee (DIF) funds (Fund 3301) to the project; this amount included the required \$560,000 match. The transfer of additional DIF funds (Fund 3301) and Measure A funds (Fund 2001) will allow for the increase to the Purchase Order from \$1,038,064.08 to \$1,083,064.08 and

will provide sufficient funding for the final invoice from the Contractor to close out the project. There is no impact to the General Fund.

TOTAL FUNDS FOR CONSTRUCTION PHASE:

Fiscal Year 2013/2014:

State-Local Partnership Program (SLPP) Grant (Account No. 2001-70-77-80001, Project No. 801 0028 70 77)	\$560,000
DIF Arterial Streets Fund (DIF) (Account No. 3301-70-77-80001, Project No. 801 0028 70 77)	\$611,000
Measure A (Measure A) (Account No.2001-70-77-800001, Project No. 801 0028 70 77)	\$12,500
Total Budget.....	<u>\$1,183,500</u>

ESTIMATED CONSTRUCTION RELATED COSTS:

Contractor Construction Costs (includes Contingency)	\$1,038,100
Increase to Contractor’s Purchase Order	\$45,000
Construction Design Support Services	\$10,900
Construction Survey Services	\$30,000
Construction Geotechnical Services.....	\$10,000
Construction Management and Project Administration	<u>\$49,500</u>
<i>Total Estimated Project Costs</i>	<i>\$1,183,500</i>

PROJECT SCHEDULE

Completed Construction.....May 2014

CITY COUNCIL GOALS

PUBLIC SAFETY:

Provide a safe and secure environment for people and property in the community, control the number and severity of fire and hazardous material incidents, and provide protection for citizens who live, work and visit the City of Moreno Valley.

PUBLIC FACILITIES AND CAPITAL PROJECTS:

Ensure that needed public facilities, roadway improvements, and other infrastructure improvements are constructed and maintained.

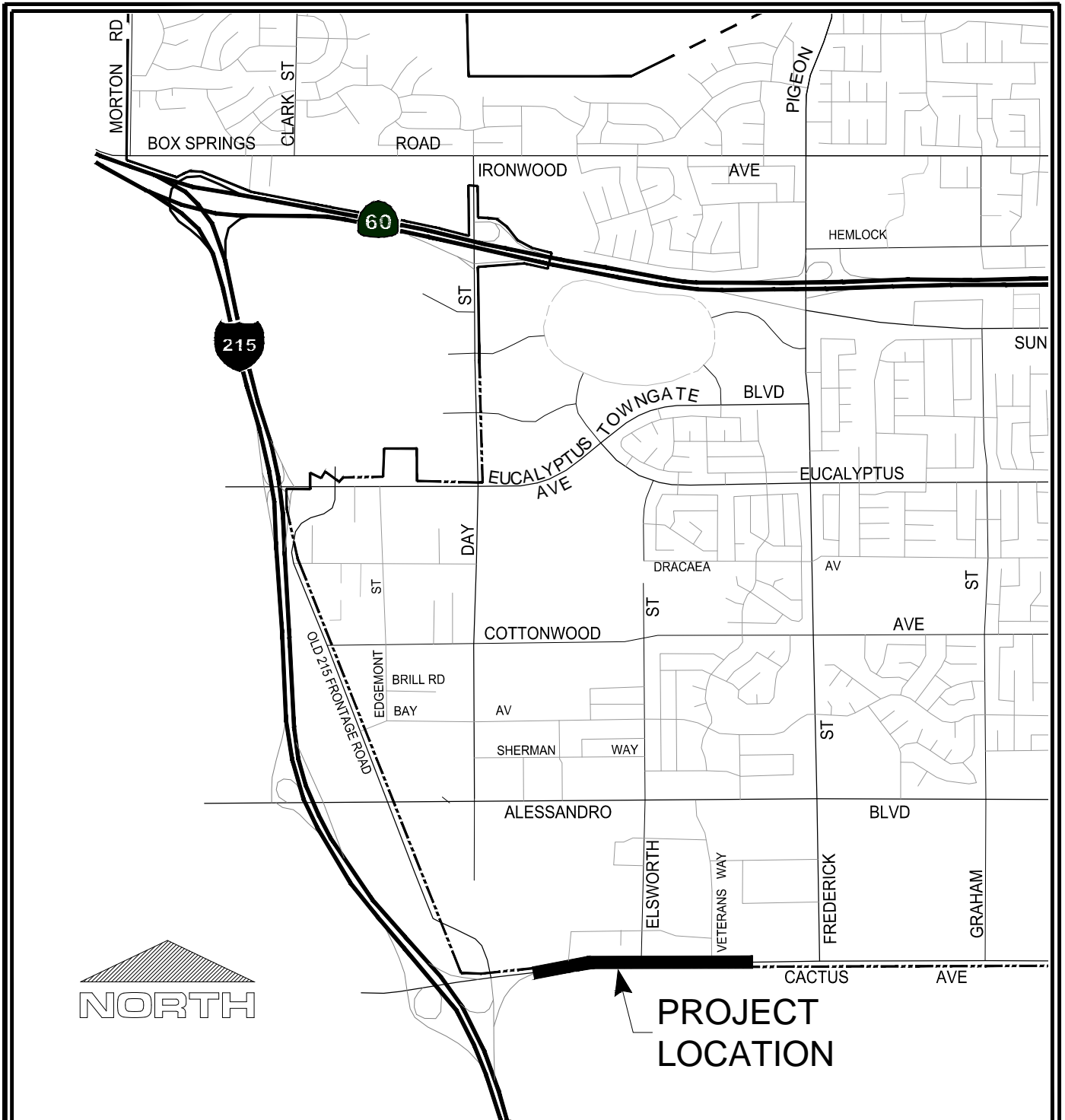
ATTACHMENTS

Attachment 1: Location Map

Prepared By:
Guy Pegan, P.E.
Senior Engineer

Department Head Approval:
Ahmad R. Ansari, P.E.
Public Works Director/City Engineer

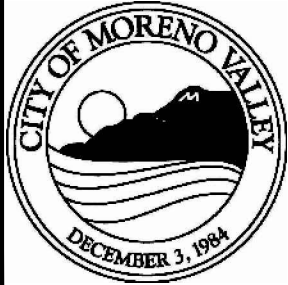
Concurred By:
Prem Kumar, P.E.
Deputy Public Works Director/Assistant City Engineer



PROJECT
LOCATION



LOCATION MAP



Public Works Department
Capital Projects Division

Scale: None

ATTACHMENT 1

CACTUS AVENUE WIDENING PROJECT
FROM INTERSTATE 215 TO VETERANS WAY
PROJECT NUMBER 801 0028 70 77

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**MINUTES – REGULAR MEETING OF MAY 13, 2014 (Report
of: City Clerk Department)**

Recommendation: Approve as submitted.

SEE AGENDA ITEM A.3

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**MINUTES – REGULAR MEETING OF MAY 13, 2014 (Report
of: City Clerk Department)**

Recommendation: Approve as submitted.

SEE AGENDA ITEM A.3

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**MINUTES – REGULAR MEETING OF MAY 13, 2014 (Report
of: City Clerk Department)**

Recommendation: Approve as submitted.

SEE AGENDA ITEM A.3

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APPROVALS	
BUDGET OFFICER	<i>me</i>
CITY ATTORNEY	<i>SMB</i>
CITY MANAGER	<i>d</i>

Report to City Council

TO: Mayor and City Council Acting in its Capacity as the President and Members of the Board of Directors of the Moreno Valley Community Services District (CSD)

FROM: Richard Teichert, Chief Financial Officer

AGENDA DATE: May 27, 2014

TITLE: PUBLIC HEARING ON THE FORMATION OF MORENO VALLEY COMMUNITY SERVICES DISTRICT LIGHTING MAINTENANCE DISTRICT NO. 2014-01 AND LEVYING AN ASSESSMENT IN FISCAL YEAR 2014/15 AGAINST REAL PROPERTY IN THAT DISTRICT AND TRANSITION OF CSD ZONE B TO THE NEWLY FORMED DISTRICT WITH NO INCREASES TO THE PARCEL CHARGES PREVIOUSLY APPROVED BY THE PROPERTY OWNERS

RECOMMENDED ACTION

Recommendations: That the CSD:

1. Conduct the Public Hearing on the proposed formation of Moreno Valley Community Services District Lighting Maintenance District No. 2014-01.
2. Adopt Resolution No. CSD 2014-08. A Resolution of the Moreno Valley Community Services District of the City of Moreno Valley, California, Forming Moreno Valley Community Services District Lighting Maintenance District No. 2014-01 and Levying an Assessment in Fiscal Year 2014/15 Against Real Property in that District.

SUMMARY

This report recommends that the CSD Board convene a Public Hearing, approve a Resolution forming Moreno Valley Community Services District Lighting Maintenance District No. 2014-01 and authorize the levy of an Assessment in Fiscal Year 2014/15 against real property in that district.

DISCUSSION

CSD History

The Moreno Valley Community Services District (“CSD”) was established pursuant to the Community Services District Law (California Government Code Section 61000 et seq.) (“CSD Law”) in 1984 at the time of the incorporation of the City of Moreno Valley. The CSD is a dependent special district of the City, where the Moreno Valley City Council serves as the Board of Directors of the CSD. The boundaries of the CSD are the same as those of the City.

Prior to the City’s incorporation, the territory that would become the City of Moreno Valley was an unincorporated area of Riverside County. The County had created County Service Areas to fund and provide certain enhanced services in this area. The CSD was created so that responsibility for these funding mechanisms (and services) within the newly incorporated City of Moreno Valley could be transitioned from CSAs governed by the Riverside County Board of Supervisors to a CSD governed by the Moreno Valley City Council.

The CSD is comprised of a number of Zones, each of which provides a specific set of services within a defined portion of the City. Zone B of the CSD has been responsible for providing residential street lighting in certain residential subdivisions. These street lighting services are funded through a charge levied on the annual property tax roll to parcels served by the street lighting.

As development occurs in the City, projects are conditioned to provide a funding source for the ongoing maintenance and operation of the neighborhood street lighting installed as part of the development. Historically, developers have opted to apply an annual parcel charge to their property tax bill in order to provide that ongoing revenue stream and have been ultimately included within one or more of the CSD’s “zones”. This option is selected to satisfy their conditions of approval in lieu of alternatives to form a Home Owners Association or to establish an endowment.

Transition CSD Zone B to a Lighting Maintenance District

Best Management Practices for the City’s special financing districts was discussed during the August 20, 2013 Study Session and the February 28, 2014 Finance Subcommittee. That discussion included the utilization of funding mechanisms to provide programs and services above and beyond those customarily provided by the City to those developments requesting additional services. Examples of the additional services that are currently provided include landscape maintenance and operation of street lighting services. The discussion also centered on the utilization of different types of funding mechanisms that are commonly used by other jurisdictions and are considered best management practices.

The CSD is considering transitioning Zone B to an assessment district created pursuant to the Landscape and Lighting Act of 1972 (Section 22500 et seq. of the California Streets and Highways Code) (the “1972 Act”). If this transition occurs, parcels that had

been charged an annual Zone B charge for street lighting services will instead be assessed an annual assessment for those services. This transition will match the constitutional status of the Zone B charge as real property assessments with a procedural device designed for the levy of such assessments. The transition will not increase the annual amount paid by any property owner and will not change the nature or extent of the street lighting services provided. The assessments levied in connection with the new assessment district will in every way serve as a continuation of the charges levied in connection with Zone B.

General Benefit Obligation

Willdan Financial Services has prepared an Assessment Engineer's Report ("Report") (Attachment 2) which provides a detailed evaluation of the improvements, budget, and a benefit analysis. This analysis shows the special benefit to the improvement(s) that the adjacent parcels receive and the parcels that are subject to the annual assessment. In addition, the Report identifies a General Benefit Cost of the annual cost to provide operation and maintenance services. In theory, the General Benefit is the minimum amount the community would fund had the improvement not been installed by the development and for the benefit that the general public receives as a result of those improvements. Approval of the proposed resolution will approve the final Report which has been updated with non-substantive changes (e.g. grammatical and typographical errors) since approved as part of the Resolution Approving the Engineer's Report on April 8, 2014.

The Engineer's Report has identified the General Benefit Cost to be \$38,341 for FY 2014/15. This amount will fluctuate annually since it is based on a percentage of the annual expenses, which can increase as new street light facilities are installed or from increases in the utility rates.

For the past several years, the General Fund has been subsidizing the residential street lighting program because revenues received from parcel charges are not adequate to cover the expenditures. For FY 2014/15, the General Fund is budgeted to contribute approximately \$620,000. A portion of the existing General Fund contribution will be designated as the General Benefit Cost, with the remaining amount designated as a General Fund contribution necessary to continue operation of the residential street lighting program.

District Formation Process

During its April 8, 2014 meeting, the CSD Board adopted three resolutions initiating the process to form Lighting Maintenance District No. 2014-01 ("LMD 2014-01"): Resolution No. CSD 2014-05 to initiate proceedings to form LMD 2014-01, Resolution No. CSD 2014-06 to approve the Engineer's Report, and Resolution No. CSD 2014-07 to establish intent to form LMD 2014-01. At that meeting the CSD Board also set May 27, 2014 as the date for the Public Hearing to receive public testimony and consider formation of LMD 2014-01.

A Public Hearing Notice (sample included as Attachment 3) was mailed to the affected property owners on May 9, 2014 notifying them of the proposed conversion of the Zone

B program to a lighting maintenance district, the amount of the assessment to be levied on their property tax bill (which will not increase as a result of the conversion), and the date of tonight's public hearing. It is recommended that the CSD Board conduct the noticed public hearing pursuant to the provisions of the 1972 Act to consider public testimony, comments, and written protests regarding the formation of the District and levy of assessments. Upon conclusion of the public hearing and consideration of written protests, the CSD Board may approve the final Report (as amended with non-substantive changes) and approve the formation of the District, and the levy and collection of assessments as described herein. In such case, the assessments for FY 2014/15 shall be submitted to the Riverside County Auditor/Controller for inclusion on the property tax roll for each parcel. Provided the CSD Board approves formation of the district, properties will no longer see a Zone B charge on their property tax bill, but rather an LMD assessment. There will be no increase to the assessment other than a CPI adjustment, provided the property owners previously approved such adjustment.

ALTERNATIVES

1. **Approve and adopt the proposed Resolution forming Moreno Valley Community Services District Lighting Maintenance District No. 2014-01 and levying an Assessment in Fiscal Year 2014/15 against real property in that district for ongoing street lighting services.** *This alternative is consistent with the concepts discussed by the City Council during the August 20, 2013 Study Session and the Finance Subcommittee at its February 28, 2014 meeting.*
2. **Do not approve the proposed Resolution forming Moreno Valley Community Services District Lighting Maintenance District No. 2014-01 and levying an Assessment in Fiscal Year 2014/15 against real property in that district for ongoing street lighting services.** *This alternative is contrary with the concepts discussed by the City Council during the August 20, 2013 Study Session and the Finance Subcommittee at its February 28, 2014 meeting. This alternative will also require the CSD Board to conduct a Public Hearing at a future Council meeting to apply the Zone B parcel charges to the 2014/15 property tax bills.*
3. **Do not recommend approval of the proposed Resolution forming Moreno Valley Community Services District Lighting Maintenance District No. 2014-01 and levying an Assessment in Fiscal Year 2014/15 against real property in that district for ongoing street lighting services but rather continue the item to a future Council meeting.** *This alternative may delay the conversion process, which would result in additional costs for postage and advertising to notice the property owners of the public hearing. Third party costs from the consultants would also be incurred to revise the Report and Resolutions. This alternative may also delay the ability to apply the LMD 2014-01 assessment onto the property tax bill in lieu of the CSD Zone B parcel charge in which case the CSD Board will need to conduct a Public Hearing at a future Council meeting to apply the Zone B parcel charges to the 2014/15 property tax bills.*

FISCAL IMPACT

Consultant and third party costs associated with the conversion of the CSD's Zone B to LMD 2014-01 are projected to be \$97,000, which include costs for a special tax consultant, special legal counsel, publication of a legal notice, and printing and postage costs for noticing the property owners. These costs will be absorbed within the Residential Street Lighting Fund, 5012.30.79.25703.

With the conversion of the CSD Zone B, and in compliance with the 1972 Act and the provisions of Proposition 218 and Article XIII D of the California Constitution, the General Fund will need to provide a General Benefit contribution of the annual expenses for the district. The Engineer's Report has identified the General Benefit Cost to be \$38,341 for FY 2014/15. This amount will fluctuate annually since it is based on a percentage of the annual expenses, which can increase as new street light facilities are installed or from increases in the utility rates. During its June 11, 2013 meeting, the City Council adopted the FY 2014/15 budget which includes an up to \$620,000 contribution to the residential street light program. Of this amount, a portion will be designated toward the General Benefit Cost of \$38,341, with the remaining amount designated as a General Fund Contribution necessary to fund the shortfall in annual operating revenue.

CITY COUNCIL GOALS

Community Image, Neighborhood Pride, and Cleanliness

The conversion of the CSD Zone B program to an LMD will provide a continued revenue source which will provide funding to ensure the developed areas remain illuminated.

Revenue Diversification and Preservation

The LMD assessment will provide for funding for program costs, which include maintenance and administration.

NOTIFICATION

Newspaper advertising for the May 27, 2014, Public Hearing was published in The Press-Enterprise on May 9, 2014. Publication in the newspaper satisfies the legal requirement to publish 14 days prior to the date of the Public Hearing. In addition to publishing a notice of the Public Hearing in the manner set forth in Section 22626(a) of the Streets & Highways Code, all property owners that are subject to the current Zone B charge were mailed a notice no later than 14 days prior to the Public Hearing, in the manner set forth in Government Code Section 61115(b).

ATTACHMENTS

1. Proposed Resolution of the Moreno Valley Community Services District of the City of Moreno Valley, California, Forming Moreno Valley Community Services District Lighting Maintenance District No. 2014-01 and Levying an Assessment in Fiscal Year 2014/15 Against Real Property in that District

2. Final Engineer's Report, Moreno Valley Community Services District, Formation of Lighting Maintenance District No. 2014-01, Fiscal Year 2014/15, dated May 1, 2014
3. Sample Notice mailed to property owners

Prepared by:
Jennifer Terry,
Management Analyst

Department Head Approval:
Richard Teichert
Chief Financial Officer

Concurred by:
Candace E. Cassel,
Special Districts Division Manager

RESOLUTION NO. CSD 2014-08

A RESOLUTION OF THE MORENO VALLEY COMMUNITY SERVICES DISTRICT OF THE CITY OF MORENO VALLEY, CALIFORNIA, FORMING MORENO VALLEY COMMUNITY SERVICES DISTRICT LIGHTING MAINTENANCE DISTRICT NO. 2014-01 AND LEVYING AN ASSESSMENT IN FISCAL YEAR 2014/15 AGAINST REAL PROPERTY IN THAT DISTRICT

WHEREAS, the Moreno Valley Community Services District (the "CSD") annually levies charges (the "CSD Charges") in connection with its Zone B ("Zone B") to fund street lighting services; and

WHEREAS, for purposes of Articles XIII C and XIII D of the California Constitution ("Proposition 218"), the CSD Charges are treated as assessments against real property; and

WHEREAS, the current rates of the CSD Charges, with respect to each parcel in Zone B, either (i) were approved following the notice, hearing, and mail ballot proceeding requirements set forth in Article XIII D, Section 4 of the California Constitution or (ii) have not been increased since the effective date of Proposition 218 and are exempt from the requirements of Proposition 218 by virtue of Article XIII D, Section 5(a); and

WHEREAS, pursuant to Government Code Section 61122(e), the CSD is authorized to levy benefit assessments for operations and maintenance consistent with the requirements of Proposition 218, including, but not limited to, benefit assessments levied pursuant to the Landscaping and Lighting Assessment Act of 1972 (Streets & Highways Code Section 22500 et seq.) (the "Act"); and

WHEREAS, in order to clarify the status of the CSD Charges levied in connection with the Zone B, the Board of Directors, by its Resolution No. CSD 2014-05, initiated proceedings to establish Moreno Valley Community Services District Lighting Maintenance District No. 2014-01 (the "Assessment District") pursuant to the Act and to levy the Fiscal Year 2014/15 assessment in connection with the Assessment District; and

WHEREAS, the purpose of the Assessment District is to fund ongoing street lighting services through the annual levy of the benefit assessment that is currently imposed by the CSD in Zone B as the CSD Charges; and

WHEREAS, by its Resolution No. CSD 2014-06, the Board of Directors approved a report entitled "Engineer's Report, Moreno Valley Community Services District, Formation of Lighting Maintenance District No. 2014-01, Fiscal Year 2014/15" (the "Report"); and

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Resolution No. CSD 2014-08
Date Adopted: May 27, 2014

WHEREAS, by its Resolution No. CSD 2014-07 (the "Resolution of Intention"), the Board of Directors declared its intention to order the formation of the Assessment District and to levy and collect the Fiscal Year 2014/15 assessment in connection with the Assessment District; and

WHEREAS, the Resolution of Intention set May 27, 2014 at 6:00 PM or as soon thereafter as practical, in the City Council Chambers located at 14177 Frederick Street, Moreno Valley, California 92553, as the time and place for a public hearing on the question of the formation of the Assessment District and the levy of the proposed assessment for Fiscal Year 2014/15 (the "Public Hearing"); and

WHEREAS, notice of the Public Hearing was published in the manner set forth in Section 22626(a) of the Act and was mailed to affected property owners in the manner set forth in Government Code Section 61115(b); and

WHEREAS, at the Public Hearing, the Board of Directors received a revised engineer's report entitled "Engineer's Report, Moreno Valley Community Services District, Formation of Lighting Maintenance District No. 2014-01, Fiscal Year 2014/15" (the "Final Report"), which is on file in the Office of the Secretary of the CSD (the Office of the City Clerk of the City of Moreno Valley), is available for public inspection, and is incorporated herein by reference; and

WHEREAS, at the appointed time and place, the Board of Directors held the Public Hearing; and

WHEREAS, at the Public Hearing, all interested persons were afforded the opportunity to hear and be heard; and

WHEREAS, having considered all oral statements and all written protests made or filed at the Public Hearing, the Board of Directors desires to form the Assessment District and levy the proposed assessment for Fiscal Year 2014/15.

NOW, THEREFORE, THE MORENO VALLEY COMMUNITY SERVICES DISTRICT OF THE CITY OF MORENO VALLEY, CALIFORNIA, DOES HEREBY RESOLVE AS FOLLOWS:

1. Recitals. The above recitals are all true and correct.
2. Formation of Assessment District. The Board of Directors hereby forms the Assessment District, which shall be designated "Moreno Valley Community Services District Lighting Maintenance District No. 2014-01."
3. Boundaries of the Assessment District. The Assessment District includes all territory within Zone B.

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Resolution No. CSD 2014-08
Date Adopted: May 27, 2014

4. Description of Improvements. The Assessment District will fund the maintenance and servicing of street light improvements currently maintained and serviced in connection with Zone B. The improvements are hereby ordered.

5. Reference to Report. Reference is made to the Final Report, which is hereby approved, for a full and detailed description of (i) the street lighting improvements to be maintained and serviced in connection with the Assessment District; (ii) the boundaries of the Assessment District and the zones therein; and (iii) the proposed assessments upon assessable lots and parcels of land within the Assessment District. The Final Report describes, among other things, each affected parcel of real property and the amount of the assessment for each such affected parcel for Fiscal Year 2014/15. The Final Report includes clarifications and corrections to the Report approved prior to adoption of the Resolution of Intention, but does not cause an increase to the assessments set forth in the Report.

6. Levy of Assessment. The diagram and assessment incorporated into the Final Report is hereby approved. This action constitutes the levy of the assessment for Fiscal Year 2014/15. Staff is directed to transmit the assessment to the Riverside County Auditor and to cause the assessment to be collected at the same time and in the same manner as county taxes are collected.

7. No Increase. The purpose of the Assessment District is to fund ongoing street lighting services through the annual levy of the benefit assessment that is currently imposed by the CSD in Zone B as the CSD Charges. Aside from the implementation of previously adopted annual inflation adjustments, as described in the Report, the assessment rate is not proposed to increase from the rate of the existing CSD Charges. Therefore, for purposes of Proposition 218 and the Act, the proposed Fiscal Year 2014/15 levy does not constitute the levy of a new or increased assessment. In the event a court determines that the proposed Fiscal Year 2014/15 levy is the levy of a new or increased assessment with respect to any parcel of real property (or a court determines that the Assessment District has not been properly formed to include any parcel described in the Report), it is the intent of the Board of Directors that the actions taken by the Board of Directors in this Resolution with respect to that parcel be treated as actions to levy the CSD Charge with respect to that parcel pursuant to Government Code Section 61115(b).

8. Effective Date. This Resolution shall be effective immediately upon adoption.

9. Certification. The City Clerk shall certify to the adoption of this Resolution, and shall maintain on file as a public record this Resolution.

APPROVED AND ADOPTED this 27th day of May, 2014.

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Resolution No. CSD 2014-08
Date Adopted: May 27, 2014

Mayor of the City of Moreno Valley,
Acting in the capacity of President of the
Moreno Valley Community Services District

ATTEST:

City Clerk, acting in the capacity of
Secretary of the Moreno Valley
Community Services District

APPROVED AS TO FORM:

City Attorney, acting in the capacity
of General Counsel of the Moreno
Valley Community Services District

4
Resolution No. CSD 2014-08
Date Adopted: May 27, 2014

RESOLUTION JURAT

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) ss.
CITY OF MORENO VALLEY)

I, Jane Halstead, Secretary of the Moreno Valley Community Services District, Moreno Valley, California do hereby certify that Resolution No. CSD 2014-08 was duly and regularly adopted by the Board of Directors of the Moreno Valley Community Services District at a regular meeting held on the 27th day of May, 2014, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

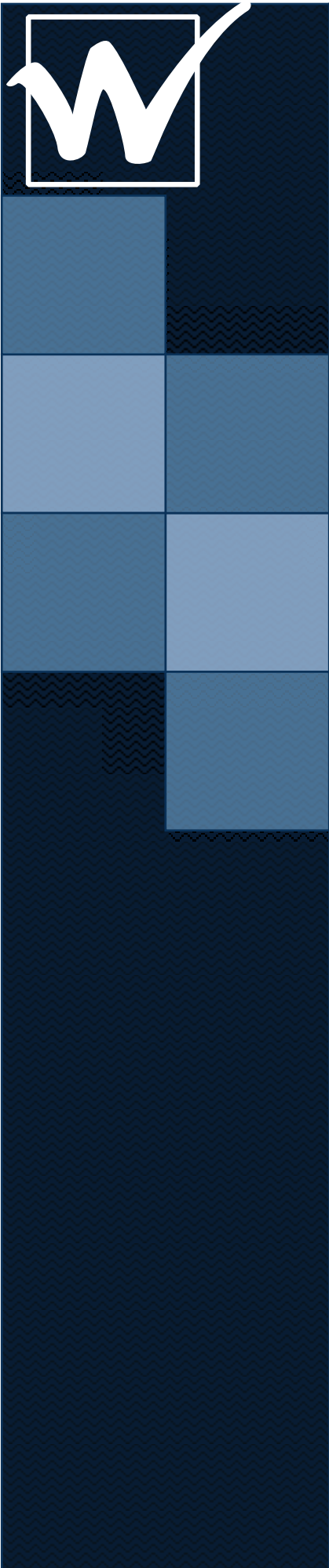
(Boardmembers, Vice-President and President)

SECRETARY

(SEAL)

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Resolution No. CSD 2014-08
Date Adopted: May 27, 2014

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ENGINEER'S REPORT

MORENO VALLEY COMMUNITY SERVICES DISTRICT

FORMATION OF

LIGHTING MAINTENANCE DISTRICT NO. 2014-01

FISCAL YEAR 2014/15

May 1, 2014

MORENO VALLEY COMMUNITY SERVICES DISTRICT

14177 FREDERICK STREET
MORENO VALLEY, CA 92553

PREPARED BY
WILLDAN FINANCIAL SERVICES



WILLDAN
Financial Services

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your
reach



ENGINEER'S REPORT STATEMENT

Formation of the

Moreno Valley Community Services District Lighting Maintenance District No. 2014-01

Establishment of Annual Assessments

Riverside County, State of California

As part of the Resolution of Intention packet presented for the consideration of the Moreno Valley Community Services District Board of Directors, this Report describes the proposed Assessments to be levied on parcels within the Lighting Maintenance District 2014-01 commencing in fiscal year 2014/15, including the budget and basis of the assessments. Reference is hereby made to the Riverside County Assessor's Maps for a detailed description of the lines and dimensions of parcels subject to the proposed assessment. The undersigned respectfully submits the enclosed Report as directed by the Moreno Valley Community Services District Board of Directors.

Dated this _____ day of _____, 2014

Willdan Financial Services
Assessment Engineer
On Behalf of the Moreno Valley Community Services District

By: _____

Jim McGuire,
Senior Project Manager

By: _____

Richard Kopecky
R. C. E. # 16742

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INTRODUCTION

The Moreno Valley Community Services District ("CSD") was established pursuant to the Community Services District Law (California Government Code Section 61000 et seq.) ("CSD Law") in 1984 at the time of the incorporation of the City of Moreno Valley. The CSD is a dependent special district of the City, and the Moreno Valley City Council serves as the Board of Directors of the CSD. The boundaries of the CSD are the same as those of the City.

Prior to the City's incorporation, the territory that would become the City of Moreno Valley was an unincorporated territory of Riverside County. The County had created County Service Areas ("CSAs") to fund and provide certain enhanced services in this territory. The CSD was created so that responsibility for these funding mechanisms (and services) within the territory of the new City of Moreno Valley could be transitioned from CSAs governed by the Riverside County Board of Supervisors to a CSD governed by the Moreno Valley City Council.

The CSD is comprised of a number of Zones, each of which provides a specific set of services within a defined portion of the City. Zone B of the CSD has been responsible for providing residential street lighting in certain residential subdivisions. These street lighting services are funded through a charge on the annual property tax roll to parcels served by the street lighting. Zone B funds low-level residential street lighting, which is generally provided via 9,500-lumen lights spaced approximately every 125 feet within a subdivision. High-intensity lights outside the subdivisions (which are typically 22,000-lumen lights) are funded through a different zone of the CSD.

In November, 1996, the voters of California adopted Proposition 218, which has been codified as Articles XIII C and XIII D of the California Constitution. Proposition 218 imposed a number of substantive and procedural requirements on taxes, assessments, and property-related fees imposed by local governments in California. Although referred by the CSD as "charges", the charges imposed by Zone B of the CSD are categorized under Proposition 218 as real-property assessments.

Street lighting is a maintenance and operation expense for sidewalks and streets. Consequently, Zone B charges imposed prior to November 5, 1996 were "grandfathered" under Article XIII D, Section 5(a) of the Constitution, which permitted the continuation of assessments existing prior to the effective date of Proposition 218 so long as those assessments were imposed exclusively to finance the capital costs or maintenance and operation expenses for sidewalks, streets, sewers, water, flood control, drainage systems or vector control. These grandfathered Zone B charges have continued to be levied annually by the CSD without additional property-owner approval.

Since the adoption of Proposition 218, territory (and associated street lights) has been added to CSD Zone B. When this has occurred, the CSD has conducted a mail ballot assessment proceeding with respect to the levy of the Zone B charges in the new territory as required by Article XIII D, Section 4(e) of the Constitution.

Beginning in December, 1999, the CSD's practice when balloting for a Zone B charge in new territory, was generally to present the Zone B charge with an incorporated automatic inflation adjustment. This was not done for "grandfathered" territory, for territory added to Zone B between November, 1996 and December, 1999, and for certain other territory. Therefore, in some parts of Zone B, the Zone B charge has been imposed annually at a level rate, whereas in other parts of Zone B, the charge has increased each year based on inflation.

In order to clarify the status of the Zone B charges, the CSD is considering transitioning the charges to an assessment district created pursuant to the Landscape and Lighting Act of 1972 (Section 22500 *et seq.* of the California Streets and Highways Code) (the "1972 Act"). If this transition occurs, parcels that had been charged an annual Zone B charge for street lighting services will instead be assessed an annual assessment for those services. This transition will match the constitutional status of the Zone B charges as real property assessments with a procedural device designed for the levy of such assessments. The transition will not increase the amount paid annually by any property owner and will not change the nature or extent of the street lighting services provided. The assessments levied in connection with the new assessment district will in every way serve as a continuation of the charges levied in connection with Zone B.

This report shall serve as the detailed engineers report for fiscal year 2014/15 for the proposed new assessment district, which is designated as: **Lighting Maintenance District No. 2014-01** (the "District").

The word "parcel," for the purposes of this Report, refers to an individual property assigned its own Assessor's Parcel Number (APN) by the Riverside County Assessor's Office. The Riverside County Auditor/Controller uses Assessor's Parcel Numbers and a dedicated fund number established for the District to identify properties to be assessed on the tax roll and the allocation of the funds collected.

As part of this District formation to continue the assessments previously levied as CSD Zone B charges, the CSD Board will conduct a noticed public hearing pursuant to the provisions of the 1972 Act to consider public testimony, comments, and written protests regarding the formation of the District and levy of assessments. A Notice will be mailed to the affected property owners notifying them of the date of the public hearing and the proposed conversion of Zone B to Lighting Maintenance District No. 2014-01. Upon conclusion of the public hearing and consideration of protests, the CSD Board may approve the Report (as submitted or amended), order the formation of the District, and the levy and collection of assessments as described herein and approved. In such case, the assessments for fiscal year 2014/15 shall be submitted to the Riverside County Auditor/Controller for inclusion on the property tax roll for each parcel.

Each subsequent fiscal year, an Engineer's Report shall be prepared and presented to the CSD Board describing the District, any changes to the District or improvements, and the proposed budget and assessments for that fiscal year. The CSD Board will hold a public hearing regarding these matters prior to approving and ordering the proposed levy of assessments for that fiscal year and such public hearing shall be noticed pursuant to the 1972 Act if new or increased assessments are not proposed. If in any year, the proposed annual assessments for the District exceed the maximum assessments described herein, such an assessment would be considered a new or increased assessment and must be confirmed through a mailed property owner protest ballot proceeding before that new or increased assessment may be imposed.

This Report consists of five (5) parts:

Part I

Plans and Specifications: A description of the District boundaries and the proposed improvements associated with the District. The District is being formed with three zones of benefit (hereafter referred to as "Zones"), which are described in more detail in this section of the Report as well as Part II (Method of Apportionment). A diagram showing the exterior boundaries of the District and the Zones established therein is attached and incorporated herein under Part IV (District Diagram). The plans for the street light installations are on file with the Public Works Department.

Part II

Method of Apportionment: A discussion of the general and special benefits associated with the overall street lighting improvements to be provided within the District (Proposition 218 Benefit Analysis). This Part also includes a determination of the proportional costs of the special benefits and a separation of costs considered to be of general benefit (and therefore not assessed). This section of the Report also outlines the method of calculating each property's proportional special benefit and annual assessment utilizing a weighted benefit of apportionment known as an Equivalent Benefit Unit.

Part III

Estimate of Improvement Costs: An estimate of the annual funding required for the annual maintenance, servicing, and operation of street lighting improvements within the District and specifically the costs associated with the improvements determined to be of special benefit to parcels within the District. The budget identifies an estimate of anticipated ongoing annual expenses to service, maintain, and operate existing street lighting improvements within the District including, but not limited to, servicing of the street lights and related facilities, energy costs, and related incidental expenses authorized by the 1972 Act. The budget also identifies the maximum assessment rate for each Zone of the District and the associated assessment range formula (inflationary adjust), as applicable.

Part IV

District Diagram: A diagram showing the boundaries of the District and the Zones therein is provided in this Report and includes all parcels that receive special benefits from the improvements. Parcel identification, the lines and dimensions of each lot, parcel and subdivision of land within the District, are inclusive of all parcels as shown on the Riverside County Assessor's Parcel Maps as they existed at the time this Report was prepared and shall include all subsequent subdivisions, lot-line adjustments or parcel changes therein. Reference is hereby made to the Riverside County Assessor's maps for a detailed description of the lines and dimensions of each lot and parcel of land within the District.

Part V

Assessment Roll: A listing of the proposed assessment amount for each parcel within the District. The proposed assessment amount for each parcel is based on the parcel's calculated proportional special benefit as outlined in the method of apportionment and proposed assessment rate established in the District Budget. These assessment amounts represent the assessments proposed to be levied and collected on the County Tax Rolls for fiscal year 2014/15.

PART I — PLANS AND SPECIFICATIONS

DESCRIPTION OF THE DISTRICT

The territory within the District shall consist of all lots and parcels of land within the boundaries of the CSD that in fiscal year 2013/14, were designated as CSD Zone B. Within these boundaries, parcels are identified and grouped into one of three designated benefit zones based on the special benefits properties receive from the District improvements and the authorized maximum assessments established for CSD Zone B. The three Zones within the District and the benefits associated with the properties therein are described in more detail in Part II (Method of Apportionment) of this Report. In addition the District Diagram in Part IV of the Report provides a visual representation of the District showing the boundaries of the District Zones.

DISTRICT FACILITIES AND IMPROVEMENTS

The street lights to be funded by the District are residential street lights located within the District.

The maintenance, operation, and servicing of the District lighting improvements generally include the furnishing of labor, materials, equipment and electricity for the ordinary and usual maintenance, operation, and servicing of street lights within the public right-of-ways and easements dedicated to the City. These activities include, but are not limited to:

- Furnishing of electric current or other illuminating agent.
- Maintenance, repair, and replacement of light poles and fixtures, including changing light bulbs, painting, photoelectric cell repair or replacement, and repairing damage caused by accidents, vandalism, time, and weather.
- Electrical conduit and pull-box repair and replacement due to damage by construction and weather.
- Monitoring of the Underground Service Alert (USA) network, identification of proposed excavation in the vicinity of lighting electrical conduits, and marking the location of those underground conduits in the field to prevent damage by excavation.
- Service, maintenance, repair, and replacement including replacing worn out electrical components and repairing damage due to accidents, vandalism, and weather.
- Periodic repair and rehabilitation of the street lighting system including replacement of old equipment with new or reconditioned equipment; and repair, removal or replacement of related equipment as required including but not limited to lighting fixtures, poles, meters, conduits, electrical cable and relocation of street light facilities as necessary including the purchase and installation of related equipment and facilities.
- Street light inventory database, pole numbering, and mapping to establish the number of street lights that must be maintained, as well as the condition and location of these street lights as part of an effective maintenance program.
- Responding to citizens and Council member inquiries and complaints regarding street lighting.

PART II — METHOD OF APPORTIONMENT

The 1972 Act permits the establishment of assessment districts by agencies for the purpose of providing certain public improvements, including the acquisition, construction, installation, and servicing of street lighting improvements and related facilities. The 1972 Act requires that the cost of these improvements be levied according to benefit rather than assessed value:

“The net amount to be assessed upon lands within an assessment district may be apportioned by any formula or method which fairly distributes the net amount among all assessable lots or parcels in proportion to the estimated benefits to be received by each such lot or parcel from the improvements.”

The formulas used for calculating assessments reflect the composition of parcels within the District (which are all residential properties) and the improvements and activities to be provided, and have been designed to fairly apportion costs based on a determination of the proportional special benefits to each parcel, consistent with the requirements of the 1972 Act and the provisions of Proposition 218 and Article XIII D of the California Constitution.

PROPOSITION 218 BENEFIT ANALYSIS

The costs of the proposed improvements for fiscal year 2014/15 have been identified and allocated to properties within the District based on special benefit. The improvements provided by this District and for which properties are assessed are public street lighting improvements. These improvements generally were installed in connection with the development of the properties within the District and were required by the City as a condition of development. Article XIID Section 2(d) defines District as follows:

“District means an area determined by an agency to contain all parcels which will receive a special benefit from a proposed public improvement or property-related service”;

Article XIID Section 2(i) defines Special Benefit as follows:

“Special benefit” means a particular and distinct benefit over and above general benefits conferred on real property located in the district or to the public at large. General enhancement of property value does not constitute “special benefit.”

Article XIID Section 4a defines proportional special benefit assessments as follows:

“An agency which proposes to levy an assessment shall identify all parcels which will have a special benefit conferred upon them and upon which an assessment will be imposed. The proportionate special benefit derived by each identified parcel shall be determined in relationship to the entirety of the capital cost of a public improvement, the maintenance and operation expenses of a public improvement, or the cost of the property related service being provided. No assessment shall be imposed on any parcel which exceeds the reasonable cost of the proportional special benefit conferred on that parcel.”

BENEFIT ANALYSIS

Special Benefit

The street lighting in the District is low-intensity street lighting that is primarily useful for illuminating the sidewalks and parking lanes in the District. This lighting is distinct from the high-

intensity lights installed on major streets which serve in part to enhance traffic safety. Residential street lights are of lower intensity, but more closely spaced, than the high-intensity (22,000-lumen) street lights. These sorts of low-level, low-intensity residential street lights provide three main special benefits: (i) residential security benefit, (ii) pedestrian safety benefit, and (iii) parkway/roadway egress benefit. Because traffic in the District is largely limited to local traffic consisting of residents and residents' guests, it is reasonable to assume that essentially all pedestrians and parking vehicles in the lit areas will, after dark, be directly associated with an assessed dwelling unit.

With the exception of the development that comprises Zone 03 (discussed below), the street lights within the District are consistent with the City's typical intensity and spacing standards for residential lighting and each parcel to be assessed is served directly by the system of street lights providing appropriate lighting within the subdivision. Consequently, we conclude that each residential parcel within the District receives substantially similar benefit from the improvements regardless of their location within the District. Furthermore, the cost of maintaining and operating each light is substantially the same, regardless of the location of the light within the District.

