



CITY OF ARCADIA

CITY COUNCIL REGULAR MEETING AGENDA

Tuesday, March 3, 2026, 6:00 P.M.

Location: City Council Conference Room, 240 W. Huntington Drive

Pursuant to the Americans with Disabilities Act, persons with a disability who require a disability related modification or accommodation in order to participate in a meeting, including auxiliary aids or services, may request such modification or accommodation from the City Clerk at (626) 574-5455. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to assure accessibility to the meeting.

根据《美国残障人法案》，需要调整或提供便利设施才能参加会议的残障人士（包括辅助器材或服务）可与市书记官办公室联系（电话：(626) 574-5455）。请在会前 48 小时通知市书记官办公室，以便作出合理安排，确保顺利参加会议。

Pursuant to the City of Arcadia's Language Access Services Policy, limited-English proficient speakers who require translation services in order to participate in a meeting may request the use of a volunteer or professional translator by contacting the City Clerk's Office at (626) 574-5455 at least 72 hours prior to the meeting.

根据阿凯迪亚市的语言便利服务政策，英语能力有限并需要翻译服务才能参加会议的人可与市书记官办公室联系（电话：(626) 574-5455），请求提供志愿或专业翻译服务，请至少在会前 72 小时提出请求。

How to Submit Public Comment:

Members of the Public who wish to submit public comment may do so using one of the following methods. Public comment is limited to the time and words allotted.

1. **In-Person:** Complete a Speaker Card, indicating the agenda item number and place it in the Public Comment Drop Box, or simply come to the podium when the Mayor asks for those who wish to speak. Generally, the allotted time is determined by the number of speakers, in accordance with the following format: **5 speakers or less – 5 minutes each**; between **6 and 20 speakers – 3 minutes each**; between **21 and 50 speakers – 2 minutes each**; and more than **50 speakers – 1 minute each**. Comments on all non-public hearing items will generally be taken at the Public Comment portion of the agenda.
2. **Website:** Please submit your comments using our online public comment form at ArcadiaCA.gov/comment. Your comments must be received at least 30 minutes prior to the posted meeting time.
3. **Email:** Please submit your comments via email to CityClerk@ArcadiaCA.gov. Your comments must be received at least 30 minutes prior to the posted meeting time.

Electronic submission of Public Comment is also available via the City's website or by email as noted above. Public Comment submitted electronically will not be read into the record at the posted meeting time but are forwarded to the City Council prior to the meeting for consideration.

如何提交公众评论意见:

公众成员可以使用以下任何一种方法提交公众评论意见。请在时间和字数的限制范围内提交公众评论意见

1. **现场发言:** 填写发言卡, 注明议程项目编号并投入公众意见投递箱; 或在市长邀请发言者上前时, 直接上前至讲台。发言时间通常根据发言人数确定, 具体如下: **5** 人及以下, **每人 5 分钟**; **6** 至 **20** 人, **每人 3 分钟**; **21** 至 **50** 人, **每人 2 分钟**; 超过 **50** 人, **每人 1 分钟**。所有非公开听证事项的意见通常在议程中的公众意见环节听取。
2. **网站:** 请使用以下网站中刊载的在线公众评论意见表提交您的评论意见: ArcadiaCA.gov/comment。必须在公布的会议时间前至少提前 30 分钟提交评论意见。
3. **电子邮件:** 请将您的评论意见通过电子邮件发送至: CityClerk@ArcadiaCA.gov。必须在公布的会议时间前至少提前 30 分钟提交评论意见。

亦可按照以下方法在本市网站上或通过电子邮件以电子方式提交公众评论意见。以电子方式提交的公众评论意见不会在公布的会议期间读入记录, 但会在会议开始前转交给市议会, 供市议会考虑。

CALL TO ORDER

ROLL CALL OF CITY COUNCIL MEMBERS

Eileen Wang, Mayor
Paul P. Cheng, Mayor Pro Tem
Dr. Michael Cao, Council Member
David Fu, Council Member
Sharon Kwan, Council Member