General Benefit

Approximately 5% of the street lights funded by the District are located at the perimeter/entryway of a residential development. These perimeter/entryway lights, in contrast to the remainder of the lights funded by the District, arguably provide some illumination that extends beyond the boundaries of the District, that enhances the safety of members of the public unassociated with an assessed parcels, that illuminates traffic or parking on major thoroughfares, or that otherwise provides services to the general public. Although, in general, these street lights exist solely because of the development of assessed parcels, and although the primary purpose of these lights is to provide illumination for assessed parcels, they may provide some level of general benefit in addition to the special benefits provided to the assessed parcels. We estimate that this general benefit constitutes not more than 25% of the total benefit from perimeter/entryway lights. As 25% of the benefit from 5% of the lights constitutes not more than 2% of the total benefit from all improvements operated and maintained by the District, we determine that the total general benefit from operation and maintenance activities will not exceed 2% of operations and maintenance costs.

ZONES OF BENEFIT

In an effort to ensure an appropriate allocation of the estimated annual cost to provide the District improvements based on proportional special benefits, this District will be established with benefit zones ("Zones") as authorized pursuant to Chapter 1 Article 4, Section 22574 of the 1972 Act:

"The diagram and assessment may classify various areas within an assessment district into different zones where, by reason of variations in the nature, location, and extent of the improvements, the various areas will receive differing degrees of benefit from the improvements. A zone shall consist of all territory which will receive substantially the same degree of benefit from the improvements."

There are three zones within the proposed District. The bulk of the parcels in the District are located in either Zone 01 or Zone 02. These Zones are defined separately, largely for administrative convenience, as the level of service and service costs per parcel are substantially identical in the two zones and the ratio of the number of lights to the number of parcels is

substantially the same. Zone 01 consists of those parcels that, as a result of Proposition 218, are subject to an assessment that is not annually adjusted for inflation. Zone 02 consists of those parcels for which the assessment can be adjusted annually for inflation.

Zone 03 consists of 65 residential parcels located in Tract 21958. This tract is unique within the District because it was developed with a substantially lower street light density (street lights are spaced farther apart than the residential street lights typically found in the residential tracts of Zone 01 and Zone 02). As a result, the parcels in Tract 21958 generally receive less lighting than parcels elsewhere in the District, and the per parcel cost of providing street light special benefits to these Tract 21958 parcels is substantially less than the cost of providing benefits elsewhere in the District.

For Fiscal Year 2014/15:

- Zone 01 includes 32,721 parcels and has 6,345 street lights.
- Zone 02 includes 7,396 parcels and has 1,377 street lights.
- Zone 03 includes 65 parcels and 3 street lights.

The District Budget, incorporated herein under Part III of this Report, provides a summary of the total estimated cost of providing the street lighting improvements and the allocation of those costs between the three zones (which is based on the number of lights in each Zone) as well as those costs that are considered general benefit. Details regarding the location and extent of the street lighting improvements within the District and the Zones therein are on file in the Office of Financial and Management Services Department, Special Districts Division and by reference these documents are made part of this Report. A diagram showing the boundaries of the three Zones outlined above is attached and incorporated herein under Part IV (District Diagram) of this Report.

ASSESSMENT METHODOLOGY

The method of apportionment for this District calculates the receipt of special benefit from the respective improvements based on the land use of the parcels.

Equivalent Benefit Unit Application

To proportionally allocate special benefit to each parcel, it is necessary to correlate each property's proportional benefit to other properties that benefit from the improvements and services being funded. In order to do this, the assessment methodology assigns each parcel a number of EBU's (Equivalent Benefit Units) based on its land use. One EBU is defined as the special benefit allocable to a single family home. In each case, a parcel is only allocated EBU's in a fiscal year if the street lights serving the parcel (or serving the perimeter of the complex in the case of apartments or condominiums) has been accepted by the City or will be accepted by the City during the upcoming fiscal year.

Single Family Residential — This land use is defined as a fully subdivided single family residential home site with or without a structure. This land use is assigned 1.0 EBU per lot or parcel.

Condominium Residential — This land use is defined as a fully subdivided condominium residential unit assigned its own Assessor's Parcel Number by the County. EBU's are assigned to these parcels by multiplying the overall acreage of the condominium development by 4 (the

typical number of single family homes in an acre of typical development), and then dividing the result by the number of condominium units/parcels in the development.

Multi-Family Residential and Mobile Home Parks — This land use classification identifies properties that are used for residential purposes and contain more than one residential unit. Benefit is allocated to these parcels on an acreage basis by multiplying the acreage of the parcel by 4 (the typical number of single family homes in an acre of typical development).

Vacant Parcels — This land use classification identifies properties that are identified as undeveloped property that is not fully subdivided, but is served by a street light improvement. This land use is assigned 1.0 EBU per lot or parcel.

Approved Single Family Residential — This land use is defined as a fully subdivided single family residential home site with or without a structure, but the street lights to be installed as part of the development have not yet been installed and are not anticipated to come online this fiscal year. Generally these parcels were annexed to the District in anticipation of the property being developed and street lights being installed, but until such time that the street lights are to be installed, these parcels will not be assessed and are assigned 0.0 EBU.

Planned Residential Development — This land use is defined as a property that is currently considered vacant or undeveloped land that is to be subdivided into a known number of residential lots, but the street lights to be installed as part of the development have not yet been installed and are not anticipated to come online this fiscal year. Generally these parcels were annexed to the District in anticipation of the property being developed and street lights being installed, but that has not yet occurred. Until such time that the street lights are to be installed, these parcels will not be assessed and are assigned 0.0 EBU.

Exempt — means a lot, parcel of land or Assessor's Parcel that is considered to not specially benefit directly from improvements. This classification includes, but is not limited to, areas of public streets, private streets and other roadways; public easements or right-of-ways including; landscaped parkways or easements and utility right-of-ways or easements such as irrigation or drainage ditches, channels or basins; and flood plains. These types of parcels (similar to the improvements) are typically the result of property development rather than the direct cause of development and have little or no need for the improvements. (These types of properties may or may not be assigned an Assessor's Parcel Number by the County).

Also exempt from assessment are Assessor's Parcels that are identified as common areas (properties for which the surrounding residential parcels have a shared interest); bifurcated lots; small parcels vacated by the County or similar sliver parcels that cannot be developed independent of an adjacent parcel. These types of parcels are generally not separately assessed because they are functionally a part of another parcel that is assessed for its own benefit and the benefit of the associated parcel.

PART III — ESTIMATE OF IMPROVEMENT COSTS

CALCULATION OF ASSESSMENTS

An assessment amount per EBU is calculated by:

Taking the "Total Annual Expenses" (Total budgeted costs) and subtracting the proportional "General Benefit Costs" which establishes the "Special Benefit Costs";

$$\text{Total Amount Budgeted} - \text{General Benefit Costs} = \text{Special Benefit Costs}$$

To the resulting "Special Benefit Costs", various "Benefit Cost Adjustments" are applied that may include:

- "One-Time Funding (from other available sources)", represents available funds identified as part of a recent audit of CSD accounts. This one-time contribution of available funds is being applied to reduce the Special Benefit Costs for this fiscal year.
- "Additional Agency Contribution", which is a contribution of funds from other revenue sources available to the CSD to reduce the amount to be levied as Special Benefit Costs for this fiscal year. This contribution is in addition to the General Benefit Costs.
- "Unfunded Improvement Costs/Deficit", is the amount of funding necessary to fund the Special Benefit Costs that are not reduced by the other contributions noted. This amount will result in a deficit to the Fund Balance to be carried over to the next fiscal year unless cost savings can be attained in the current fiscal year.

These adjustments to the Special Benefit Costs result in the "Net Assessment Budget" or "Balance to Levy" (the amount to be collected as Assessments);

$$\text{Special Benefit Costs} \pm \text{Benefit Cost Adjustments} = \text{Net Assessment Budget}$$

The amount identified as the "Net Assessment Budget" is divided by the total number of EBU's of parcels to be assessed to establish the "Assessment Rate" or "Assessment per EBU" for the fiscal year. This Rate is then applied to each parcel's individual EBU to calculate the parcel's proportionate special benefit and assessment obligation for the improvements.

$$\text{Net Assessment Budget} / \text{Total EBU (to be assessed)} = \text{Assessment per EBU}$$

$$\text{Assessment per EBU} \times \text{Parcel EBU} = \text{Parcel Assessment Amount}$$

DISTRICT BUDGET

The following budget outlines the estimated costs to maintain the improvements and the anticipated expenditures for fiscal year 2014/15. O&M costs were allocated amongst the zones proportionately to the number of street lights serving the zones.

Description	Total District Budget	Zone 01	Zone 02	Zone 03
Maintenance & Operation (O&M)				
Total Maintenance Costs	\$ 247,100	\$ 202,962	\$ 44,042	\$ 96
Utilities	1,523,901	1,251,698	271,611	592
Total O&M Expenses	\$ 1,771,001	\$ 1,454,660	\$ 315,653	\$ 688
Incidental/Administrative Expenses				
District Administration	\$ 115,101	\$ 94,541	\$ 20,515	\$ 45
County Fees	25,700	21,109	4,581	10
Miscellaneous Administration Expenses	5,200	4,271	927	2
Total Incidental/Administrative Expenses	\$ 146,001	\$ 119,921	\$ 26,023	\$ 57
TOTAL ANNUAL EXPENSES	\$1,917,002	\$ 1,574,581	\$ 341,676	\$ 745
General Benefit Costs	\$ (38,341)	\$ (31,492)	\$ (6,834)	\$ (15)
SPECIAL BENEFIT COSTS	\$1,878,661	\$ 1,543,089	\$ 334,842	\$ 730
Benefit Cost Adjustments				
One-Time Funding (from other available sources) ⁽¹⁾	\$ (252,939)	\$ (207,759)	\$ (45,082)	\$ (98)
Additional Agency Contribution ⁽²⁾	(660,659)	(560,389)	(100,028)	(242)
Unfunded Improvement Costs/Deficit ⁽³⁾	(27,629)	(22,703)	(4,926)	-
Total Contributions/Adjustments	\$ (941,227)	\$ (790,851)	\$ (150,036)	\$ (340)
NET ASSESSMENT BUDGET	\$ 937,434	\$ 752,238	\$ 184,806	\$ 390
(Balance to Levy)				
District Statistics				
Total Parcels		32,721	7,396	65
Total Assessed Parcels		32,706	7,097	65
Total EBU		32,706.00	7,097.00	65.00
Proposed Assessment per EBU		\$23.00	\$26.04	\$6.00
<i>Maximum Assessment per EBU</i>		\$23.00	\$26.04	\$6.00

Reserve Fund/Fund Balance				
Beginning Fund Balance	\$ -	\$ -	\$ -	\$ -
Collections/ (Reductions/Deficit)	(27,629)	(22,703)	(4,926)	-
Ending Fund Balance	\$ (27,629)	\$ (22,703)	\$ (4,926)	\$ -

(1) This represents available funds identified as part of a recent audit of CSD accounts. This one-time contribution of available funds is being applied to reduce the Special Benefit Costs for this fiscal year.

(2) A contribution of funds from other revenue sources available to the CSD to reduce the amount to be levied as Special Benefit Costs for this fiscal year. This contribution is in addition to the General Benefit Costs.

(3) Represents the amount of funding necessary to fund the Special Benefit Costs that are not reduced by the other contributions noted. This amount will result in a deficit to the Fund Balance to be carried over to the next fiscal year unless cost savings can be attained in the current fiscal year.

The budget dollar amounts above are calculated to the penny, but are shown here as rounded amounts (nearest dollar). Any variance in the addition or subtraction of the amounts displayed above is due to this rounding.

ASSESSMENT RATES

The following shows the assessment rates applicable to each Zone for fiscal year 2014/15 based on the budget and the method of apportionment presented above. It is important to note that these rates are the same rates previously approved and applied under CSD Zone B.

Fiscal Year 2014/15 Assessment Rates

Zone	Maximum Rate	Proposed Rates for FY 2014/15
Zone 01	\$ 23.00 ⁽¹⁾	\$23.00 per EBU
Zone 02	\$ 26.04	\$26.04 per EBU
Zone 03	\$ 6.00	\$ 6.00 per EBU

⁽¹⁾ The Maximum Assessment Rate includes an inflationary adjustment previously balloted and approved by the property owners

Note that for Fiscal Year 2014/15 there are:

- 32,706.00 EBUs in Zones 01 sharing \$1,543,089 in proportional special benefit for a cost of proportional special benefit of \$47.18 per EBU.
- 7,097.00 EBUs in Zones 02 sharing \$334,842 in proportional special benefit for a cost of proportional special benefit of \$47.18 per EBU.
- 65.00 EBUs in Zones 03 sharing \$730 in proportional special benefit for a cost of proportional special benefit of \$11.22 per EBU.
- The proposed assessment rates in each Zone do not exceed the cost of the proportional special benefits per EBU for that Zone.

ANNUAL INFLATIONARY ADJUSTMENT (ASSESSMENT RANGE FORMULA)

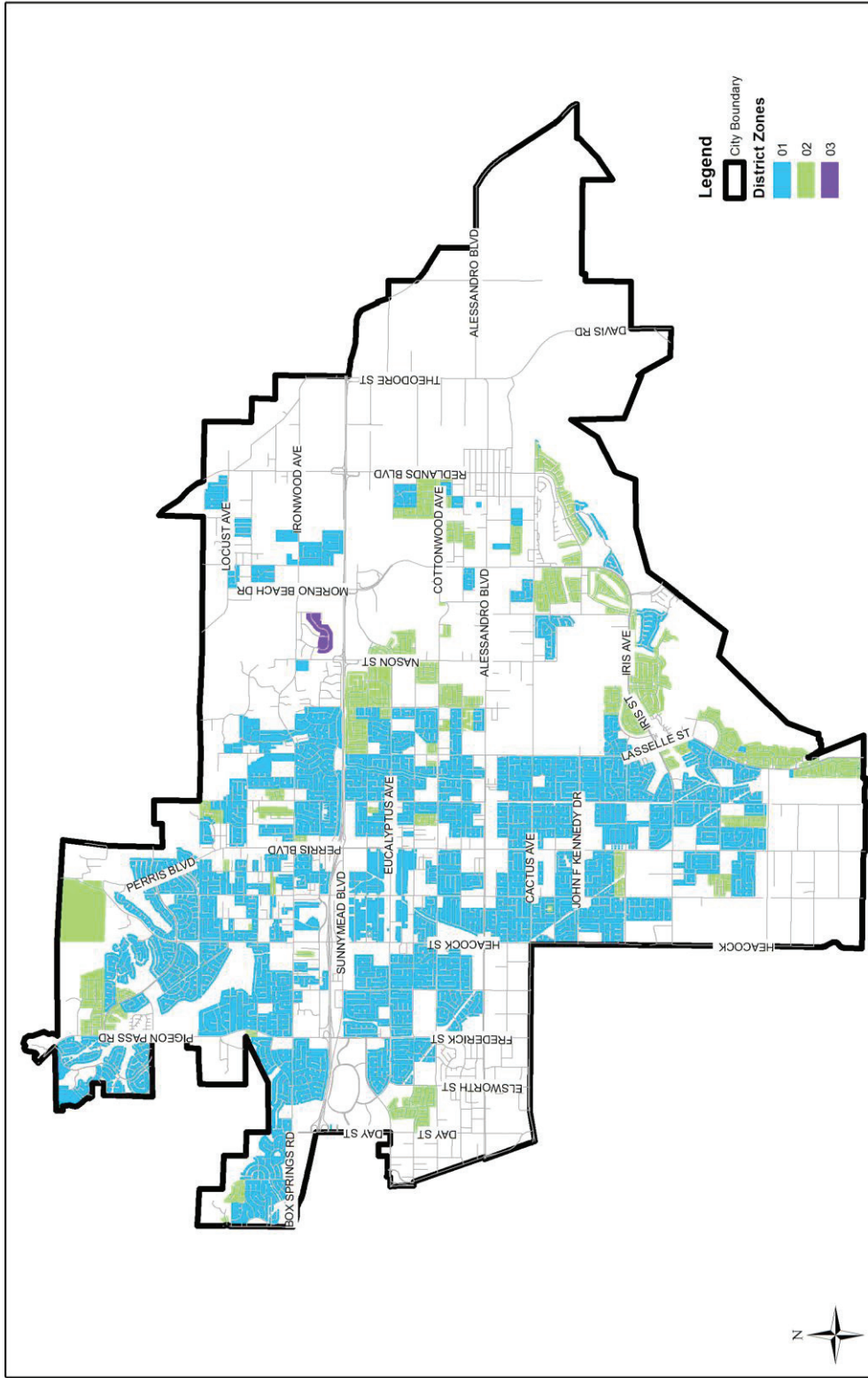
The following inflation adjustment applies to the maximum rate permissible in Zone 02 only:

Each fiscal year, the Maximum Assessment per EBU (Assessment Rate) for Zone 02 established for the improvements in the previous fiscal year may be adjusted by the percentage change calculated for the previous calendar year in the Los Angeles-Riverside-Orange County Consumer Price Index, as published by the Department of Labor's Bureau of Labor Statistics.

PART IV — DISTRICT DIAGRAM

The parcels within the District consist of all lots and parcels of land within the CSD. The following page provides a boundary map that displays exterior boundaries of the District, as well as the three Zones within the District as the same existed at the time this Report was prepared. The combination of this map and the Assessment Roll referenced by this Report constitute the Assessment Diagram for the District.

Moreno Valley Community Services District Street Light Maintenance District No. 2014-01



PART V — ASSESSMENT ROLL

Parcel identification for each lot or parcel within the District is based on available parcel maps and property data from the Riverside County Assessor's Office. A listing of the Assessor's Parcel Numbers (APNs) to be assessed within this District, along with the corresponding Assessment Amounts to be levied for fiscal year 2014/15 has been provided electronically to the Secretary of the CSD Board (City Clerk) due to the number of parcels within the District and by reference this listing of the APNs and corresponding Assessment Amounts to be levied for fiscal year 2014/15 is made part of this Report. If any APN identified therein is submitted for collection and identified by the County Auditor/Controller of the County of Riverside to be an invalid parcel number for any fiscal year, a corrected parcel number and/or new parcel numbers will be identified and resubmitted to the County Auditor/Controller. The assessment amount to be levied and collected for the resubmitted parcel or parcels shall be based on the method of apportionment, as described in this Report and approved by the CSD Board.

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**NOTICE OF PUBLIC HEARING
MORENO VALLEY COMMUNITY SERVICES DISTRICT
STREET LIGHT FUNDING**

The Moreno Valley Community Services District ("District") finances the maintenance, operation, and servicing of the residential street lights in your neighborhood. To fund these street lighting services, each year an assessment has been collected on your property tax bill. This assessment is called "Zone B."

As part of a modernization process, the City Council of the City of Moreno Valley, acting as the Board of Directors of the District, adopted its Resolution No. CSD 2014-07. This resolution proposes to transition street light financing responsibilities to a new "Moreno Valley Community Services District Lighting Maintenance District 2014-01" ("LMD 2014-01"). If this change is approved, then starting with the 2014/15 property tax bill, your assessment will be billed as a LMD 2014-01 assessment and you will no longer be billed a Zone B assessment. Proceeds of the assessment can be used only to fund street lighting services and cannot be used by the City or the District for any other purpose.

THIS CHANGE WILL NOT INCREASE THE AMOUNT YOU PAY FOR STREET LIGHTING SERVICES, NOR WILL THE LEVEL OF SERVICE CHANGE.

Your parcel is located in Zone «Lighting_Assessment_Roll_Zone» of the proposed LMD 2014-01. The total amount to be assessed in Fiscal Year 2014/15 in Zone «Lighting_Assessment_Roll_Zone» is \$«Amount_Levied_per_Zone». The total amount to be assessed in all Zones of LMD 2014-01 is \$937,433.88. Assessments are spread on a per Equivalent Benefit Unit ("EBU") basis. Each single family residential parcel is allocated 1 EBU. Multifamily residential parcels are assigned 4 EBUs per acre and condominium complexes are assigned 4 EBUs per acre, which are then split amongst the assessable parcels in the complex. Certain vacant parcels that are served by installed street light improvements are assigned 1 EBU. The proposed assessment rate for Fiscal Year 2014/15 in Zone «Lighting_Assessment_Roll_Zone» is \$«Lighting_Assessment_Roll_Rate_per_EBU» per EBU. If your parcel is in Zone 02 of LMD 2014-01, this rate will adjust annually based on the percentage change calculated in the prior calendar year for the consumer price index. Otherwise, there will be no automatic adjustment in the assessment rate. The proposed rates are the maximum rates that can be levied in LMD 2014-01.

For more information on LMD 2014-01, reference is made to the Engineer's Report, which is on file in the Office of the City Clerk and available for public inspection. The Report describes, among other things, each affected parcel of real property and the amount of charges for each affected parcel to be placed on the tax roll for the upcoming tax year.

The City Council, acting as the Board of Directors of the District, will hold a public hearing on the formation of LMD 2014-01 and on the Fiscal Year 2014/15 assessment in connection with the district. The hearing is scheduled for May 27, 2014 at 6:00 PM or as soon thereafter as practical, in the City Council Chambers located at 14177 Frederick Street, Moreno Valley, California 92553. You are invited to present oral and written testimony at the hearing, as well as to present any objections and protests to the report. Your attendance at the hearing is optional and is not required.

Below is the proposed 2014/15 assessment for your property. If you have any questions, please do not hesitate to contact the City of Moreno Valley's Special Districts Division at 951.413.3480.

Summary of Fiscal Year 2014/15 Assessment
Resumen del monto para el Año Fiscal 2014/15

Residential Street Lighting
Alumbrado de calles residenciales

Assessor's Parcel Number: «APN» <i>Número de parcela:</i>		Property Address: «situs», <i>Dirección de la propiedad:</i> MORENO VALLEY		
	<u>District Name</u> <i>Nombre del distrito</i>	<u>Rate Per EBU</u> <i>Tarifa por EBU</i>	<u>Assigned EBU</u> <i>EBU asignadas</i>	<u>2014/15 Assessment</u> <i>Monto 2014/15</i>
(Street Lighting) <i>(Alumbrado de calles)</i>	LMD 2014-01, Zone «Lighting_Assessment_Roll_Zone»	\$«Lighting_Assessment_Roll_Rate_per_EBU»	«Assigned_EBUs»	\$«Lighting_Assessment_Roll_201415_Assessment»

«owner»
«CO»
«mailing_address»
«city_», «state» «zip»
Barcode

**AVISO DE AUDIENCIA PÚBLICA
DISTRITO DE SERVICIOS A LA COMUNIDAD DE MORENO VALLEY
FINANCIACIÓN DEL ALUMBRADO DE CALLES**

El Distrito de Servicios a la Comunidad de Moreno Valley (el "Distrito") financia el funcionamiento, el mantenimiento y la reparación del alumbrado de las calles residenciales de su vecindario. A fin de financiar estos servicios de alumbrado público, se cobra cada año un monto en su factura de impuestos sobre la propiedad. Este monto está identificado como "Zona B" (*Zone B*).

Como parte del proceso de modernización, el Concejo de la Ciudad de Moreno Valley, como Junta Directiva del Distrito, adoptó la Resolución N.º CSD 2014-07. Esta resolución propone pasar las responsabilidades de la financiación del alumbrado de calles a un nuevo "Distrito de Servicios a la Comunidad de Moreno Valley, Distrito de Mantenimiento del Alumbrado Público 2014-01" (el "LMD 2014-01"). Si se aprueba este cambio y a partir de la boleta de impuesto predial 2014/15, este monto se facturará como "LMD 2014-01" y ya no como "Zona B". El dinero así recolectado solo podrá destinarse a financiar servicios de alumbrado de calles y la Ciudad o el Distrito no podrá utilizarlo para otro destino.

ESTE CAMBIO NO AUMENTARÁ LO QUE PAGA POR SERVICIOS DE ALUMBRADO PÚBLICO NI AFECTARÁ EL NIVEL DEL SERVICIO.

Su parcela está ubicada en la Zona «Lighting_Assessment_Roll_Zone» del LMD 2014-01 propuesto. El monto total a pagar por el Año Fiscal 2014/15 en la Zona «Lighting_Assessment_Roll_Zone» es de \$«Amount_Levied_per_Zone». El monto total a pagar en todas las zonas del LMD 2014-01 es de \$937.433,88. Estos montos se distribuyen según una base de Unidad de Beneficio Equivalente ("EBU", por sus siglas en inglés). Cada parcela residencial familiar tiene 1 EBU. Las parcelas residenciales multifamiliares tienen 4 EBU asignadas por acre y los complejos de condominios tienen 4 EBU asignadas por acre, que luego se dividen entre las parcelas del complejo. Ciertas parcelas vacantes que reciben las mejoras instaladas del alumbrado público tienen 1 EBU asignada. El monto propuesto para el Año Fiscal 2014/15 en la Zona «Lighting_Assessment_Roll_Zone» es de \$«Lighting_Assessment_Roll_Rate_per_EBU» por cada EBU. Si su parcela está ubicada en la Zona 02 del LMD 2014-01, este monto se ajustará anualmente según la variación del porcentaje calculada por el año calendario anterior en virtud del índice de precios al consumidor. De lo contrario, no habrá ajustes automáticos en los montos a pagar. Los montos propuestos son los máximos que pueden llegar a establecerse para el LMD 2014-01.

Para obtener más información sobre el LMD 2014-01, consulte el Informe del Ingeniero, archivado en la Secretaría de la Ciudad y a disposición del público para su consulta. Entre otras cosas, el informe describe cada parcela afectada y el monto de los cargos para cada parcela afectada que figurarán en los impuestos del próximo año.

El Concejo de la Ciudad, como Junta Directiva del Distrito, convocará a una audiencia pública para la formación del LMD 2014-01 y los montos calculados para el Año Fiscal 2014/15 en relación con el distrito. La audiencia está programada para el 27 de mayo de 2014, a las 6:00 p. m., o lo antes posible a partir de esa fecha como resulte práctico, en la Sala del Consejo (Council Chamber) de la Ciudad ubicadas en 14177 Frederick Street, Moreno Valley, California 92553. Se le invita a que presente testimonio de manera verbal y por escrito en la audiencia, además de cualquier objeción o impugnación al informe. Su asistencia a la audiencia es opcional y no es obligatoria.

Consulte la tabla que aparece en el reverso de esta página para ver el monto propuesto para su propiedad, correspondiente al período 2014/15. Si tiene preguntas, favor de comunicarse con la División de Distritos Especiales de la Ciudad de Moreno Valley al 951.413.3480.



APPROVALS	
BUDGET OFFICER	<i>me</i>
CITY ATTORNEY	<i>SMB</i>
CITY MANAGER	<i>d</i>

Report to City Council

TO: Mayor and City Council Acting in its Capacity as the President and Members of the Board of Directors of the Moreno Valley Community Services District (CSD)

FROM: Richard Teichert, Chief Financial Officer

AGENDA DATE: May 27, 2014

TITLE: PUBLIC HEARING ON THE FORMATION OF MORENO VALLEY COMMUNITY SERVICES DISTRICT LANDSCAPE MAINTENANCE DISTRICT NO. 2014-02 AND LEVYING AN ASSESSMENT IN FISCAL YEAR 2014/15 AGAINST REAL PROPERTY IN THAT DISTRICT AND TRANSITION CERTAIN CSD ZONE E SUBZONES TO THE NEWLY FORMED DISTRICT WITH NO INCREASES TO THE PARCEL CHARGES PREVIOUSLY APPROVED BY THE PROPERTY OWNERS

RECOMMENDED ACTION

Recommendations: That the CSD:

1. Conduct the Public Hearing on the proposed formation of Moreno Valley Community Services District Landscape Maintenance District No. 2014-02.
2. Adopt Resolution No. CSD 2014-09. A Resolution of the Moreno Valley Community Services District of the City of Moreno Valley, California, Forming Moreno Valley Community Services District Landscape Maintenance District No. 2014-02 and Levying an Assessment in Fiscal Year 2014/15 Against Real Property in that District.
3. Direct the Chief Financial Officer to adjust certain funds as requested within the staff report.

SUMMARY

This report recommends that the CSD Board convene a Public Hearing, approve a Resolution forming Moreno Valley Community Services District Landscape Maintenance District No. 2014-02 and authorize the levy of an Assessment in Fiscal Year 2014/15 against real property in that district.

DISCUSSION

CSD History

The Moreno Valley Community Services District (“CSD”) was established pursuant to the Community Services District Law (California Government Code Section 61000 et seq.) (“CSD Law”) in 1984 at the time of the incorporation of the City of Moreno Valley. The CSD is a dependent special district of the City, and the Moreno Valley City Council serves as the Board of Directors of the CSD. The boundaries of the CSD are the same as those of the City.

Prior to the City’s incorporation, the territory that would become the City of Moreno Valley was an unincorporated territory of Riverside County. The County had created County Service Areas to fund and provide certain enhanced services in this territory. The CSD was created so that responsibility for these funding mechanisms (and services) within the territory of the new City of Moreno Valley could be transitioned from CSAs governed by the Riverside County Board of Supervisors to a CSD governed by the Moreno Valley City Council.

The CSD is comprised of a number of Zones, each of which provides a specific set of services within a defined portion of the City. Zone E of the CSD was established in 1987 to fund landscape maintenance services in certain geographical and development areas of the City. Zone E is comprised of a number of subzones (i.e. Zone E-1, Zone-3A, etc), each of which funds specific landscaping improvements associated with the subdivision (or parts of subdivisions) that comprises the zone.

As development occurs in the City, projects are conditioned to provide a funding source for the ongoing maintenance and operation of the landscaping installed as part of the development. Historically, developers have opted to apply an annual parcel charge to their property tax bill in order to provide that ongoing revenue stream and the properties have been ultimately included within one or more of the CSD’s “zones”. This option is selected to satisfy their conditions of approval in lieu of alternatives to form a Home Owners Association or to establish an endowment.

Transition Certain CSD Zone E Subzones to a Landscape Maintenance District

Best Management Practices for the City’s special financing districts was discussed during the August 20, 2013 Study Session and the February 28, 2014 Finance Subcommittee. That discussion included the utilization of funding mechanisms to provide programs and services above and beyond those customarily provided by the City to those developments requesting additional services. Examples of the additional

services that are currently provided include landscape maintenance and operation of street lighting services. The discussion also centered on the utilization of different types of funding mechanisms that are commonly used by other jurisdictions and are considered best management practices.

For certain CSD Zone E subzones (E-1, E-1A, E-2, E-3, E-3A, E-4, E-12, E-14, E-15, and E-16) it is recommended to transition them to a Landscape Maintenance District (“LMD”) created pursuant to the Landscape and Lighting Act of 1972 (Section 22500 et seq. of the California Streets and Highways Code) (the “1972 Act”). Instead of an annual Zone E landscape maintenance services parcel charge on the property tax bill, the properties will be levied an LMD 2014-02 annual assessment for those services. This transition will match the constitutional status of the Zone E charges as real property assessments with a procedural device designed for the levy of such assessments. **The transition will not increase the amount paid annually by any property owner and will not change the nature or extent of the landscape maintenance services provided.** Similarly, all fund balances, revenues, and expenses will continue to be accounted for independently for each subzone.

The assessments levied in connection with the new assessment district will in every way serve as a continuation of the charges levied in connection with Zone E for the ongoing maintenance, servicing, and operation of local landscaping improvements previously established and maintained in CSD subzones E-1, E-1A, E-2, E-3, E-3A, E-4, E-12, E-14, E-15, and E-16. Zone E-4A will be absorbed into E-4 given the nature of its improvements, and the Zone E-4A charge will be eliminated from the property tax rolls. Subzones E-7 and E-8 are more complex and will require further analysis. Therefore, they are not included as part of the recommendation to transition to an LMD at this time. Likewise, the balance of the CSD’s landscape zones will be evaluated and a recommendation to transition them to a financial structure consistent with Best Management Practices will be brought before the legislative body at a subsequent meeting.

General Fund Contribution

Willdan Financial Services has prepared an Assessment Engineer’s Report (“Report”) (Attachment 2) which provides a detailed evaluation of the improvements, budget, and a benefit analysis. This analysis shows the special benefit to the improvement(s) that the adjacent parcels receive and the parcels that are subject to the annual assessment. In addition, the Report identifies three categories to be funded by the General Fund:

General Benefit Cost. In theory the General Benefit is the minimum amount the community would fund had the improvement not been installed by the development. The General Benefit Costs were estimated for weed abatement and erosion control performed twice per year.

General Fund Maintenance Area Costs. The General Fund Maintenance Area Costs fund the ongoing maintenance of improvements that provide no special benefit to the parcels in the zone and therefore, cannot be funded by parcel

charges; these improvements were included within the subzone at the time of development.

Contribution for Non-Assessed Parcels. Contribution for Non-Assessed Parcels funds the annual contribution for parcels that benefit from the improvements but have not been assessed because the property owner had not previously approved the charge through a mail ballot proceeding; these are typically government owned properties (e.g. Fire Station).

These contributions are new expenses for the General Fund. The annual General Fund contribution for FY 2014/15 is \$214,259 (see table below for breakdown) and is subject to inflationary adjustments in subsequent fiscal years. The General Fund contribution will be used within each designated zone to increase the expenses for landscape improvements, fund the necessary reserve requirement, or decrease the expected draw on fund balance.

Fiscal Year 2014/15						
Current CSD Subzone	Proposed LMD Zone	Development	GF Cost	GF Maintained	Contribution for Non-Assessed	Total
E-1	Zone 01	TownGate	\$18,185		\$674	\$18,859
E-1A	Zone 01A	Renaissance Park	\$2,905			\$2,905
E-2	Zone 02	Hidden Springs	\$32,460			\$32,460
E-3	Zone 03	Moreno Valley Ranch West	\$48,120		\$16,246	\$64,366
E-3A	Zone 03A	Lasselle Powerline Parkway	\$2,840			\$2,840
E-4	Zone 04	Moreno Valley Ranch East	\$49,470	\$13,410	\$8,659	\$71,539
E-4A ³	absorbed into E-4		-	-	-	-
E-12	Zone 05	Stoneridge Ranch	\$6,580			\$6,580
E-14	Zone 06	Mahogany Fields	\$6,770			\$6,770
E-15	Zone 07	Celebration	\$2,435	\$500		\$2,935
E-16	Zone 08	Shadow Mountain	\$5,005			\$5,005
Total			\$174,770	\$13,910	\$25,579	\$214,259

¹ Improvements that are not a special benefit

² Historically not assessed a charge - typically government owned properties

³ CSD E-4A will be absorbed into LMD Zone 04

The Assessment Methodology in the Report has expanded the categories in which the various land uses will be assessed. For certain parcels the application of those assessment categories will have a decrease in the assessment amount, until the parcel develops, which results in an overall decrease in assessment revenue to that Zone. This reduction will either be offset by the General Benefit Contribution or through available Fund Balance for that Zone.

District Formation Process

During its April 8, 2014 meeting, the CSD Board adopted three resolutions initiating the process to form Landscape Maintenance District No. 2014-02 (“LMD 2014-02”): Resolution No. CSD 2014-02 to initiate proceedings to form LMD 2014-02, Resolution No. CSD 2014-03 to approve the Engineer’s Report, and Resolution No. CSD 2014-04 to establish intent to form LMD 2014-02. At that meeting the CSD Board also set May 27, 2014 as the date for the Public Hearing to receive public testimony and consider formation of LMD 2014-02.

A Public Hearing Notice (sample included as Attachment 3) was mailed to the affected property owners on May 9, 2014 notifying them of the proposed conversion of certain Zone E subzones to a landscape maintenance district, the amount of the assessment to be levied on their property tax bill (which will not increase as a result of the conversion), and the date of tonight’s public hearing. It is recommended that the CSD Board conduct the noticed public hearing pursuant to the provisions of the 1972 Act to consider public testimony, comments, and written protests regarding the formation of the District and levy of assessments. Upon conclusion of the public hearing and consideration of written protests, the CSD Board may approve the final Report (as amended with non-substantive changes) and approve the formation of the District, and the levy and collection of assessments as described herein. In such case, the assessments for FY 2014/15 shall be submitted to the Riverside County Auditor/Controller for inclusion on the property tax roll for each parcel. Provided the CSD Board approves formation of the district, property owners will no longer see a Zone E charge on their property tax bill, but rather an LMD assessment. There will be no increase to the assessment other than a CPI adjustment, provided the property owners previously approved such adjustment.

ALTERNATIVES

1. **Approve and adopt the proposed Resolution forming Moreno Valley Community Services District Landscape Maintenance District No. 2014-02 and levying an Assessment in Fiscal Year 2014/15 against real property in that district for ongoing landscape maintenance services.** *This alternative is consistent with the concepts discussed by the City Council during the August 20, 2013 Study Session and the Finance Subcommittee at its February 28, 2014 meeting.*
2. **Do not approve the proposed Resolution forming Moreno Valley Community Services District Landscape Maintenance District No. 2014-02 and levying an Assessment in Fiscal Year 2014/15 against real property in that district for ongoing landscape maintenance services.** *This alternative is contrary with the*

concepts discussed by the City Council during the August 20, 2013 Study Session and the Finance Subcommittee at its February 28, 2014 meeting. This alternative will also require the CSD Board to conduct a Public Hearing at a future Council meeting to apply the Zone E parcel charges to the 2014/15 property tax bills.

3. **Do not recommend approval of the proposed Resolution forming Moreno Valley Community Services District Landscape Maintenance District No. 2014-02 and levying an Assessment in Fiscal Year 2014/15 against real property in that district for ongoing landscape maintenance services but rather continue the item to a future Council meeting.** *This alternative may delay the conversion process, which would result in additional costs for postage and advertising to notice the property owners of the public hearing. Third party costs from the consultants would also be incurred to revise the Report and Resolutions. This alternative may also delay the ability to apply the LMD 2014-02 assessment onto the property tax bill in lieu of the CSD Zone E parcel charge in which case the CSD Board will need to conduct a Public Hearing at a future Council meeting to apply the Zone E parcel charges to the 2014/15 property tax bills.*

FISCAL IMPACT

Consultant and third party costs associated with the conversion of the certain CSD Zone E subzones to Landscape Maintenance Districts are projected to be \$47,000, which include costs for a special tax consultant, special legal counsel, publication of a legal notice, and printing and postage costs for noticing the property owners. These costs will be absorbed within the Extensive Landscape Fund, 5013.30.79.25705.

The table below outlines the necessary budget adjustments to allocate the General Fund contribution to the LMD, transition expenses and revenues budgeted under CSD Zone E to the proposed LMD (only for those subzones that are transitioning at this time), increase expenses for landscape improvements, and address changes in revenue related to the changes in assessment categories which resulted in a decrease in the assessment amount. Additionally, Fund Equity (Assets and Liabilities) for each of the affected subzones will be transferred from CSD Zone E to the new LMD fund once the audit for FY 2013/14 is completed.

Description	Fund	GL Account No.	Type (Rev/Exp)	FY 14/15 Budget	Proposed Adjustments	FY 14/15 Amended Budget
General Fund Transfer-Out	1010	1010-99-99-91010-90(LMD 2014-02)	Exp	\$0	\$214,259	\$214,259
LMD 2014-02 Transfer-In	LMD 2014-02	(LMD 2014-02)-99-99-9XXX-801010	Rev	\$0	\$214,259	\$214,259
Reallocate Zone E exp. to LMD 2014-02	5013	5013-30-79-25705	Exp	\$2,552,363	(\$2,089,864)	\$462,499
LMD 2014-02 reallocation from Zone E	LMD 2014-02	(LMD 2014-02)-30-79-XXXXX	Exp	\$0	\$2,089,864	\$2,089,864
LMD 2014-02 increased exp.	LMD 2014-02	(LMD 2014-02)-30-79-XXXXX	Exp	\$2,089,864	\$50,731	\$2,140,595

Reallocate Zone E rev. to LMD 2014-02	5013	5013-30-79-25705	Rev	\$2,493,176	(\$2,170,102)	\$323,074
LMD 2014-02 reallocation from Zone E	LMD 2014-02	(LMD 2014-02)-30-79-XXXXX	Rev	\$0	\$2,170,102	\$2,170,102
LMD 2014-02 adjusted rev.	LMD 2014-02	(LMD 2014-02)-30-79-XXXXX	Rev	\$2,170,102	(\$125,846)	\$2,044,256

CITY COUNCIL GOALS

Community Image, Neighborhood Pride, and Cleanliness

The conversion of the CSD programs to an LMD will provide a continued revenue source which will provide the funding necessary to maintain the appearance of developed areas within the City.

Revenue Diversification and Preservation

The LMD assessment will provide for funding for program costs, which include maintenance and administration.

NOTIFICATION

Newspaper advertising for the May 27, 2014, Public Hearing was published in The Press-Enterprise on May 9, 2014. Publication in the newspaper satisfies the legal requirement to publish 14 days prior to the date of the Public Hearing. In addition to publishing a notice of the Public Hearing in the manner set forth in Section 22626(a) of the Streets & Highways Code, property owners within the subzones that are being proposed for LMD conversion that are subject to the current Zone E charge were mailed a notice no later than 14 days prior to the Public Hearing, in the manner set forth in Government Code Section 61115(b).