PUBLIC COMMENTS (5-minute time limit each speaker)

Any person wishing to speak before the City Council is asked to complete a Speaker Card and place it in the Public Comment Drop Box prior to the time the Mayor calls for Public Comments. Generally, the allotted time is determined by the number of speakers, in accordance with the following format: **5** speakers or less – **5 minutes each**; between **6** and **20** speakers – **3 minutes each**; between **21** and **50** speakers – **2 minutes each**; and more than **50** speakers – **1 minute each**. Comments on all non-public hearing items will generally be taken at the Public Comment portion of the agenda. Under the Brown Act, the City Council is prohibited from discussing or taking action on any item not listed on the posted agenda.

CLOSED SESSION

- a. Confer with legal counsel regarding anticipated litigation.

Potential initiation of litigation pursuant to Government Code Section 54956.9(d)(4): one (1) case.

**Regular Meeting
City Council Chambers, 7:00 p.m.**

1. CALL TO ORDER

2. INVOCATION

Reverend John Scholte, Journey Community Church

3. PLEDGE OF ALLEGIANCE

Reverend John Scholte, Journey Community Church

4. ROLL CALL OF CITY COUNCIL MEMBERS

Eileen Wang, Mayor
Paul P. Cheng, Mayor Pro Tem
Dr. Michael Cao, Council Member
David Fu, Council Member
Sharon Kwan, Council Member

5. REPORT FROM CITY ATTORNEY REGARDING CLOSED/STUDY SESSION ITEMS

6. SUPPLEMENTAL INFORMATION FROM CITY MANAGER REGARDING AGENDA ITEMS

7. PRESENTATIONS

- a. Presentation of an adoptable dog by Kevin McManus of the Pasadena Humane Society.
- b. Presentation of Mayor's Certificate of Commendation and plaque to the 2025 Senior of the Year, Marilyn Mazone.
- c. Presentation of Mayor's Certificates of Commendation to Arcadia Post Office Letter Carriers for receiving the National Safety Council Million Mile Award.
- d. Presentation of the 2026 Arbor Day Proclamation.

8. PUBLIC COMMENTS (5-minute time limit each speaker)

Any person wishing to speak before the City Council is asked to complete a Speaker Card and place it in the Public Comment Drop Box prior to the time the Mayor calls for Public Comments. Generally, the allotted time is determined by the number of speakers, in accordance with the following format: **5 speakers or less – 5 minutes each**; between **6** and

20 speakers – **3 minutes each**; between **21** and **50** speakers – **2 minutes each**; and more than **50** speakers – **1 minute each**. Comments on all non-public hearing items will generally be taken at the Public Comment portion of the agenda. Under the Brown Act, the City Council is prohibited from discussing or taking action on any item not listed on the posted agenda.

9. CONSENT CALENDAR

- a. Special and Regular Meeting Minutes of February 17, 2026.
CEQA: Not a Project
Recommended Action: Approve

- b. Ordinance No. 2411 amending Article VI of the Arcadia Municipal Code regarding the Businesses, Professions, Trades, and Occupations (Business License) Code.
CEQA: Exempt
Recommended Action: Adopt

- c. Resolution No. 7673 amending the Fiscal Year 2025-26 Capital Improvement Program Budget, authorizing a supplemental budget appropriation for the Peacock Fountain Resurfacing Project in the amount of \$63,414.22, offset by a reduction in the Capital Outlay Fund; and approve a contract with Horizons Construction Co. Int'l Inc. for the Peacock Fountain Resurfacing Project in the amount of \$57,649.29.
CEQA: Exempt
Recommended Action: Adopt and Approve

- d. Contract with KYA Services, LLC for the Fire Station 105 Boiler Replacement Project in the amount of \$56,920.25.
CEQA: Exempt
Recommended Action: Approve

- e. Purchase Order with Olathe Ford Sales Inc. dba Olathe Ford Lincoln for the purchase of a new 2025 four-wheel drive Ford F-150 Lightning pick-up truck in the amount of \$84,363.
CEQA: Not a Project
Recommended Action: Approve

- f. Change Order to increase the Purchase Order with Wittman Enterprises, LLC for ambulance billing and collection services in the amount of \$88,000.
CEQA: Not a Project
Recommended Action: Approve

- g. Accept all work performed by Carrier Corporation for the Upper City Hall HVAC Split Systems Project as complete.
CEQA: Exempt
Recommended Action: Approve

10. CITY MANAGER

- a. Resolution No. 7677 reaffirming the authority granted under Section 807 (General Plan) of the Arcadia City Charter; and informational update on a potential substance and alcohol use treatment facility with residential care at 401 E. Santa Clara Street.

CEQA: Not a Project

Recommended Action: Adopt

- b. Resolution No. 7675 amending the Fiscal Year 2025-26 Solid Waste Operating Budget, authorizing a supplemental budget appropriation for the Household Hazardous Waste Collection and Removal Services one-time drop-off event in the amount of \$44,420, offset by a reduction in the Solid Waste Fund; and approve a Professional Services Agreement with Veolia ES Technical Solutions, LLC for Household Hazardous Waste Collection and Removal Services for a one-time drop-off event in the amount of \$44,420.

CEQA: Not a Project

Recommended Action: Adopt and Approve

- 11. AB 1234 REPORTS FROM MAYOR AND CITY COUNCIL (*limited to legally required reports*).**

12. REQUEST FOR FUTURE ITEMS

13. ADJOURNMENT

The City Council will adjourn this meeting in memory of longtime resident James Pontello to Tuesday, March 17, 2026, at 6:00 p.m. in the City Council Conference Room.

Welcome to the Arcadia City Council Meeting!

The City Council encourages public participation, and invites you to share your views on City business.

MEETINGS: Regular Meetings of the City Council are held on the first and third Tuesday of each month at 7:00 p.m. in City Council Chambers. A full City Council agenda packet with all backup information is available at City Hall and on the City's website at www.ArcadiaCA.gov. Copies of individual Agenda Reports are available via email upon request (CityClerk@ArcadiaCA.gov). Documents distributed to a majority of the City Council after the posting of this agenda will be available for review at the Office of the City Clerk, 240 W. Huntington Drive, Arcadia, California. Live broadcasts and replays of the City Council Meetings are on cable television. Your attendance at this public meeting may result in the recording and broadcast of your image and/or voice as previously described.

PUBLIC PARTICIPATION: Your participation is welcomed and invited at all City Council meetings. Time is reserved at each regular meeting for those in the audience who wish to address the City Council. The City requests that persons addressing the City Council refrain from making personal, slanderous, profane, or disruptive remarks. Where possible, please place a **Speaker Card** in the Public Comment Drop Box, or simply come to the podium when the Mayor asks for those who wish to speak, and state your name and address (optional) for the record.

PUBLIC COMMENTS: Should be presented during the time designated as "PUBLIC COMMENTS", for all matters on the agenda or not on the agenda. **By State law, the City Council may not discuss or vote on items not on the agenda. The matter may be referred to staff for appropriate action or response or will be placed on the agenda of a future meeting except for public hearing items.**

PUBLIC HEARINGS AND APPEALS: Are items scheduled for which public input is either required or desired. Separate and apart from the applicant (who may speak longer in the discretion of the City Council), the allotted speaking time is generally determined by the number of speakers, in accordance with the following format: **5 speakers or less – 5 minutes each**; between **6 and 20 speakers – 3 minutes each**; between **21 and 50 speakers – 2 minutes each**; and more than **50 speakers – 1 minute each**. The applicant may additionally submit rebuttal comments.