ATTACHMENTS

1. Proposed Resolution of the Moreno Valley Community Services District of the City of Moreno Valley, California, Forming Moreno Valley Community Services District Landscape Maintenance District No. 2014-02 and Levying an Assessment in Fiscal Year 2014/15 Against Real Property in that District.
2. Final Engineer's Report, Moreno Valley Community Services District, Formation of Landscape Maintenance District No. 2014-02, Fiscal Year 2014/15, dated May 1, 2014
3. Sample Notice mailed to property owners

Prepared by:
Jennifer Terry,
Management Analyst

Department Head Approval:
Richard Teichert
Chief Financial Officer

Concurred by:
Candace E. Cassel,
Special Districts Division Manager

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RESOLUTION NO. CSD 2014-09

A RESOLUTION OF THE MORENO VALLEY COMMUNITY SERVICES DISTRICT OF THE CITY OF MORENO VALLEY, CALIFORNIA, FORMING MORENO VALLEY COMMUNITY SERVICES DISTRICT LANDSCAPE MAINTENANCE DISTRICT NO. 2014-02 AND LEVYING AN ASSESSMENT IN FISCAL YEAR 2014/15 AGAINST REAL PROPERTY IN THAT DISTRICT

WHEREAS, the Moreno Valley Community Services District (the "CSD") annually levies charges (the "CSD Charges") in connection with its Zones E-1, E-1A, E-2, E-3, E-3A, E-4, E-4A, E-12, E-14, E-15 and E-16 (the "CSD Zones") to fund landscape maintenance services; and

WHEREAS, for purposes of Articles XIII C and XIII D of the California Constitution ("Proposition 218"), the CSD Charges are treated as assessments against real property; and

WHEREAS, the current rates of the CSD Charges, other than those levied in connection with Zone E-4, have been approved following the notice, hearing, and mail ballot proceeding requirements set forth in Article XIII D, Section 4 of the California Constitution; and

WHEREAS, the CSD Charges levied in connection with Zone E-4 have not been increased since the effective date of Proposition 218, and are exempt from the requirements of Proposition 218 by virtue of Article XIII D, Section 5(a); and

WHEREAS, pursuant to Government Code Section 61122(e), the CSD is authorized to levy benefit assessments for operations and maintenance consistent with the requirements of Proposition 218, including, but not limited to, benefit assessments levied pursuant to the Landscaping and Lighting Assessment Act of 1972 (Streets & Highways Code Section 22500 et seq.) (the "Act"); and

WHEREAS, in order to clarify the status of the CSD Charges levied in connection with the CSD Zones, the Board of Directors, by its Resolution No. CSD 2014-02, initiated proceedings to establish Moreno Valley Community Services District Landscape Maintenance District No. 2014-02 (the "Assessment District") pursuant to the Act and to levy the Fiscal Year 2014/15 assessment in connection with the Assessment District; and

WHEREAS, the purpose of the Assessment District is to fund ongoing landscape maintenance services through the annual levy of the benefit assessment that is currently imposed by the CSD in the CSD Zones as the CSD Charges; and

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Resolution No. CSD 2014-09
Date Adopted: May 27, 2014

WHEREAS, by its Resolution No. CSD 2014-03, the Board of Directors approved a report entitled "Engineer's Report, Moreno Valley Community Services District, Formation of Landscaping Maintenance District No. 2014-02, Fiscal Year 2014/15" (the "Report"); and

WHEREAS, by its Resolution No. CSD 2014-04 (the "Resolution of Intention"), the Board of Directors declared its intention to order the formation of the Assessment District and to levy and collect the Fiscal Year 2014/15 assessment in connection with the Assessment District; and

WHEREAS, the Resolution of Intention set May 27, 2014 at 6:00 PM or as soon thereafter as practical, in the City Council Chambers located at 14177 Frederick Street, Moreno Valley, California 92553, as the time and place for a public hearing on the question of the formation of the Assessment District and the levy of the proposed assessment for Fiscal Year 2014/15 (the "Public Hearing"); and

WHEREAS, notice of the Public Hearing was published in the manner set forth in Section 22626(a) of the Act and was mailed to affected property owners in the manner set forth in Government Code Section 61115(b); and

WHEREAS, at the Public Hearing, the Board of Directors received a revised engineer's report entitled "Engineer's Report, Moreno Valley Community Services District, Formation Of Landscaping Maintenance District No. 2014-02, Fiscal Year 2014/15" (the "Final Report"), which is on file in the Office of the Secretary of the CSD (the Office of the City Clerk of the City of Moreno Valley), is available for public inspection, and is incorporated herein by reference; and

WHEREAS, at the appointed time and place, the Board of Directors held the Public Hearing; and

WHEREAS, at the Public Hearing, all interested persons were afforded the opportunity to hear and be heard; and

WHEREAS, having considered all oral statements and all written protests made or filed at the Public Hearing, the Board of Directors desires to form the Assessment District and levy the proposed assessment for Fiscal Year 2014/15.

NOW, THEREFORE, THE MORENO VALLEY COMMUNITY SERVICES DISTRICT OF THE CITY OF MORENO VALLEY, CALIFORNIA, DOES HEREBY RESOLVE AS FOLLOWS:

1. Recitals. The above recitals are all true and correct.
2. Formation of Assessment District. The Board of Directors hereby forms the Assessment District, which shall be designated "Moreno Valley Community

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Resolution No. CSD 2014-09
Date Adopted: May 27, 2014

Services District Landscape Maintenance District No. 2014-02.”

3. Boundaries of the Assessment District. The Assessment District includes all territory within the CSD Zones.
4. Description of Improvements. The Assessment District will fund the maintenance of landscaping improvements currently maintained in connection with the CSD Zones. The improvements are hereby ordered.
5. Reference to Report. Reference is made to the Final Report, which is hereby approved, for a full and detailed description of (i) the landscape improvements to be maintained in connection with the Assessment District; (ii) the boundaries of the Assessment District and the zones therein; and (iii) the proposed assessments upon assessable lots and parcels of land within the Assessment District. The Final Report describes, among other things, each affected parcel of real property and the amount of the assessment for each such affected parcel for Fiscal Year 2014/15. The Final Report includes clarifications and corrections to the Report approved prior to adoption of the Resolution of Intention, but does not cause an increase to the assessments set forth in the Report.
6. Levy of Assessment. The diagram and assessment incorporated into the Final Report is hereby approved. This action constitutes the levy of the assessment for Fiscal Year 2014/15. Staff is directed to transmit the assessment to the Riverside County Auditor and to cause the assessment to be collected at the same time and in the same manner as county taxes are collected.
7. No Increase. The purpose of the Assessment District is to fund ongoing landscape maintenance services through the annual levy of the benefit assessment that is currently imposed by the CSD in the CSD Zones as the CSD Charges. Aside from the implementation of previously adopted annual inflation adjustments, as described in the Report, the assessment rate is not proposed to increase from the rate of the existing CSD Charges. Therefore, for purposes of Proposition 218 and the Act, the proposed Fiscal Year 2014/15 levy does not constitute the levy of a new or increased assessment. In the event a court determines that the proposed Fiscal Year 2014/15 levy is the levy of a new or increased assessment with respect to any parcel of real property (or a court determines that the Assessment District has not been properly formed to include any parcel described in the Report), it is the intent of the Board of Directors that the actions taken by the Board of Directors in this Resolution with respect to that parcel be treated as actions to levy the CSD Charge with respect to that parcel pursuant to Government Code Section 61115(b).
8. Zone Funds. After all Fiscal Year 2013/14 expenses incurred in connection with each CSD Zone have been paid from proceeds of the CSD Charges for that CSD Zone, all remaining proceeds shall be made available for expenditure solely on costs chargeable to the corresponding zone of the Assessment District.

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Resolution No. CSD 2014-09
Date Adopted: May 27, 2014

9. Effective Date. This Resolution shall be effective immediately upon adoption.
10. Certification. The City Clerk shall certify to the adoption of this Resolution, and shall maintain on file as a public record this Resolution.

APPROVED AND ADOPTED this 27th day of May, 2014.

Mayor of the City of Moreno Valley,
Acting in the capacity of President of the
Moreno Valley Community Services District

ATTEST:

City Clerk, acting in the capacity of
Secretary of the Moreno Valley
Community Services District

APPROVED AS TO FORM:

City Attorney, acting in the capacity
of General Counsel of the Moreno
Valley Community Services District

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Resolution No. CSD 2014-09
Date Adopted: May 27, 2014

RESOLUTION JURAT

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) ss.
CITY OF MORENO VALLEY)

I, Jane Halstead, Secretary of the Moreno Valley Community Services District, Moreno Valley, California do hereby certify that Resolution No. CSD 2014-09 was duly and regularly adopted by the Board of Directors of the Moreno Valley Community Services District at a regular meeting held on the 27th day of May, 2014, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

(Boardmembers, Vice-President and President)

SECRETARY

(SEAL)

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Resolution No. CSD 2014-09
Date Adopted: May 27, 2014

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ENGINEER'S REPORT

MORENO VALLEY COMMUNITY SERVICES DISTRICT

FORMATION OF

LANDSCAPING MAINTENANCE DISTRICT NO. 2014-02

FISCAL YEAR 2014/15

May 1, 2014

MORENO VALLEY COMMUNITY SERVICES DISTRICT

14177 FREDERICK STREET
MORENO VALLEY, CA 92553

PREPARED BY

WILLDAN FINANCIAL SERVICES



WILLDAN
Financial Services

*extending
your
reach*



ENGINEER'S REPORT STATEMENT

Formation of the

Moreno Valley Community Services District Landscaping Maintenance District No. 2014-02

Establishment of Annual Assessments

Riverside County, State of California

As part of the Resolution of Intention packet presented for the consideration of the Moreno Valley Community Services District Board of Directors, this Report describes the proposed Assessments to be levied on parcels within the Landscaping Maintenance District 2014-02 commencing in fiscal year 2014/15, including the budget and basis of the assessments. Reference is hereby made to the Riverside County Assessor's Maps for a detailed description of the lines and dimensions of parcels subject to the proposed assessment. The undersigned respectfully submits the enclosed Report as directed by the Moreno Valley Community Services District Board of Directors.

Dated this _____ day of _____, 2014

Willdan Financial Services
Assessment Engineer
On Behalf of the Moreno Valley Community Services District

By: _____

Jim McGuire,
Senior Project Manager

By: _____

Richard Kopecky
R. C. E. # 16742

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INTRODUCTION

The Moreno Valley Community Services District ("CSD") was established pursuant to the Community Services District Law (California Government Code Section 61000 et seq.) ("CSD Law") in 1984 at the time of the incorporation of the City of Moreno Valley. The CSD is a dependent special district of the City, and the Moreno Valley City Council serves as the Board of Directors of the CSD. The boundaries of the CSD are the same as those of the City.

Prior to the City's incorporation, the territory that would become the City of Moreno Valley was an unincorporated territory of Riverside County. The County had created County Service Areas to fund and provide certain enhanced services in this territory. The CSD was created so that responsibility for these funding mechanisms (and services) within the territory of the new City of Moreno Valley could be transitioned from CSAs governed by the Riverside County Board of Supervisors to a CSD governed by the Moreno Valley City Council.

The CSD is comprised of a number of Zones, each of which provides a specific set of services within a defined portion of the City. Zone E of the CSD was established in 1987 to fund landscape maintenance services in certain geographical and development areas of the City. Zone E is comprised of a number of subzones (i.e. Zone E-1, Zone E-3A, etc), each of which funds specific landscaping improvements associated with the subdivision (or parts of subdivisions) that comprises the zone.

In November, 1996, the voters of California adopted Proposition 218, which has been codified as Articles XIII C and XIII D of the California Constitution. Proposition 218 imposed a number of substantive and procedural requirements on taxes, assessments, and property-related fees imposed by local governments in California. Although referred by the CSD as "charges", the charges imposed by Zone E of the CSD are categorized under Proposition 218 as real-property assessments.

Since the adoption of Proposition 218, the CSD has successfully conducted mail ballot protest proceedings pursuant to Article XIII D, Section 4(e) of the Constitution with respect to the charges imposed in Zones E-1, E-1A, E-2, E-3, E-3A, E-4A, E-12, E-14, E-15, and E-16. The charge in Zone E-4 exclusively funds street landscaping, predates Proposition 218, and pursuant to Article XIII D, Section 5 of the Constitution is not required to be approved at a mail ballot proceeding so long as the rate of the charge is not increased.¹ The mail ballot proceedings proposed assessment rates along with an automatic annual inflation adjustment. Therefore, except for the Zone E-4 charge, each of the charges discussed in this paragraph is automatically adjusted for inflation each year.

In order to clarify the status of the Zone E-1, E-1A, E-2, E-3, E-3A, E-4, E-4A, E-12, E-14, E-15, and E-16 charges, the CSD is considering transitioning the charges for these zones to an assessment district created pursuant to the Landscape and Lighting Act of 1972 (Section 22500 et seq. of the California Streets and Highways Code) (the "1972 Act"). If this transition occurs,

¹ Zone E-4 was annexed to the CSD in fiscal year 1988/1989 prior to Proposition 218 and the charge per single family residential property was originally established at \$182.00 with non-residential properties being charged four times that amount per acre. Subsequently, that \$182.00 rate was reduced over the next several years to \$110.00 at the time Proposition 218 was enacted. Pursuant to the exemption provisions of Proposition 218, the \$110.00 rate, was grandfathered as the Zone charge in fiscal year 1997/98 and although these property owners have subsequently been balloted for an increased charge, those proposed increases (the last being balloted in June 2011) have not been approved by the property owners.

parcels in these zones that had been charged an annual Zone E charge for landscape maintenance services will instead be assessed an annual assessment for those services. This transition will match the constitutional status of the Zone E charges as real property assessments with a procedural device designed for the levy of such assessments. The transition will not increase the amount paid annually by any property owner and will not change the nature or extent of the landscape maintenance services provided. The assessments levied in connection with the new assessment district will in every way serve as a continuation of the charges levied in connection with Zone E for the ongoing maintenance, servicing and operation of local landscaping improvements previously established and maintained in CSD Zones E-1, E-1A, E-2, E-3, E-3A, E-4, E-4A, E-12, E-14, E-15, and E-16.

This report shall serve as the detailed engineer's report for fiscal year 2014/15 for the proposed new assessment district, which is designated as: **Landscaping Maintenance District No. 2014-02** (the "District").

The word "parcel," for the purposes of this Report, refers to an individual property assigned its own Assessor's Parcel Number (APN) by the Riverside County Assessor's Office. The Riverside County Auditor/Controller uses Assessor's Parcel Numbers and a dedicated fund number established for the District to identify properties to be assessed on the tax roll and the allocation of the funds collected.

As part of this District formation to continue the assessments previously levied as CSD Zone E charges, the CSD Board will conduct a noticed public hearing pursuant to the provisions of the 1972 Act to consider public testimony, comments, and written protests regarding the formation of the District and levy of assessments. A Notice will be mailed to the affected property owners notifying them of the date of the public hearing and the proposed conversion of Zone E to Landscaping Maintenance District No. 2014-02. Upon conclusion of the public hearing and consideration of protests, the CSD Board may approve the Report (as submitted or amended), order the formation of the District, and the levy and collection of assessments as described herein and approved. In such case, the assessments for fiscal year 2014/15 shall be submitted to the Riverside County Auditor/Controller for inclusion on the property tax roll for each parcel.

Each subsequent fiscal year, an Engineer's Report shall be prepared and presented to the CSD Board describing the District, any changes to the District or improvements, and the proposed budget and assessments for that fiscal year. The CSD Board shall hold a public hearing regarding these matters prior to approving and ordering the proposed levy of assessments for that fiscal year and such public hearing shall be noticed pursuant to the 1972 Act if new or increased assessments are not proposed. If in any year, the proposed annual assessments for the District exceed the maximum assessments described herein, such an assessment would be considered a new or increased assessment and must be confirmed through mailed property owner protest ballot proceeding before that new or increased assessment may be imposed.

This Report consists of five (5) parts:

Part I

Plans and Specifications: A description of the District boundaries and the proposed improvements associated with the District. The District is being formed with ten zones of benefit (hereafter referred to as "Zones") that will replace the previous eleven CSD Zones, which are described in more detail in this section of the Report as well as Part II (Method of Apportionment). A diagram showing the exterior boundaries of the District and the Zones established therein is attached and incorporated herein under Part IV (District Diagram). The specific plans for the landscape improvements are on file in the Office of Financial and Management Services, Special Districts Division.

Part II

Method of Apportionment: A discussion of the general and special benefits associated with the overall local landscaping improvements to be provided within the District (Proposition 218 Benefit Analysis). This Part also includes a determination of the proportional costs of the special benefits and a separation of costs considered to be of general benefit (and therefore not assessed). This section of the Report also outlines the method of calculating each property's proportional special benefit and annual assessment utilizing a weighted benefit of apportionment known as an Equivalent Benefit Unit.

Part III

Estimate of Improvement Costs: An estimate of the annual funding required for the annual maintenance, servicing, and operation of landscape improvements within the District and specifically the costs associated with the improvements determined to be of special benefit to parcels within the District. The budget identifies an estimate of anticipated ongoing annual expenses to service, maintain, and operate existing landscape improvements within the District including, but not limited to, servicing of those improvements and related facilities, utility costs, and related incidental expenses authorized by the 1972 Act. The budget also identifies the maximum assessment rate for each Zone of the District and the associated assessment range formula (inflationary adjust) as applicable.

Part IV

District Diagrams: Various diagrams showing the boundaries of the District and the Zones therein are provided in this Report and these diagrams identify all parcels that receive special benefits from the improvements. Parcel identification, the lines and dimensions of each lot, parcel and subdivision of land within the District, are inclusive of all parcels as shown on the Riverside County Assessor's Parcel Maps as they existed at the time this Report was prepared and shall include all subsequent subdivisions, lot-line adjustments, or parcel changes therein. Reference is hereby made to the Riverside County Assessor's maps for a detailed description of the lines and dimensions of each lot and parcel of land within the District.

Part V

Assessment Roll: A listing of the proposed assessment amount for each parcel within the District. The proposed assessment amount for each parcel is based on the parcel's calculated proportional special benefit as outlined in the method of apportionment and proposed assessment rate established in the District Budget. These assessment amounts represent the assessments proposed to be levied and collected on the County Tax Rolls for fiscal year 2014/15.

PART I — PLANS AND SPECIFICATIONS

DESCRIPTION OF THE DISTRICT

The territory within this District shall consist of all lots and parcels of land within the boundaries of the Moreno Valley Community Services District that in fiscal year 2013/14 were designated as CSD Zones E-1, E-1A, E-2, E-3, E-3A, E-4, E-4A, E-12, E-14, E-15, and E-16. Within the boundaries of this District, parcels are assigned to ten benefit zones ("Zones"), each of which is associated with a set of landscape improvements. Each of the benefit zones corresponds to (and replaces) a numbered zone of Zone E of the CSD, with the exception of CSD Zone E-4A, which as part of this transition has been eliminated and no longer assessed as a separate benefit zone. Each parcel is assigned to each zone that funds landscape maintenance services that specially benefit the parcel. Two zones (Zone E-1A and E-3A) are comprised solely of a subset of the parcels in a larger zone (Zones E-1 and E-3 respectively). Thus all parcels in Zone E-1A are also a part of Zone E-1 and all parcels in Zone E-3A are also a part of Zone E-3. These overlapping districts exist because, for example, the landscaping improvements associated with Zone E-1 provides special benefit to each parcel in Zone E-1 (including Zone E-1A parcels) but the landscaping improvements associated with Zone E-1A provides special benefit to only the Zone E-1A parcels.

These ten Zones within the District and the benefits associated with the properties therein are described in more detail in Part II (Method of Apportionment) of this Report. In addition the District Diagrams found in Part IV of this Report provide visual representations of the District showing the boundaries of the Zones and the improvement areas being maintained.

DISTRICT FACILITIES AND IMPROVEMENTS

The landscape improvements to be maintained by the Zone are local landscaping improvements that were installed in connection with the development of the parcels comprising each respective Zone. These landscaping improvements are an integral part of the subdivisions and development for which they were installed, creating a green amenity and aesthetically pleasing enhancement to the parcels served by the landscaping. In most cases, the landscaping improvements were a condition of development of the parcels in the Zone, and the properties within the Zone could not have been developed if the landscaping were not included. Improvements for each Zone are either located within the subdivision or along the entry path to the residential subdivisions or non-residential developments.

Collectively within the proposed ten Zones, there is approximately 2,750,366 square feet of planted landscaped area, 1,072,612 square feet of turf, 3,308,818 square feet of open space and 7,725 trees to be maintained and funded in part by the District assessments. The District Diagrams found in Part IV of this Report provide visual representations of the District, showing the boundaries of the Zones and the improvement areas being maintained. Detailed plans identifying the location and extent of the District's landscape improvements and maps of those Zones and improvement areas are on file in the Office of Financial and Management Services, Special Districts Division, and by reference these plans and maps are made part of this Report.

The maintenance, operation, and servicing of the District landscape improvements include the furnishing of labor, materials, equipment, and utilities for the ordinary and usual maintenance, operation, and servicing of the landscaped areas within the public right-of-ways, easements, and open space areas dedicated to the City as part of the development of properties within each Zone of the District.

The various landscape improvements associated with each Zone include combinations of landscape amenities such as turf ground cover, plants, shrubs, trees, and associated appurtenant facilities including, but not limited to irrigation and drainage systems, various types of groundcover, stamped concrete, and entry monuments that may be maintained in whole or in part as part of the landscape improvements depending on available funding.

The following is a brief description and summary of the landscaped areas associate with each local landscaping Zone to be included in the District. A visual depiction of the location and extent of the landscape improvement areas and Zone boundaries are provided on the District Diagrams provided in Part IV of this Report.

ZONES

Local Landscaping Zone 01 (TownGate)

The properties within Zone 01 (previously identified as CSD Zone E-1), receive special benefits from landscaped parkways and medians within the TownGate area, which is bordered by Day Street on the west, Cottonwood Avenue, Dracaea Avenue, and Eucalyptus Avenue on the south, Elsworth Street and Frederick Street on the east, and State Highway 60 on the north. The Zone improvements are currently maintained at a reduced level of service due to funding, but the overall improvements include approximately 297,678 square feet of planter area, 156,904 square feet of turf, and 2,086 trees.

Local Landscaping Zone 01A (Renaissance Park)

The properties within Zone 01A (previously identified as CSD Zone E-1A) receive special benefits from landscaped parkways and medians within the TownGate area along with other parcels in Zone 01, but in addition, receive special benefits from parkway landscaping and entry statement medians on the internal neighborhood streets (Dracaea Avenue and Arbor Park Lane) that connect the various residential developments in this area. The Renaissance Park area is bordered by Day Street on the west, Cottonwood Avenue on the south, Elsworth Street on the east, and Eucalyptus Avenue on the north. The Zone improvements are currently maintained at a reduced level of service due to funding, but the overall improvements include approximately 72,655 square feet of planter area and 201 trees.

Local Landscaping Zone 02 (Hidden Springs)

The properties within Zone 02 (previously identified as CSD Zone E-2) receive special benefits from parkway landscaping along Hidden Springs Drive, a portion of Greenridge Drive, and the west side of Pigeon Pass Road bordering the Hidden Springs community, as well as maintenance of open space areas within the community. The Zone parkway improvements are currently maintained at a standard level of service and the open space improvements at a limited level of service due to funding, but the overall improvements include approximately 265,280 square feet of planter area, 3,308,818 square feet of Open Space area, and 3,237 trees.

Local Landscaping Zone 03 (Moreno Valley Ranch - West)

The properties within Zone 03 (previously identified as CSD Zone E-3) receive special benefits from parkway and median landscaping generally surrounding the Moreno Valley Ranch area, bordered by Kitching Street on the west, Gentian Avenue and Casa Encantador Road on the north, and generally the City boundary to the east and south. The Zone improvements are

currently maintained at a reduced level of service due to funding, but the overall improvements include approximately 875,371 square feet of planter area, 327,648 square feet of turf area, and 2,540 trees.

Local Landscaping Zone 03A (Lasselle Powerline Parkway)

The properties within Zone 03A (previously identified as CSD Zone E-3A) receive special benefits from landscaped parkways and medians within the Moreno Valley Ranch - West area along with other parcels in Zone 03, but in addition, receive special benefits from parkway landscaping on the internal neighborhood streets along portions of Withers Way, Via Xavier, Cremello Way, Cavalcade Drive, and Kentucky Derby Drive. The Zone improvements are currently maintained at a reduced level of service due to funding, but the overall improvements include approximately 71,022 square feet of planter area and 89 trees.

Local Landscaping Zone 04 (Moreno Valley Ranch - East)

The properties within Zone 04 (previously identified as CSD Zone E-4) receive special benefits from parkway and median landscaping generally surrounding the developments bordered by Hammett Court, Oliver Street, and Moreno Beach Drive to the west, Iris Avenue, John F. Kennedy Drive, and Cactus Avenue to the north, and generally the City boundary to the east and south. The Zone improvements are currently maintained at a reduced level of service due to funding, but the overall improvements include approximately 648,667 square feet of planter area, 588,060 square feet of turf area, and 1,796 trees.

Local Landscaping Zone 05 (Stoneridge Ranch)

The properties within Zone 05 (previously identified as CSD Zone E-12) receive special benefits from parkway and median landscaping generally surrounding the Stoneridge Ranch residential neighborhood, bordered by Nason Street on the west, Dracaea Avenue on the south, Eucalyptus Avenue on the east and Fir Avenue on the north. The Zone improvements are currently maintained at a standard level of service and the overall improvements include approximately 164,500 square feet of planter area and 202 trees.

Local Landscaping Zone 06 (Mahogany Fields)

The properties within Zone 06 (previously identified as CSD Zone E-14) receive special benefits from parkway and median landscaping generally located within the Mahogany Fields community along Alessandro Blvd., Morrison Street, and Cottonwood Avenue. The Zone improvements are currently maintained at a standard level of service and the overall improvements include approximately 169,198 square feet of planter area and 345 trees.

Local Landscaping Zone 07 (Celebration)

The properties within Zone 07 (previously identified as CSD Zone E-15) receive special benefits from parkway and median landscaping generally located within the Celebration community along Nason Street, Cactus Avenue, and Oliver Street. The Zone improvements are currently maintained at a standard level of service and the overall improvements include approximately 60,919 square feet of planter area and 121 trees.

Local Landscaping Zone 08 (Shadow Mountain)

The properties within Zone 08 (previously identified as CSD Zone E-16) receive special benefits from parkway and median landscaping generally surrounding the Shadow Mountain residential neighborhood, bordered by Pigeon Pass Road on the west, Sunnymead Ranch Parkway on the south, Espada Creek Road on the east, and Lawless Road on the north. The Zone improvements are currently maintained at a standard level of service and the overall improvements include approximately 125,076 square feet of planter area and 154 trees.

PART II — METHOD OF APPORTIONMENT

The 1972 Act permits the establishment of assessment districts by agencies for the purpose of providing certain public improvements, including the acquisition, construction, installation and servicing of landscape improvements and related facilities. The 1972 Act requires that the cost of these improvements be levied according to benefit rather than assessed value:

Section 22573 defines the net amount to be assessed as follows:

“The net amount to be assessed upon lands within an assessment district may be apportioned by any formula or method which fairly distributes the net amount among all assessable lots or parcels in proportion to the estimated benefits to be received by each such lot or parcel from the improvements.”

Section 22574 provides for zones as follows:

“The diagram and assessment may classify various areas within an assessment district into different zones where, by reason of variations in the nature, location, and extent of the improvements, the various areas will receive differing degrees of benefit from the improvements. A zone shall consist of all territory which will receive substantially the same degree of benefit from the improvements.”

The formulas used for calculating assessments and the designation of zones herein reflect the composition of parcels within the District and the improvements and activities to be provided, and have been designed to fairly apportion the cost of providing those improvements based on a determination of the proportional special benefits to each parcel, consistent with the requirements of the 1972 Act and the provisions of Proposition 218 and Article XIII D of the California Constitution.

PROPOSITION 218 BENEFIT ANALYSIS

The costs of the proposed improvements for fiscal year 2014/15 have been identified and allocated to properties within the District based on special benefit. The improvements provided by this District and for which properties are assessed are local public landscape improvements and related amenities that were installed in connection with the development of the properties or would otherwise be required for the development of properties within each respective Zone of the District. The assessments and method of apportionment is based on the premise that these improvements would otherwise not have been required without the development of those parcels within the District.

Article XIID Section 2d defines District as follows:

“District means an area determined by an agency to contain all parcels which will receive a special benefit from a proposed public improvement or property-related service”;

Article XIID Section 2i defines Special Benefit as follows:

“Special benefit” means a particular and distinct benefit over and above general benefits conferred on real property located in the district or to the public at large. General enhancement of property value does not constitute “special benefit.”

Article XIID Section 4a defines proportional special benefit assessments as follows:

“An agency which proposes to levy an assessment shall identify all parcels which will have a special benefit conferred upon them and upon which an assessment will be imposed. The proportionate special benefit derived by each identified parcel shall be determined in relationship to the entirety of the capital cost of a public improvement, the maintenance and operation expenses of a public improvement, or the cost of the property related service being provided. No assessment shall be imposed on any parcel which exceeds the reasonable cost of the proportional special benefit conferred on that parcel.”

BENEFIT ANALYSIS

Special Benefit

The ongoing maintenance of local public landscaped areas within the District provides aesthetic benefits to the properties within each respective Zone and provides a more pleasant environment to walk, drive, live, and work. The primary function of these landscape improvements and related amenities is to serve as an aesthetically pleasing enhancement and green space for the benefit of the immediately surrounding developments for which the improvements were constructed and installed. These improvements are an integral part of the physical environment of parcels in associated Zones, and if the improvements were not properly maintained, it is these parcels that would be aesthetically burdened. In addition, the street landscaping in these Zones serve as both a physical buffer as well as a sound reduction or buffer between the roadways and the properties in the District and the open spaces, where applicable, provide a physical buffer and openness between properties. Furthermore, open spaces serve as an extension of the recreational features of parcels, such as their front or rear yards, and entry landscaping serves as a pleasant aesthetic amenity that enhances the approach to the parcels. As a result, the maintenance of these landscaped improvements is a particular and distinct benefit to the properties and developments within each Zone.

General Benefit

In reviewing the location and extent of the specific landscaped areas and improvements to be funded by District assessments and the proximity and relationship to properties to be assessed, it is evident these improvements are local improvements that were installed in connection with the development of properties in each respective Zone or are improvements that would otherwise be shared by and required for the future development of properties in those Zones. It is also evident that the maintenance these improvements and the level of maintenance provided only has a direct and particular impact on those properties (special benefit) and such maintenance beyond that which is required to ensure the safety and protection of the general public and property in general, has no identifiable benefit to the public at large or properties outside each respective Zone.

In the absence of a special funding Zone, the City would typically provide only weed abatement and erosion control services for landscaped areas. These services would typically be provided twice annually. This level of service provides for public safety and avoids negative impacts on adjacent roadways and vehicles traveling on those roadways, but results in a far less visually pleasing environment than is created with the enhanced levels of services associated with Zone E of the CSD and planned to continue in the District. The cost to provide the baseline level of service is approximately \$0.02 per square foot per servicing for streetscape areas and \$0.01 per square foot per servicing for open space areas that require maintenance. Those portions of

open space area identified as "Paseos" (natural vegetation areas) the baseline level of service is approximately \$0.0025 per square foot per servicing. The calculation of weed abatement and erosion control services costs accounts for the square footage of these areas. Since the baseline services, unlike the enhanced aesthetic services, provide substantial benefits to the general public and to the neighborhoods outside of the benefit zones, the cost of providing this baseline service is treated as the cost of general benefits from landscape maintenance services. Utilizing these per square foot costs and the square footages of the improvement areas in each Zone, the following table summarizes the current estimated general benefit costs calculated for each District Zone:

Fiscal Year 2014/15 Estimated General Benefit Costs

Zone	General Benefit Cost ⁽¹⁾
Zone 01	\$18,185
Zone 01A	\$2,905
Zone 02	\$32,460
Zone 03	\$48,120
Zone 03A	\$2,840
Zone 04	\$49,470
Zone 05	\$6,580
Zone 06	\$6,770
Zone 07	\$2,435
Zone 08	\$5,005

⁽¹⁾ The General Benefit Costs presented in the table above have been rounded to the nearest five dollars and are reflected in the budgets for each Zone. As with most landscape maintenance costs, these General Benefit Costs will be impacted by inflation and in subsequent fiscal years the General Benefit Cost contributions will be adjusted for inflation.

General Fund Maintained Areas

The following improvements have historically been funded through Zone E charges but will be excluded from assessment funding and instead funded from other resources. These particular improvement areas are identified on the District Diagrams provided in Part IV of this Report as "General Fund Maintained" improvements and include the improvements in the following Zones:

The 31,000 square feet of planter area and 8 trees in the greenbelt drainage area south of Iris Avenue and west of Turnberry Street that was previously included in CSD Zone E-4A (Daybreak). These improvements constitute all the landscaped areas previously in CSD E-4A and will be maintained and funded by other general fund revenues and not included in the assessments for Zone 04.

The 2,230 square feet of parkway planter area on the east side of Nason Street north of Damascus Road that was previously included in CSD Zone E-15 (Celebration), will be maintained and funded by other general fund revenues and not included in the assessments for Zone 07.

ASSESSMENT METHODOLOGY

The method of apportionment for this District calculates the receipt of special benefit from the respective improvements based on the land use of the parcels.

Equivalent Benefit Unit Application

To proportionally allocate special benefit to each parcel, it is necessary to correlate each property's proportional benefit to other properties that benefit from the improvements and services being funded. In order to do this, the assessment methodology assigns each parcel a number of EBUs (Equivalent Benefit Units) based on its land use as of March 1st, preceding the fiscal year addressed herein. One EBU is defined as the special benefit allocable to a single family home (basic EBU unit). In each case, a parcel is only allocated EBUs if the landscaping serving the Zone has been accepted by the City or will be accepted by the City during the upcoming fiscal year.

Single Family Residential — This land use is defined as a fully subdivided single family residential home site with or without a structure. As previously noted, the single family residential parcel has been selected as the basic EBU unit for calculation of assessments and each single-family residential home site is assigned 1.0 Equivalent Benefit Unit (1.0 EBU per lot or parcel).

Condominium Residential — This land use is defined as a fully subdivided condominium residential unit assigned its own Assessor's Parcel Number by the County. EBUs are assigned to these parcels by multiplying the overall acreage of the condominium development by 4 (the typical number of single family homes in an acre of typical development), and then dividing the result by the number of condominium units/parcels in the development.

Multi-Family Residential and Mobile Home Park — This land use classification identifies properties that are used for residential purposes and contain more than one residential unit. Benefit is allocated to these parcels on an acreage basis by multiplying the acreage of the parcel by 4 (the typical number of single family homes in an acre of typical development).

Developed Non-Residential — This classification includes developed properties including parking lots that are identified or zoned for commercial, industrial or other non-residential use including offices, hotels, recreational facilities (excluding parks), and institutional facilities including, hospitals, churches or facilities utilized by other non-profit organizations, whether those facilities are publicly owned (non-taxable) or privately owned. Like Multi-Family Residential and Mobile Home Park properties the proportional special benefit and EBU for these parcels is based on acreage, at 4.0 EBUs per acre.

Planned Residential Development — This land use is defined as a property that is currently consider vacant or undeveloped land, but for which the number of residential lots to be developed on the property is known or has been approved. These properties benefit from the existing Zone improvements, but may as part of their development install additional landscape improvements to be maintained either solely by the development or as part of the District improvements depending on the location and extent of those improvements. The proportional special benefit and EBU for these parcels is based on the planned residential units for the parcel, at 0.50 EBU per planned unit (50% of the basic EBU unit for a single family residential parcel).

Undeveloped/Vacant Property — This land use is defined as a parcel that is currently consider vacant or undeveloped land that can be developed, but for which the use and/or development of the property has not been fully determined. These parcels are assigned a proportional EBU that is based on 50% of the proportional benefit established for a developed property in the District. The proportional special benefit and EBU for these parcels is based on acreage, at 2.0 EBUs per acre.

Special Case Property — In some District Zones there may be one or more properties that the standard land use classifications identified above do not accurately identify the use and special benefit received from the improvements and/or it has been determined that the property receives special benefit, but has not been previously assessed for various reasons. Properties that are typically classified as Special Case properties usually involve some type of development or land restrictions whether those restrictions are temporary or permanent and affect the properties proportional special benefit. Examples of such restrictions may include situations where only a small percentage of the parcel's total acreage can actually be developed. In such a case, the net usable acreage of the parcel rather than the gross acreage of the parcel may be applied to calculate the parcel's proportional special benefit. In addition, in this District there are a few parcels that have been identified as properties that receive special benefit from the Zone improvements, but likely because of their ownership or tax status (government or non-profit owned properties) these parcels were not previously levied a CSD Zone E charge. The proportional special benefit and proposed assessment for each of these parcels is calculated along with all other properties in the District, but rather than ballot these properties for a new or increased assessment at this time, the agency will make an off-setting contribution to the Zone that is equal to the assessment amount these Non-Assessed parcels would otherwise have been assessed.

Exempt — means a lot, parcel of land or Assessor's Parcel that is considered to not specially benefit directly from improvements. This classification includes, but is not limited to, areas of public streets, private streets, and other roadways; and public easements or right-of-ways including landscaped parkways or easements; and utility right-of-ways or easements such as irrigation or drainage ditches, channels or basins, and flood plains. These types of parcels (similar to the improvements) are typically the result of property development rather than the

direct cause of development and have little or no need for the improvements. (These types of properties may or may not be assigned an Assessor's Parcel Number by the County).

Also exempt from assessment are Assessor's Parcels that are identified as common areas (properties for which the surrounding residential parcels have a shared interest); bifurcated lots; small parcels vacated by the County or similar sliver parcels that cannot be developed independent of an adjacent parcel. These types of parcels are generally not separately assessed because they are functionally a part of another parcel that is assessed for its own benefit and the benefit of the associated parcel. Based on the improvements maintained in this District it has been determined that public schools, public parks, golf courses, and open space areas provide landscape amenities that are available to the public or are similar in nature to the improvements of the District and any benefit these properties may derive from the District improvements are more than off-set by the public benefit they provide to properties in the District.

PART III — ESTIMATE OF IMPROVEMENT COSTS

CALCULATION OF ASSESSMENTS

An assessment amount per EBU in each Zone is calculated by:

Taking the "Total Annual Expenses" (Total budgeted costs) and subtracting the "Total General Benefit Contribution", to establish the "Special Benefit Costs";

$$\text{Total Amount Budgeted} - \text{Total General Benefit Contribution} = \text{Special Benefit Costs}$$

To the resulting "Special Benefit Costs", various "Benefit Cost Adjustments" are applied that may include:

- "Fund Balance Transfer/Reduction", represents the amount of available Fund Balance being applied to pay a portion of the Special Benefit Costs for the fiscal year.
- "Unfunded Improvement Costs/Deficit", represents the amount necessary to fund Special Benefit Costs not otherwise funded by assessments or other adjustments.

These adjustments to the Special Benefit Costs result in the "Net Special Benefit Assessment";

$$\text{Special Benefit Costs} +/- \text{Benefit Cost Adjustments} = \text{Net Special Benefit Assessment}$$

The amount identified as the "Net Special Benefit Assessment" is divided by the total number of EBUs of parcels that benefit to establish the "Assessment Rate" or "Assessment per EBU" for the fiscal year. This Rate is then applied back to each parcel's individual EBU to calculate the parcel's proportionate special benefit and assessment for the improvements.

$$\text{Net Special Benefit Assessment} / \text{Total EBU} = \text{Assessment per EBU}$$

$$\text{Assessment per EBU} \times \text{Parcel EBU} = \text{Parcel Assessment Amount}$$

DISTRICT BUDGET

The following budgets outline the estimated costs to maintain the improvements and the anticipated expenditures for each District Zone for fiscal year 2014/15.

Description	Total District	Zone 01	Zone 01A	Zone 02
	Budget	TownGate	Renaissance Park	Hidden Springs
Maintenance & Operation (O&M)				
Total Maintenance Costs	\$ 1,565,599	\$ 169,211	\$ 32,312	\$ 300,142
Utilities	<u>462,600</u>	<u>\$ 102,300</u>	<u>\$ 13,300</u>	<u>\$ 125,800</u>
Total O&M Expenses	\$ 2,028,199	\$ 271,511	\$ 45,612	\$ 425,942
Incidental/Administrative Expenses				
District Administration	\$ 481,723	\$ 48,025	\$ 12,298	\$ 94,576
County Fees	7,109	709	182	1,396
Miscellaneous Administration Expenses	<u>59,270</u>	<u>5,859</u>	<u>1,500</u>	<u>11,538</u>
Total Incidental/Administrative Expenses	\$ 548,102	\$ 54,593	\$ 13,980	\$ 107,510
TOTAL ANNUAL EXPENSES	\$2,576,301	\$ 326,103	\$ 59,592	\$ 533,452
General Benefit Costs	\$ (174,770)	\$ (18,185)	\$ (2,905)	\$ (32,460)
General Fund Maintenance Area Costs	\$ (13,910)	\$ -	\$ -	\$ -
Total General Benefit Contribution	\$ (188,680)	\$ (18,185)	\$ (2,905)	\$ (32,460)
SPECIAL BENEFIT COSTS	\$2,387,621	\$ 307,918	\$ 56,687	\$ 500,992
Benefit Cost Adjustments				
Fund Balance Transfer/Reduction ⁽¹⁾	\$ (322,551)	\$ (13,410)	\$ (10,696)	\$ -
Unfunded Improvement Costs/Deficit ⁽²⁾	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Contributions/Adjustments	\$ (322,551)	\$ (13,410)	\$ (10,696)	\$ -
NET SPECIAL BENEFIT ASSESSMENT	\$2,065,070	\$ 294,509	\$ 45,991	\$ 500,992
District Statistics				
Total Parcels	11,297	1,192	557	1,157
Total Assessed Parcels	11,257	1,187	557	1,151
Total EBU		2,184.13377	557.00000	1,178.00000
Proposed Assessment per EBU (FY 2014/15)		\$134.84	\$82.57	\$425.29
Maximum Assessment per EBU		\$134.84	\$82.57	\$425.29
EBU of Non-Assessed Parcels		5.00000	-	-
Contribution for Non-Assessed Parcels ⁽³⁾	(25,579)	(674)	-	-
BALANCE TO LEVY	\$2,039,491	\$ 293,834	\$ 45,991	\$ 500,992
Reserve Fund/Fund Balance				
Beginning Fund Balance	\$ 3,360,759	\$ 237,193	\$ 95,949	\$ 448,256
Collections/ (Transfers or Reductions)	(322,551)	(13,410)	(10,696)	-
Unfunded Improvement Costs/Deficit	-	\$ -	\$ -	\$ -
Ending Fund Balance	\$ 3,038,208	\$ 223,783	\$ 85,253	\$ 448,256

(1) Available Fund Balance being applied to pay a portion of the Special Benefit Costs for the fiscal year.