AGENDA ITEMS: The Agenda contains the regular order of business of the City Council. Items on the Agenda have generally been reviewed and investigated by the City Staff in advance of the meeting so that the City Council can be fully informed about a matter before making its decision.

CONSENT CALENDAR: Items listed on the Consent Calendar are considered to be routine by the City Council and will be acted upon by one motion. There will be no separate discussion on these items unless a member of the City Council, Staff, or the public so requests. In this event, the item will be removed from the Consent Calendar and considered and acted on separately.

DECORUM: While members of the public are free to level criticism of City policies and the action(s) or proposed action(s) of the City Council or its members, members of the public may not engage in behavior that is disruptive to the orderly conduct of the proceedings, including but not limited to, conduct that prevents other members of the audience from being heard when it is their opportunity to speak or which prevents members of the audience from hearing or seeing the proceedings. Members of the public may not threaten any person with physical harm or act in a manner that may reasonably be interpreted as an imminent threat of physical harm. All persons attending the meeting are expected to adhere to the City's policy barring harassment based upon a person's race, religious creed, color, national origin, ancestry, physical handicap, medical condition, marital status, gender, sexual orientation, or age. The Chief of Police, or such member or members of the Police Department, shall serve as the Sergeant-at-Arms of the City Council meeting. The Sergeant-at-Arms shall carry out all orders and instructions given by the presiding official or a majority of the Councilmembers, for the purpose of maintaining order and decorum at the meeting. Any person who violates the order and decorum of the meeting may be placed under arrest and such person may be prosecuted under the provisions of Penal Code Section 403 or applicable Arcadia Municipal Code section.

欢迎参加阿凯迪亚市议会会议！

市议会鼓励公众参与，欢迎您就市政事务分享观点。

会议： 市议会例行会议于每月第一个和第三个星期二晚 7:00 在市议会议事厅举行。完整的市议会议程资料包（含所有背景信息）可在市政厅和市网站 www.ArcadiaCA.gov 获取。如有需要，可通过电子邮件 (CityClerk@ArcadiaCA.gov) 索取单项议程报告副本。本议程公布后分发给多数市议会成员的文件，可在市书记官办公室查阅，地址为 240 W. Huntington Drive, Arcadia, California。市议会会议将通过有线电视直播和重播。您出席本次公开会议，您的影像和/或声音可能如前所述被录制和播放。

公众参与： 欢迎您参加所有市议会会议。每次例行会议均为希望在市议会发言的与会者预留时间。市府要求在市议会发言的人士避免发表人身攻击、诽谤、亵渎或扰乱秩序的言论。请尽可能将**发言卡**投入公众意见投递箱，或在市长邀请发言者上前时直接上前至讲台，并报上姓名和地址（可选）以供记录。

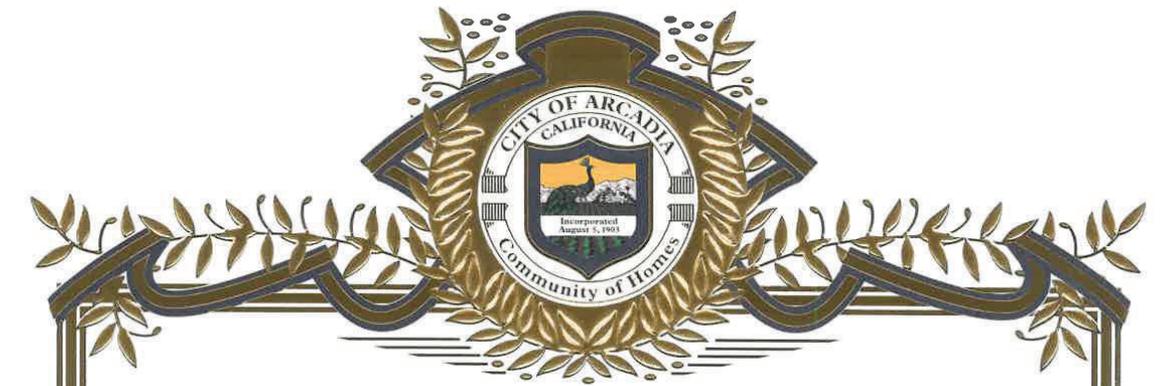
公众意见： 所有关于议程内或议程外事项的意见，均应在指定的“公众意见”环节提出。**根据州法律，对于未列入议程的项目，市议会不得予以讨论或投票表决。相关事宜可转交工作人员采取适当行动或做出回应，或列入未来会议议程，公开听证事项除外。**