(2) The amount necessary to fund Special Benefit Costs not otherwise funded by assessments or other adjustments.

(3) Agency Contribution for parcels that benefit, but have not historically been assessed (typically government owned properties).

The budget dollar amounts above are calculated to the penny, but are shown here as rounded amounts (nearest dollar). Any variance in the addition or subtraction of the amounts displayed above is due to this rounding.

Description	Zone 03	Zone 03A	Zone 04
	Moreno Valley Ranch West	Lasselle Powerline Parkway	Moreno Valley Ranch East
Maintenance & Operation (O&M)			
Total Maintenance Costs	\$ 403,900	\$ 24,268	\$ 316,043
Utilities	\$ 86,200	\$ 4,500	\$ 57,900
Total O&M Expenses	\$ 490,100	\$ 28,768	\$ 373,943
Incidental/Administrative Expenses			
District Administration	\$ 144,278	\$ 11,028	\$ 117,242
County Fees	2,129	163	1,730
Miscellaneous Administration Expenses	17,602	1,345	14,803
Total Incidental/Administrative Expenses	\$ 164,009	\$ 12,536	\$ 133,775
TOTAL ANNUAL EXPENSES	\$ 654,109	\$ 41,304	\$ 507,718
General Benefit Costs	\$ (48,120)	\$ (2,840)	\$ (49,470)
General Fund Maintenance Area Costs	\$ -	\$ -	\$ (13,410)
Total General Benefit Contribution	\$ (48,120)	\$ (2,840)	\$ (62,880)
SPECIAL BENEFIT COSTS	\$ 605,989	\$ 38,464	\$ 444,838
Benefit Cost Adjustments			
Fund Balance Transfer/Reduction ⁽¹⁾	\$ -	\$ (4,975)	\$ (187,817)
Unfunded Improvement Costs/Deficit ⁽²⁾	-	-	-
Total Contributions/Adjustments	\$ -	\$ (4,975)	\$ (187,817)
NET SPECIAL BENEFIT ASSESSMENT	\$ 605,989	\$ 33,489	\$ 257,022
District Statistics			
Total Parcels	4,524	467	2,087
Total Assessed Parcels	4,512	467	2,071
Total EBU	4,494.13307	467.00000	2,336.56000
Proposed Assessment per EBU (FY 2014/15)	\$134.84	\$71.71	\$110.00
Maximum Assessment per EBU	\$134.84	\$71.71	\$110.00
EBU of Non-Assessed Parcels	120.48200	-	78.72000
Contribution for Non-Assessed Parcels ⁽³⁾	(16,246)	-	(8,659)
BALANCE TO LEVY	\$ 589,743	\$ 33,489	\$ 248,362
Reserve Fund/Fund Balance			
Beginning Fund Balance	\$ 582,847	\$ 61,900	\$ 637,013
Collections/ (Transfers or Reductions)	-	(4,975)	(187,817)
Unfunded Improvement Costs/Deficit	\$ -	\$ -	\$ -
Ending Fund Balance	\$ 582,847	\$ 56,925	\$ 449,197

(1) Available Fund Balance being applied to pay a portion of the Special Benefit Costs for the fiscal year.

(2) The amount necessary to fund Special Benefit Costs not otherwise funded by assessments or other adjustments.

(3) Agency Contribution for parcels that benefit, but have not historically been assessed (typically government owned properties).

The budget dollar amounts above are calculated to the penny, but are shown here as rounded amounts (nearest dollar). Any variance in the addition or subtraction of the amounts displayed above is due to this rounding.

Description	Zone 05	Zone 06	Zone 07	Zone 08
	Stoneridge Ranch	Mahogany Fields	Celebration	Shadow Mountain
Maintenance & Operation (O&M)				
Total Maintenance Costs	\$ 108,698	\$ 82,258	\$ 52,773	\$ 75,996
Utilities	\$ 18,900	\$ 29,600	\$ 6,400	\$ 17,700
Total O&M Expenses	\$ 127,598	\$ 111,858	\$ 59,173	\$ 93,696
Incidental/Administrative Expenses				
District Administration	\$ 16,161	\$ 17,635	\$ 7,725	\$ 12,756
County Fees	239	260	114	188
Miscellaneous Administration Expenses	1,972	2,151	942	1,556
Total Incidental/Administrative Expenses	\$ 18,371	\$ 20,046	\$ 8,781	\$ 14,500
TOTAL ANNUAL EXPENSES	\$ 145,969	\$ 131,904	\$ 67,954	\$ 108,196
General Benefit Costs	\$ (6,580)	\$ (6,770)	\$ (2,435)	\$ (5,005)
General Fund Maintenance Area Costs	\$ -	\$ -	\$ (500)	\$ -
Total General Benefit Contribution	\$ (6,580)	\$ (6,770)	\$ (2,935)	\$ (5,005)
SPECIAL BENEFIT COSTS	\$ 139,389	\$ 125,134	\$ 65,019	\$ 103,191
Benefit Cost Adjustments				
Fund Balance Transfer/Reduction ⁽¹⁾	\$ (73,090)	\$ -	\$ (20,453)	\$ (12,111)
Unfunded Improvement Costs/Deficit ⁽²⁾	-	-	-	-
Total Contributions/Adjustments	\$ (73,090)	\$ -	\$ (20,453)	\$ (12,111)
NET SPECIAL BENEFIT ASSESSMENT	\$ 66,299	\$ 125,134	\$ 44,566	\$ 91,080
District Statistics				
Total Parcels	334	425	262	292
Total Assessed Parcels	334	425	262	291
Total EBU	334.00000	425.00000	262.00000	291.00000
Proposed Assessment per EBU (FY 2014/15)	\$198.50	\$294.43	\$170.10	\$312.99
Maximum Assessment per EBU	\$423.72	\$296.70	\$355.43	\$312.99
EBU of Non-Assessed Parcels	-	-	-	-
Contribution for Non-Assessed Parcels ⁽³⁾	-	-	-	-
BALANCE TO LEVY	\$ 66,299	\$ 125,134	\$ 44,566	\$ 91,080
Reserve Fund/Fund Balance				
Beginning Fund Balance	\$ 408,846	\$ 219,745	\$ 501,692	\$ 167,320
Collections/ (Transfers or Reductions)	(73,090)	-	(20,453)	(12,111)
Unfunded Improvement Costs/Deficit	\$ -	\$ -	\$ -	\$ -
Ending Fund Balance	\$ 335,755	\$ 219,745	\$ 481,239	\$ 155,209

(1) Available Fund Balance being applied to pay a portion of the Special Benefit Costs for the fiscal year.

(2) The amount necessary to fund Special Benefit Costs not otherwise funded by assessments or other adjustments.

(3) Agency Contribution for parcels that benefit, but have not historically been assessed (typically government owned properties).

The budget dollar amounts above are calculated to the penny, but are shown here as rounded amounts (nearest dollar). Any variance in the addition or subtraction of the amounts displayed above is due to this rounding.

ASSESSMENT RATES

The following shows the assessment rates applicable to each Zone for fiscal year 2014/15 based on the budget and the method of apportionment presented above. It is important to note that these rates are the same rates previously approved and applied under CSD Zone E.

Fiscal Year 2014/15 Assessment Rates

Zone	Maximum ⁽¹⁾ Rate	Proposed Rates for FY 2014/15	
Zone 01	\$134.84	\$ 134.84	per EBU
Zone 01A	\$ 82.57	\$ 82.57	per EBU
Zone 02	\$425.29	\$425.29	per EBU
Zone 03	\$134.84	\$ 134.84	per EBU
Zone 03A	\$ 71.71	\$ 71.71	per EBU
Zone 04	\$110.00 ⁽²⁾	\$ 110.00	per EBU
Zone 05	\$423.72	\$ 198.50	per EBU
Zone 06	\$296.70	\$ 294.43	per EBU
Zone 07	\$355.43	\$ 170.10	per EBU
Zone 08	\$312.99	\$ 312.99	per EBU

⁽¹⁾ The Maximum Assessment Rate for all other Zones includes an inflationary adjustment that was approved by the property owners as part of the balloted assessment.

⁽²⁾ The Maximum Assessment Rate does not include an inflationary adjustment.

ANNUAL INFLATIONARY ADJUSTMENT (ASSESSMENT RANGE FORMULA)

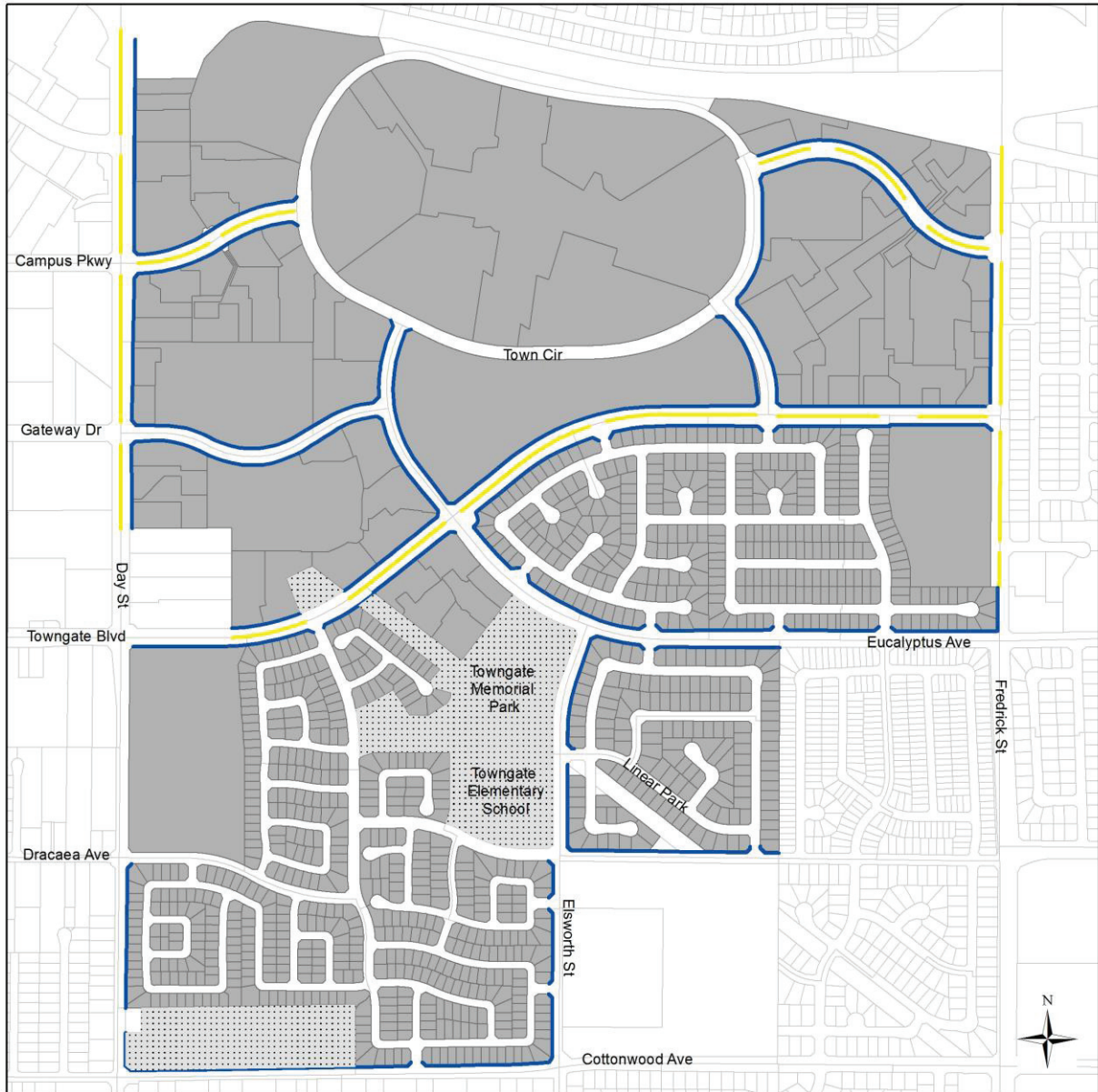
Except in Zone 04 the Assessment Range Formula originally established for CSD Zone E shall be continued for this District and is defined by the following:

Each fiscal year, the Maximum Assessment per EBU (Assessment Rate) established for the improvements in the previous fiscal year may be adjusted by the percentage change calculated for the previous calendar year in the Los Angeles-Riverside-Orange County Consumer Price Index, as published by the Department of Labor's Bureau of Labor Statistics.

PART IV — DISTRICT DIAGRAMS

The following pages provide boundary diagrams for each Zone within the District, as well as a general depiction of the location of the improvements as identified at the time this Report was prepared. Detailed maps of the full extent and location of the improvement areas are on file in the Office of Financial and Management Services, Special Districts Division. The combination of these map and the Assessment Roll referenced by this Report constitute the Assessment Diagrams for the District.

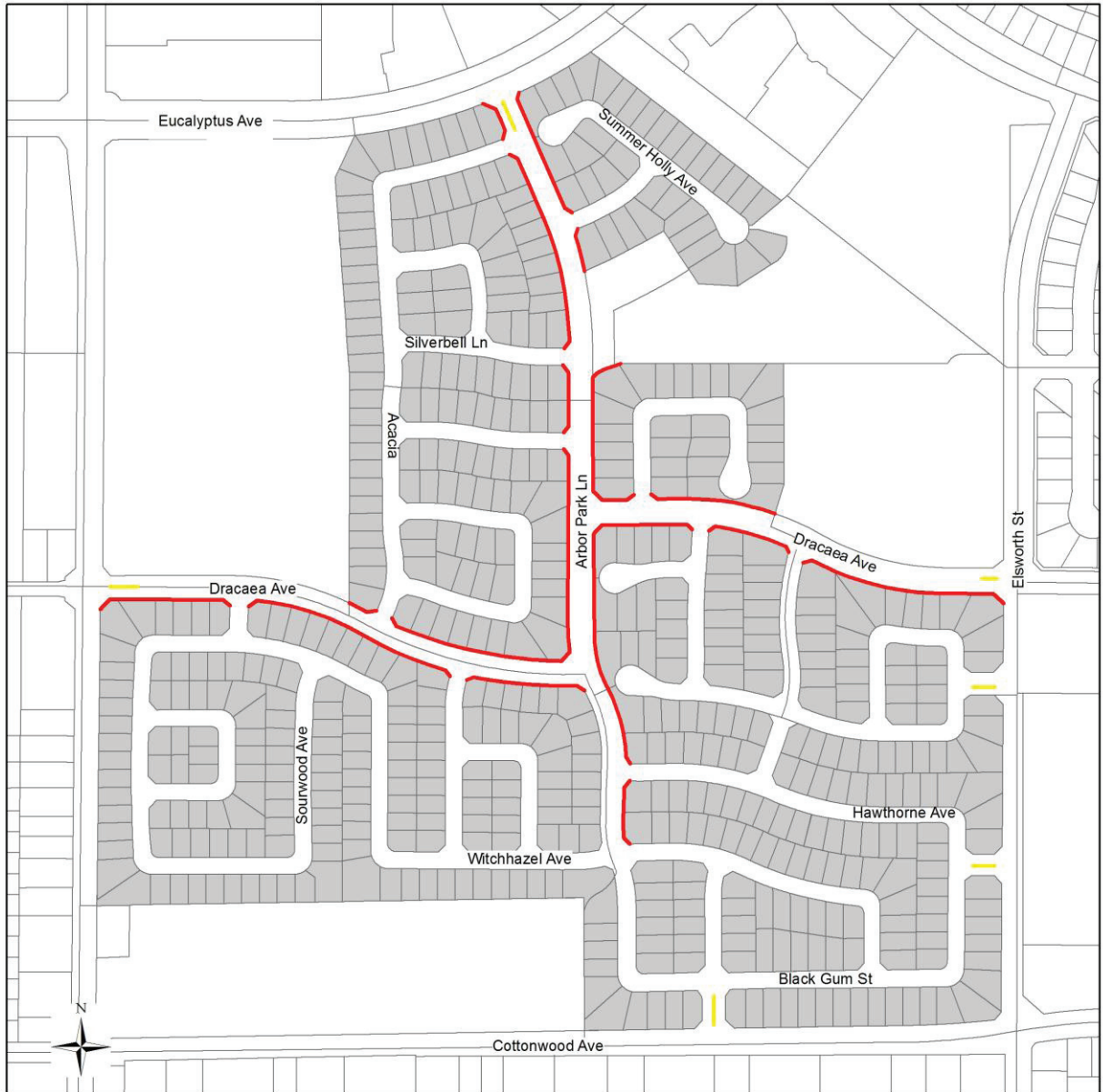
Moreno Valley Community Services District Landscape Maintenance District No. 2014-02 Zone 01 (TownGate)



- Landscaped Parkway
- Landscaped Median
- Zone 01 Parcels



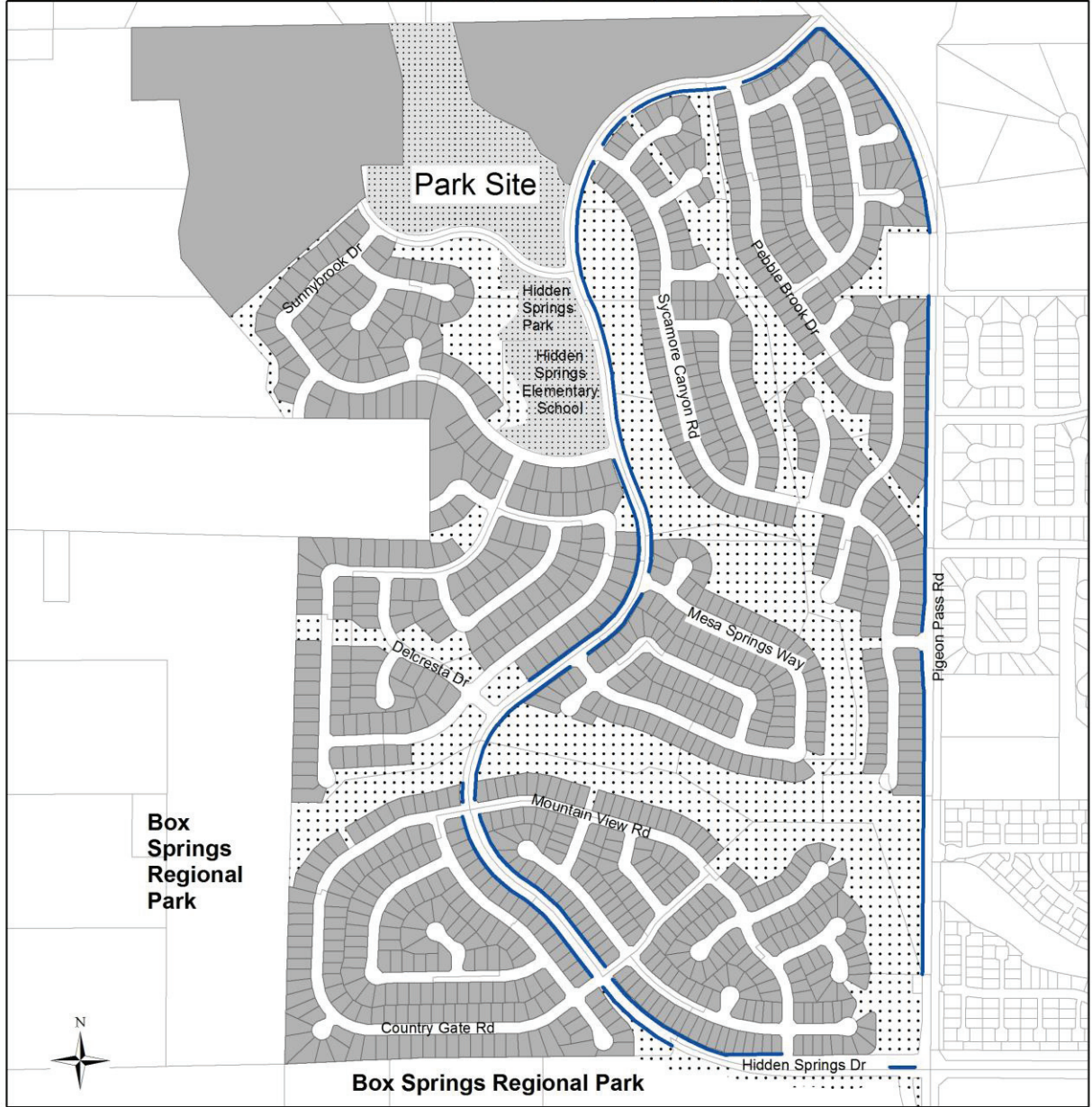
Moreno Valley Community Services District Landscape Maintenance District No. 2014-02 Zone 01A (Renaissance Park)



- Landscaped Median
- CSD Maintained Landscape
- Zone 01A Parcels



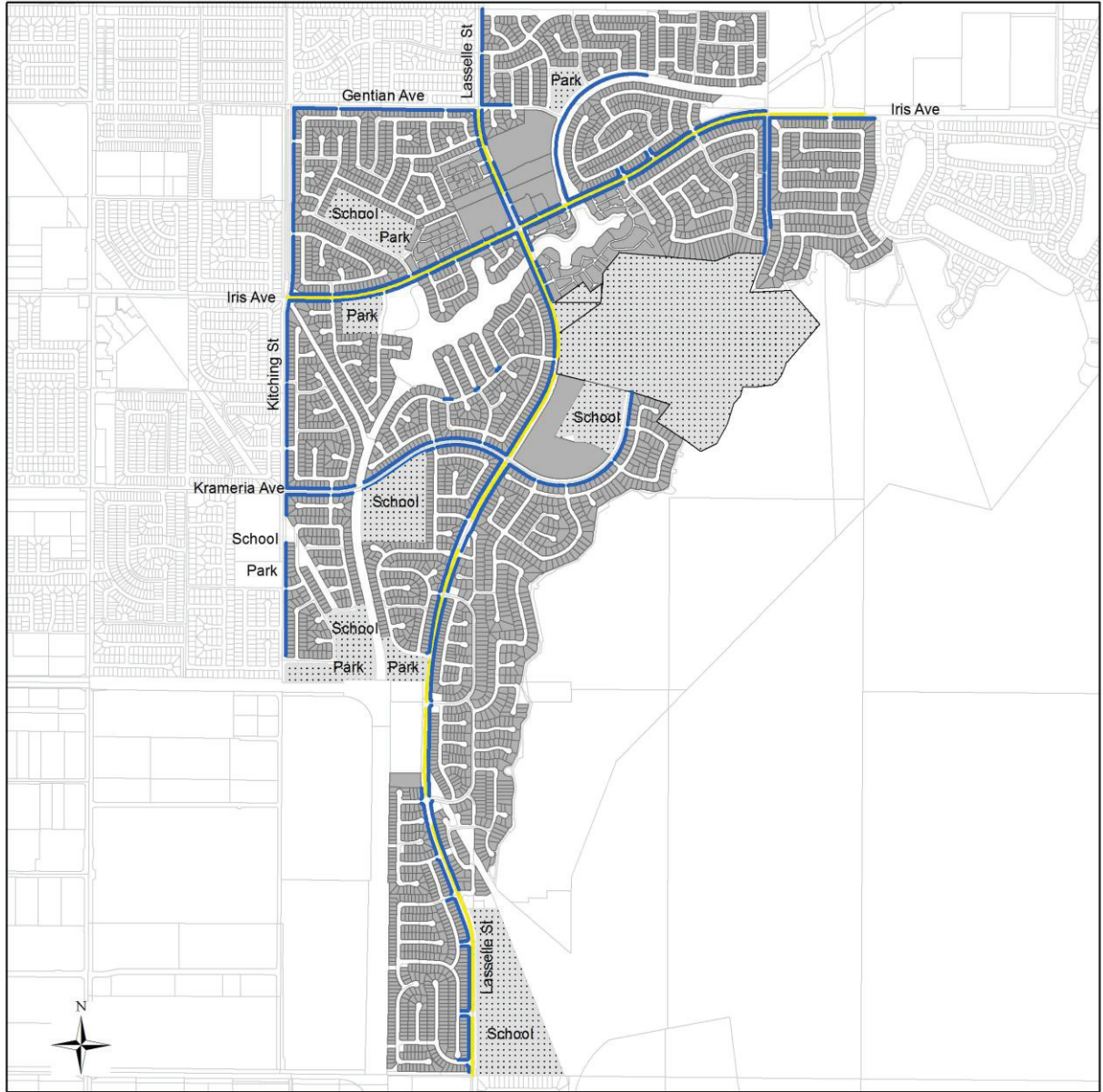
Moreno Valley Community Services District Landscape Maintenance District No. 2014-02 Zone 02 (Hidden Springs)



- Landscaped Parkway
- Landscaped Open Space
- Zone 02 Parcels



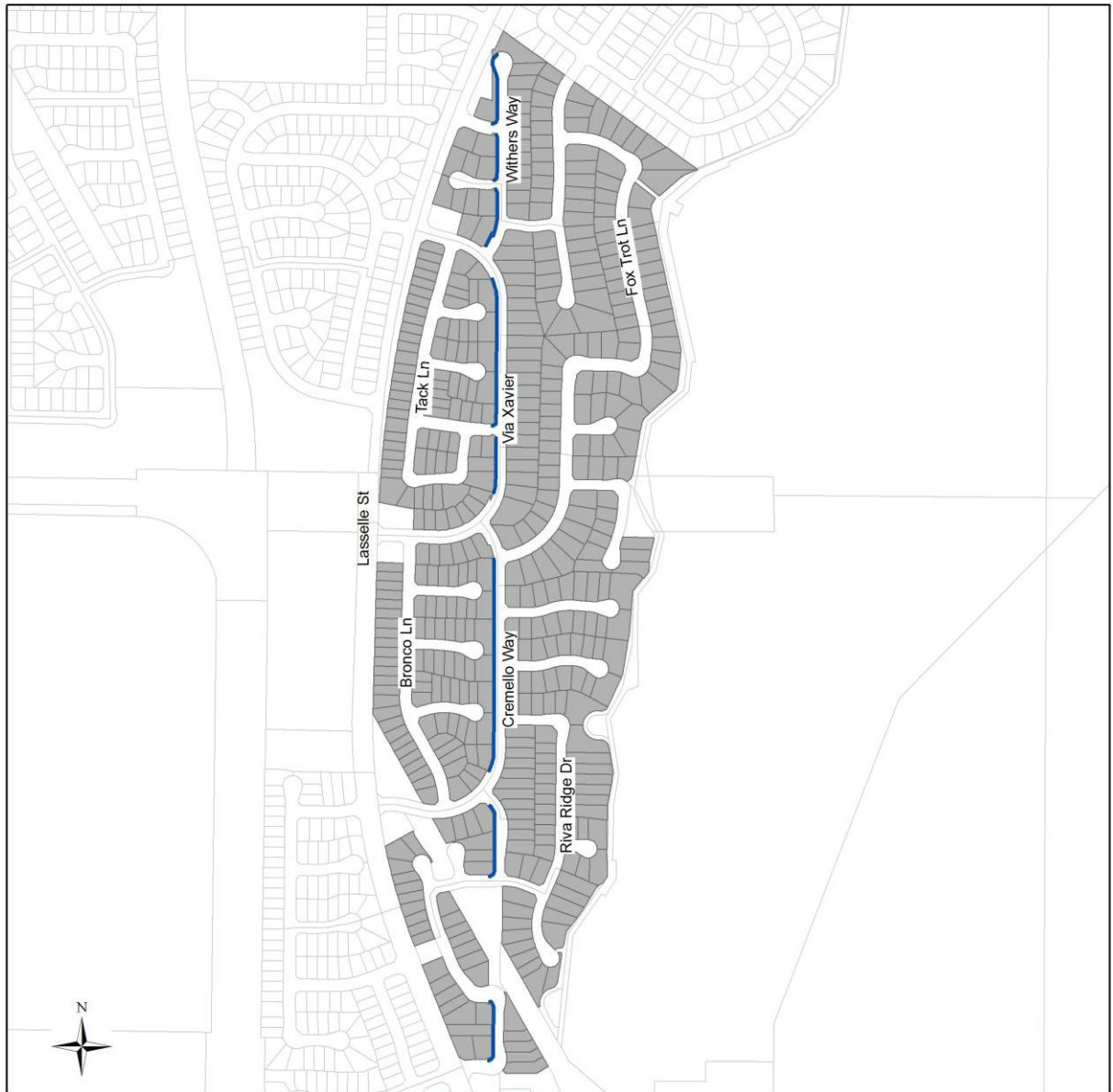
Moreno Valley Community Services District Landscape Maintenance District No. 2014-02 Zone 03 (Moreno Valley Ranch - West)



— Landscaped Parkway — Zone 03 Parcels
— Landscaped Medians



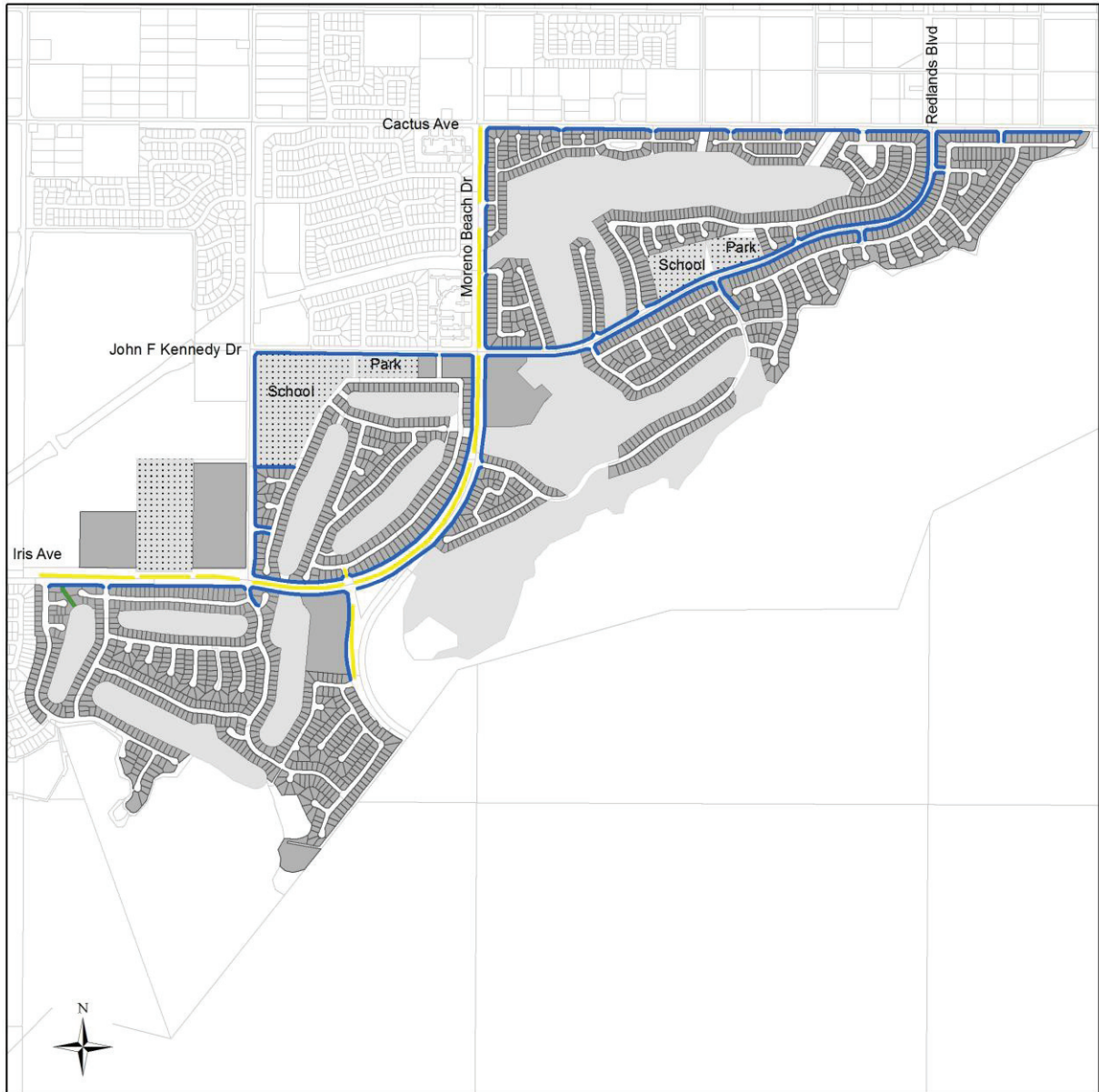
Moreno Valley Community Services District Landscape Maintenance District No. 2014-02 Zone 03A (Lasselle Powerline Parkway)



- Landscaped Parkway
- Zone 03A Parcels



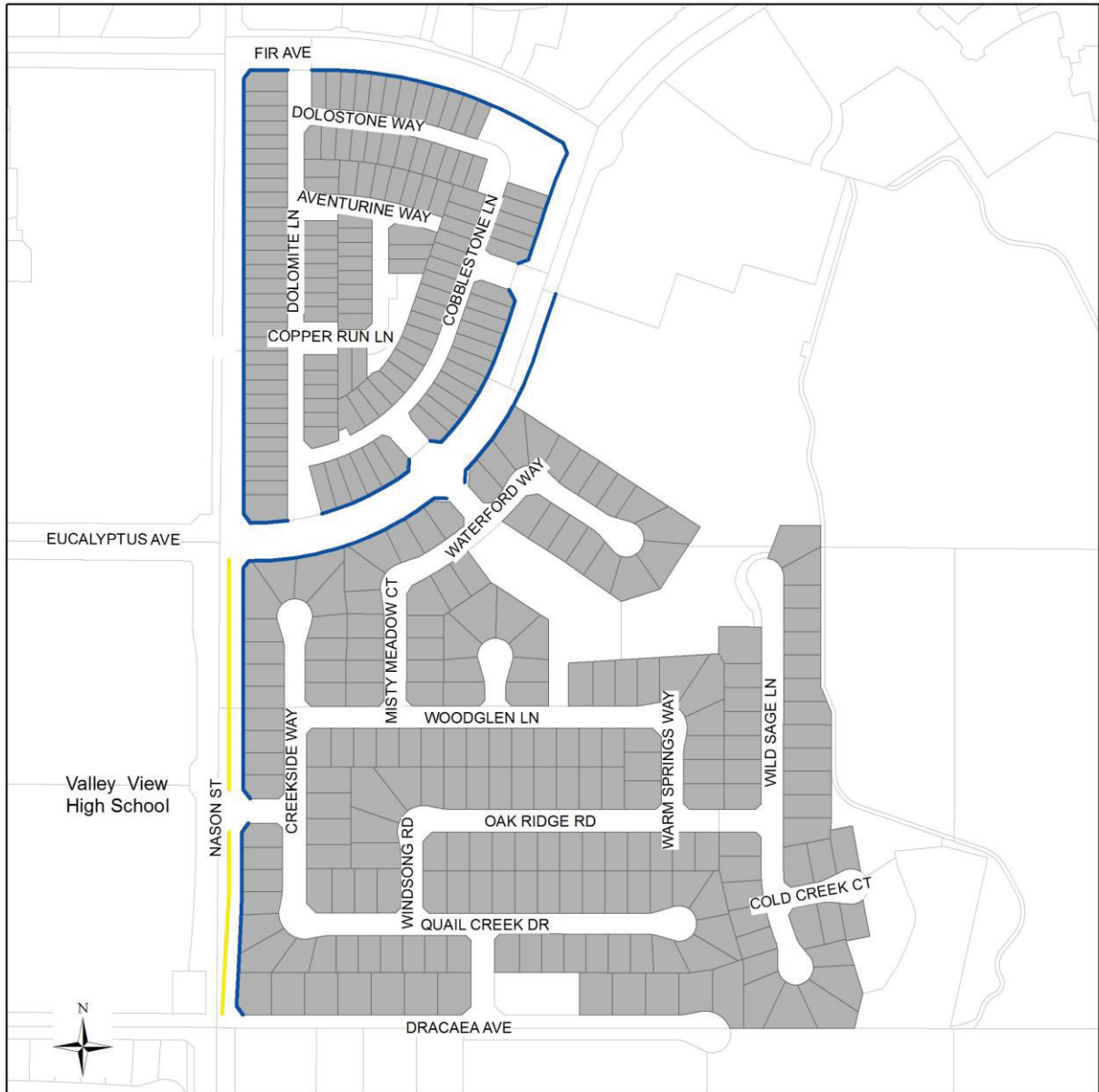
Moreno Valley Community Services District Landscape Maintenance District No. 2014-02 Zone 04 (Moreno Valley Ranch - East)



- Landscaped Parkway
- Landscaped Medians
- Landscaped Open Space
- Zone 04 Parcels



Moreno Valley Community Services District Landscape Maintenance District No. 2014-02 Zone 05 (Stoneridge Ranch)



- Landscaped Parkway
- Landscaped Median
- Zone 05 Parcels



Moreno Valley Community Services District Landscape Maintenance District No. 2014-02 Zone 06 (Mahogany Fields)



Moreno Valley Community Services District Landscape Maintenance District No. 2014-02 Zone 07 (Celebration)



- General Fund Maintained
- Landscaped Parkway
- Landscaped Median
- Landscaped Open Space
- Zone 07 Parcels



Moreno Valley Community Services District Landscape Maintenance District No. 2014-02 Zone 08 (Shadow Mountain)



- Landscaped Parkway
- Landscaped Median
- Zone 08 Parcels



PART V — ASSESSMENT ROLL

Parcel identification for each lot or parcel within the District is based on available parcel maps and property data from the Riverside County Assessor's Office. A listing of the Assessor's Parcel Numbers (APNs) to be assessed within this District, along with the corresponding Assessment Amounts to be levied for fiscal year 2014/15 has been provided electronically to the Secretary of the CSD Board (City Clerk) due to the number of parcels within the District and by reference this listing of the APNs and corresponding Assessment Amounts to be levied for fiscal year 2014/15 is made part of this Report. If any APN identified therein is submitted for collection and identified by the County Auditor/Controller of the County of Riverside to be an invalid parcel number for any fiscal year, a corrected parcel number and/or new parcel numbers will be identified and resubmitted to the County Auditor/Controller. The assessment amount to be levied and collected for the resubmitted parcel or parcels shall be based on the method of apportionment, as described in this Report and approved by the CSD Board.

**NOTICE OF PUBLIC HEARING
MORENO VALLEY COMMUNITY SERVICES DISTRICT
LANDSCAPE MAINTENANCE FUNDING**

The Moreno Valley Community Services District ("District") finances the maintenance, operation, and servicing of public landscaping improvements in your neighborhood. To fund these landscape maintenance services, each year an assessment has been collected on your property tax bill. This assessment is called "Zone E".

As part of a modernization process, the City Council of the City of Moreno Valley, acting as the Board of Directors of the District, adopted its Resolution No. CSD 2104-04. This resolution proposes to transition funding of landscape maintenance responsibilities to a new "Moreno Valley Community Services District Landscape Maintenance District 2014-02" ("LMD 2014-02"). If this change is approved, then starting with the 2014/15 property tax bill, your assessment will be billed as an LMD 2014-02 assessment and you will no longer be billed a Zone E assessment. Proceeds of the assessment can be used only to fund landscape maintenance and cannot be used by the City or the District for any other purpose.

THIS CHANGE WILL NOT INCREASE THE AMOUNT YOU PAY FOR LANDSCAPE MAINTENANCE SERVICES, NOR WILL THE LEVEL OF SERVICE CHANGE.

Your parcel is located in Zone «Zone» of the proposed LMD 2014-02. The total amount to be assessed in Fiscal Year 2014/15 in Zone «Zone» is \$«Total_201415_Assessment». Assessments are spread on a per Equivalent Benefit Unit ("EBU") basis. Each single family residential parcel is allocated 1 EBU. Multifamily residential parcels and developed non-residential parcels are assigned 4 EBUs per acre, and condominium complexes are assigned 4 EBUs per acre, which are then split amongst the assessable parcels in the complex. Certain parcels planned for future development and vacant parcels are assigned 50% of the EBUs they would be assigned if fully developed. The proposed assessment rate for Fiscal Year 2014/15 in Zone «Zone» is \$«Rate_per_EBU» per EBU. The maximum annual assessment rate in Zone «Zone» is \$«M_201415_Maximum_Rate» per EBU, which was established when the subdivision was developed or was approved by property owners in an assessment ballot proceeding. This maximum rate (unless it is the rate for Zone 04, which does not inflate) will adjust annually based on the percentage change in the prior calendar year for the consumer price index. Each year, the City Council determines the assessment rates for each zone that will be sufficient to fully fund the landscape maintenance activities in that zone. The rate each year cannot exceed the maximum assessment rate for the zone and assessments proceeds from one zone cannot be used to fund services in another zone.

For more information on LMD 2014-02, reference is made to the Engineer's Report, which is on file in the Office of the City Clerk and available for public inspection. The Report describes, among other things, each affected parcel of real property and the amount of charges for each affected parcel to be placed on the tax roll for the upcoming tax year.

The City Council, acting as the Board of Directors of the District, will hold a public hearing on the formation of LMD 2014-02 and on the Fiscal Year 2014/15 assessment in connection with the district. The hearing is scheduled for May 27, 2014 at 6:00 PM or as soon thereafter as practical, in the City Council Chambers located at 14177 Frederick Street, Moreno Valley, California 92553. You are invited to present oral and written testimony at the hearing, as well as to present any objections and protests to the report. Your attendance at the public hearing is optional and is not required.

Below is the proposed 2014/15 assessment for your property. If you have any questions, please do not hesitate to contact the City of Moreno Valley's Special Districts Division at 951.413.3480.

Summary of Fiscal Year 2014/15 Assessment
Resumen del monto para el Año Fiscal 2014/15

Landscape Maintenance
Conservación del paisaje

Assessor's Parcel Number: «APN» <i>Número de parcela:</i>		Property Address: «situs», <i>Dirección de la propiedad:</i> MORENO VALLEY		
	<u>District Name</u> <i>Nombre del distrito</i>	<u>Rate Per EBU</u> <i>Tarifa por EBU</i>	<u>Assigned EBU</u> <i>EBU asignadas</i>	<u>2014/15 Assessment Monto</u> <i>2014/15</i>
(Landscaping) <i>(Paisajismo)</i>	LMD 2014-02, Zone «Zone»	\$«Rate_per_EBU»	\$«Tax_Roll_EBUs»	\$«M_201415_Assessment»

«owner»
«CO»
«mailing_address»
«city», «state» «zip»
Barcode

**AVISO DE AUDIENCIA PÚBLICA
DISTRITO DE SERVICIOS A LA COMUNIDAD DE MORENO VALLEY
FINANCIACIÓN DE LA CONSERVACIÓN DEL PAISAJE**

El Distrito de Servicios a la Comunidad de Moreno Valley (el "Distrito") financia el funcionamiento, el mantenimiento y la reparación de las mejoras de paisajismo en los espacios públicos de su vecindario. A fin de financiar estos servicios de mantenimiento del paisaje, se cobra cada año un monto en su factura de impuestos sobre la propiedad. Este monto está identificado como "Zona E" (*Zone E*).

Como parte del proceso de modernización, el Concejo de la Ciudad de Moreno Valley, como Junta Directiva del Distrito, adoptó la Resolución N.º CSD 2104-04. Esta resolución propone pasar las responsabilidades de la financiación del mantenimiento del paisaje a un nuevo "Distrito de Servicios a la Comunidad de Moreno Valley, Distrito de Mantenimiento del Paisaje 2014-02" (el "LMD 2014-02"). Si se aprueba este cambio y a partir de la boleta de impuesto predial 2014/15, este monto se facturará como "LMD 2014-02" y ya no como "Zona E". El dinero así recolectado solo podrá destinarse a financiar servicios de mantenimiento del paisaje y la Ciudad o el Distrito no podrá utilizarlo para otro destino.

ESTE CAMBIO NO AUMENTARÁ LO QUE PAGA POR SERVICIOS DE MANTENIMIENTO DEL PAISAJE NI AFECTARÁ EL NIVEL DEL SERVICIO.

Su parcela está ubicada en la Zona «Zone» del LMD 2014-02 propuesto. El monto total a pagar por el Año Fiscal 2014/15 en la Zona «Zone» es de \$«Total_201415_Assessment». Estos montos se distribuyen según una base de Unidad de Beneficio Equivalente ("EBU", por sus siglas en inglés). Cada parcela residencial familiar tiene 1 EBU. Las parcelas residenciales multifamiliares y las parcelas desarrolladas no residenciales tienen 4 EBU asignadas por acre y los complejos de condominios tienen 4 EBU asignadas por acre, que luego se dividen entre las parcelas del complejo. Ciertas parcelas planificadas para futuros desarrollos y las parcelas vacantes tienen el 50% de las EBU que tendrían si estuvieran totalmente desarrolladas. El monto propuesto para el Año Fiscal 2014/15 en la Zona «Zone» es de \$«Rate_per_EBU» por cada EBU. El monto anual máximo en la Zona «Zone» es de \$«M_201415_Maximum_Rate», que se estableció cuando se desarrolló o aprobó la subdivisión por los dueños de la propiedad en un procedimiento de votación. Salvo el monto para la Zona 04 (que no se incrementa), este monto máximo se ajustará anualmente según la variación del porcentaje calculada por el año calendario anterior en virtud del índice de precios al consumidor. Cada año, el Concejo de la Ciudad determina los montos para cada zona que cubrirán el financiamiento de las actividades de mantenimiento del paisaje de esa zona. Cada año, el monto no podrá superar la tarifa máxima para la zona y los procedimientos de cálculo de una zona no podrán utilizarse para la financiación de los servicios de otra zona.

Para obtener más información sobre el LMD 2014-02, consulte el Informe del Ingeniero, archivado en la Secretaría de la Ciudad y a disposición del público para su consulta. Entre otras cosas, el informe describe cada parcela afectada y el monto de los cargos para cada parcela afectada que figurarán en los impuestos del próximo año.

El Concejo de la Ciudad, como Junta Directiva del Distrito, convocará a una audiencia pública para la formación del LMD 2014-02 y los montos calculados para el Año Fiscal 2014/15 en relación con el distrito. La audiencia está programada para el 27 de mayo de 2014, a las 6:00 p. m., o lo antes posible a partir de esa fecha como resulte práctico, en la Sala del Consejo (Council Chamber) de la Ciudad ubicadas en 14177 Frederick Street, Moreno Valley, California 92553. Se le invita a que presente testimonio de manera verbal y por escrito en la audiencia, además de cualquier objeción o impugnación al informe. Su asistencia a la audiencia pública es opcional y no es obligatoria.

Consulte la tabla que aparece en el reverso de esta página para ver el monto propuesto para su propiedad, correspondiente al período 2014/15. Si tiene preguntas, favor de comunicarse con la División de Distritos Especiales de la Ciudad de Moreno Valley al 951.413.3480.



APPROVALS	
BUDGET OFFICER	<i>me</i>
CITY ATTORNEY	<i>SMB</i>
CITY MANAGER	<i>d</i>

Report to City Council

TO: Mayor and City Council

FROM: Ahmad R. Ansari, P.E. Public Works Director/City Engineer

AGENDA DATE: May 27, 2014

TITLE: REPORT TO CONSIDER PUBLIC COMMENTS REGARDING THE NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM (NPDES) REGULATORY RATE SCHEDULE FOR NEW RESIDENTIAL AND COMMON INTEREST, COMMERCIAL, INDUSTRIAL AND QUASI-PUBLIC USE DEVELOPMENT PROPOSED FISCAL YEAR 2014/2015 ANNUAL RATES

RECOMMENDED ACTION

Recommendations: That the City Council:

1. Conduct a Public Meeting to accept public comments regarding the "NPDES Regulatory Rate Schedule for New Residential and Common Interest, Commercial, Industrial and Quasi-Public Use Development" proposed Fiscal Year 2014/2015 annual rates.

SUMMARY

This report recommends that the Council conduct a Public Meeting and accept public comments on the proposed National Pollutant Discharge Elimination System (NPDES) Regulatory Rates for Fiscal Year 2014/2015. NPDES Regulatory Rate revenues support specific services provided by the Storm Water Management Program, and have been included in the FY 2014/15 Proposed Budget.

DISCUSSION

The NPDES regulatory rates are necessary to fund the costs of the storm water management services for the discharge of storm water runoff into municipally owned drainage facilities for pollution control from benefiting parcels.

Proposition 218

Proposition 218, approved in the November 1996 election as a constitutional amendment, specifically addresses the ability of public agencies to collect taxes, fees, charges, and/or assessments as an incidence of property ownership. The City of Moreno Valley has reviewed Proposition 218 with respect to the NPDES Regulatory Rate. Based upon this review, it has been determined that the NPDES Regulatory Rate is in compliance with Proposition 218. City policy has been to hold a Public Meeting to allow the public opportunity to address City Council, though not required under Proposition 218.

Proposed Regulatory Rates

The proposed rates shall be levied against each assessable benefiting parcel of real property that is required to comply with the City's NPDES Storm Water Management Program. The annual percentage change in the Consumer Price Index (CPI) for Los Angeles, Riverside, and Orange Counties was +1.14%. The proposed Fiscal Year 2014/2015 annual rates were calculated utilizing the base fiscal year (identified in Tables 1 and 2) levy amount and the approved corresponding CPI adjustments from rate inception. The methodology utilized brings an accurate, to the penny amount of the proposed annual rates for Fiscal Year 2014/2015. Staff recommends that the proposed Fiscal Year 2014/2015 annual rate adjustments occur to maintain current program service levels. Rate increases are associated with increases in utility costs and maintaining program service levels.

The following tables outline the specific services provided by each level of service, the current annual rates and the proposed annual rates.

Table 1 reflects the annual rates for New Residential Development.

TABLE 1

NPDES Regulatory Rate for New Residential Development (Base FY 2003/2004*)			
Service Level		Current Maximum Annual Rate FY 2013/2014	Proposed Maximum Annual Rate FY 2014/2015
LEVEL I	NPDES Administration and overhead.	\$38.00/Parcel	\$39.38/Parcel

LEVEL II	Water Quality Pond/Basin Maintenance.	\$75.00/Parcel	\$74.82/Parcel
LEVEL II-A* (Base FY 2008/2009)	Sand Filter Maintenance.	\$34.00/Parcel	\$34.10/Parcel
LEVEL III	Water Quality Pond/Basin Remediation/Reconstruction.	\$65.00/Parcel	\$66.73/Parcel
LEVEL IV	Water Quality System Retrofit.	\$150.00/Parcel	\$151.84/Parcel

Table 2 reflects the annual rates for New Common Interest, Commercial, Industrial and Quasi-Public Use Development.

TABLE 2

NPDES Regulatory Rate for New Common Interest, Commercial, Industrial and Quasi-Public Use Development (Base FY 2005/2006)			
Service Level		Current Maximum Annual Rate FY 2013/2014	Proposed Maximum Annual Rate FY 2014/2015
LEVEL I	NPDES Administration and overhead.	\$38.00/Parcel	\$39.52/Parcel

LEVEL II	Storm water and non-storm water runoff monitoring, inspection of the project's site design, source control and treatment control BMPs; evaluation of site storm water compliance site activities; review site-specific technical reports and treatment control BMP maintenance records.	\$185.00/Parcel	\$186.49/Parcel
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ALTERNATIVES

1. Conduct a public meeting to accept public comments regarding the "NPDES Regulatory Rate Schedule for New Residential and Common Interest, Commercial, Industrial and Quasi-Public Use Development" proposed Fiscal Year 2014/2015 annual rates.

2. Do not conduct a public meeting to accept public comments regarding the "NPDES Regulatory Rate Schedule for New Residential and Common Interest, Commercial, Industrial and Quasi-Public Use Development" proposed Fiscal Year 2014/2015 annual rates. *A Public Meeting is not required under Proposition 218. Not conducting a Public Meeting denies the public the opportunity to comment on the proposed NPDES Regulatory Rates in a public forum prior to the public hearing adoption scheduled for June 10, 2014.*

FISCAL IMPACT

Regulatory rate increases (including increases due to inflation) have been approved by the benefiting property owners through the mail ballot proceeding. The inflation factor is based on the annual percentage change in the Los Angeles-Riverside-Orange County CPI for calendar year 2013, which was +1.14%.

For Fiscal Year 2014/2015 the maximum annual regulatory rate per parcel for single-family residential development is \$300.14 (includes Levels I, II, II-A and IV combined from Table 1). The Level III rate is levied when a water quality pond/basin is taken out of service for remediation/reconstruction thus replaces the Level II rate. Since the Level III rate is lower than the Level II rate the maximum rate for residential development cannot be greater than the summation of Levels I, II, II-A and IV. The maximum annual regulatory rate for new common interest, commercial, industrial and quasi-public use development is \$226.01 (includes Levels I and II combined from Table 2). Projected Fiscal Year 2014/2015 revenues to be derived from the proposed adjustment including

the addition of newly developed parcels to be levied are \$439,969.17, an increase of \$21,879.17 over FY 2013/2014 projected revenues.

Approving annual rates less than that proposed by staff may require a decrease in both the level and quality of service from that provided and approved by benefiting property owners in the previous year. The service level provided would be adjusted according to the approved funding level.

The NPDES Regulatory Rate levy collected from property owners supports current NPDES programs as identified herein. Funds collected from the NPDES Regulatory Rate levy are restricted for use only within the Storm Water Management Program.

CITY COUNCIL GOALS

- **Revenue Diversification and Preservation** - The proposed “NPDES Regulatory Rate for New Residential and Common Interest, Commercial, Industrial and Quasi-Public Use Development” provides a revenue source to fund the federally mandated requirements of the NPDES Storm Water Management Program for these types of development.
- **Public Facilities and Capital Projects** - The revenue collected from the proposed “NPDES Regulatory Rate for New Residential and Common Interest, Commercial, Industrial and Quasi-Public Use Development” will ensure that all site designs, source controls and treatment controls are properly implemented and maintained.

NOTIFICATION

-Publication of Agenda

-Newspaper advertising was published on May 2, 2014, with information about the May 27, 2014, Public Meeting and the June 10, 2014, Public Hearing. Additionally, the June 10, 2014, Public Hearing notification is scheduled to be published on May 16, 2014, and again on May 23, 2014.

ATTACHMENTS

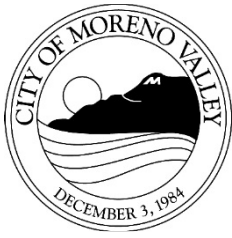
N/A

Prepared By:
Kent Wegelin
Storm Water Program Manager

Department Head Approval:
Ahmad R. Ansari, P.E.
Public Works Director/City Engineer

Concurred By:
Mark W. Sambito, P.E.
Engineering Division Manager

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APPROVALS	
BUDGET OFFICER	<i>me</i>
CITY ATTORNEY	<i>SMB</i>
CITY MANAGER	<i>d</i>

Report to City Council

TO: Mayor and City Council

FROM: Ahmad R. Ansari, P.E., Public Works Director/City Engineer

AGENDA DATE: May 27, 2014

TITLE: ADOPTION OF FY 2014-2015 CAPITAL IMPROVEMENT PLAN

RECOMMENDED ACTION

Recommendations: That the City Council:

1. Adopt Resolution No. 2014-37. A Resolution of the City Council of the City of Moreno Valley, California, Adopting the Capital Improvement Plan for FY 2014-2015. To include all applicable adjustments to the Proposed Capital Improvement Plan (CIP), as detailed in Revisions to the Proposed Capital Improvement Plan.

Recommendations: That the Housing Authority:

1. Acting in its capacity as the Chairman and the Board of Directors of the Moreno Valley Housing Authority of the City of Moreno Valley, adopt Resolution No. HA 2014-02. A Resolution of the Moreno Valley Housing Authority of the City of Moreno Valley, California, adopting the Capital Improvement Plan for FY 2014-2015. To include all applicable adjustments to the Proposed Capital Improvement Plan, as detailed in Revisions to the Proposed Capital Improvement Plan.

Recommendations: That the CSD:

1. Acting in its capacity as the President and the Board of Directors of the Community Services District of the City of Moreno Valley, adopt Resolution No. CSD 2014-10. A Resolution of the Community Services District of the City of Moreno Valley, California, adopting the Capital Improvement Plan for FY 2014-2015. To include all applicable adjustments to the Proposed Capital Improvement Plan, as detailed in Revisions to the Proposed Capital Improvement Plan.

SUMMARY

Staff recommends that the City Council, Housing Authority (HA), and Community Services District (CSD), adopt the Resolutions Adopting the Capital Improvement Plan for Fiscal Year 2014-2015 (Attachments 1, 2, and 3), approving the Capital Improvement Plan as the capital budget for the City of Moreno Valley, the Moreno Valley Housing Authority, and the Community Services District of the City of Moreno Valley for FY 2014-2015, including all applicable adjustments to the Proposed Capital Improvement Plan (CIP), as detailed in Revisions to the Proposed Capital Improvement Plan (Attachment 4).

DISCUSSION

The purpose of the Proposed CIP is to identify needed improvements and establish long-term funding priorities. The Proposed CIP contains the list of projects comprising the budget and expenditures that will enable the City Council to make adequate financial plans and will ensure that City officers can administer their respective functions in accordance with such plans.

The Proposed CIP identifies and projects the costs of constructing the following types of projects anticipated through build-out of the City:

- Street Improvements
- Buildings
- Electric Utility
- Parks
- Underground Utilities
- Bridges
- Drainage, Sewers, and Waterlines
- Landscaping
- Traffic Signals

City staff has completed a full review of all project needs through build-out of the City. The priorities, as proposed, are based on status and funding of existing projects, availability of matching federal, state, or regional grant funds, and anticipated development trends within the City.

The Proposed CIP was issued for public review on April 30, 2014. All revisions are documented in Attachment 4.

Capital Budget Adoption Actions

Revisions to the Proposed Capital Improvement Plan (Attachment 4) - This is a list of revisions, resulting from updated information, that were incorporated in the Proposed CIP following its issuance on April 30, 2014. The list includes recommended revisions to the Proposed CIP that would, upon approval, be incorporated in the Adopted CIP. Incorporating Revisions to the Proposed CIP in the Adopted CIP will provide a more accurate FY 2014-2015 capital budget for the City of Moreno Valley.

Resolutions Adopting the Capital Improvement Plan for FY 2014-2015 (Attachments 1, 2, and 3) - As a long-standing best practice, each of the City's primary entities (the City, HA, and CSD) will adopt separate resolutions to approve their respective budget.

ALTERNATIVES

1. Approve and authorize the recommended actions as presented in this staff report. *This alternative will allow for implementing the planning, design, and construction of necessary capital improvements.*
2. Do not approve and authorize the recommended actions as presented in this staff report. *The Council can continue its consideration of staff's recommendations to a subsequent meeting; any significant delay would impact the planning, design, and construction of necessary capital improvements.*

FISCAL IMPACT

Projects have been identified as funded, partially funded, and unfunded for FY 2014-2015 through FY 2018-2019 and Beyond. The Capital Improvement Plan provides the funding and expenditure plan for FY 2014-2015. This year's budget includes \$13.1 million in new capital requests plus \$44.6 million in carryover appropriations from FY 2013-14.

Description	Funds	GL Account No.	Type (Rev/Exp)	Proposed FY 2014/15 Appropriation
New CIP projects	Multiple	Sections 80001-80010	Exp	\$13,134,400
FY 2013/14 Carryovers	Multiple	Sections 80001-80010	Exp	\$44,639,756

CITY COUNCIL GOALS

PUBLIC SAFETY:

Provide a safe and secure environment for people and property in the community, control the number and severity of fire and hazardous material incidents, and provide protection for citizens who live, work and visit the City of Moreno Valley.

PUBLIC FACILITIES AND CAPITAL PROJECTS:

Ensure that needed public facilities, roadway improvements, and other infrastructure improvements are constructed and maintained.

POSITIVE ENVIRONMENT:

Create a positive environment for the development of Moreno Valley's future.

COMMUNITY IMAGE, NEIGHBORHOOD PRIDE AND CLEANLINESS:

Promote a sense of community pride and foster an excellent image about our City by developing and executing programs which will result in quality development, enhanced neighborhood preservation efforts (including home rehabilitation) and neighborhood restoration.

ATTACHMENTS

- Attachment 1: Proposed City Council Resolution
- Attachment 2: Proposed Housing Authority Resolution
- Attachment 3: Proposed Community Services District Resolution
- Attachment 4: Revisions to the Proposed Capital Improvement Plan
- Attachment 5: Capital Improvement Plan PowerPoint Presentation

Prepared By:
Linda Wilson
Senior Management Analyst

Department Head Approval:
Ahmad R. Ansari, P.E.
Public Works Director/City Engineer

Concurred By:
Prem Kumar, P.E.
Deputy Public Works Director/Assistant City Engineer

Concurred By:
Richard Teichert
Chief Financial Officer/City Treasurer

RESOLUTION NO. 2014-37

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORENO VALLEY, CALIFORNIA, ADOPTING THE CAPITAL IMPROVEMENT PLAN FOR FY 2014-2015

WHEREAS, the City Manager has heretofore submitted to the City Council a Proposed Capital Improvement Plan (CIP) for the City for FY 2014-2015, a copy of which is on file in the Office of the City Clerk and is available for public inspection; and

WHEREAS, the said Proposed CIP contains the list of projects comprising the budget, and contains expenditure requirements, and the resources available to the City; and

WHEREAS, the Proposed CIP appears to be desirable; and

WHEREAS, the Proposed CIP, as herein approved, will enable the City Council to make adequate financial plans and will ensure that City officers can administer their respective functions in accordance with such plans.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MORENO VALLEY, CALIFORNIA, DOES HEREBY RESOLVE AS FOLLOWS:

1. The Proposed CIP, as amended per the Revisions to the Proposed Capital Improvement Plan (Attachment 4), is hereby approved and adopted as the capital budget of the City of Moreno Valley for the FY 2014-2015.
2. The projects are hereby appropriated as the capital budget for said fiscal year.
3. Pursuant to Section 53901 of the California Government Code, by no later than August 30, 2014, the City Clerk shall file a copy of this Resolution with the Auditor/Controller of the County of Riverside.
4. Within fifteen (15) days after the adoption of this Resolution, the City Clerk shall certify to the adoption hereof and, as so certified, cause a copy to be posted in at least three (3) public places within the City.

BE IT FURTHER RESOLVED that this resolution shall take effect immediately upon its adoption.

1
Resolution No. 2014-37
Date Adopted: May 27, 2014

APPROVED AND ADOPTED this 27th day of May, 2014.

Mayor of the City of Moreno Valley

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

Resolution No. 2014-37²
Date Adopted: May 27, 2014

RESOLUTION JURAT

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) ss.
CITY OF MORENO VALLEY)

I, Jane Halstead, City Clerk of the City of Moreno Valley, California, do hereby certify that Resolution No. 2014-37 was duly and regularly adopted by the City Council of the City of Moreno Valley at a regular meeting thereof held on the 27th day of May, 2014 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

(Council Members, Mayor Pro Tem, and Mayor)

CITY CLERK

(SEAL)

Resolution No. 2014-37³
Date Adopted: May 27, 2014

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RESOLUTION NO. HA 2014-02

A RESOLUTION OF THE MORENO VALLEY HOUSING
AUTHORITY OF THE CITY OF MORENO VALLEY,
CALIFORNIA, ADOPTING THE CAPITAL IMPROVEMENT
PLAN FOR FY 2014-2015

WHEREAS, the City Manager has heretofore submitted to the Chairperson and the Board of Directors of the Moreno Valley Housing Authority a Proposed Capital Improvement Plan (CIP) for the Agency for FY 2014-2015, a copy of which is on file in the Office of the City Clerk and is available for public inspection; and

WHEREAS, the said Proposed CIP contains the list of projects comprising the budget, and contains expenditure requirements, and the resources available to the Moreno Valley Housing Authority; and

WHEREAS, the Proposed CIP appears to be desirable; and

WHEREAS, the Proposed CIP, as herein approved, will enable the Moreno Valley Housing Authority to make adequate financial plans and will ensure that Authority officers can administer their respective functions in accordance with such plans.

NOW, THEREFORE, THE MORENO VALLEY HOUSING AUTHORITY, CALIFORNIA, DOES HEREBY RESOLVE AS FOLLOWS:

1. The Proposed CIP, as amended per the Revisions to the Proposed Capital Improvement Plan (Attachment 4), is hereby approved and adopted as the capital budget of the Moreno Valley Housing Authority for the FY 2014-2015.
2. The projects are hereby appropriated as the capital budget for said fiscal year.
3. Pursuant to Section 53901 of the California Government Code, by no later than August 30, 2014, the City Clerk shall file a copy of this Resolution with the Auditor/Controller of the County of Riverside.
4. Within fifteen (15) days after the adoption of this Resolution, the City Clerk shall certify to the adoption hereof and, as so certified, cause a copy to be posted in at least three (3) public places within the City.

BE IT FURTHER RESOLVED that this resolution shall take effect immediately upon its adoption.

APPROVED AND ADOPTED this 27h day of May, 2014.

1
Resolution No. HA 2014-02
Date Adopted: May 27, 2014

Mayor of the City of Moreno Valley,
Acting in the capacity of Chairperson of the
Moreno Valley Housing Authority

ATTEST:

City Clerk, acting in the capacity of
Secretary of the Moreno Valley
Housing Authority

APPROVED AS TO FORM:

City Attorney, acting in the capacity
of General Counsel of the Moreno
Valley Housing Authority

2
Resolution No. HA 2014-02
Date Adopted: May 27, 2014

RESOLUTION JURAT

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) ss.
CITY OF MORENO VALLEY)

I, Jane Halstead, Secretary of the Moreno Valley Housing Authority of the City of Moreno Valley, California, do hereby certify that Resolution No. HA 2014-02 was duly and regularly adopted by the Commissioners of the Moreno Valley Housing Authority at a regular meeting thereof held on the 27th day of May, 2014 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

(Boardmembers, Vice Chairperson, and Chairperson)

SECRETARY

(SEAL)

3
Resolution No. HA 2014-02
Date Adopted: May 27, 2014

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RESOLUTION NO. CSD 2014-10

A RESOLUTION OF THE MORENO VALLEY COMMUNITY SERVICES DISTRICT OF THE CITY OF MORENO VALLEY, CALIFORNIA, ADOPTING THE CAPITAL IMPROVEMENT PLAN FOR FY 2014-2015

WHEREAS, the City Manager has heretofore submitted to the President and Board of Directors of the Moreno Valley Community Services District a Proposed Capital Improvement Plan (CIP) for the Agency for FY 2014-2015, a copy of which is on file in the Office of the City Clerk and is available for public inspection; and

WHEREAS, the said Proposed CIP contains the list of projects comprising the budget, and contains expenditure requirements, and the resources available to the Community Services District; and

WHEREAS, the Proposed CIP appears to be desirable; and

WHEREAS, the Proposed CIP, as herein approved, will enable the Community Services District to make adequate financial plans and will ensure that District officers can administer their respective functions in accordance with such plans.

NOW, THEREFORE, THE MORENO VALLEY COMMUNITY SERVICES DISTRICT OF THE CITY OF MORENO VALLEY, CALIFORNIA, DOES HEREBY RESOLVE AS FOLLOWS:

1. The Proposed CIP, as per the Revisions to the Proposed Capital Improvement Plan (Attachment 4), is hereby approved and adopted as the capital budget of the Community Services District for the FY 2014-2015.
2. The projects are hereby appropriated as the capital budget for said fiscal year.
3. Pursuant to Section 53901 of the California Government Code, by no later than August 30, 2014, the City Clerk shall file a copy of this Resolution with the Auditor/Controller of the County of Riverside.
4. Within fifteen (15) days after the adoption of this Resolution, the City Clerk shall certify to the adoption hereof and, as so certified, cause a copy to be posted in at least three (3) public places within the City.

BE IT FURTHER RESOLVED that this resolution shall take effect immediately upon its adoption.

1
Resolution No. CSD 2014-10
Date Adopted: May 27, 2014

APPROVED AND ADOPTED this 27th day of May, 2014.

Mayor of the City of Moreno Valley,
Acting in the capacity of President of the
Moreno Valley Community Services District

ATTEST:

City Clerk, acting in the capacity of
Secretary of the Moreno Valley
Community Services District

APPROVED AS TO FORM:

City Attorney, acting in the capacity
of General Counsel of the Moreno
Valley Community Services District

2
Resolution No. CSD 2014-10
Date Adopted: May 27, 2014

RESOLUTION JURAT

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) ss.
CITY OF MORENO VALLEY)

I, Jane Halstead, Secretary of the Moreno Valley Community Services District, Moreno Valley, California do hereby certify that Resolution No. CSD 2014-10 was duly and regularly adopted by the Board of Directors of the Moreno Valley Community Services District at a regular meeting held on the 27th day of May, 2014 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

(Boardmembers, Vice-President, and President)

SECRETARY

(SEAL)

Resolution No. CSD 2014-10³
Date Adopted: May 27, 2014

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CITY OF MORENO VALLEY
REVISIONS TO THE PROPOSED CAPITAL IMPROVEMENT PLAN
FY 2014-2015 CIP BUDGET
(Revisions Impacting Project Funding in FY 2014-2015 Only)

Funded Projects

Reference Page No.	Project Name	Submitted Amount (\$)	Revised Amount (\$)	Reason/Justification
S-8	Alessandro Boulevard Improvements at Chagall Court and at Graham Street	687,000	NA	* New Request revised from Fund 2001 and Fund 3008 to Fund 2301
S-12	Aqueduct Trail	425,000	NA	* Re-appropriate budget from Fund 2001 and Fund 3008 to Fund 2301
S-13	Auto Mall Street Upgrades	11,949	0	Updated carryover to FY 14/15
S-16	Cactus Avenue Eastbound 3rd Lane Improvements / I-215 to Veterans Way	2,350,000	NA	* Re-appropriate budget from Fund 3008 to Fund 2301
S-32	Nason Street / Cactus Avenue to Fir Avenue	11,134,101	12,934,101	Updated FY 13/14 budget
S-34	Perris Boulevard Widening / Ironwood Avenue to Manzanita Avenue	5,744,000	7,044,000	Updated FY 13/14 budget and carryover to FY 14/15
S-36	Reche Vista Drive Realignment / Perris Boulevard / Heacock Street to North City Limits	3,459,935	4,935	¹ Updated FY 13/14 budget, carryover to FY 14/15 and new request
S-37	Safe Routes to School Outreach Program	417,600	NA	* Re-appropriate budget from Fund 2001 and Fund 3008 to Fund 2301
S-38	SR-60 / Moreno Beach Drive South Side of Interchange (Phase 1)	909,742	720,000	Budget and expense transferred from Fund 3003 to Fund 3008. Updated carryover to FY 14/15.
S-47	Heacock Street / Perris Valley Storm Drain Lateral A to Cactus Avenue	753,250	0	² Updated new request and carryover to FY 14/15
S-55	SR-60 / Theodore Street interchange	964,000	NA	Re-appropriate from Fund 3008 to Fund 2301
BR-5	Bridge Repair Maintenance Program	50,000	NA	* New request revised from Fund 3008 to Fund 2301
B-13	Photovoltaic System for Fire Station 2 and Fire Station 6	400,000	0	Project revised to commence in FY 16/17
B-16	Remodel Fire Station 48 - Sunnymead Ranch	500,000	400,000	³ Updated new request
B-20	Industrial Fire Station	5,000	0	⁴ Project revised to commence in FY15/16
E-4	Install Cable to Transfer Part of Load from Globe 12kV to Indian 12kV	417,300	NA	Design budget moved from Fund 6020 to Fund 6010.
E-10	Install Centerpointe-Crosstown Feeder from JFK and Perris to Heacock and Cactus	1,913,935	0	Project revised to commence in FY 15/16
E-11	MOVAL Kitching 115kV Substation	0	10,000	New Project to commence in FY 14/15
E-12	MVU-0025 Eucalyptus Avenue to Moreno Beach Bridge Project	80,315	0	Project revised to commence in FY 17/18
T-7	Dynamic Traveler Alert Message Boards	450,000	NA	* Re-appropriate budget from Fund 2001 and Fund 3008 to Fund 2301

CITY OF MORENO VALLEY
REVISIONS TO THE PROPOSED CAPITAL IMPROVEMENT PLAN
FY 2014-2015 CIP BUDGET
(Revisions Impacting Project Funding in FY 2014-2015 Only)

T-11	ITS Deployment Phase 2	2,400,000	NA	* Re-appropriate budget from Fund 3302 to Fund 2301
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* Fund 2301 - Capital Projects Grants was set up by Finance to record revenue and expense for CIP project grant awards and local match requirements. Per directions from Finance, the revenue and expenditure budgets for recent grant awards will be transferred to Fund 2301 effective July 1, 2014.

¹ New Request of \$1,022,928 eliminated.

² New Request of \$753,000 eliminated.

³ New Request of \$100,000 eliminated.

⁴ New Request of \$5,000 eliminated.

ADOPTED CAPITAL IMPROVEMENT PLAN

FISCAL YEAR 2014-15

-541-

Item No. G.2



City of Moreno Valley
May 27, 2014

FY 2014-2015 Proposed Capital Improvement Plan Objectives

- Review of Council's Priorities Previously Established
- Bring Back to City Council Each Year to Add, Delete, and Change Priorities as Needed
- This is a Dynamic Document and Can be Amended by City Council Anytime Throughout the Year

Note: The Capital Improvement Plan is Independent of Annual Operating Costs, which are Budgeted Through the Annual Operating Budget Process

Highlights of Active Projects FY 2014-2015

Interchanges

- ❖ SR-60 / Theodore Street Interchanges - \$1,940,000

COST = \$1,940,000

Street Improvements

- ❖ Alessandro Boulevard / Elsworth Street Intersection Improvements - \$670,000
- ❖ Alessandro Boulevard / Indian Street to Perris Boulevard - \$1,289,000
- ❖ Bike Lane Improvements (Various Locations) - \$101,000
- ❖ Cactus Av Eastbound Widening / Veterans Wy to Heacock St - \$2,356,000
- ❖ Cycle 2 Citywide Sidewalks and Access Ramps Project - \$50,000
- ❖ Delphinium Avenue Sidewalk Improvements - \$400,000

Highlights of Active Projects FY 2014-2015

Street Improvements (continued)

Nason Street / Cactus Avenue to Fir Avenue - \$11,134,000

- ❖ Perris Boulevard Widening / Ironwood Avenue to Manzanita Avenue - \$5,944,000
- ❖ Sunnymead Boulevard / SR-60 EB On-Ramp Intersection Improvements - \$530,000
- ❖ Heacock St / San Michelle Rd to Perris Valley to Storm Drain Lateral A - \$1,705,000

COST = \$24,179,000

Highlights of Active Projects FY 2014-2015

Buildings

- ❖ 800 MHz Radio Repeater System Centralization - \$105,000
- ❖ Box Springs Communications Site - \$520,000
- ❖ Civic Center Site Improvements (Exterior) - \$10,000
- ❖ Remodel Fire Station 48 Sunnymead Ranch - \$500,000
- ❖ Corporate Yard Facility - \$2,960,000

COST = \$4,095,000

Drainage, Sewers, and Waterlines

- ❖ East Sunnymead Boulevard Storm Drain from Indian St to SR-60 / Perris BI Off Ramp - \$845,000
- ❖ Heacock Street Channel between Cactus Avenue and Lateral A - \$677,000
- ❖ San Timoteo Foothill Neighborhood Flood Protection – Storm Drain Lines K-1 and K-4 – \$1,905,000

COST = \$3,427,000

Highlights of Active Projects FY 2014-2015

Electric Utility

Install Cable to Transfer Part of Load from Globe 12kV to Indian 12kV - \$417,000
MVU-0023 MoVal 33kV South Industrial Substation WDAT- \$202,000

COST = \$619,000

Parks

- ❖ Celebration Park Splash Pad Fence - \$30,000
- ❖ Cottonwood Golf Course Driving Range - \$60,000
- ❖ Dog Park Improvements - \$10,000
- ❖ Fairway Park (Skate Park Addition) - \$75,000
- ❖ Lasselle Sports Park Fitness Equipment - \$44,000
- ❖ Rancho Verde Park - \$230,000

COST = \$449,000

Highlights of Active Projects FY 2014-2015

Traffic Signals

- ❖ Citywide Pedestrian Countdown Signal Head Improvements - \$489,000
- ❖ Dynamic Traveler Alert Message Boards - \$450,000
- ❖ ITS Deployment Phase 1A - \$442,000
- ❖ ITS Deployment Phase 2 - \$2,400,000
- ❖ Nason Street / Riverside County Regional Medical Center Driveway Traffic Signal - \$248,000
- ❖ Transportation Management Center - \$319,000

COST = \$4,348,000

Highlights of Active Projects FY 2014-2015

Underground Utilities

❖ Citywide Fiber Optic Communications Expansion - \$85,000

COST = \$85,000

Carryover = \$53,439,000

New Funding (Active and New Projects) = \$8,669,000

All Active Projects Total Cost = \$62,108,000

Active Projects FY 2014-2015



Existing Cactus Av at Graham St –
2 lanes, no shoulder



Existing Cactus Av at Joy St –
2 lanes, no curb

-549-

Item No. G.2

**CITY OF MORENO VALLEY
STREET IMPROVEMENT PLANS
CACTUS AVENUE
VETERANS WAY TO HEACOCK STREET**
PROJECT NO. 07-4168328

GENERAL STREET IMPROVEMENT NOTES:

1. ALL WORK SHALL BE IN ACCORDANCE WITH THE CITY OF MORENO VALLEY STANDARD SPECIFICATIONS FOR CONSTRUCTION AND THE CALIFORNIA STANDARD SPECIFICATIONS FOR HIGHWAYS AND BRIDGES.
2. THE CONTRACTOR SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY PERMITS AND APPROVALS FROM THE CITY OF MORENO VALLEY AND THE CALIFORNIA DEPARTMENT OF TRANSPORTATION AND PUBLIC SAFETY (CALTRANS).
3. THE CONTRACTOR SHALL BE RESPONSIBLE FOR PROTECTING ALL EXISTING UTILITIES AND STRUCTURES.
4. THE CONTRACTOR SHALL MAINTAIN ACCESS TO ALL ADJACENT PROPERTIES AND PUBLIC UTILITIES.
5. THE CONTRACTOR SHALL MAINTAIN TRAFFIC FLOW THROUGHOUT THE PROJECT.
6. THE CONTRACTOR SHALL BE RESPONSIBLE FOR THE COST OF ALL MATERIALS AND LABOR.
7. THE CONTRACTOR SHALL BE RESPONSIBLE FOR THE COST OF ALL PERMITS AND APPROVALS.
8. THE CONTRACTOR SHALL BE RESPONSIBLE FOR THE COST OF ALL TRAFFIC CONTROL DEVICES.
9. THE CONTRACTOR SHALL BE RESPONSIBLE FOR THE COST OF ALL SIGNAGE.
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20. THE CONTRACTOR SHALL BE RESPONSIBLE FOR THE COST OF ALL CONSTRUCTION DELAYS.

VICINITY MAP
SCALE: 1" = 100' (AS SHOWN)

UTILITY COMPANIES

UTILITY COMPANY	CONTACT NAME	PHONE NUMBER
AT&T	JOHN SMITH	(951) 555-1234
AVCO	JANE DOE	(951) 555-5678
AVCO	JOHN SMITH	(951) 555-9012
AVCO	JANE DOE	(951) 555-3456
AVCO	JOHN SMITH	(951) 555-7890
AVCO	JANE DOE	(951) 555-1122
AVCO	JOHN SMITH	(951) 555-3344
AVCO	JANE DOE	(951) 555-5566
AVCO	JOHN SMITH	(951) 555-7788
AVCO	JANE DOE	(951) 555-9900
AVCO	JOHN SMITH	(951) 555-1122
AVCO	JANE DOE	(951) 555-3344
AVCO	JOHN SMITH	(951) 555-5566
AVCO	JANE DOE	(951) 555-7788
AVCO	JOHN SMITH	(951) 555-9900

DECLARATION OF DESIGN ENGINEER OF RECORD

I, **PROACTIVE ENGINEERING, INC.**, hereby certify that I am a duly licensed Professional Engineer in the State of California, and I am the Designer of Record for the above project. I have prepared the plans and specifications for the project, and I am responsible for the design and construction of the project. I have read the plans and specifications, and I certify that they are in accordance with the City of Moreno Valley Standard Specifications for Construction and the California Standard Specifications for Highways and Bridges. I have also read the notes and specifications, and I certify that they are in accordance with the City of Moreno Valley Standard Specifications for Construction and the California Standard Specifications for Highways and Bridges. I have also read the notes and specifications, and I certify that they are in accordance with the City of Moreno Valley Standard Specifications for Construction and the California Standard Specifications for Highways and Bridges.

PROACTIVE ENGINEERING, INC.
DESIGNER OF RECORD
DATE: 10/10/14

SHEET INDEX

SHEET NO.	SHEET TITLE
1	CONSTRUCTION NOTES AND SPECIFICATIONS
2	CONSTRUCTION NOTES AND SPECIFICATIONS
3	CONSTRUCTION NOTES AND SPECIFICATIONS
4	CONSTRUCTION NOTES AND SPECIFICATIONS
5	CONSTRUCTION NOTES AND SPECIFICATIONS
6	CONSTRUCTION NOTES AND SPECIFICATIONS
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18	CONSTRUCTION NOTES AND SPECIFICATIONS
19	CONSTRUCTION NOTES AND SPECIFICATIONS
20	CONSTRUCTION NOTES AND SPECIFICATIONS

ENGINEER'S NOTICE TO CONTRACTORS

THE CONTRACTOR SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY PERMITS AND APPROVALS FROM THE CITY OF MORENO VALLEY AND THE CALIFORNIA DEPARTMENT OF TRANSPORTATION AND PUBLIC SAFETY (CALTRANS). THE CONTRACTOR SHALL BE RESPONSIBLE FOR PROTECTING ALL EXISTING UTILITIES AND STRUCTURES. THE CONTRACTOR SHALL MAINTAIN ACCESS TO ALL ADJACENT PROPERTIES AND PUBLIC UTILITIES. THE CONTRACTOR SHALL MAINTAIN TRAFFIC FLOW THROUGHOUT THE PROJECT. THE CONTRACTOR SHALL BE RESPONSIBLE FOR THE COST OF ALL MATERIALS AND LABOR. THE CONTRACTOR SHALL BE RESPONSIBLE FOR THE COST OF ALL PERMITS AND APPROVALS. THE CONTRACTOR SHALL BE RESPONSIBLE FOR THE COST OF ALL TRAFFIC CONTROL DEVICES. THE CONTRACTOR SHALL BE RESPONSIBLE FOR THE COST OF ALL SIGNAGE. THE CONTRACTOR SHALL BE RESPONSIBLE FOR THE COST OF ALL CONSTRUCTION DELAYS. THE CONTRACTOR SHALL BE RESPONSIBLE FOR THE COST OF ALL CONSTRUCTION ACCIDENTS. THE CONTRACTOR SHALL BE RESPONSIBLE FOR THE COST OF ALL CONSTRUCTION INJURIES. THE CONTRACTOR SHALL BE RESPONSIBLE FOR THE COST OF ALL CONSTRUCTION DEATHS. THE CONTRACTOR SHALL BE RESPONSIBLE FOR THE COST OF ALL CONSTRUCTION DAMAGES.