公开听证和上诉： 这些是已列入议程、需要或希望听取公众意见的项目。除申请人外（市议会可酌情允许其发言更长时间），发言时间通常根据人数确定，具体如下：**5 人及以下，每人 5 分钟；6 至 20 人，每人 3 分钟；21 至 50 人，每人 2 分钟；超过 50 人，每人 1 分钟。** 申请人可另外提交反驳意见。

议程项目： 议程包含市议会的常规议事顺序。议程上的项目通常已由市府工作人员在会前进行审查和调查，以便市议会在决策前充分了解相关事项。

同意议程： 同意议程上的项目被市议会视为常规事项，将通过一次动议进行表决。除非市议会成员、工作人员或公众提出要求，否则不会对这些项目单独讨论。若有此要求，该项目将从同意议程中移除，并另行审议和表决。

会场秩序： 公众可自由批评市政政策以及市议会或其成员的行动或拟议行动，但不得有扰乱会议正常进行的行为，包括但不限于：妨碍其他与会者在发言时被听见，或妨碍其他与会者听见或看见会议进程。公众不得以人身伤害威胁任何人，或以任何可合理解读为迫在眉睫的人身伤害威胁的方式行事。所有与会者均须遵守市府禁止基于种族、宗教信仰、肤色、国籍、血统、身体残疾、健康状况、婚姻状况、性别、性取向或年龄进行骚扰的政策。警察局长或其指定的警局成员担任市议会会议的秩序官。秩序官须执行会议主持官员或多数议员下达的命令和指示，以维持会场秩序和礼仪。任何违反会场秩序和礼仪的人员可能被逮捕，并根据《刑法》第 403 节或适用的《Arcadia 市政法典》条款被起诉。



City of Arcadia

PROCLAMATION

WHEREAS, in 1872, the Nebraska Board of Agriculture established a special day for the planting of trees, where the Arbor Day holiday was first commemorated with the planting of more than one million trees; and

WHEREAS, Arbor Day is celebrated nationally to help maintain and replenish our country's vast forests, orchards, and woodlands; and

WHEREAS, trees are a renewable resource that help reduce topsoil erosion and combat climate change; and

WHEREAS, trees provide essential habitat for much of California's wildlife, including many endangered species; and

WHEREAS, vegetation and trees planted in urban areas play an important role in purifying the air, reducing pollution, and curtailing greenhouse gases by sequestering carbon; and

WHEREAS, Arcadia takes special care to preserve and manage its urban forest under its protected tree ordinance and through regular tree plantings and replacement; and

WHEREAS, Arcadia planted 73 trees in 2025 to expand its urban canopy, help offset urban heat islands, and sustain the environment; and

WHEREAS, trees are a valuable asset that help enhance property values and beautify the Arcadia community, necessitating their preservation and protection.

NOW, THEREFORE, I, Eileen Wang, Mayor of the City of Arcadia, do hereby proclaim the week of March 7-14, 2026, as a celebration of:

ARBOR DAY

in the City of Arcadia and urge all citizens to celebrate by protecting and planting trees for the benefit of future generations.

*Dated this
3rd Day of March, 2026*

Eileen Wang, Mayor



**ARCADIA CITY COUNCIL
SPECIAL MEETING MINUTES
TUESDAY, FEBRUARY 17, 2026**

CALL TO ORDER – Mayor Wang called the Special Meeting to order at 5:31 p.m.