CITY OF MORENO VALLEY OFFICIALS

PROACTIVE ENGINEERING, INC.

**CITY OF MORENO VALLEY
STREET IMPROVEMENT PLANS
CACTUS AVENUE
VETERANS WAY TO HEACOCK STREET
THIS SHEET**

DATE: 10/10/14

**CITY OF MORENO VALLEY
STREET IMPROVEMENT PLANS
CACTUS AVENUE
VETERANS WAY TO HEACOCK STREET**
PROJECT NO. 07-4168328

CONSTRUCTION NOTES (CONT.)

1. ALL WORK SHALL BE IN ACCORDANCE WITH THE CITY OF MORENO VALLEY STANDARD SPECIFICATIONS FOR CONSTRUCTION AND THE CALIFORNIA STANDARD SPECIFICATIONS FOR HIGHWAYS AND BRIDGES.
2. THE CONTRACTOR SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY PERMITS AND APPROVALS FROM THE CITY OF MORENO VALLEY AND THE CALIFORNIA DEPARTMENT OF TRANSPORTATION AND PUBLIC SAFETY (CALTRANS).
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CROSS SECTION
SCALE: 1" = 10' (AS SHOWN)

CONSTRUCTION NOTES (CONT.)

1. ALL WORK SHALL BE IN ACCORDANCE WITH THE CITY OF MORENO VALLEY STANDARD SPECIFICATIONS FOR CONSTRUCTION AND THE CALIFORNIA STANDARD SPECIFICATIONS FOR HIGHWAYS AND BRIDGES.
2. THE CONTRACTOR SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY PERMITS AND APPROVALS FROM THE CITY OF MORENO VALLEY AND THE CALIFORNIA DEPARTMENT OF TRANSPORTATION AND PUBLIC SAFETY (CALTRANS).
3. THE CONTRACTOR SHALL BE RESPONSIBLE FOR PROTECTING ALL EXISTING UTILITIES AND STRUCTURES.
4. THE CONTRACTOR SHALL MAINTAIN ACCESS TO ALL ADJACENT PROPERTIES AND PUBLIC UTILITIES.
5. THE CONTRACTOR SHALL MAINTAIN TRAFFIC FLOW THROUGHOUT THE PROJECT.
6. THE CONTRACTOR SHALL BE RESPONSIBLE FOR THE COST OF ALL MATERIALS AND LABOR.
7. THE CONTRACTOR SHALL BE RESPONSIBLE FOR THE COST OF ALL PERMITS AND APPROVALS.
8. THE CONTRACTOR SHALL BE RESPONSIBLE FOR THE COST OF ALL TRAFFIC CONTROL DEVICES.
9. THE CONTRACTOR SHALL BE RESPONSIBLE FOR THE COST OF ALL SIGNAGE.
10. THE CONTRACTOR SHALL BE RESPONSIBLE FOR THE COST OF ALL CONSTRUCTION DELAYS.
11. THE CONTRACTOR SHALL BE RESPONSIBLE FOR THE COST OF ALL CONSTRUCTION ACCIDENTS.
12. THE CONTRACTOR SHALL BE RESPONSIBLE FOR THE COST OF ALL CONSTRUCTION INJURIES.
13. THE CONTRACTOR SHALL BE RESPONSIBLE FOR THE COST OF ALL CONSTRUCTION DEATHS.
14. THE CONTRACTOR SHALL BE RESPONSIBLE FOR THE COST OF ALL CONSTRUCTION DAMAGES.
15. THE CONTRACTOR SHALL BE RESPONSIBLE FOR THE COST OF ALL CONSTRUCTION DELAYS.
16. THE CONTRACTOR SHALL BE RESPONSIBLE FOR THE COST OF ALL CONSTRUCTION ACCIDENTS.
17. THE CONTRACTOR SHALL BE RESPONSIBLE FOR THE COST OF ALL CONSTRUCTION INJURIES.
18. THE CONTRACTOR SHALL BE RESPONSIBLE FOR THE COST OF ALL CONSTRUCTION DEATHS.
19. THE CONTRACTOR SHALL BE RESPONSIBLE FOR THE COST OF ALL CONSTRUCTION DAMAGES.
20. THE CONTRACTOR SHALL BE RESPONSIBLE FOR THE COST OF ALL CONSTRUCTION DELAYS.

CITY OF MORENO VALLEY OFFICIALS

PROACTIVE ENGINEERING, INC.

**CITY OF MORENO VALLEY
STREET IMPROVEMENT PLANS
CACTUS AVENUE
VETERANS WAY TO HEACOCK STREET
CONSTRUCTION NOTES AND SPECIFICATIONS**

DATE: 10/10/14

Cactus Av Eastbound 3rd Lane Improvements / Veterans Wy to Heacock St

Active Projects FY 2014-2015

BEFORE



Lasselle St N/O Avenida De Plata

AFTER



BEFORE



Sheila St and Fay Av

AFTER

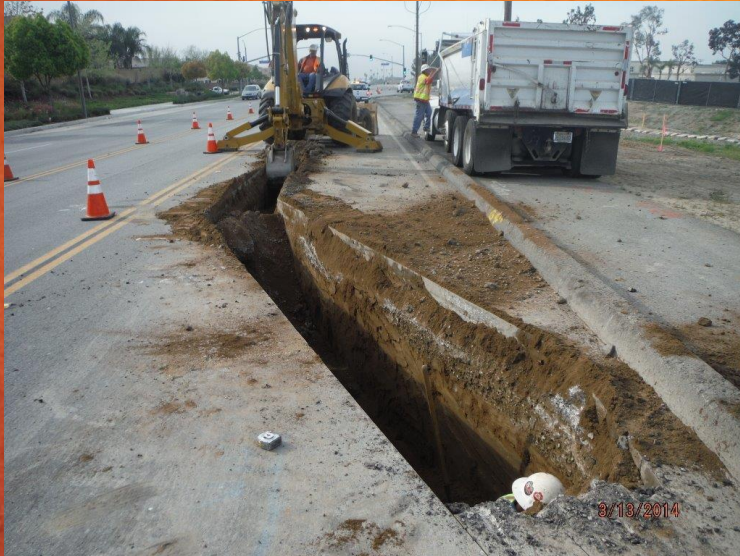


Item No. G.2

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Cycle 2 Citywide Sidewalks and Access Ramps Project
(8 Locations)

Active Projects FY 2014-2015



Nason Street / Cactus Avenue to Fir Avenue

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Item No. G.2

Active Projects FY 2014-2015

Item No. G.2

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Moreno Valley Corporate Yard
City of Moreno Valley

Aerial Site Plan



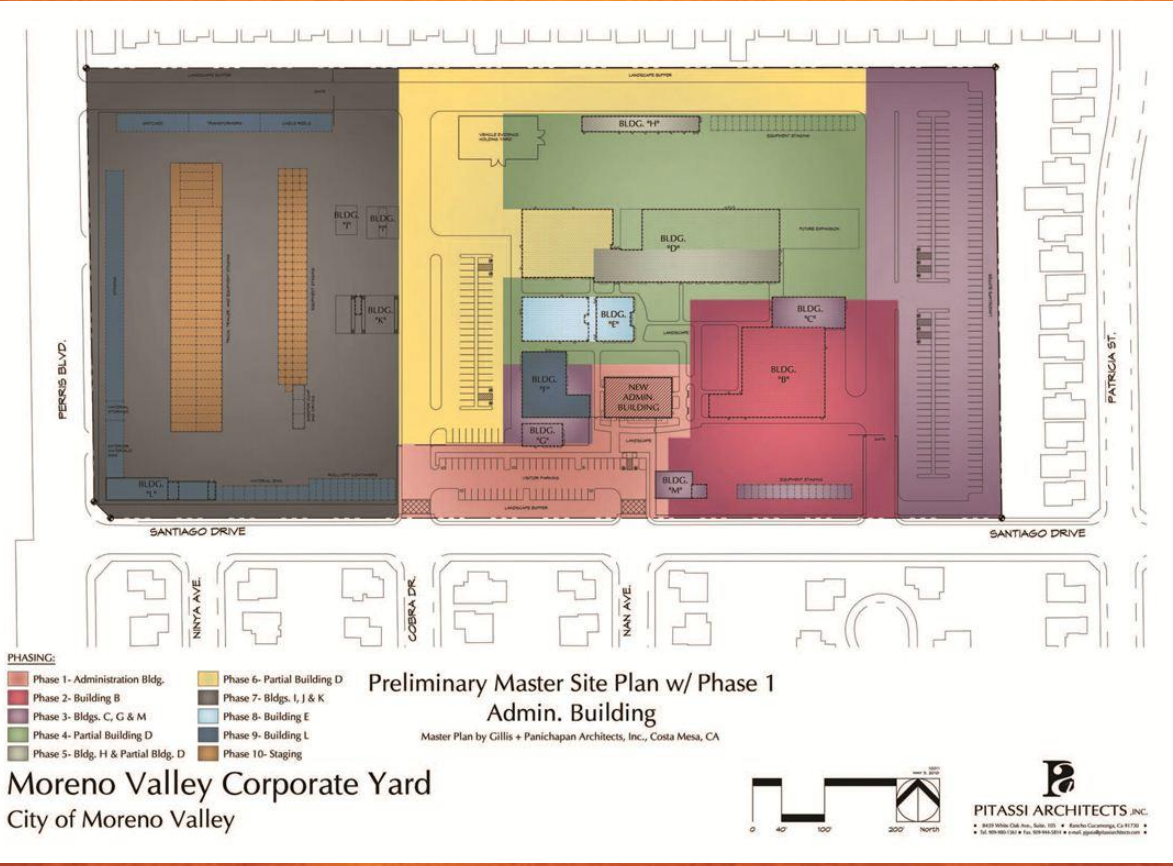
PITASSI ARCHITECTS, INC.
• 8619 White Oak Ave., Suite 110 • Rancho Cucamonga, CA 91730 •
• TEL 909-980-1242 • FAX 909-984-2814 • email: apitassi@pitassiarch.com

Corporate Yard Facility (Phase 1)

Active Projects FY 2014-2015

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Item No. G.2



Corporate Yard Facility (Phase 1)
(continued)

Active Projects FY 2014-2015



3D Perspective View

Moreno Valley Corporate Yard
City of Moreno Valley



Corporate Yard Facility (Phase 1)
(continued)

Active Projects FY 2014-2015



3D Perspective View

Moreno Valley Corporate Yard
City of Moreno Valley

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• Tel: 909.981.1011 • Fax: 909.981.2011 • email: greg@pitassiarch.com

Corporate Yard Facility (Phase 1)
(continued)

Active Projects FY 2014-2015

Item No. G.2



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MVU-0023 MoVal 33kV South Industrial Substation WDAT

Active Projects FY 2014-2015

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BEFORE



CURRENT

Item No. G.2

Dog Park Improvements

(Additional Improvements - Shade Structure and Benches - to be installed in FY 2014-2015)

Highlights of New Proposed Projects FY 2014-2015

Street Improvements

- ❖ Alessandro Boulevard at Chagall Court and Graham Street - \$687,000
- ❖ Cycle 5 Pedestrian Access Ramp Enhancements - \$352,000
- ❖ Elsworth Street and Sherman Avenue Sidewalk Improvements - \$400,000
- ❖ John F. Kennedy Drive Improvements / Heacock Street to Paige Avenue - \$100,000

COST = \$1,539,000

Highlights of New Proposed Projects FY 2014-2015

Bridges

- ❖ Indian Street / Cardinal Avenue Bridge (Concept Study) - \$70,000

COST = \$70,000

Drainage, Sewers, and Waterlines

- ❖ Sunnymead Master Drainage Plan – Storm Drain Lines F and F-7 Design - \$650,000

COST = \$650,000

Electric Utility

- ❖ Electric Vehicle Charging Infrastructure - \$30,000
- ❖ 12kV Feeder from Kitching Street / Edwin Road, North on Kitching Street and East to Lasselle Street - \$31,500

COST = \$61,500

Highlights of New Proposed Projects FY 2014-2015

Parks

- ❖ Conference and Recreation Center Passive Park Gazebo - \$50,000
- ❖ Hidden Springs Park II - \$125,000
- ❖ Shadow Mountain Park Play Equipment - \$400,000

COST = \$575,000

All New Proposed Projects Total Cost = \$2,895,000

Highlights of Completed Projects FY 2013-2014

Interchanges

- ❖ SR-60 / Moreno Beach Drive South Side of Interchange (Phase 1)
- ❖ SR-60 / Nason Street Overcrossing Bridge

Street Improvements

- ❖ Bike Lane Improvements
 - Class II Bike Lanes on Ironwood Av from Barclay Dr to Pigeon Pass Bl
- ❖ Cactus Avenue Eastbound 3rd Lane Improvements / I-215 to Veterans Way
- ❖ Citywide Pedestrian Enhancements
- ❖ Gilman Springs Road Improvements
- ❖ Hemlock Avenue / Graham Street to David Place and Graham Street / Hemlock Avenue to David Lane
- ❖ Indian Street / Manzanita Avenue Intersection Reconfiguration
- ❖ Pavement Management Program

Highlights of Completed Projects FY 2013-2014

Street Improvements (continued)

- ❖ Pavement Rehabilitation and Slurry Seal Program
Isolated Removal and Reconstruction of Distressed Pavement on Steeple Chase Drive
- ❖ Wayfinding Signs and Welcome Signs

Buildings

- ❖ City Hall Rehabilitation of 2nd Level Concrete Flooring
- ❖ Fire Station 6 Multipurpose Annex
- ❖ MVTV-3 Control Room Broadcast Equipment Upgrade
- ❖ Remodel City Hall First Floor Restrooms

Drainage

- ❖ Moreno Master Drainage Plan Line F, Stage 2 Channel Improvements

Highlights of Completed Projects FY 2013-2014

Electric Utility

- ❖ MVU-0024 Nason Bridge Project

Parks

- ❖ Annual ADA Park Improvement
 - Bethune Park
 - Morrison Park
 - Shadow Mountain Park
 - Vista Lomas Park
- ❖ Shadow Mountain Park Ball Field Lighting
- ❖ Towngate II Park Play Surfacing
- ❖ Vista Loma Park Playground Surfacing

Highlights of Completed Projects FY 2013-2014

Traffic Signals

- ❖ Emergency Vehicle Pre-emption at 117 Traffic Signals

All Total Completed Projects Cost = \$47,248,000

Completed Projects FY 2013-2014

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BEFORE



AFTER

Item No. G.2

Bike Lane Improvements
(Class II Bike Lanes on Ironwood Av From Barclay Dr to Pigeon Pass BI)

Completed Projects FY 2013-2014

Item No. G.2



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BEFORE



BEFORE



AFTER



AFTER

Cactus Avenue Eastbound Widening / I-215 to Veterans Way

Completed Projects FY 2013-2014



BEFORE

Patricia St and Filaree Av



BEFORE

Ramsdell Dr and Alessandro Bl



AFTER



AFTER

Citywide Pedestrian Enhancements (10 Locations)

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Completed Projects FY 2013-2014

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BEFORE



AFTER

Gilman Springs Road Improvements

Completed Projects FY 2013-2014

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Item No. G.2



BEFORE



AFTER

Hemlock Av / Graham St to David Pl and Graham St / Hemlock Av to David Ln

Completed Projects FY 2013-2014

Item No. G.2

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BEFORE



AFTER

Indian Street / Manzanita Avenue Intersection Reconfiguration

Completed Projects FY 2013-2014



BEFORE



CONSTRUCTION



AFTER

Moreno Master Drainage Plan Line F, Stage 2, Channel Improvements

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Completed Projects FY 2013-2014

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UNDER CONSTRUCTION



COMPLETED

MVU-0024 Electrical Conduit Nason Bridge

Completed Projects FY 2013-2014



BEFORE

Eucalyptus Av / Moreno Beach Dr Connection



BEFORE

Eastbound On-ramp



AFTER

SR-60 / Moreno Beach Drive Southside of Interchange (Phase 1)



AFTER

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Item No. G.2

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Completed Projects FY 2013-2014

BEFORE



AFTER



SR-60 / Nason Street Overcrossing Bridge

Completed Projects FY 2013-2014



BEFORE

Towngate II Park



BEFORE

Vista Lomas Park



AFTER



AFTER

Towngate II Park Play Surfacing & Vista Lomas Park Playground Surfacing

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Item No. G.2

FY 2014-2015 PROJECT COSTS BY CATEGORY

(Amount in \$Millions)

• INTERCHANGES	\$	3.40
• STREET IMPROVEMENTS	\$	40.30
• BRIDGES	\$	0.43
• BUILDINGS	\$	4.16
• DRAINAGE, SEWERS, AND WATERLINES	\$	4.08
• ELECTRIC UTILITY	\$	2.68
• PARKS	\$	2.30
• TRAFFIC SIGNALS	\$	4.67
• UNDERGROUND UTILITIES	\$	<u>0.09</u>
	ESTIMATED TOTAL	\$ 62.11

INTERCHANGES

Cost By Fiscal Year

(Amount in \$Millions)

FY 13/14 Carryover to FY 14/15	New Request FY 14/15	Plan 15/16	Plan 16/17	Plan 17/18	Plan 18/19 & Beyond	Grand Total
\$3.28	\$.13	\$.04	\$15.80	\$68.60	\$149.80	\$237.65

STREET IMPROVEMENTS

Cost By Fiscal Year

(Amount in \$Millions)

FY 13/14 Carryover to FY 14/15	New Request FY 14/15	Plan 15/16	Plan 16/17	Plan 17/18	Plan 18/19 & Beyond	Grand Total
\$36.52	\$3.78	\$12.42	\$17.97	\$4.60	\$430.98	\$506.27

BRIDGES

Cost By Fiscal Year

(Amount in \$Millions)

FY 13/14 Carryover to FY 14/15	New Request FY 14/15	Plan 15/16	Plan 16/17	Plan 17/18	Plan 18/19 & Beyond	Grand Total
\$.30	\$.13	\$.44	\$ 2.31	\$.01	\$ 99.20	\$ 102.39

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Item No. G.2

BUILDINGS

Cost By Fiscal Year

(Amount in \$Millions)

FY 13/14 Carryover to FY 14/15	New Request FY 14/15	Plan 15/16	Plan 16/17	Plan 17/18	Plan 18/19 & Beyond	Grand Total
\$3.44	\$0.72	\$0.95	\$8.82	\$13.90	\$168.14	\$195.97

DRAINAGE, SEWERS, AND WATERLINES

Cost By Fiscal Year
(Amount in \$Millions)

FY 13/14 Carryover to FY 14/15	New Request FY 14/15	Plan 15/16	Plan 16/17	Plan 17/18	Plan 18/19 & Beyond	Grand Total
\$2.81	\$1.28	\$2.40	\$0	\$0	\$31.76	\$38.25

ELECTRIC UTILITY

Cost By Fiscal Year

(Amount in \$Millions)

FY 13/14 Carryover to FY 14/15	New Request FY 14/15	Plan 15/16	Plan 16/17	Plan 17/18	Plan 18/19 & Beyond	Grand Total
\$1.22	\$1.55	\$7.14	\$2.46	\$.34	\$3.85	\$16.56

PARKS

Cost By Fiscal Year

(Amount in \$Millions)

FY 13/14 Carryover to FY 14/15	New Request FY 14/15	Plan 15/16	Plan 16/17	Plan 17/18	Plan 18/19 & Beyond	Grand Total
\$1.38	\$.92	\$1.09	\$.58	\$.10	\$242.26	\$246.33

TRAFFIC SIGNALS

Cost By Fiscal Year

(Amount in \$Millions)

FY 13/14 Carryover to FY 14/15	New Request FY 14/15	Plan 15/16	Plan 16/17	Plan 17/18	Plan 18/19 & Beyond	Grand Total
\$4.51	\$.16	\$1.23	\$.98	\$.11	\$39.08	\$46.07

UNDERGROUND UTILITIES

Cost By Fiscal Year

(Amount in \$Millions)

FY 13/14 Carryover to FY 14/15	New Request FY 14/15	Plan 15/16	Plan 16/17	Plan 17/18	Plan 18/19 & Beyond	Grand Total
\$.09	\$ 0	\$ 2.00	\$ 0	\$ 0	\$.84	\$ 2.93

SUMMARY COSTS BY CATEGORY

Total Build-Out
(Amount in \$Millions)

• INTERCHANGES	\$ 237.7
• STREET IMPROVEMENTS	\$ 506.3
• BRIDGES	\$ 102.4
• BUILDINGS	\$ 196.0
• DRAINAGE, SEWERS, AND WATERLINES	\$ 38.3
• ELECTRIC UTILITY	\$ 16.6
• PARKS	\$ 246.3
• TRAFFIC SIGNALS	\$ 46.1
• UNDERGROUND UTILITIES	<u>\$ 2.9</u>
TOTAL	\$1,392.6

FY 2014-2015 Adopted Capital Improvement Plan Summary

- The Projects Recommended for FY 2014-2015 are Based on Economic Development Opportunities, Development, Funding Availabilities, and Individual Project Status**
- City Council to Adopt Capital Improvement Plan**
- Bring Back to City Council Each Year to Add, Delete, and Change Priorities as Needed**

Note: The Capital Improvement Plan is Independent of Annual Operating Costs, which are Budgeted Through the Annual Operating Budget Process

Thank You,
Questions or Comments?



APPROVALS	
BUDGET OFFICER	<i>me</i>
CITY ATTORNEY	<i>SMB</i>
CITY MANAGER	<i>d</i>

Report to City Council

TO: Mayor and City Council

FROM: Chris Paxton, Administrative Services Director

AGENDA DATE: May 27, 2014

TITLE: APPROVAL OF SUCCESSOR MEMORANDA OF UNDERSTANDING BETWEEN THE CITY OF MORENO VALLEY AND THE MORENO VALLEY CITY EMPLOYEES ASSOCIATION AND MORENO VALLEY MANAGEMENT ASSOCIATION FOR THE PERIOD OF JULY 1, 2014 THROUGH JUNE 30, 2015

RECOMMENDED ACTION

Recommendations: That the City Council:

1. Approve the successor Memoranda of Understanding (MOU) between the City of Moreno Valley and the Moreno Valley City Employees Association (MVCEA) for the period of July 1, 2014 through June 30, 2015.
2. Approve the successor Memoranda of Understanding (MOU) between the City of Moreno Valley and the Moreno Valley Management Association (MVMA) for the period of July 1, 2014 through June 30, 2015.
3. Extend the provisions of these two Agreements to employees represented by the Moreno Valley Confidential Management Employees (MVCME) as well as those in unrepresented classifications.
4. Direct the Chief Financial Officer to adjust FY 2014-15 Budget Appropriations as outlined in this report (projected cost of \$1,454,000 with General Fund impact projected at \$883,000) to reflect the Council's approval of these Memoranda of Understanding.

SUMMARY

The 2012-2015 Memoranda of Understanding between the City and each of its three employee bargaining groups provided for annual re-openers on economic issues, as

well as any other topics by mutual agreement. Both Moreno Valley City Employees Association (MVCEA) and the Moreno Valley Management Association (MVMA) have requested to re-open negotiations to discuss the complete elimination of the unpaid furlough provisions.

Negotiations have been completed with the MVCEA and the MVMA; and the Moreno Valley Confidential Management Employees (MVCME) bargaining unit opted for a parity agreement with MVMA, precluding the need for separate negotiations with that unit. The language in the MVCME agreement allows implementation of all terms for that unit without any requirement for further updates to the MOU itself.

DISCUSSION

The City's primary objective in approaching these negotiations was to enhance service to City residents and businesses by re-opening City offices on a Monday through Friday schedule. Achieving this service expansion required elimination of the unpaid employee furloughs which have been in effect for more than five years.

Management has reached agreement with both groups to eliminate the remaining 5% furlough and to return employees to a full 40-hour work week effective July 5, 2014. As a result, most employees will work on a schedule commonly referred to as "9/80," comprising 8 nine-hour days and 1 eight-hour day in each two week pay cycle. City Hall and most facilities with administrative staff will be open Monday through Friday for the first time since 2009. Other facilities that are traditionally open extended hours or on weekends will remain open on those schedules, with most employees at those facilities assigned to work the 9/80 schedule. The agreements to rescind the furlough preserve managers' flexibility to modify schedules to accommodate work flow and provide enhanced service to the public.

In addition, the holiday closure schedule will be modified. Instead of the previously agreed upon closure period (December 24, 2014 through January 1, 2015), City offices will close on December 24, December 25, and January 1 in observance of those holidays. While City offices will also close on Friday, December 26, employees regularly scheduled to work that day will use their accrued leave time.

In prior meet and confer sessions with MVMA, the bargaining unit agreed to a comprehensive MOU which incorporates all previously agreed upon terms into a single, comprehensive document. During the current negotiations, MVCEA also agreed to a comprehensive document which is attached to this report.

The effective dates of the updated MOUs shall be July 1, 2014 through June 30, 2015. All other provisions of the 2012-2015 MOUs will remain in effect.

ALTERNATIVES

1. Approve the successor Memoranda of Understanding between the City of Moreno Valley and the Moreno Valley City Employees Association (Attachment 1), and Moreno Valley Management Association (Attachment 2) for the period of July 1, 2014 through June 30, 2015. Extend the provisions of these Agreements to employees represented by the Moreno Valley Confidential Management Employees as well as those in unrepresented classifications. Direct the Chief Financial Officer to adjust the FY 2014-15 Budget Appropriations as required to reflect the Council's approval of these Memoranda of Understanding. **Staff recommends this alternative. Council action to approve the attached Memoranda of Understanding follows previous approval of Tentative Agreements with MVCEA and MVMA (and, by extension MVCME), and will fulfill terms of the City's Employer/Employee Relations Resolution.**
2. Not approve recommendations listed above and instead direct staff to re-open negotiations with employee associations. **Staff does not recommend this alternative.**

FISCAL IMPACT

Annual cost to implement the terms of the updated Memoranda of Understanding is projected at \$1,454,000. General Fund cost is projected at \$883,000 and can be supported by projected revenues for FY 2014-15.

ATTACHMENTS

Attachment 1: MVCEA MOU, July 1, 2014 – June 30, 2015

Attachment 2: MVMA MOU, July 1, 2014 – June 30, 2015

Prepared and Approved By:
Chris Paxton
Administrative Services Director

Concurred By:
Richard Teichert
Chief Financial Officer

Concurred By:
Thomas M. DeSantis
Assistant City Manager

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**MEMORANDUM OF UNDERSTANDING BETWEEN
THE CITY OF MORENO VALLEY AND
THE MORENO VALLEY CITY EMPLOYEES ASSOCIATION
2012-2015 MOU
As Updated in May 2014**

1. WORKING RELATIONSHIP AGREEMENT MVCEA AND CITY

- A. Term: This Memorandum of Understanding (MOU) is entered into between the City of Moreno Valley (City) and the Moreno Valley City Employees Association (MVCEA), pursuant to the provisions of the Meyers-Milias-Brown Act. This Agreement sets forth the full terms and conditions of employment for members of the Moreno Valley City Employees Association, subject to amendments reached by the parties in subsequent negotiations as provided for in this document.

Upon approval and execution of this agreement by both parties, including ratification by the employees and approval of the City Council, this entire Memorandum of Understanding shall be effective from July 1, 2012, and continue in effect up to and including June 30, 2015.

- B. Recognition: Pursuant to the provisions of Resolution No. 92-110 of the City of Moreno Valley and the Meyers-Milias-Brown Act, the City of Moreno Valley has recognized the Moreno Valley City Employees Association (MVCEA) as the exclusive representative of all non-exempt full-time and career part-time employees of the City for the purpose of meeting its obligations under Government Code S 3500 et seq.

- C. Scope of the Bargaining Unit: The City of Moreno Valley and the Moreno Valley City Employees Association agree that the bargaining unit represented by the Moreno Valley City Employees Association is defined as:

All regular full-time and career part-time non-exempt and non-sworn employees of the City. This definition specifically excludes all elected officials and commissioners, as well as all management, supervisory employees.

The parties agree that the City may designate certain non-exempt employees as “confidential” and that employees meeting the definition of “professional” in job classifications requiring certain licensing and/or state certifications such as teachers, nurses, doctors and certified engineers may request recognition of a bargaining unit made up of professional employees exclusively.

A Confidential Employee is an administrative support employee who works directly for a department director, the City Manager, the Assistant City Manager, the City Attorney, or the Administrative Services Director. Confidential employees are prohibited from being part of the MVCEA negotiating team or from representing other employees on matters within the scope of representation pursuant to the Meyers-Milias-Brown Act. There are no other limitations on these Confidential Employees’ rights to be members of

and hold office in MVCEA in compliance with Section 3507.5 of the Government Code (Meyers-Milias-Brown Act).

D. Completion of Meet and Confer Process: Each party hereto agrees that it has had a full and unrestricted right to make, advance, and discuss all matters within the scope of representation in accordance with state laws and city rules and regulations. Except as otherwise provided herein during the term of this Memorandum of Understanding, the parties expressly waive and relinquish the right to meet and confer except by their mutual consent with respect to any desired changes in conditions of employment, whether referred to or covered by the MOU or not, even though each subject or matter may not have been within the knowledge or contemplation of either or both the City and MVCEA at the time they met and conferred or executed the MOU, and even though subjects or matters were proposed and later withdrawn. The express provisions of this Memorandum of Understanding constitute the only limitations upon the City's rights to determine, implement, change, supplement, modify or discontinue in whole or in part any term or condition of employment the City deems fit and appropriate. The City shall comply with all Federal and State laws relating to employee rights, opportunities and benefits.

E. Existing Conditions of Employment: It is agreed and understood by the parties that all existing wages, benefits and terms and conditions of employment not addressed or not specifically changed by this MOU that are within the lawful scope of the meet and confer process shall remain in full force and effect during the entire term of this MOU.

F. Nondiscrimination: It is the policy of both the City and MVCEA not to unlawfully discriminate against any applicant or employee because of race, creed, color, sex, national origin, religion, physical handicap, marital status, ancestry, age, political affiliation, medical condition, membership, or non-membership in an employee organization. The City or its managers shall not unlawfully discriminate or discipline any employee for exercising any rights or benefits provided for in this agreement, the Personnel Rules, or law.

G. No Strikes or Lockouts: MVCEA hereby agrees that during the term of this MOU, neither it nor its members, agents, representatives, or persons acting in concert with any of them, shall incite, engage or participate in any strike, walkout, slowdown, sick-out or other work stoppage or other job action of any nature against the City whatsoever, or wheresoever located. In the event of any strike, walkout, slowdown or other work stoppage or threat thereof against the City, MVCEA and its officers will take all reasonable steps within their control to end or avert the same.

Those represented by the MVCEA will not authorize, engage in, encourage, sanction, recognize or assist in any strike, slowdown, walkout, sick-out or other work stoppage or other job action against the City or picket in furtherance thereof, or participate in unlawful concerted interference in violation of this provision, or refuse to perform duly assigned services in violation of this provision. It is understood that any person represented by the MVCEA found in violation of this provision will be subject to discipline, including termination, as determined by personnel rules and regulations.

H. No Lockouts: In consideration of MVCEA's commitment as set forth herein, the City shall not lock out employees.

I. Association Rights: Dues Deductions: The City shall deduct the amount of MVCEA regular and periodic dues and association insurance premiums as may be specified by MVCEA for those employees represented by MVCEA who have executed a valid, reasonable authorization form furnished by MVCEA and signed by the employee. All association related deductions will be lumped into one amount and transmitted to the Association in one check each pay period. MVCEA agrees to hold the City harmless and indemnify the City against any and all claims, causes of action or lawsuits arising out of the deduction or transmittal of such funds to MVCEA, except the intentional failure of the City to transmit to MVCEA monies deducted from the employees pursuant to this article. The City will provide MVCEA with a list of those new employees who are eligible to join the Association. The City will also provide MVCEA with a list of those whose dues for MVCEA are being deducted.

J. Use of City Facilities: MVCEA may distribute pamphlets, brochures and membership sign up forms on City property during non-working hours of the employees in the bargaining unit. MVCEA may, with the approval of the Administrative Services Director or designee, hold meetings of their members with directors or representatives on City property during non-working hours provided:

1. Requests are made to the Administrative Services Director or designee as to the specific location and dates of meetings prior to such meetings.
2. Requests shall state the general purpose of the meeting and proposed facility to be used.
3. The requested location is available.

K. Board Meetings: MVCEA Board Members (8) shall each receive 12 hours of release time per fiscal year to attend Board meetings.

L. Board Member Access: Board members shall be allowed reasonable access to City telephones, e-mail, and faxes for conducting MVCEA business including representing members in grievances and disciplinary actions, and communicating with MVCEA consultants and legal counsel. Reasonable access is interpreted as not to exceed on average more than two hours a week

M. Release Time: MVCEA members will be allowed one hour of release time to attend one annual meeting and one-hour release time for MOU ratification vote. Release time is limited to two hours per fiscal year.

N. Bulletin Boards: Space will be made available to MVCEA on specifically designated City Bulletin Boards provided such use does not interfere with the needs of the City. MVCEA's use of such bulletin boards shall be only for Association recreational, social or related news, meeting announcements, election information, newsletters, and official reports on Association business.

O. City Rights: The City reserves, retains, and is vested with, solely and exclusively, all rights of management which have not been expressly abridged by specific provision of this Memorandum of Understanding or by law to manage the City, as such rights existed prior to the execution of this Memorandum of Understanding. The sole and exclusive rights of Management, as they are not abridged by this Agreement or by law, shall include, but not be limited to, the following:

1. To manage the City generally and to determine the issues of policy.
2. To determine the existence or non-existence of facts which are the basis of the Management decision.
3. To determine the necessity and organization of any service or activity conducted by the City and expand or diminish services or workforce.
4. To determine the nature, manner, means, technology, and extent of services to be provided to the public.
5. To determine methods of financing.
6. To determine types of equipment or technology to be used.
7. To determine and change the facilities, methods, technology, means, and size of the workforce by which the City operations are to be conducted.
8. To determine and change the number of locations, relocations, and types of operations, processes, and materials to be used in carrying out all City functions including but not limited to, the right to contract for or subcontract any work or operation of the City.
9. To assign work to and schedule employees in accordance with requirements as determined by the City and to establish and change work schedules and assignments.
10. To relieve employees from duties for lack of work or similar non-disciplinary reasons.
11. To establish and modify productivity and performance programs and standards.
12. To discharge, suspend, demote, or otherwise discipline employees for proper cause.
13. To determine job classifications and to reclassify employees.
14. To hire, transfer, promote, and demote employees for non-disciplinary reasons in accordance with this Memorandum of Understanding and applicable Resolutions and codes of the

City.

15. To determine policies, procedures, and standards for selection, training, and promotion of employees.
16. To establish employee performance standards including, but not limited to, quality and quantity standards, and to require compliance therewith.
17. To maintain order and efficiency in its facilities and operations.
18. To establish, promulgate, and modify rules and regulations to maintain order and safety in the City which are not in contravention of this Agreement.
19. To establish, implement, and modify department organizations, supervisory assignments, chains of command, and reporting responsibilities.
20. To take any and all necessary action to carry out the mission of the City in emergencies.

P. Sole and Entire Memorandum of Understanding: It is the intent of the parties hereto that the provisions of this MOU shall supersede all prior agreements on the same subject matters, contrary salary and/or personnel resolutions, and all practices, oral or written, expressed or implied, between the parties, and shall govern the entire relationship and shall be the sole source of any and all rights which may be asserted hereunder. This MOU is not intended to conflict with federal or state law.

Q. Severability Provision: Should any provision of this MOU be found to be inoperative, void, or invalid by a court of competent jurisdiction or a change in law, all other provisions of this MOU shall remain in full force and effect for the duration of this MOU.

R. Personnel: The City and MVCEA incorporate herein by reference the City of Moreno Valley Personnel Rules and Regulations. Both parties acknowledge that all obligations to meet and confer in good faith concerning these Personnel Rules have been discharged and each party waives any further meeting or conferring with respect thereto during the term of this MOU.

2. **BENEFITS**

These benefits are agreed to for MVCEA members effective January 1, 2012.

A. Benefit Requirements: Employees eligible for benefits are required to purchase medical coverage or provide proof of other medical coverage. All employees must purchase vision coverage.

B. Cafeteria Benefits:

These cafeteria benefits reflect full salary levels.

	Tier I hired before 7/01/09	Tier II hired on or after 7/1/09	Tier III hire on or after 9/30/11
Full time non-exempt	\$14,229 per year	\$12,600 per year	\$9,450 per year
Part time non-exempt	\$ 5,768 per year	\$ 5,100 per year	\$3,825 per year

C. Health Benefits: Effective January 1, 2012, employees who are hired prior to September 30, 2011, are enrolled in the City's CalPERS medical insurance program, have family coverage and are covered by this agreement will receive an increase of \$50.00 per month to the City's flexible benefit contribution for all full time employees.

Effective with start of the first pay period following July 1, 2013, all MVCEA members enrolled in family coverage will receive an additional monthly contribution by the City of \$150 to help defray increased health insurance costs. Career part-time employees accrue this additional benefit on a prorated basis. This additional contribution will continue throughout the term of the current MOU (through June 2015), and will not increase further in 2014.

Summary:

Tier I & II - Full time employees with family medical coverage receive an additional \$200 per month cafeteria benefit.

Tier III - Full time employees with family medical coverage receive an additional \$150 per month cafeteria benefit. Part time employees with family medical coverage receive an additional \$60 per month.

D. Basic Life Insurance is provided automatically and is paid for by the City.

The coverage level for basic life is as follows:

- Full time non-exempt employees two-times annual salary - minimum of \$50,000.
- Part time non-exempt employees two-times annual salary - minimum of \$50,000.

E. Flexible Spending Accounts:

Health Care – This plan allows you to pay up to \$2,500 per year in health care expenses that are not covered by insurance for you and your dependents with tax-free dollars.

Dependent Care – This plan allows you to pay up to \$5,000 per year with tax-free dollars to daycare providers who care for your children or incapacitated adults so you can work.

F. Short and Long Term Disability: The City contracts to provide an integrated short and long term disability plan. This plan has a 30-day

waiting period and a benefit of 66.67% of your regular monthly pay, up to \$3,500 per week.

3. CITY RETIREMENT PLANS

The City provides retirement benefits for all employees through the Public Employees Retirement System (PERS). The City pays both the employee's and employer's contributions into the plan for employees hired prior to July 1, 2009.

Employees hired on or after July 1, 2009 pay their own employee's contribution into the plan, under the provisions of Internal Revenue Code Section 414(h) (2) for pretax contributions. This does not apply to promotional hires, whose original hire date was prior to July 1, 2009. At its option, the City may change its retirement system provider upon adoption by the City Council. Prior to any changes in retirement benefits, those eligible for retirement must be notified at least 30 days in advance. Current retirement benefits are available as follows:

- A. Career Full-time Employees hired prior to July 1, 2009 receive fully paid PERS retirement benefits. Career Full-time Employees hired on or after July 1, 2009 pay for their own employee's contribution for PERS retirement benefits, under the provisions of Internal Revenue Code Section 414 (h) (2) for pretax contributions, and at no point will the employer pay any portion of the employee's contribution.
- B. Career Part-time Employees hired prior to July 1, 2009 receive fully paid PERS retirement benefits after 1,000 hours. Before that point, the employee will have the employee's portion deducted from salary. Career Part-time Employees hired on or after July 1, 2009 pay for their own employee's contribution for PERS retirement benefits, under the provisions of Internal Revenue Code Section 414 (h) (2) for pretax contributions, and at no point will the employer pay any portion of the employee's contribution.
- C. PERS refunds may be issued ONLY if the member has permanently separated from all PERS-covered or reciprocal employment. Or, if members have been on an unpaid leave of absence for at least six (6) months, they may request a refund of their contributions prior to returning to active employment.
- D. Any employee hired prior to July 1, 2009, if promoted on or after July 1, 2009, will still be eligible for all benefit rates provided for employees hired prior to July 1, 2009 for the bargaining unit the employee is in on or after July 1, 2009.
- E. Retirement Plan summary:

The City offers a defined benefit retirement plan through CalPERS. This benefit has a vesting period of 5 years of CalPERS qualifying time. Benefits under this plan will vary based on your age, years of service and final compensation at time of retirement.

The retirement formula:

- Tier I: 2.7%@55 for employees hired prior to 7/1/2009
Employer pays full 8% of employee portion of CalPERS
- Tier II: 2.7%@55 for employees hired on or after 7/1/2009
Employee pays full 8% of employee portion of CalPERS
- Tier III: 2.0%@55 for employees hired on or after 12/23/2011
Employee pays full 7% of employee portion of CalPERS
- Tier IV: 2.0%@62 for New CalPERS members hired on or after
1/1/2013 employee pays full 6.25% of employee portion of
CalPERS

- F. City's contribution to retirement benefits will remain status quo during the term of this Agreement, subject to the re-opener as described immediately below. In the event legislation is enacted prohibiting the employer pick up of any or all of the current employer-paid "employee PERS cost" the parties will reopen the meet and confer process to negotiate replacement compensation equal to the increased cost to employees resulting from the legislation, to the extent permitted by law.

4. FURLOUGH

Effective July 5, 2014, the City's remaining 5% unpaid furlough program shall be eliminated. Full-time employees will return to a standard forty (40) hour work week and will be fully compensated for the forty (40) hours.

While scheduling remains a management prerogative, City and Association collaborated on how best to implement a unique scheduling formula required to reduce the 10% Furlough to 5% in 2013. This collaboration recognized that the partial elimination of the furlough would have varying impacts upon MVCEA members working in various functional areas. The parties entered into this collaborative dialogue, again without precedent or prejudice to any past or future negotiations, to fully eliminate the furlough program in 2014. While maintaining prerogative over scheduling, the City will designate the "9/80 Work Schedule" as the standard. Under this schedule, full-time employees will work eight (8) nine-hour days and one (1) eight-hour day per two-week pay period. City offices will generally be open Monday through Friday, however schedules may vary at some facilities.

5. COST OF LIVING ADJUSTMENT

Any COLA increases deferred for employees during the entire period of FY 2008/2009 through FY 2011/12, are not to be retroactively credited, owed or otherwise be held for the future or credit, and are therefore forfeited and terminated. The City may, however, decide to implement COLA pay increases for

employees when the City can afford to do so, subject to the meet and confer process.

Effective the first full pay period of July 2012 (which begins at noon on July 6th) implement a 4.75% across-the-board cost-of-living salary increase.

6. MERIT PAY

The City and MVCEA agree that merit pay increases will not be provided to employees who are covered by this agreement during the term of this agreement. Any merit pay increase frozen for employees since FY 2008/2009, are not to be retroactively credited, owed or otherwise be held for the future or credit, and are therefore forfeited and terminated. The City may, however, decide to implement merit pay increases for employees when the City can afford to do so, subject to the meet and confer process.

7. COMPENSATORY TIME

Effective January 1, 2011, MVCEA unit employees may cash out up to 20 hours of compensatory time. The arrangements for the cash out of these hours will be determined by mutual agreement with MVCEA and the City.

8. PUBLIC SERVICE RECOGNITION

In the paychecks issued closest to December 1, 2013 and December 1, 2014, each MVCEA member will receive a payment of \$500. Career part-time employees accrue this additional benefit on a prorated basis.

9. ADMINISTRATIVE LEAVE

Effective with start of the first pay period following July 1, 2013, City Council authorized the City Manager to grant up to 2 hours of administrative Leave per employee per pay period to recognize extraordinary service.

10. HOLIDAY SCHEDULE

City offices will be closed on the regularly scheduled holidays of December 24, 25, 2014 and January 1, 2015. In addition, offices will close on December 26, 2014. Employees must use accrued leave time for this day.

11. DIRECT DEPOSIT FOR PAYROLL

Effective July 1, 2011, all new employees will be required to have direct deposit for payroll, or to apply for this service through the City's bank; if they are accepted by

the City's bank, they agree to participate. If the employee is denied this service by the City's bank, the direct deposit requirement for payroll will be waived.

12. OVERTIME COMPENSATION COMP TIME CAP

Non-exempt and part time employees may accrue compensatory time to a maximum cap of 180 hours.

13. STAND-BY PAY

Monday through Friday stand-by pay shall remain the same for non-Animal Control Officers (ACO). On weekends and holidays the rate shall be increased from \$20.00 to \$25.00 per day. Additionally, ACO "night truck" shall be increased from \$12.50 to \$15.00. "Night truck" for ACO's on Holidays shall be increased from \$20.00 to \$22.50.

14. BILINGUAL PAY

Bilingual compensation at the rate of \$35 per month is paid for staff who occupy positions designated as ones in which second language skills are utilized. The program will be implemented effective at the beginning of the first pay period in October, 2003.

15. SAFETY JACKETS

Field employees who work within street rights of way will be entitled to receive safety jackets. Jackets will be replaced as needed, but not more than one per year.

16. WORK SHOES

The City will give all eligible employees a check for \$150 (gross) for safety shoes payable one time each year in September.

17. UNIFORMS

The following terms apply to employees required by the City to wear uniforms, but where City-paid laundry service is not provided:

- a. Employees will have five serviceable uniform pants, five serviceable uniform shirts and one serviceable uniform jacket at the start of each fiscal year.
- b. Uniforms damaged during the year in the course and scope of duty shall be replaced on an as needed basis.
- c. The foregoing provisions do not apply to those positions for which only logo shirts are worn by employees.

18. EMPLOYEE CONCESSIONS

During the term of this agreement there shall be no other concessions by employees, reductions in City paid benefits or reductions to existing retirement contributions to the extent permitted by law

19. REOPENER CLAUSE

The parties agree to reopen the MOU annually throughout the term of this Agreement to meet and confer in good faith on the following topics upon request of either party, with discussions commencing within 30 days of said request:

- a. Merit Increases
- b. Wages
- c. Benefits
- d. Updates to Personnel Rules and Regulations
- e. Furloughs
- f. Increases to 2013 medical/dental insurance premiums (this re-opener to take place by September 2012)
- g. Any other topics of mutual agreement

July 2013 Update: Parties recognize that the economic enhancements included in this Agreement constitute the final economic enhancements to occur during the term of the current MOU which expires on June 30, 2015. Parties retain their respective prerogative to request re-openers on Personnel Rules and Regulations issues, and any other topics of mutual consent during the term of this Agreement.

20. MATTERS FOR FOLLOW-UP DISCUSSION

The City and MVCEA agree to discuss voluntary furloughs and job sharing.

21. PROBATIONARY PERIOD

The Probationary Period will be 12 months for new employees hired on or after July 1, 2012.

- a. Written evaluations shall not be prepared for probationary employees during the probationary period.
- b. At least one performance related discussion shall be held by the immediate supervisor at the 6 month point, with a signed acknowledgment by the probationary employee that said discussion occurred.
- c. A written evaluation shall be prepared to coincide with completion of the probationary period.

The Probation Period for promoted employees will be 6 months.

- a. Written evaluations shall not be prepared for probationary employees during the probationary period.
- b. At least one performance related discussion shall be held by the immediate supervisor at the 3 month point, with a signed acknowledgment by the probationary employee that said discussion occurred.
- c. A written evaluation shall be prepared to coincide with completion of the probationary period.

22. PERFORMANCE EVALUATIONS

Meaningful performance feedback is critical to the City's success in delivery of service to Moreno Valley residents. Evaluations must recognize individual employees' distinct accomplishments and hold each employee accountable for fulfilling his/her assigned duties in a professional manner.

A. To assist in meeting this essential management responsibility, the City will engage the services of a consultant with extensive public and private sector experience to review the City's current process and recommend a specific training regimen for all raters.

B. Success in this area will require that Managers, at all levels, are held accountable to provide employees with ongoing verbal feedback and meaningful performance evaluations which:

- a. Reflect unique performance levels of each rated employee;
- b. Represent the culmination of ongoing verbal feedback provided throughout the rating period; and
- c. Are reviewed and approved by Department Directors prior to being presented to rated employees (to ensure that raters are meeting the City's commitments as outlined herein).

23. MANAGEMENT ACCOUNTABILITY

Managers and supervisors will uphold performance and conduct standards for all employees. Key areas of concern include, but are not limited to: performance, attendance, and adherence to City policies.

24. LABOR-MANAGEMENT COMMITTEE

A Labor-Management Committee, Co-Chaired by the MVCEA President/designee and the Administrative Services Director will meet on a quarterly basis to discuss topics of concern to the Association and the City. The following principles will be followed to cultivate the ongoing success of this important communication forum:

- A. Parties will exchange topics at least 2 weeks in advance of each meeting, providing sufficient preparation time for meaningful, productive discussions; and
- B. The Labor-Management Committee will not serve as a forum to raise individual grievances or resolve matters more appropriately discussed at the work unit level; and
- C. The first topic of discussion will be implementation of meaningful employee performance feedback and review.

25. PRIOR AGREEMENTS

The terms, conditions and provisions of prior Agreements shall remain in effect unless modified by this Agreement, or via the provisions contained herein pertaining to re-openers and/or the Comprehensive MOU document.

26. PARITY

During the term of this agreement, MVCEA shall have the right to incorporate into this agreement the comparable value of any additional economic enhancements agreed upon between the City of Moreno Valley and the Moreno Valley Management Association (MVMA).

27. RATIFICATION AND EXECUTION

The City and MVCEA acknowledge that this Memorandum of Understanding shall not be in full force and effective until ratified by the bargaining unit and signed by the Mayor and City Manager of the City of Moreno Valley. Subject to the foregoing, this Memorandum of Understanding is hereby executed by the authorized representatives of the City and Association, and entered into this _____ day of _____, 2014.

For City:

For MVCEA:

Michelle Dawson, City Manager

Sherald Koliboski, President

Thomas M. DeSantis, Assistant City Manager

Richard Limas, Vice President

Kathy Savala, Secretary/Treasurer

Nick Henderson, MVCEA Board Member

**MEMORANDUM OF UNDERSTANDING BETWEEN
THE CITY OF MORENO VALLEY AND
THE MORENO VALLEY MANAGEMENT ASSOCIATION
2012-2015 MOU as Updated in May 2014**

The agreement entered into between the City of Moreno Valley and those employees designated as "Division Manager" (DM) and "Professional/Administrative/Management" (PAM) and sets forth the full terms and conditions of employment for members of the Moreno Valley Management Association (MVMA), subject to amendments reached by the parties in subsequent negotiations as provided for in this document.

The following is a list of provisions agreed to between the parties:

1. TERM

The term of this updated agreement shall be July 1, 2014 through June 30, 2015. All changes affecting members' salary/benefits agreed upon during the 2014 re-opener will take effect in the Pay Period which begins on July 5, 2014.

2. HOLIDAY SCHEDULE

City offices will be closed on the regularly scheduled holidays of December 24, 25, 2014 and January 1, 2015. In addition, offices will close on December 26, 2014. Employees must use accrued leave time for this day.

3. SALARY

Effective the first full pay period of July 2012 (which begins at noon on July 6th) implement a 4.75% across-the-board cost-of-living salary increase.

Any COLA increases deferred for employees during the entire period of FY 2008/2009 through FY 2011/12, are not to be retroactively credited, owed or otherwise be held for the future or credit, and are therefore forfeited and terminated. The City may, however, decide to implement COLA pay increases for employees when the City can afford to do so, subject to the meet and confer process.

4. MERIT INCREASES

The City and MVMA agree that merit pay increases will not be provided to employees who are covered by this agreement during the term of this agreement.

Any merit pay increase frozen for employees during the entire period of FY 2008/2009 through the term of this agreement are not to be retroactively credited, owed or otherwise be held for the future or credit, and are therefore forfeited and terminated. The City may, however, decide to implement merit pay increases for employees when the City can afford to do so, subject to the meet and confer process.

5. FURLOUGH

Effective July 5, 2014, the City's remaining 5% unpaid furlough program shall be eliminated. Full-time employees will return to a standard forty (40) hour work week and will be fully compensated for the forty (40) hours.

While scheduling remains a management prerogative, City and Association collaborated on how best to implement a unique scheduling formula required to reduce the 10% Furlough to 5% in 2013. This collaboration recognized that the partial elimination of the furlough would have varying impacts upon MVMA members working in various functional areas. The parties entered into this collaborative dialogue, again without precedent or prejudice to any past or future negotiations, to fully eliminate the furlough program in 2014. While maintaining prerogative over scheduling, the City will designate the "9/80 Work Schedule" as the standard. Under this schedule, full-time employees will work eight (8) nine-hour days and one (1) eight-hour day per two-week pay period. City offices will generally be open Monday through Friday, however schedules may vary at some facilities.

6. MANAGEMENT DIFFERENTIALS

Management differentials shall continue at 2% of salary for PAM and 4% of salary for DM for pre-September 30, 2011, employees and be reduced to 1.5% of salary for PAM and 3% of salary for DM for post September 30, 2011 employees. Management differentials shall continue to be paid at the full salary rate as if no reduction in hours had occurred pursuant to #5 above.

7. BENEFIT BANK

The benefit bank for pre-July 1, 2009, full time employees shall be \$14,829 per year for employees enrolled in the City's CalPERS medical insurance program with family coverage and \$14,229 per year for those that are not. The benefit bank for full time employees hired after July 1, 2009, and before September 30, 2011, shall be \$13,200 per year for employees enrolled in the City's CalPERS medical insurance program with family coverage and \$12,600 per year for those that are not. For full time employees hired prior to July 1, 2009, that voluntarily separate or are laid off from the City and are subsequently rehired by the City within one calendar year of his/her separation date, the benefit bank will be restored to \$14,229 or \$14,829 per year. For full time employees hired between July 1, 2009, and September 30, 2011, that voluntarily separate or are laid off from the City and are subsequently rehired by the City within one year of his/her separation date, the benefit bank will be restored to \$12,600 or \$13,200 per year. For full time employees hired after September 30, 2011, the benefit bank shall be \$9,450 per year. For part time career employees, the benefit bank shall be \$5,100 per year for pre-September 30, 2011, employees, and \$3,825 per year for post September 30, 2011 employees.

Effective with start of the first pay period following July 1, 2013, all MVMA members enrolled in family coverage will receive an additional monthly contribution by the City of \$150 to help

defray increased health insurance costs. Career part-time employees accrue this additional benefit on a prorated basis. This additional contribution will continue throughout the term of the current MOU (through June 2015), and will not increase further in 2014.

8. PERS EMPLOYEE CONTRIBUTIONS

Employees hired after July 1, 2009 shall pay the employee's portion of CalPERS retirement contributions for retirement formula 2.7%@55 (currently 8%). Employees hired after December 23, 2011 shall pay the employee's portion of CalPERS retirement contributions (currently 7%) for retirement formula 2%@55. These contributions shall be deducted from the employee's bi-weekly pay. In addition, the City will cease paying the Employer Paid Member Contribution (EPMC) for these employees. Employees that voluntarily separated from the City and subsequently rehired by the City within one calendar year of his/her separation date, the City will pay the employee's share of CalPERS contributions in the same manner as done prior to the separation.

9. PERS RETIREMENT PLAN

Employees hired prior to December 23, 2011, shall continue to participate in the PERS 2.7% @ 55 Benefit plan with Highest Year Pay Calculation (with Employer Paid Member Contribution [EPMC] for those employees hired prior to July 1, 2009). Employees hired after December 23, 2011, shall participate in the PERS 2.0% @ 55 Benefit plan with 3-year Average Pay Calculation.

The City provides retirement benefits for all employees through the Public Employees Retirement System (PERS). The City pays both the employee's and employer's contributions into the plan for employees hired prior to July 1, 2009. Employees hired on or after July 1, 2009, pay their own employee's contribution into the plan, under the provisions of Internal Revenue Code Section 414 (h) (2) for pretax contributions. This does not apply to promotional hires, whose original hire date was prior to July 1, 2009. At

its option, the City may change its retirement system provider upon adoption by the City Council. Prior to any changes in retirement benefits, those eligible for retirement must be notified at least 30 days in advance. Current retirement benefits are available as follows:

- A. Career Full-time Employees hired prior to July 1, 2009 receive fully-paid PERS retirement benefits. Career Full-time Employees hired on or after July 1, 2009, pay for their own employee's contribution for PERS retirement benefits, under the provisions of Internal Revenue Code Section 414 (h) (2) for pretax contributions, and at no point will the employer pay any portion of the employee's contribution.
- B. Career Part-time Employees hired prior to July 1, 2009 receive fully paid PERS retirement benefits after 1,000 hours. Before that point, the employee will have the employee's portion deducted from salary. Career Part-time Employees hired on or after July 1, 2009 pay for their own employee's contribution for PERS retirement benefits, under the provisions of Internal Revenue Code Section 414 (h) (2) for pretax contributions, and at no point will the employer pay any portion of the employee's contribution.

- C. Part-time/Seasonal. Temporary Employees, and Crossing Guards who are not eligible for PERS, are required to contribute 7.5% of earnings to a PST "457" deferred compensation program. Contributions to this plan will be made through payroll deduction. Employees eligible for participation in the PERS retirement plan (after 1,000 hours worked in a fiscal year) are responsible for the cost of their employee portion of PERS payment.

PERS refunds may be issued ONLY if the member has permanently separated from all PERS-covered or reciprocal employment. Or, if members have been on an unpaid leave of absence for at least six (6) months, they may request a refund of their contributions prior to returning to active employment.

Any employee hired prior to July 1, 2009, if promoted on or after July 1, 2009, will still be eligible for all benefit rates provided for employees hired prior to July 1, 2009 for the bargaining unit the employee is in on or after July 1, 2009.

For employees hired prior to July 1, 2009, that voluntarily separate or are laid off from the City and are subsequently rehired by the City within one calendar year of his/her separation date, the City will pay the employee's share of CalPERS contributions in the same manner as done prior to the separation.

10. MEETINGS

Employees designated as DM and PAM shall be allowed one hour of paid release time to attend employee relations meetings twice per year. Additional release time for employee relations purposes may be granted by the City Manager upon request.

11. FORFEITED LEAVE BALANCES

During the term of this agreement, if any PAM or DM employee is laid off as the result of a reduction in force and subsequently forfeits any unused sick leave pursuant to City personnel rules, and that employee is later re-called to work within the period provided for in Section 15 (Recall Period) of this MOU, that employee shall have any forfeited sick leave reinstated to a frozen sick leave account established in his/her name. Existing City rules for the use of frozen sick leave will continue to apply to these accounts.

12. ANNUAL LEAVE

The City's existing Annual Leave program shall be modified as follows:

- A. The limit of accrued Annual Leave will be 1,664 hours for employees hired prior to September 30, 2011, and 800 hours for employees hired on or after September 30, 2011. Once an employee reaches his/her respective cap, annual leave accruals will be suspended.
- B. 100% of accrued Annual Leave balances shall be paid in full at the time of separation.

- C. Career employees accrue annual leave time based on their years of service and employee group. The annual accrual rate is listed below:

All Employees (hired prior to 9/22/1992)

	<u>11+ years</u>
PAM	332 hours
DM	352 hours

Tier I and II employees (hired prior to 9/30/2011)

<u>Employee Group</u>	<u>0-5 years</u>	<u>6-10 years</u>	<u>11+ years</u>
PAM	252 hours	292 hours	316 hours
DM	272 hours	312 hours	336 hours

Tier III employees (hired on or after 9/30/2011)

<u>Employee Group</u>	<u>0-5 years</u>	<u>6-10 years</u>	<u>11+ years</u>
PAM	234 hours	274 hours	314 hours
DM	252 hours	292 hours	332 hours

- D. During each calendar year, each full time career employee shall use a minimum of 80 hours of annual leave.

- E. Authorized Holidays are as follows:

New Year's Day
 Martin Luther King, Jr. Birthday
 Presidents Day
 Memorial Day
 Independence Day
 Labor Day
 Veterans' Day
 Thanksgiving
 Day after Thanksgiving
 Christmas Holiday (2 days)

- F. Employees will be paid Holiday Pay for all working hours scheduled to be worked on a holiday. Thus, career, Full-Time Employees will be paid ten hours on a holiday that falls on a ten hour work day, nine 1/2 hours on holidays that fall on a nine 1/2 hour work day, eight hours on holidays that fall on an eight hour work day, or the appropriate number of hours for any schedule identified within Section 5 of this agreement. This only involves official holidays as recognized by the City. Two floating holidays will be credited at 8 hours and will continue to be included in Annual Leave accrual rates as described in Section C above.

- G. When a holiday falls on an employee's furlough day or regular day off the employee shall be credited with the appropriate number of hours in his/her Holiday Leave Bank. Hours will be credited as described in Section F above. Unless otherwise noted in this MOU.
- H. At retirement, Frozen Sick Leave balance (sick leave accrued prior to December 14, 2007) will be paid as elected by the employee per the following formulas:
 - 1. 70% PERS Service Credit with 30% Cash Out
 - 2. 80 % PERS Service Credit with 20% Cash Out
 - 3. 90 % PERS Service Credit with 10% Cash Out
 - 4. 100 % PERS Service Credit with 0% Cash Out

Upon separation, employees shall be paid for 40% of Frozen Sick Leave. The remaining 60% shall be forfeited. The exception shall be those employees with sick leave balances "frozen" as of 9/22/92. For those employees, upon retirement, 40% of remaining "frozen" sick leave shall be available for use as PERS service credit while the remaining 60% shall be paid out in cash. Employees not retiring under the City's CalPERS contract shall forfeit the 40% of "frozen" sick leave.

13. VEBA CONTRIBUTION

The City contribution toward individual VEBA accounts for employees hired prior to September 30, 2011 shall temporarily be made at 50% of the full contribution, with the temporary monthly contributions being \$37.50 for full-time permanent employees. For employees hired on or after September 30, 2011, the VEBA shall be fully funded at \$75 per month for full-time permanent employees.

The purpose of the VEBA is to provide employees with the ability to plan for future as well as current health care expenses as included under section 213 of the Internal Revenue Code.

Employees realize a significant benefit under this Plan as eligible contributions to a VEBA Trust and the reimbursed expenses from the VEBA Trust are tax exempt.

- A. All members of the Moreno Valley Management Association are eligible to participate in the program and are given a one-time option of participating or not participating in the program. The option must be exercised within fifteen (15) days of its offering and is irrevocable.
- B. Levels of contribution for the duration of the current agreement between the parties, for all participants, are as follows:

Mandatory deduction from salary: \$25.00 per pay period.

or in the alternative, contribution amounts within the unit may be made, if the particular sub-unit is composed of a minimum of three employees, by years of service:

0-5 years	\$ 25.00 per pay period
6-10 years	\$ 25.00 per pay period
11-15 years	\$ 25.00 per pay period
16+ years	\$ 25.00 per pay period

- C. In addition, participating employees' final accrued Annual Leave shall be allocated to their respective individual VEBA accounts as follows:

10% of payable hours on record at time of separation of employment which is defined as retirement, resignation, or termination of employment from the City of Moreno Valley.

- D. All employee contributions made to a VEBA account shall comply with applicable IRS Codes. If The Internal Revenue Service concludes that a portion of the VEBA Program does not qualify under the requirements of the Tax Code, or the Plan no longer qualifies, the City shall meet with the Moreno Valley Management Association and discuss options to bring the Plan into compliance, or discontinue the Plan.

14. POST RETIREMENT MEDICAL BENEFIT

City Paid Retiree Medical Benefit: Effective January 1, 2001 the City shall pay a minimum of the monthly fee required by PERS for enrollment of retirees as required under the Public Employees' Medical and Hospital Care Act (PEMHCA) for employees who retire from the City of Moreno Valley under the CalPERS program.

Employees hired prior to September 30, 2011 who retire under the CalPERS retirement benefits system with a minimum of five full-time years of service with the City, shall also be eligible to receive a benefit which is the lesser of the cost of medical coverage for the retiree and spouse, or a maximum employer contribution of \$318.73 per month.

To receive the Retiree Medical Benefit, the retiree must submit documentation of payment for medical insurance coverage. Documentation for those enrolled with PERS Health is provided by PERS. In the event of the retiree's death, the surviving spouse continues to be eligible to receive the benefit.

Employees hired on or after September 30, 2011 will not be provided the City paid retiree medical benefit described in the above. For these employees, the City will pay \$75 per month towards active employees' Voluntary Employee Benefits Association (VEBA) account for retirement health insurance expenses. Employees must serve a minimum of five years of full-time employment with the City in order to become vested and eligible to use their VEBA account upon retirement.

All employees who retire under both the City of Moreno Valley and CalPERS retirement benefits system are eligible to participate in the CalPERS medical insurance program under the Public Employees Medical and Hospital Care Act (PEMCHA), and the City pays the monthly minimum fee required for each retired City of Moreno Valley employee who participates in PEMCHA.

Retirees must convert to Medicare at age 65.

15. LAYOFFS/REDUCTIONS-IN-FORCE/RECALL

The City Manager may lay off permanent and probationary workers at any time for lack of work, budgetary reasons, technological changes, or other City actions that necessitate a reduction in the work force. At least four weeks' notice shall be given to any employee who is to be laid off. At the City Manager's discretion, a demotion or transfer to another department or classification may be made to prevent a layoff provided the employee is qualified by education and/or experience and is capable of performing the duties of the classification. The Department Directors, in consultation with the Administrative Services Director, and as approved by the City Manager, will effect the layoffs.

15.1 Reduction in Force:

When it becomes necessary to reduce the work force in the City, the City Manager shall designate the job classification, division, department, or other organizational unit in order to effect a, reduction in the work force. Contract, temporary, seasonal, or initial probationary employees in the same job classification(s) proposed to be reduced within the City shall be laid off first. Probationary promotional employees who are laid off shall be returned to their former classification. Employees who accept lower positions or transfers in lieu of lay-off shall be placed at a pay level within the salary range of the new position which yields a salary closest to current salary,

15.2 Order of Layoff for MVMA Employees:

The order of layoff of MVMA unit career employees shall be made in accordance with a system which favors retention of the more meritorious employees, based upon evaluation of the following factors in the listed order of implementation:

- A. An overall rating of "unsatisfactory" or "needs improvement" on the most recent performance evaluation once finalized and filed in Human Resources except when an employee has less than one year seniority with the City. In that case, only seniority will be used.
- B. Documented disciplinary actions during the preceding twelve (12) months.
- C. Seniority (length of service in a career position):
 1. in the city
 2. in the classification
 3. in the department

For MVMA employees who are equal in performance and seniority, as established in A-C above, preference will be given to those with proof of honorable military discharge,

15.3 Seniority:

Seniority is determined from the day of official appointment to a City department as a career employee, provided that any career employee, who, as a result of promotion, transfer, or

voluntary demotion, is appointed to a career position in another department, shall for purposes of layoff, carry seniority previously acquired over to the new department.

Seniority shall continue to accrue during periods of Annual Leave, layoff not exceeding three (3) years, any authorized leave of absence of less than three (3) months, or any call to military service for the duration of the call to duty. Seniority shall not accrue during any other break in continuous service.

15.4 Other Policies:

The City may call back as a temporary employee, within the first year after layoff, any laid off employee who is on the recall list when the employee is qualified to fill a vacancy of a full time position.

Any employee who receives an involuntary transfer shall have the option to be reinstated to a vacated position in the classification from which said employee was involuntarily transferred for up to six (6) months from the effective date of the involuntary transfer in the event of layoff.

An employee who chooses to terminate and have his/her name placed on the Reinstatement List under this section shall notify the department in writing of his/her decision at least three (3) working days prior to the effective date of reassignment. Such termination shall be on the same date as the reassignment would have been effective.

15.5 Recall Period:

The recall period for employees laid off prior to June 30, 2011 shall be two years from the date of their layoff. The recall period for employees laid off on or after June 30, 2011, shall be three years from the date of their layoff.

15.6 Recall List:

The name of every career employee who is laid off, transfers, or elects to demote to a formerly held classification in the same department for longer than one pay period due to a Reduction-in-Force, shall be placed on the Recall List, except that the names of those MVMA unit employees laid off under Sections A & B under in "Order of Layoff for MVMA Employees" above, shall not be placed on the recall list. Vacancies to be filled within a department shall be offered to individuals named on the Recall List who, at the time of the Reduction-in-Force, held a position in the same job classification within the department as the vacancy to be filled. Order of recall shall be same as order of layoff.

A. Individual names may be removed from the Recall List for any of the following reasons:

- The expiration of three (3) years from the date of placement on the list, effective June 30, 2011.
- Re-employment with the City in a career full-time position in a department other than that from which the employee was laid off.

- Failure to respond within 14 calendar days of mailing a certified letter regarding availability for employment.
- Failure to report to work within 14 calendar days of mailing of a certified letter containing a notice of reinstatement to a position, absent mitigating circumstances.
- Request in writing, including e-mail, to be removed from the list.

In the event of a vacancy, if there are no individuals on the recall list who formerly occupied the vacant classification, those individuals on the recall list who possess the necessary qualifications for the vacant classification shall be eligible for recall to the vacancy. Eligibility order shall be the same as the order of lay-off.

No person from outside City employment shall be hired in a career position in the deleted classification until all those displaced due to layoffs or transfers are recalled to their former classification or one classification lower in the same career ladder as the one in which the employee was laid off.

15.7 Status on Re-employment:

Effective June 30, 2011, a career employee who has been laid off or terminates in lieu of reassignment and is re-employed in a career position within three (3) years from the date of his layoff or termination shall be entitled to:

- A. Buy back and thereby restore all or a portion of Annual Leave credited to the employees' account on the date of layoff or termination and at the same rate as it was sold originally. This restoration must be requested in writing within 30 days of returning to work and must be fully paid back within six (6) months of the return to work.
- B. Restoration of seniority accrued prior to and accrued during layoff.
- C. Credit for all service prior to layoff for the purpose of determining the rate of accrual of Annual Leave.
- D. Placement in the salary range as if the employee had been on a leave of absence without pay if he/she is reinstated to the same job classification in the same department from which he/she was laid off or terminated.
- E. In accordance with CalPERS regulations, restoration to the same level of CalPERS benefits and City paid member contribution that the employee received prior to being laid off or terminated.
- F. Restoration to the same level of flexible benefits (i.e. benefit bank) that the employee received prior to being laid off or terminated.

15.8 Continuation of Benefits:

Those who are laid off shall have their medical insurance benefits continued to the end of the second month following the date of their layoff in the event that they are not covered by another medical plan at that time.

16. WORKPLACE IMAGE

The City's Image policy will permit denim pants on Thursday subject to reasonable quality standards established by the Human Resources Department prior to implementation.

17. EXEMPT TEMPORARY EMPLOYEES

The City may exempt temporary employees from the PERS Contract and add a PERS payroll code to simplify payroll.

18. DIRECT PAYROLL DEPOSIT

The City may require the use of Direct Payroll Deposit as a condition of employment for employees hired after September 30, 2011.

19. OTHER BENEFITS

There shall be no other reductions in City paid benefits during the term of this agreement.

20. RE-OPENER CLAUSE

The parties recognize that the economic enhancements included in this Updated Agreement constitute the final economic enhancements to occur during the term of the current MOU which expires on June 30, 2015. Parties retain their respective prerogative to request re-openers on Personnel Rules and Regulations issues, and any other topics of mutual consent during the term of this Agreement.

Discussions will commence within 30 days of the request by either party pursuant to the provisions of this Section.

21. PARITY

During the term of this agreement, MVMA shall have the right to incorporate into this agreement the comparable value of any additional economic enhancements agreed upon between the City of Moreno Valley and the Moreno Valley City Employees Association (MVCEA).

22. PROBATIONARY PERIOD

The first twelve (12) months, or any duly extended longer period, of all new employment in a career position shall be deemed a probationary period. The first six (6) months, or any duly

extended longer period, of all promotional employment in a career position shall be deemed a probationary period. The probationary period shall commence upon the effective date of the appointment.

During the probationary period, an employee may be terminated without the right of appeal, hearing or resort to any grievance procedure if his or her performance is deemed in any way unsatisfactory or below City standard by the City Manager, upon recommendation of the Department Head. At the conclusion of the probationary period, if the employee's performance does not meet City standards but is not altogether unsatisfactory, the probationary period may be extended up to an additional period of the same duration, at the discretion of the City Manager.

The decision to extend the length of an employee's probationary period must be based on justifiable reasons and must be made prior to the expiration of the original probationary period. Such a decision shall not be appealable or grievable.

Before an employee may promote, they must first successfully complete original probation. An employee who fails to complete his or her promotional probationary period satisfactorily shall be reinstated to the position in the same classification from which he or she was promoted unless discharged from City service as provided in the City's Personnel Rules.

23. PERFORMANCE EVALUATIONS

Meaningful performance feedback is critical to the City's success in delivery of service to Moreno Valley residents. Evaluations must recognize individual employees' distinct accomplishments and hold each employee accountable for fulfilling his/her assigned duties in a professional manner.

- a. To assist in meeting this essential management responsibility, the City will engage the services of a consultant with extensive public and private sector experience to review the City's current process and recommend a specific training regimen for all raters.
- b. Success in this area will require that Managers, at all levels, are held accountable to provide employees with ongoing verbal feedback and meaningful performance evaluations which:
 - 1) Reflect unique performance levels of each rated employee;
 - 2) Represent the culmination of ongoing verbal feedback provided throughout the rating period; and
 - 3) Are reviewed and approved by Department Directors prior to being presented to rated employees (to ensure that raters are meeting the City's commitments as outlined herein).

24. LABOR-MANAGEMENT COMMITTEE

Subject to concurrence by the Moreno Valley City Employees Association (MVCEA), a Labor-Management Committee Co-Chaired by the MVCEA and MVMA Presidents/designees and the Administrative Services Director will meet as needed to discuss the implementation of meaningful employee performance feedback and review, including accountability guidelines.

25. PUBLIC SERVICE RECOGNITION

In the paychecks issued closest to December 1, 2013 and December 1, 2014, each MVMA member will receive a payment of \$500. Career part-time employees accrue this additional benefit on a prorated basis (\$250).

26. MANAGEMENT ACCOUNTABILITY

Managers and supervisors will uphold performance and conduct standards for all employees. Key areas of concern include, but are not limited to: performance, attendance, and adherence to City policies.

27. RATIFICATION AND EXECUTION

The City and MVMA acknowledge that this Memorandum of Understanding shall not be in full force and effective until ratified by the bargaining unit and approved by the Moreno Valley City Council. Subject to the foregoing, this Memorandum of Understanding is hereby executed by the authorized representatives of the City and Association, and entered into this ____ day of ____ 2014.

For City:

For MVMA:

Michelle Dawson, City Manager

Patty Grube, Secretary

Tom DeSantis, Assistant City Manager

John, Kerenyi, Treasurer

Leisa Gage, PAM Representative

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APPROVALS	
BUDGET OFFICER	<i>me</i>
CITY ATTORNEY	<i>SMB</i>
CITY MANAGER	<i>d</i>

Report to City Council

TO: Mayor and City Council

FROM: Chris Paxton, Administrative Services Director

AGENDA DATE: May 27, 2014

TITLE: MONTHLY REPORT: MORENO VALLEY ANIMAL SHELTER ADOPTION RATE

RECOMMENDED ACTION

Recommendations: That the City Council:

1. Receive and file the Monthly Report: Moreno Valley Animal Adoption Rate for the period of April 1 to April 30, 2014.

SUMMARY

The City Council has challenged staff to increase adoptions and decrease the euthanasia rate at the Moreno Valley Animal Shelter. Ongoing evaluation of programs and services, along with increasing public awareness will remain key elements to our success in increasing adoptions of homeless pets from our shelter.

DISCUSSION

As a follow up to the December 18, 2012 City Council Study Session on Animal Shelter operations, Mayor Owings asked that monthly staff reports be prepared to keep the public informed of the City's progress and the ongoing need to increase pet adoptions and other programs to reduce the number of homeless animals euthanized.

The April 2014 report reveals a Placement (Return to Owners, Transfers and Adoptions) Rate of 54%, representing an increase over last year's Placement Rate by 7%. Other factors which are noteworthy include:

- The number of dogs taken in at the Shelter during April 2014 declined by 21% as compared to April 2013;

- The placement rate for dogs (adoptions, return to owners & transfers) during April 2014 increased by 16% as compared to April 2013;
- The number of dog adoptions during April 2014 experienced a decrease of 12% as compared to April 2013;
- The number of dogs euthanized decreased in April 2014 by 60% when compared to April 2013;
- The number of cats taken in at the Shelter during April 2014 decreased slightly by 4% as compared to April 2013;
- The number of cat adoptions increased in April 2014 by 31% as compared to April 2013;
- The placement rate for cats (adoptions, return to owners & transfers) during April 2014 increased by 1% as compared to April 2013;
- The number of cats euthanized had a slight increase in April 2014 by 4% as compared to April 2013;
- Other live animal species received in April 2014 included 8 birds (4 pigeons, 2 crows, 1 chicken and 1 quail), 9 opossums, 1 turtle, 1 tortoise, 3 rabbits, 1 lizard, 2 snakes, 1 squirrel, 1 skunk and 1 potbellied pig.

Upcoming Events

- 2014 ASPCA Rachael Ray \$100K Challenge – June 1st to August 31st
- Challenge “Kick-Off” Pet Adoption Event – Sunday June 1st & Monday June 2nd
- Shutterstories Photography Pet Adoption event – Saturday June 7th
- Father’s Day Pet Adoption Event – Friday June 13th & Saturday June 14th
- Lassalle Place Apartments Pet Adoption Event – Saturday June 28th

CITY COUNCIL GOALS

Positive Environment. Create a positive environment for the development of Moreno Valley’s future.

ATTACHMENTS

Attachment 1 – Moreno Valley Animal Shelter Intake / Disposition Report – April 2014

Attachment 2 – Moreno Valley Animal Shelter – April 2014 – Euthanasia Statistics

Attachment 3 – Moreno Valley Animal Shelter Upcoming Events PowerPoint

Prepared By:
Steve Fries
Animal Services Division Manager

Department Head Approval:
Chris Paxton
Administrative Services Director

Moreno Valley Animal Shelter
Intake / Disposition Report –April 2014
 Report Date 5/1/2014

Intake	Dogs	Cats	Other	Total
Owner Surrender	54	14	0	68
Live Stray	381	218	15	614
Confiscated (Cruelty/Neglect/Aggressive)	10	0	0	10
Returns	9	1	0	10
Quarantine	1	0	0	1
DOAs	31	45	13	89
On-Hand at Shelter 4/1/14	142	40	3	185
Total	628	318	31	977

Disposition	Dogs	Cats	Other	Total
On – Hand At Shelter 5/1/14	199	65	0	264
Escaped/Stolen	0	0	1	1
DOAs	31	45	13	89
Died in Kennel	4	1	0	5
Died at Vet	0	0	0	0
Foster	2	4	1	7
Euthanized	96	176	9	281*
Transfer	0	0	3	3**
Return to Owners	60	6	0	66**
Adopted	236	21	4	261**
Total	628	318	31	977

Summary Statistics: The statistics below reflect outcomes on the number of pets placed vs. those which could not be adopted. Figures are based upon the total number of pets available for placement, and does not reflect the number of animals which remained on-hand, or those which were deceased upon arrival and/or while under care. These categories are marked with * above. For the month of April 2014, the number of pets upon which statistics are calculated totaled: 611

*Euthanasia Rates: 46% (281) See Detailed Report
 Unadopted: 1% (1)
 Contagious Disease 20% (57)
 Medical/Behavioral/Other: 79% (223)

**Placement Rate: 54% (330) Reflects Return to Owners, Transfer, Adopted

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Moreno Valley Animal Shelter
April 2014 – Euthanasia Statistics

Outcome Sub-Type	Dogs	Cats	Others	Total
Medical/Vet Rec.	47	11	8	66
Owner Requested	7	9	0	16
Contagious Disease	28	29	0	57
Feral	0	67	0	67
Aggressive Behavior Observed	14	0	0	14
Not Adopted*	0	0	1	1
Other**	0	60	0	60
Total	96	176	9	281

*Not Adopted: euthanized for considerations such as placement potential, time in shelter, humane considerations.

** Other-Cats/Dogs/Others: too young/newborns-impounded w/o their mothers per Food & Agricultural Code 17006.

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Animal Shelter Upcoming Events


Upcoming Events June 2014

- 2014 ASPCA Rachael Ray's \$100k Challenge
 - Kick-Off Event - Sunday, June 1st and Monday, June 2nd
- Shutterstories Photography Pet Adoption Event, Saturday, June 7th
- Father's Day Pet Adoption Event — Friday, June 13th and Saturday, June 14th
- Lasselle Place Apts. Pet Adoption Event — Saturday, June 28th

Cinco de Mayo Pet Adoption Results

Celebrate by bringing home a new pet

Cinco de Mayo 2014
Pet Adoption Event



628-

Saturday, May 3
Sunday, May 4
Monday, May 5
Moreno Valley Animal Shelter
14041 Eisworth St.

Gift Certificates Available.
Special discounted adoption rates.

Dogs and puppies \$50
Cats and kittens \$35
Includes spay or neuter surgery
vaccines, Home Again
Memorabilia.

Pets adopted that have not been altered will stay for neuter surgery and will be available to go home the afternoon of the day surgery is scheduled.

MORENO VALLEY ANIMAL SERVICES
FOR MORE INFORMATION VISIT WWW.MVA.SERVICES

Family adoptions: 66
Rescued: 13
Returned to Owners: 3
Pets placed in Foster: 6





APPROVALS	
BUDGET OFFICER	<i>me</i>
CITY ATTORNEY	<i>SMB</i>
CITY MANAGER	<i>d</i>

Report to City Council

TO: Mayor and City Council

FROM: Suzanne Bryant, City Attorney

AGENDA DATE: May 27, 2014

TITLE: FIRST READING AND INTRODUCTION OF ORDINANCE NO. 876. AN ORDINANCE OF THE CITY OF MORENO VALLEY, CALIFORNIA, AMENDING TITLE 2 OF THE MORENO VALLEY MUNICIPAL CODE RELATING TO THE ELECTION AND TERM OF OFFICE OF THE MAYOR AND COUNCIL AND THE NUMBER, DESIGNATION, AND BOUNDARIES OF COUNCILMANIC DISTRICTS

RECOMMENDED ACTION

Recommendations: That the City Council:

1. Introduce Ordinance No. 876. An Ordinance of the City Council of the City of Moreno Valley, California, Amending Title 2 of the Moreno Valley Municipal Code Relating to the Election and Term of Office of the Mayor and Council and the Number, Designation, and Boundaries of Councilmanic Districts.