ROLL CALL OF CITY COUNCIL MEMBERS

PRESENT: Cao, Fu, Kwan, Cheng, and Wang

ABSENT: None

PUBLIC COMMENT

Donna Choi, Executive Director of the Downtown Arcadia Improvement Association, appeared and responded to questions regarding events held in Downtown Arcadia.

STUDY SESSION

- a. Report, discussion, and direction regarding the commemorative naming of City facilities and honorary wall concepts.

After City Council discussion, a motion was made by Mayor Pro Tem Cheng, and seconded by Council Member Kwan, to designate a wall in the City Council Chambers as the location for a commemorative display to honor former Arcadia community members, and to have staff return to a future meeting with the proposed design for the display, including a budget not to exceed \$45,000.

AYES: Cheng, Kwan, Cao, Fu, and Wang

NOES: None

ABSENT: None

- b. Report, discussion, and direction regarding America’s 250th Anniversary and Fourth of July Celebration.

After City Council discussion, a motion was made by Council Member Cao, and seconded by Council Member Fu, to approve an event in celebration of America’s 250th Anniversary on July 4, 2026, to be held at Santa Anita Park from 6:00 p.m. to 9:00 p.m., and authorize staff to proceed with event production, including a budget of \$400,000. Such costs could be partially offset through sponsorships and sales of commemorative memorabilia, premium seating options, and carnival style gaming tickets.

AYES: Cao, Fu, Kwan, Cheng, and Wang
NOES: None
ABSENT: None

The Special Meeting ended at 6:38 p.m.



Linda Rodriguez
City Clerk

**ARCADIA CITY COUNCIL
REGULAR MEETING MINUTES
TUESDAY, FEBRUARY 17, 2026**

1. **CALL TO ORDER** – Mayor Wang called the Regular Meeting to order at 7:00 p.m.
2. **INVOCATION** – Reverend Gina Milligan, Santa Anita Church
3. **PLEDGE OF ALLEGIANCE** – Reverend Gina Milligan, Santa Anita Church
4. **ROLL CALL OF CITY COUNCIL MEMBERS**

PRESENT: Cao, Fu, Kwan, Cheng, and Wang
ABSENT: None

5. **REPORT FROM CITY ATTORNEY REGARDING CLOSED/STUDY SESSION ITEMS**

City Attorney Maurer reported that prior to the Regular Meeting, the City Council met in a Special Meeting to discuss the two items listed on the posted agenda. Regarding the first item, he stated that the City Council moved to designate the City Council Chambers as a commemorative display and directed staff to return at a future meeting with the proposed design. City Attorney Maurer then turned the matter over to City Manager Lazzaretto to report on the second item.

City Manager Lazzaretto reported that the City Council approved an event celebrating Fourth of July and America's 250th Anniversary, to be held on July 4, 2026, at Santa Anita Park from 6:00 p.m. to 9:00 p.m., and authorized staff to proceed with event production.

6. **SUPPLEMENTAL INFORMATION FROM CITY MANAGER REGARDING AGENDA ITEMS**

City Manager Lazzaretto had nothing to report.

7. **PRESENTATIONS**

- a. Presentation of Mayor's Certificate of Commendation to the 2025 Santa Anita Little League 13U Intermediate All-Star Team for winning the Section 2 Championship and advancing to the State Tournament.
- b. Presentation of Mayor's Certificate of Commendation to the 2025 Graduating Class of the Santa Anita Little League Softball Majors Girls Team, for the first graduating class since 2019.

- c. Presentation of Arcadia's 2025 Overview and Recycling Awards by Josh Goldman of Waste Management.
- d. Presentation to the City of Arcadia from the Tzu Chi Charity Foundation in appreciation of the City's support.

8. PUBLIC HEARING

- a. Direct the Los Angeles County Agricultural Commissioner to abate nuisances upon those properties located in the City of Arcadia and approve the Annual Weed Abatement Property List.

CEQA: Exempt

Recommended Action: Approve

City Manager Lazzaretto presented the Staff Report.

Mayor Wang opened the public hearing – no one appeared.

Mayor Wang closed the public hearing.

A motion was made by Council Member Cao, seconded by Mayor Pro Tem Cheng, and placed on a roll call vote to direct the Los Angeles County Agricultural Commissioner to abate nuisances upon those properties located in the City of Arcadia and approve the Annual Weed Abatement Property List.

AYES: Cao, Cheng, Fu, Kwan, and Wang

NOES: None

ABSENT: None

9. PUBLIC COMMENTS

Donna Choi, Executive Director of the Downtown Arcadia Improvement Association, appeared and announced that the Lunar New Year Festival will occur in Downtown Arcadia on February 22; she thanked the City Council for their support, and encouraged the community to attend the event.

10. CONSENT CALENDAR

- a. Regular Meeting Minutes of February 3, 2026.

CEQA: Not a Project

Recommended Action: Approve

- b. Ordinance No. 2411 amending Article VI of the Arcadia Municipal Code regarding the Businesses, Professions, Trades, and Occupations (Business License) Code (continued from January 20, 2026).
CEQA: Exempt
Recommended Action: Introduce
- c. Mayor's appointments of City Council Members to City boards, commissions, and outside agencies.
CEQA: Not a Project
Recommended Action: Receive and File
- d. Professional Services Agreement with Origins Engineering Co. for the Wilderness Park Debris Removal Design in the amount of \$358,581.
CEQA: Not a Project
Recommended Action: Approve
- e. Contract with Gentry Brothers, Inc. for the Baldwin Avenue Concrete Rehabilitation Improvements Project in the amount of \$1,227,444.50.
CEQA: Exempt
Recommended Action: Approve
- f. Accept all work performed by Gentry Brothers, Inc. for the Baldwin Avenue Streetscape Improvement Project in the amount of \$4,118,466.63.
CEQA: Exempt
Recommended Action: Approve

Council Member Kwan pulled Consent Calendar Items 10.e and 10.f. for separate discussion.

Regarding Item 10.f, Council Member Kwan inquired whether the \$4,118,466.63 amount represented an annual expenditure or a one-time project cost.

City Manager Lazzaretto stated that the \$4,118,466.63 expenditure was for the removal of Ficus trees, sidewalk reconstruction, and related improvements along the project limits, noting that it was a one-time project.

Council Member Kwan noted that the work on Baldwin Avenue has been completed and inquired about the payment process and project close-out.

City Manager Lazzaretto explained the payment and project acceptance process for Public Works contracts.

Council Member Kwan inquired whether the \$4,118,466.63 represented the total amount spent on improvements along the Baldwin Avenue corridor.

City Manager Lazzaretto clarified that the \$4,188,466.63 amount reflects payments to Gentry Brothers, the lead contractor of the project.

Regarding Item 10.e, Council Member Kwan stated that she believed the removal of trees and concrete work had been part of a different contract, and asked about the difference in project scope between Items 10.e and 10.f.

City Manager Lazzaretto deferred to City Engineer Merrill for further explanation.

City Engineer Merrill explained that item 10.f pertains to the completion and acceptance of the project from Huntington Drive to Camino Real Avenue. He further explained that the project work in Item 10.e was originally proposed with a broader scope; however, the bids received were higher than anticipated, resulting in a reduced project scope covering Camino Real Avenue to Longden Avenue; he indicated that the project was re-bid and Gentry Brothers was the lowest responsive bidder; and he described the concrete rehabilitation improvements included in the project.

Council Member Kwan inquired whether the work on Baldwin Avenue was being completed in segments.

City Engineer Merrill confirmed that the Huntington Drive to Camino Real Avenue project (Item 10.f) was separate from the Rehabilitation Improvements Project (Item 10.e) on the agenda, with no shared scope of work.

Council Member Kwan requested the total cost of the projects to improve Baldwin Avenue.