SUMMARY

This report presents an Ordinance with the proposed Council districts map that was selected at the third public hearing on May 13, 2014 and the associated changes to Title 2 of the Moreno Valley Municipal Code to change to a directly elected mayor with four councilmembers elected by district.

This Ordinance would only take effect after it is passed by the majority of the voters of the City of Moreno Valley.

DISCUSSION

At the May 13, 2014 Council meeting, a public hearing was held and the City Council adopted Resolution 2014-33 selecting a redistricting map (“Plan 2b”), and directed the City Attorney to prepare an ordinance.

This agenda item is the Introduction and the first reading of the Ordinance with the changes to Title 2 of the Municipal Code which include a directly elected mayor and four councilmembers elected by districts (MVMC 2.04.005) and amending MVMC 2.06.010 so that the directly elected mayor would appoint members to the City’s boards and commissions. The Ordinance also includes the new district boundaries and designations selected at the May 13, 2014 Council meeting if a majority of the voters of the City of Moreno Valley pass the measure.

The City Clerk will have to forward the Ordinance to the Planning Commission. The responsibility of the Planning Commission will be to examine the ordinance and proposed Council districts as to definiteness and certainty of the boundaries of the proposed districts and adopt a resolution making findings specified in Government Code section 34875. After the Planning Commission examination of the ordinance and the districts, the City Council can approve the exact questions to be submitted to the electorate, call for an election and request consolidation with the statewide General Election.

NOTIFICATION

Posting of the Agenda.

ATTACHMENT

1. Proposed Ordinance.

Prepared By:
Suzanne Bryant
City Attorney

Department Head Approval:
Suzanne Bryant
City Attorney

ORDINANCE NO. 876

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORENO VALLEY, CALIFORNIA, AMENDING TITLE 2 OF THE MORENO VALLEY MUNICIPAL CODE RELATING TO THE ELECTION AND TERM OF OFFICE OF THE MAYOR AND COUNCIL AND THE NUMBER, DESIGNATION, AND BOUNDARIES OF COUNCILMANIC DISTRICTS

WHEREAS, on November 6, 1984, the voters approved Measure F, providing for the incorporation of the City of Moreno Valley with a five (5) member City Council elected at large; and

WHEREAS, on November 6, 1984, the voters approved Measure G, providing that members of the City Council would be elected “by districts,” meaning that each member of the City Council is elected by voters who only reside within each of five districts; and

WHEREAS, pursuant to California Government Code section 36801, the Moreno Valley City Council has selected the Mayor from among the Council’s members; and

WHEREAS, California Government Code section 34900 *et seq.*, authorizes the City Council to submit to the voters the question of whether the voters shall elect a Mayor and four (4) City Councilmembers, and whether the Mayor shall serve a two-year term or four-year term; and

WHEREAS, on November 2, 2010, the City Council placed two advisory questions on the municipal general election ballot, the first of which asked voters if they support the change from an appointed Mayor to an elected Mayor, and the second of which asked voters if, whether or not they support such a change, the City Council should call a binding election to decide the issue, and a majority of voters voted “yes” on each question; and

WHEREAS, the City Council desires to place these questions on the ballot during the statewide election conducted the first Tuesday after the first Monday in November of this year; and,

WHEREAS, this ordinance shall take effect thirty (30) days after its adoption by a majority of the voters of the City of Moreno Valley, and shall only take effect if, prior to submission of this ordinance to the voters for their approval, the City’s Planning Commission adopts a resolution making those findings required by California Government Code section 34875.

The City Council of the City of Moreno Valley does ordain as follows:

SECTION 1.

Moreno Valley Municipal Code, Chapter 2.04, "Council," is amended to add Section 2.04.005 to read as follows:

2.04.005 Mayor and Councilmembers.

- (a) The electors shall elect a mayor and four (4) councilmembers.
- (b) The council shall consist of the mayor and four (4) councilmembers.
- (c) The term of the office of mayor shall be that preferred by a majority of those voting on the proposition approving the election of the mayor, and the term of office of each councilmember shall be four (4) years.
- (d) Councilmembers shall be elected "by district" as that term is defined in Government Code section 34871.

SECTION 2.

Chapter 2.06, "Boards and Commissions—General Provisions," of the Moreno Valley Municipal Code, is amended at Section 2.06.010 to read as follows:

2.06.010 General Rules Regarding Appointments, Terms, Vacancies.

- A. Unless otherwise provided by law or by ordinance or resolution, all members of boards and commissions of the city shall be appointed by the mayor with the approval of the city council for three-year terms commencing as of July 1st of the year of appointment; provided, that interim vacancies shall be filled by appointment to the specific unexpired term of the member replaced. This rule shall not apply to newly established boards or commissions, the initial appointments to which shall be made on a staggered-term basis, provided that the longest such term shall not exceed three years, commencing with the July 1st next following the appointment.
- B. Unless otherwise provided by law, and notwithstanding that an ordinance or resolution establishing a board or commission may fail to so provide, then in addition to the number of members of a board or commission set forth in the enactment establishing such board or commission, the mayor may, with the approval of the city council and in his or her discretion, appoint one or more alternate members to each board or commission. During their incumbency as such, alternate members shall have no vote in the proceedings of the board or commission. In the event of one or more interim vacancies in a board or commission as declared by the city council, and subject to confirmation by the city council, alternate

members to such board or commission shall assume the vacated seat or seats for the unexpired portion of the term of the member replaced.

- C. Any member of a board or commission of this city may be removed from office at any time, with or without cause, by a majority vote of the city council, except in cases where the mayor or city council are not the appointing authority (in which cases such regular appointing authority may exercise this power of removal). If a member is absent without advance permission of the board or commission or of the appointing authority, from three regular meetings or from twenty-five (25) percent of the duly scheduled meetings of the board or commission within any fiscal year, the membership shall thereupon become vacant and shall be filled as any other vacancy.
- D. Unless otherwise provided by law, or by ordinance or resolution of the city council, all members of any board or commission of the city appointed by the mayor and approved by the city council shall be at the inception of and throughout their incumbencies, bona fide residents of the city. No member of a board or commission of the city shall be an employee of the city during such membership.
- E. Unless otherwise specifically provided by the action establishing the body or appointing its initial members, no person shall be at the same time a member of more than one citizens advisory body created by ordinance or resolution of the city council.

SECTION 3.

If the majority of Moreno Valley voters approve the measure concerning the direct election of the mayor and the reapportionment of councilmanic districts as set forth in Exhibit A (attached hereto and incorporated herein by this reference), Resolution No. 2011-107 shall be repealed and in place of Resolution No. 2011-07, new district boundaries and the designation of each of the four (4) council districts as set forth in Exhibit A including a map of the districts will be adopted. If the measure is approved, the councilmanic office previously designated as District 5 will be designated as the office of the mayor and the voters of the entire city will directly elect the mayor in the municipal general election of 2016. Districts 1 and 3 will elect Councilmembers in 2016 and Districts 2 and 4 will elect Councilmembers in 2018.

SECTION 4.

This ordinance is hereby adopted and submitted to the City Clerk, who is directed to transmit the ordinance to the Planning Commission to make findings by resolution as to the matters set forth in California Government Code section 34875. Upon adoption of such a resolution by the Planning Commission within ninety (90) days of the adoption of this ordinance, the City Clerk is directed to bring before the City Council a resolution calling a municipal election, placing a measure concerning the direct election of the mayor and reapportionment of councilmanic districts on the municipal election ballot,

and requesting consolidation of the municipal election with the statewide general election of November 4, 2014.

SECTION 5.

This ordinance shall take effect thirty (30) days after its adoption by a majority of the voters of the City of Moreno Valley, and shall only take effect if, prior to submission of this ordinance to the voters for their approval, the City's Planning Commission adopts a resolution making those findings required by California Government Code section 34875.

APPROVED AND ADOPTED this 10th day of June, 2014.

Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

4
Ordinance No. 876
Date Adopted: June 10, 2014

EXHIBIT A

COUNCIL DISTRICT BOUNDARIES, DESIGNATIONS, AND MAP

ORDINANCE JURAT

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) ss.
CITY OF MORENO VALLEY)

I, Jane Halstead, City Clerk of the City of Moreno Valley, California, do hereby certify that Ordinance No. 876 had its first reading on May 27, 2014 and had its second reading on June 10, 2014, and was duly and regularly adopted by the City Council of the City of Moreno Valley at a regular meeting thereof held on the 10th day of June, 2014, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

(Council Members, Mayor Pro Tem and Mayor)

CITY CLERK

(SEAL)

Moreno Valley Selected Redistricting Plan 2B Street by Street Boundary Description

5/19/2014

District 1: Beginning at the intersection of State Route 60 and the western border of the city of Moreno Valley, proceed easterly along State Route 60 until Frederick Avenue/Pigeon Pass Road; thence proceed northerly along Pigeon Pass Road until Ironwood Avenue; thence proceed easterly along Ironwood Avenue until Perris Boulevard; thence proceed southerly along Perris Boulevard until Cottonwood Avenue; thence proceed westerly along Cottonwood Avenue until Indian Street; thence proceed southerly along Indian Street until Alessandro Boulevard; thence proceed westerly along Alessandro Boulevard until Heacock Street; thence proceed southerly along Heacock Street until Cactus Avenue, which is the border of the City of Moreno Valley; thence proceed clockwise along the border of the City of Moreno Valley until the point of origin.

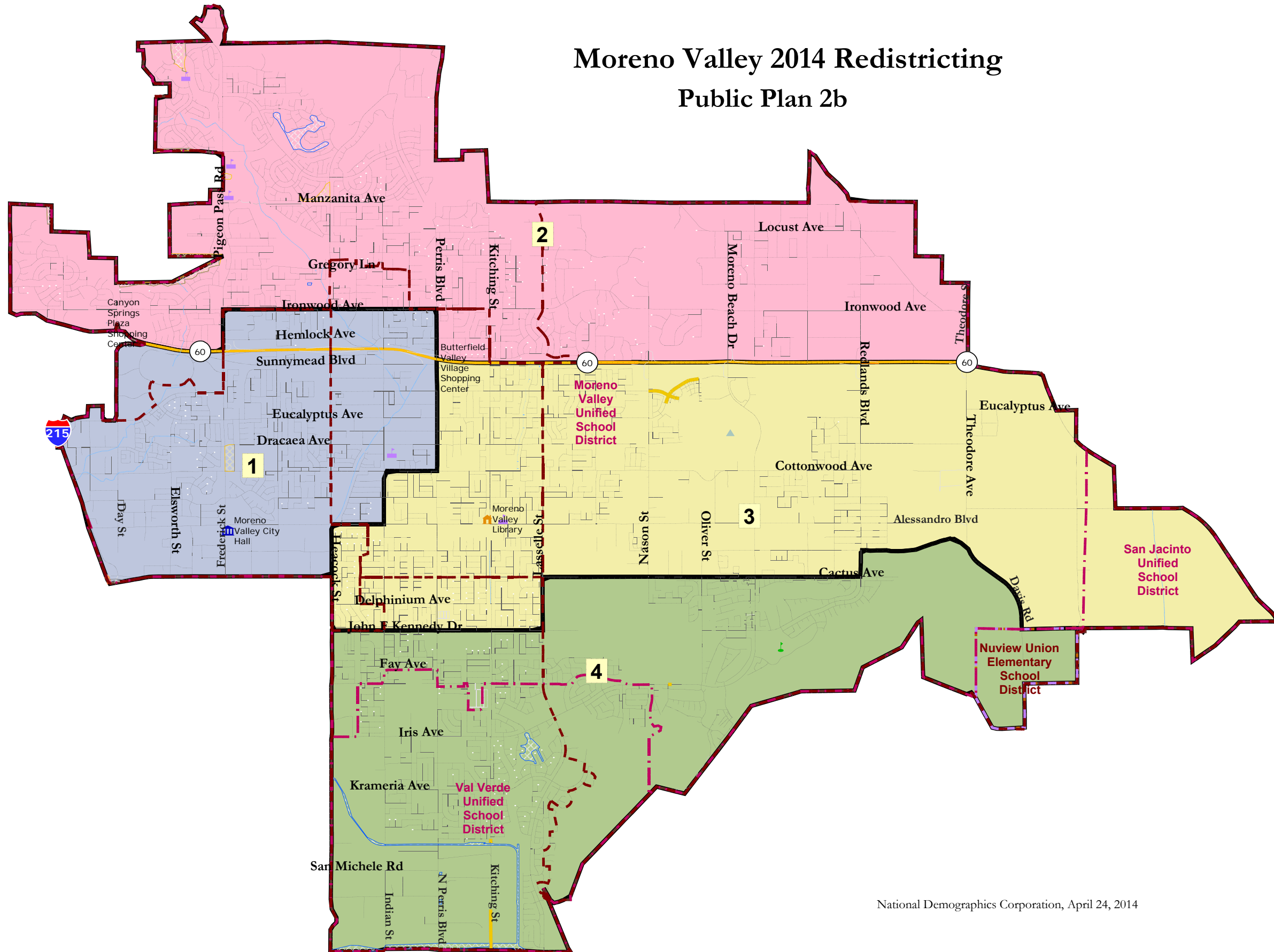
District 2: Beginning at the intersection of State Route 60 and the western border of the city of Moreno Valley, proceed easterly along State Route 60 until Frederick Avenue/Pigeon Pass Road; thence proceed northerly along Pigeon Pass Road until Ironwood Avenue; thence proceed easterly along Ironwood Avenue until Perris Boulevard; thence proceed southerly along Perris Boulevard until State Route 60; thence proceed easterly along State Route 60 until the eastern border of the City of Moreno Valley; thence proceed counterclockwise along the border of the City of Moreno Valley until the point of origin.

District 3: Beginning at the intersection of State Route 60 and the eastern border of the city of Moreno Valley, proceed westerly along State Route 60 until Perris Boulevard; thence proceed southerly along Perris Boulevard until Cottonwood Avenue; thence proceed westerly along Cottonwood Avenue until Indian Street; thence proceed southerly along Indian Street until Alessandro Boulevard; thence proceed westerly along Alessandro Boulevard until Heacock Street; thence proceed southerly along Heacock Street until Cactus Avenue, thence proceed southerly along Cactus Avenue until John F Kennedy Drive; thence proceed easterly along John F Kennedy Drive until Lassalle Street; thence proceed northerly along Lassalle Street until Cactus Avenue; thence proceed easterly along Cactus Avenue until Redlands Boulevard; thence proceed northerly along Redlands Boulevard until Brodiaea Avenue; thence proceed easterly along Brodiaea Avenue and its extension to the northern border of the Lake Perris State Recreation Area; thence proceed easterly along the northern border of the Lake Perris State Recreation Area until Davis Street; thence proceed southeasterly along Davis Street until the northern border of the Nuvview Union Elementary School District; thence proceed easterly along the border of the Nuvview Union Elementary School until its intersection with the City of Moreno Valley border; thence proceed counterclockwise along the border of the City of Moreno Valley until the point of origin.

District 4: Beginning at the intersection of Heacock Street and John F Kennedy Drive and the western border of the City of Moreno Valley, proceed easterly along John F Kennedy Drive until Lassalle Street; thence proceed northerly along Lassalle Street until Cactus Avenue; thence proceed easterly along Cactus Avenue until Redlands Boulevard; thence proceed northerly along Redlands Boulevard until Brodiaea Avenue, thence proceed easterly along Brodiaea and its extension to the northern border of the Lake Perris State Recreation Area; thence proceed easterly along the northern border of the Lake Perris State Recreation Area until Davis Street; thence proceed southeasterly along Davis Street until the northern border of the Nuvview Union Elementary School District; thence proceed easterly along the border of the Nuvview Union Elementary School until its intersection with the City of Moreno Valley border; thence proceed clockwise along the border of the City of Moreno Valley until the point of origin.

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Moreno Valley 2014 Redistricting Public Plan 2b



National Demographics Corporation, April 24, 2014

- Map layers**
- Public 2b
 - Incorporated Cities
 - Water Area
 - Streets
 - Census Place
 - Landmark Point
 - Landmark Area
 - Pipeline/Power Line
 - Railroad
 - River
 - ElemSchool
 - SecSchool
 - Unif School
 - 2011 Plan

-639-

Item No. H.1.1.1

Moreno Valley 2014 Proposed Plan 2b

District		1	2	3	4	Total
	Total Pop	47,257	48,252	48,028	49,828	193,365
	Deviation from ideal	-1,084	-89	-313	1,487	2,571
	% Deviation	-2.24%	-0.18%	-0.65%	3.08%	5.32%
Total Pop	% Hisp	62%	46%	58%	52%	54%
	% NH White	13%	30%	17%	16%	19%
	% NH Black	18%	16%	16%	22%	18%
	% Asian-American	5%	6%	7%	8%	7%
Voting Age Pop	% Hisp	57%	41%	53%	48%	50%
	% NH White	16%	35%	20%	19%	23%
	% NH Black	18%	15%	17%	22%	18%
	% Asian-American	6%	7%	8%	9%	7%
Citizen Voting Age Pop	% Hisp	45%	39%	43%	37%	41%
	% NH White	21%	39%	27%	25%	29%
	% NH Black	26%	14%	20%	26%	21%
	% Asian-American	4%	5%	8%	8%	6%
Voter Registration (Nov 2012)	% Spanish-Surnamed	41%	29%	40%	36%	36%
	% Asian-Surnamed	1%	1%	1%	1%	1%
	% Filipino-Surnamed	1%	1%	1%	1%	1%
Voter Turnout (Nov 2012)	% Spanish-Surnamed	40%	26%	37%	32%	33%
	% Asian-Surnamed	1%	1%	0%	1%	1%
	% Filipino-Surnamed	0%	0%	1%	1%	1%
Age	age0-19	42%	34%	40%	41%	36%
	age20-60	59%	59%	58%	58%	54%
	age60plus	9%	14%	10%	11%	10%
Immigration	immigrants	31%	22%	29%	25%	25%
Housing Stats	vacant	8%	7%	8%	10%	8%
	occupied	92%	93%	92%	90%	92%
	rented	57%	21%	30%	29%	37%
	owned	35%	72%	62%	61%	63%
	singlefamily	62%	96%	88%	91%	84%
	multifamily	38%	4%	12%	9%	16%
Language spoken at home	english	45%	60%	45%	56%	52%
	spanish	50%	36%	47%	37%	42%
	asian-lang	3%	3%	5%	6%	4%
Children at Home	child-under18	49%	41%	49%	45%	46%
Work (percent of pop age 16+)	employed	50%	57%	54%	55%	54%
	Commute on Public Transit	1%	1%	1%	1%	1%
Household Income	hhincome0-25k	32%	12%	19%	16%	20%
	hhincome25-50k	28%	22%	27%	24%	25%
	hhincome50-75k	19%	19%	23%	22%	21%
	hhincome75-200k	21%	45%	31%	37%	33%
	hhincome200k-plus	0%	4%	1%	1%	2%
Education (among those age 25+)	hs-grad	56%	65%	60%	61%	24%
	bachelor	8%	13%	10%	13%	61%
	graduatedegree	3%	7%	3%	5%	11%
Total and Voting Age population data from the 2010 Decennial Census.						
Voter Registration and Turnout data from the California Statewide Database, Nov. 2012 data.						
Citizen Voting Age Pop., Age, Immigration, and other demographics from the 2008-2012 American Community Survey 5-year data.						



APPROVALS	
BUDGET OFFICER	<i>me</i>
CITY ATTORNEY	<i>SMB</i>
CITY MANAGER	<i>d</i>

Report to City Council

TO: Mayor and City Council

FROM: Ahmad R. Ansari, P.E., Public Works Director/City Engineer

AGENDA DATE: May 27, 2014

TITLE: INTRODUCE ORDINANCE NO. 877 AMENDING CHAPTER 3.44 OF THE CITY OF MORENO VALLEY MUNICIPAL CODE TO INCLUDE AN EXEMPTION FOR NEWLY CONSTRUCTED SPECIALLY ADAPTED HOMES FOR SEVERLY DISABLED VETERANS UNDER THE WESTERN RIVERSIDE COUNTY TRANSPORTATION UNIFORM MITIGATION FEE (TUMF) PROGRAM

RECOMMENDED ACTION

Recommendations: That the City Council:

1. Introduce Ordinance No. 877. An Ordinance amending Chapter 3.44 of the City of Moreno Valley Municipal Code to Include an Exemption for Newly Constructed Specially Adapted Homes for Severely Disabled Veterans Under the Western Riverside County Transportation Uniform Mitigation Fee (TUMF) Program.

SUMMARY

This report recommends adoption of the attached Ordinance, amending and updating the City's TUMF Ordinance. The revised TUMF Ordinance recommendation to exempt non-profit 501 (c) (3) organizations from paying TUMF is specific in that it limits the exemption to new specially adapted homes for severely disabled veterans who are the recipients of a Veterans Administration Specially Adapted Housing (SAH) Grant or its equivalent.

DISCUSSION

The City is a Member Agency of the Western Riverside Council of Governments (“WRCOG”), a joint powers agency comprised of the County of Riverside, March JPA, and seventeen (17) cities located in Western Riverside County. Acting in concert, the WRCOG Member Agencies developed a plan whereby the shortfall in funds needed to enhance the capacity of the Regional System of Highways and Arterials due to new development in Western Riverside County could be made up in part by a Transportation Uniform Mitigation Fee (“TUMF”) on future residential, commercial, and industrial development. As a Member Agency of WRCOG and as a TUMF Participating Jurisdiction, the City participated in the preparation of a certain “Western Riverside County Transportation Uniform Fee Nexus Study,” (“2009 Nexus Study”) later adopted by the WRCOG Executive Committee. On January 10, 2010 the City adopted the 2009 Nexus Study and Ordinance 807 to implement the TUMF Program in the City of Moreno Valley.

Pursuant to the Mitigation Fee Act (Gov. Code §§ 66000 *et seq.*), WRCOG, upon the recommendation of the WRCOG Executive Committee, now desires to amend the TUMF Ordinance to include the following exemption:

- Exempt non-profit 501(c)(3) organizations who build new single-family homes specifically constructed and adapted for qualifying severely disabled veterans injured in theatre of combat operations.

On April 7, 2014, the WRCOG Executive Committee reviewed the attached revised TUMF Program Ordinance template and recommended TUMF Participating Jurisdictions amend their TUMF ordinances to reflect the changes.

ALTERNATIVES

1. Approve and adopt the proposed Ordinance amending and updating the City’s TUMF Ordinance. This alternative is recommended by staff. Approval will allow for the exemption for specially adapted homes for severely disabled veterans.
2. Do not approve and adopt the proposed Ordinance amending and updating the City’s TUMF Ordinance, thereby not exempting specially adapted homes for severely disabled veterans. This alternative is not recommended by staff.

FISCAL IMPACT

There is no anticipated fiscal impact associated with the proposed action.

CITY COUNCIL GOALS

The following City Council Goals are furthered with this action:

ADVOCACY.

Develop cooperative intergovernmental relationships and be a forceful advocate of City policies, objectives, and goals to appropriate external governments, agencies, and corporations.

PUBLIC FACILITIES AND CAPITAL PROJECTS.

Ensure that needed public facilities, roadway improvements, and other infrastructure improvements are constructed and maintained.

POSITIVE ENVIRONMENT.

Create a positive environment for the development of Moreno Valley' future.

NOTIFICATION

Publication of the City Council agenda

ATTACHMENTS

Attachment 1: Proposed Ordinance

Prepared By:
Eric Lewis, P.E., T.E.
City Traffic Engineer

Department Head Approval:
Ahmad R. Ansari, P.E.
Public Works Director/City Engineer

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ORDINANCE NO. 877

AN ORDINANCE AMENDING CHAPTER 3.44 OF THE CITY OF MORENO VALLEY MUNICIPAL CODE TO INCLUDE AN EXEMPTION FOR NEWLY CONSTRUCTED SPECIALLY ADAPTED HOMES FOR SEVERELY DISABLED VETERANS UNDER THE WESTERN RIVERSIDE COUNTY TRANSPORTATION UNIFORM MITIGATION FEE (TUMF) PROGRAM

The City Council of the City of Moreno Valley “(City)” ordains as follows:

Section 1. Findings.

A. The City is a member agency of the Western Riverside Council of Governments (“WRCOG”), a joint powers agency comprised of the County of Riverside, the March Joint Powers Authority, and 17 cities located in Western Riverside County. Acting in concert, the WRCOG Member Agencies developed a plan whereby the shortfall in funds needed to enlarge the capacity of the Regional System of Highways and Arterials in Western Riverside County (the “Regional System”) could be made up in part by a Transportation Uniform Mitigation Fee (“TUMF”) on future residential, commercial and industrial development.

B. WRCOG, upon the recommendation of the WRCOG Executive Committee, now desires to adopt one new exemption under the Western Riverside County Transportation Uniform Mitigation Fee Program Ordinance of 2009. The exemption is for newly constructed, specially adapted homes for severely disabled veterans designed for maximum freedom movement and the ability to live more independently at no cost to qualifying disabled veterans.

C. The City Council finds and determines that the new exemption because of its small number of estimated properties, will not threaten the reasonable and rational relationship between the use of the TUMF and the type of development projects on which the fees are imposed because the fees will be used to construct the transportation improvements that are necessary for the safety, health and welfare of the residential and non-residential users of the development in which the TUMF will be levied. The City Council has also estimated the cost of the new exemption and understands that the TUMF fees will not be used to cover the fair share of these exempted properties on the Regional System.

Section 2. Amendment of Sections 3.44.030 and 3.44.040 (G) of Chapter 3.44 of Title 3 of the Moreno Valley Municipal Code:

2.1 Sections

3.44.030 and 3.44.040 (G) of Chapter 3.44 of Title 3 of the City of Moreno Valley Municipal Code are hereby amended to read as follows:

“Section 3.44.030 Definitions.

“Class A office” means an office building that is typically characterized by high-quality design, use of high-end building materials, state-of-the-art technology for voice and data, on-site support services/maintenance, and often includes full-service ancillary uses such as, but not limited to a bank, restaurant/office coffee shop, health club, printing shop, and reserved parking. The minimum requirements of an office building classified as Class A office shall be as follows: (1) minimum of three stories (exception will be made for March JPA, where height requirements exist); (2) minimum of ten thousand (10,000) square feet per floor; (3) steel frame construction; (4) central, interior lobby; and (5) access to suites shall be from inside the building unless the building is located in a central business district with major foot traffic, in which case the first floor may be accessed from the street to provide entrances/exits for commercial uses within the building.

“Class B office” means an office building that is typically characterized by high-quality design, use of high-end building materials, state-of-the-art technology for voice and data, on-site support services/maintenance, and often includes full-service ancillary uses such as, but not limited to a bank, restaurant/office coffee shop, health club, printing shop, and reserved parking. The minimum requirements of an office building classified as Class B office shall be as follows: (1) minimum of two stories; (2) minimum of fifteen thousand (15,000) square feet per floor; (3) steel frame, concrete or masonry shell construction; (4) central, interior lobby; and (5) access to suites shall be from inside the building unless the building is located in a central business district with major foot traffic, in which case the first floor may be accessed from the street to provide entrances/exits for commercial uses within the building.

“Development project” or “project” means any project undertaken for the purposes of development, including the issuance of a permit for construction.

“Disabled Veteran” means any veteran who is retired or is in process of medical retirement from military service who is or was severely injured in a theatre of combat operations, and has or received a letter of eligibility for the Veterans Administration Specially Adapted Housing (SAH) Grant Program.”

“Gross acreage” means the total property area as shown on a land division map of record, or described through a recorded legal description of the property. This area shall be bounded by road rights-of-way and property lines.

“Habitable structure” means any structure or part thereof where persons reside, congregate or work and which is legally occupied in whole or part in accordance with applicable building codes, and state and local laws.

“Industrial project” means any development project that proposes any industrial or manufacturing use. Retail, office and financial, restaurant, service or auto service or non-industrial uses are not included in this classification.

“Low-income residential housing” means residential units in publicly subsidized projects constructed as housing for low-income households as such households are defined pursuant to Section 50079.5 of the Health and Safety Code. “Publicly subsidized projects,” as the term is used herein, shall not include any project or project applicant receiving a tax credit provided by the state of California Franchise Tax Board.

“Multifamily residential unit” means a development project that has a density of greater than eight residential dwelling units per gross acre.

“Non-Profit Organization” means an organization operated exclusively for exempt purposes set forth in section 501(c)(3) of the Internal Revenue Code, and none of its earnings may inure to any private shareholder or individual. In addition, it may not be an action organization, i.e., it may not attempt to influence legislation as a substantial part of its activities and it may not participate in any campaign activity for or against political candidates. For the purposes of the TUMF Program the non-profit must be a 501(c)(3) charitable organization as defined by the Internal Revenue Service.

“Nonresidential unit” means retail commercial, service commercial and industrial development which is designed primarily for non-dwelling use, but shall include hotels and motels.

“Recognized financing district” means a financing district as defined in the TUMF administrative plan as may be amended from time to time.

“Residential dwelling unit” means a building or portion thereof used by one family and containing but one kitchen, which is designed primarily for residential occupancy including single-family and multifamily dwellings. “Residential dwelling unit” shall not include hotels or motels.

“Retail commercial project” means any development project that proposes any commercial use not defined as a service commercial project, per “service commercial project” definition below, and consisting of retail sales of goods or services produced or warehoused on site, as defined in the city of Moreno Valley Municipal Code.

“Service commercial project” means any development project that is predominately dedicated to business activities associated with professional or

administrative services, and typically consists of corporate offices, financial institutions, legal and medical offices.

“Single-family residential unit” means each residential dwelling unit in a development that has a density of eight units to the gross acre or less.

“TUMF participating jurisdiction” means a jurisdiction in Western Riverside County which has adopted and implemented an ordinance authorizing participation in the TUMF program and complies with all regulations established in the TUMF administrative plan, as adopted and amended from time to time by the WRCOG. (Ord. 807 § 2.1, 2010)

“Section 3.44.040 (G) Exemptions

The following new exemption shall be added:

“11. New homes, constructed by non-profit organizations, specially adapted and designed for maximum freedom of movement and independent living for qualified Disabled Veterans.”

Section 5. Effect.

No provisions of this Ordinance shall entitle any person who has already paid the TUMF to receive a refund, credit or reimbursement of such payment because of this new exemption.

Section 6. Severability.

If any one or more of the terms, provisions or sections of this Ordinance shall to any extent be judged invalid, unenforceable and/or voidable for any reason whatsoever by a court of competent jurisdiction, then each and all of the remaining terms, provisions and sections of this Ordinance shall not be affected thereby and shall be valid and enforceable.

Section 7. Judicial Review.

In accordance with State law, any judicial action or proceeding to attack, review, set aside, void or annul this Ordinance shall be commenced within ninety (90) days of the date of adoption of this Ordinance.

Section 8. Full Force and Effect.

Except to the extent specifically modified or amended hereunder, all of the terms, covenants, and conditions of Ordinance No. 807 shall remain in full force and effect between the Parties hereto.

Section 9 Notice of Adoption:

Within fifteen days after the date of adoption hereof, the City Clerk shall certify to the adoption of this ordinance and cause it to be posted in three public places within the city.

Section 10 Effective Date:

This ordinance shall take effect thirty days after the date of its adoption.

APPROVED AND ADOPTED this 10th day of June, 2014.

Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

5
Ordinance No. 877
Date Adopted: June 10, 2014

ORDINANCE JURAT

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) ss.
CITY OF MORENO VALLEY)

I, Jane Halstead, City Clerk of the City of Moreno Valley, California, do hereby certify that Ordinance No. 877 had its first reading on May 27, 2014 and had its second reading on June 10, 2014, and was duly and regularly adopted by the City Council of the City of Moreno Valley at a regular meeting thereof held on the 10th day of June, 2014, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

(Council Members, Mayor Pro Tem and Mayor)

CITY CLERK

(SEAL)

6
Ordinance No. 877
Date Adopted: June 10, 2014

ORDINANCE NO. 875

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORENO VALLEY, CALIFORNIA, APPROVING PA13-0031 (CHANGE OF ZONE) CHANGING THE ZONING OF SIX PARCELS LOCATED AT THE SOUTHEAST CORNER OF ELSWORTH STREET AND NEW HOPE STREET FROM BUSINESS PARK (BP) TO LIGHT INDUSTRIAL (LI), AS DESCRIBED IN THE ORDINANCE, AND THE REVISED MAP ATTACHED TO THE ORDINANCE AS EXHIBIT A.

The City Council of the City of Moreno Valley does ordain as follows:

SECTION 1.

1.1 Pursuant to the provisions of law, public hearings were held before the City of Moreno Valley Planning Commission and the City Council.

1.2 The matter was fully discussed and the public and other agencies presented testimony and documentation.

1.3 Page 95 of the City of Moreno Valley Official Zoning Atlas shall be modified to reflect the Zone Change (PA13-0031).

1.4. An Initial Study has been completed for PA13-0031 (Zone Change). Based upon the Initial Study, a determination has been made that with the incorporation of mitigation measures, and as designed and conditioned, this project will not result in a significant impact to the environment. Therefore, adoption of a Mitigated Negative Declaration is appropriate.

SECTION 2: FINDINGS

2.1 With respect to the proposed change to page 95 of the City of Moreno Valley Official Zoning Atlas, and based upon substantial evidence presented to the City Council during the public hearing on May 13, 2014, including written and oral staff reports, and the record from the public hearing, the City Council hereby specifically finds as follows:

1. Conformance with General Plan Policies – The proposed use is consistent with the General Plan, and its goals, objectives, policies and programs.

FACT: The existing General Plan designation for the project is Business Park/Light Industrial (BP/LI). The primary purpose of areas designated Business Park/Industrial is to provide for manufacturing, research and development, warehousing and distribution, as well as office and support commercial activities.

The request for the Change of Zone from BP to LI is due to the building size limit within the Business Park (BP) zone of fifty thousand (50,000) square feet. Both the BP and LI zoning designations are consistent with the Business Park/Light Industrial General Plan designation. The proposed Change of Zone is consistent with and does not conflict with the goals, objective, policies or programs of the General Plan.

2. Health, Safety and Welfare – The proposed use will not be detrimental to the public health, safety or welfare or materially injurious to properties or improvements in the vicinity.

FACT: The proposed Change of Zone will not adversely affect the public health, safety or general welfare. An Initial Study has been prepared in accordance with the provisions of the California Environmental Quality Act (CEQA). Based on the Initial Study, it was determined that the potential impacts of the project, including the Change of Zone, have been mitigated to a level of less than significant with the incorporation of mitigation measures. A Mitigated Negative Declaration is recommended.

3. Conformance with Title 9 – The proposed amendment to change the zoning atlas is consistent with the purposes and intent of Title 9.

FACT: With the adoption of the proposed Change of Zone, the proposed project would be consistent with the zoning. As proposed, the Change of Zone from Business Park (BP) to Light Industrial (LI) for the 16 acre project site is consistent with the purposes and intent of Title 9. The Light Industrial (LI) zoning district provides for light manufacturing, light industrial, research and development, warehousing and distribution and multiple tenant industrial uses, as well as certain supporting administrative and professional offices and commercial uses on a limited basis. This district is intended as an area for light industrial uses that can meet high performance standards.

The existing zoning district for the project is Business Park (BP), which allows for permitted uses that would be similar to the Light Industrial (LI) zone. The existing zoning includes a building size limit of fifty thousand (50,000) square feet. The LI zone would allow for buildings larger than 50,000 square feet. The applicant is proposing a 366,698 square-foot warehouse building.

SECTION 3: ZONE CHANGE

3.1 Based on the findings contained in Section 2 of this Ordinance, the City Council hereby adopts a Zone Change to change to the zoning district from Business Park (BP) to Light Industrial (LI) for the approximately 16 acres located at the southeast corner of Elsworth Street and New Hope Street (APNs: 297-140-037, 038, 039, 040,

041, AND 042), subject to the revised zoning designations depicted in the attached Exhibit A.

SECTION 4: EFFECT OF ENACTMENT

4.1 Except as specifically provided herein, nothing contained in this ordinance shall be deemed to modify or supersede any prior enactment of the City Council which addresses the same subject addressed herein.

SECTION 5: NOTICE OF ADOPTION

5.1 Within fifteen days after the date of adoption hereof, the City Clerk shall certify to the adoption of this ordinance and cause it to be posted in three public places within the city.

SECTION 6: EFFECTIVE DATE

6.1 This ordinance shall take effect thirty days after the date of its adoption.

APPROVED AND ADOPTED this 27th day of May, 2014.

Tom Owings, Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

ORDINANCE JURAT

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) ss.
CITY OF MORENO VALLEY)

I, Jane Halstead, City Clerk of the City of Moreno Valley, California, do hereby certify that Ordinance No. 875 had its first reading on May 13, 2014, and had its second reading on May 27, 2014, and was duly and regularly adopted by the City Council of the City of Moreno Valley at a regular meeting thereof held on the 27th day of May, 2014, by the following vote:

AYES:

NOES:

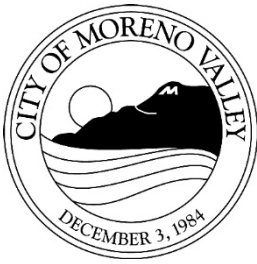
ABSENT:

ABSTAIN:

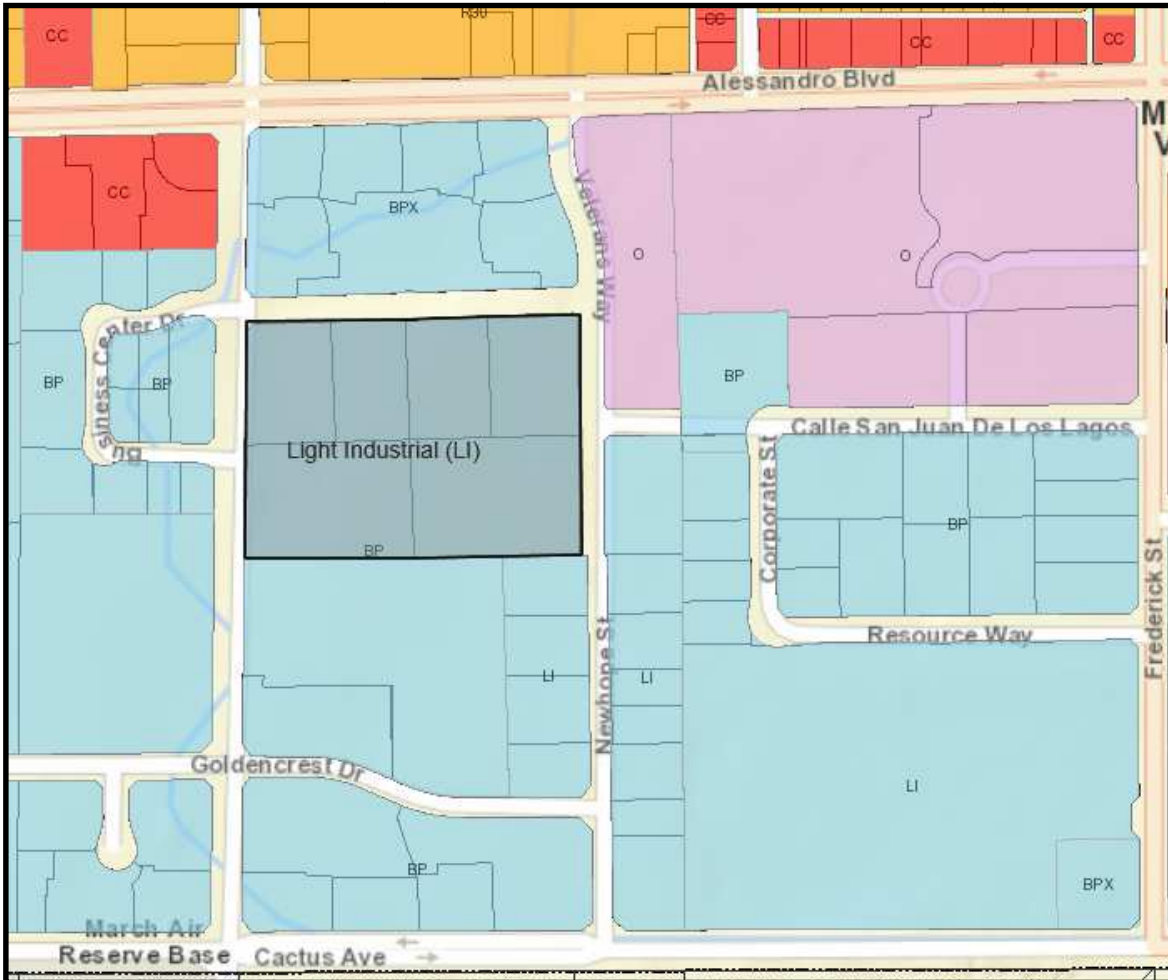
(Council Members, Mayor Pro Tem and Mayor)

CITY CLERK

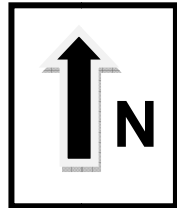
(SEAL)



CHANGE OF ZONE
ORDINANCE NO.
 (Related to PA13-0031)
Date Adopted: May 27, 2014
Effective Date:



Proposed Zoning: Light Industrial (LI)	
Current Zoning: Business Park (BP)	



Ordinance No. 5
 Date Adopted: May 27, 2014

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