City Manager Lazzaretto stated that staff would provide a comprehensive report outlining total expenditures over the past 24-months along the Baldwin Avenue corridor.

Council Member Kwan inquired about the Baldwin Avenue projects' funding sources.

City Manager Lazzaretto explained that funding sources include the Capital Improvement Fund, General Fund savings, grants, and various measures. City Engineer Merrill added that the projects have been funded by Proposition C, Measure M, and Measure R local transportation funds.

In response to Council Member Kwan's inquiry regarding permit fees, City Manager Lazzaretto explained that certain permits include traffic impact fee collections; however, he was unsure whether traffic impact fees were utilized for the Baldwin Avenue project. He clarified that such fees are generally not used for concrete rehabilitation and stated that staff would provide a detailed report on project costs, including history of improvements undertaken to beautify the corridor.

Council Member Cao summarized that planning for the Baldwin Avenue improvement projects began approximately a decade ago, with the objective of ensuring equitable investment throughout the community, similar to improvements made along Huntington Drive; he noted that the project represents the culmination of long-term efforts by multiple City Councils and staff to support small businesses and improve the corridor in a responsible manner.

Mayor Pro Tem Cheng clarified that the project addressed not only beautification but also safety concerns.

Council Member Kwan added that, in addition to safety and beautification, water and sewer infrastructure improvements were also part of the project; and she emphasized the importance of having a clear understanding of the total expenditures now that the project is nearing completion.

It was moved by Council Member Fu, seconded by Council Member Cao, and carried on a roll call vote to approve Consent Calendar Items 10.a through 10.f.

AYES: Fu, Cao, Kwan, Cheng, and Wang
NOES: None
ABSENT: None

11. CITY MANAGER

- a. Fiscal Year 2025-26 Mid-Year Budget Review and supplemental appropriation to amend the Fiscal Year 2025-26 General Fund Operating and Capital Improvement Fund Budgets.

Presentation of the General Fund Fiscal Year 2024-25 Year-Ending Result and the Fiscal Year 2025-26 Mid-Year Budget Review.

CEQA: Not a Project

Recommended Action: Receive and File

Resolution No. 7674 authorizing a supplemental budget appropriation in the amount of \$1,030,000, amending the Fiscal Year 2025-26 General Fund Operating and Capital Improvement Fund Budgets.

CEQA: Not a Project

Recommended Action: Adopt

Administrative Services Director Chen provided the Staff Report.

After discussion, a motion was made by Council Member Cao, seconded by Council Member Fu, and placed on a roll call vote to receive and file this report; and adopt Resolution No. 7674, authorizing a supplemental budget appropriation in the amount of \$1,030,000,

amending the Fiscal Year 2025-26 General Fund Operating and Capital Improvement Fund Budgets.

AYES: Cao, Fu, Kwan, Cheng, and Wang
NOES: None
ABSENT: None

12. AB 1234 REPORTS FROM MAYOR AND CITY COUNCIL *(limited to legally required reports)*.

Council Member Cao reported that he attended the Arcadia Chamber of Commerce ACE Awards and Board Installation Dinner.

Council Member Fu reported that he attended the Arcadia Chamber of Commerce ACE Awards and Board Installation Dinner, and congratulated new President, Christine Zito; he also reported that he attended the Lunar New Year Lunch, expressing his appreciation for the opportunity to celebrate with attendees.

Council Member Kwan reported that she attended the Arcadia Chamber of Commerce ACE Awards and Board Installation Dinner, expressing her appreciation for the event.

Mayor Pro Tem Cheng reported that he attended the Arcadia Chamber of Commerce ACE Awards and Board Installation Dinner, and the League of Women Voters' 90 Year Celebration.

Mayor Wang reported that she attended the Arcadia Chamber of Commerce ACE Awards and Board Installation Dinner, the Arcadia Council PTA Honorary Service Awards and Founders Day Luncheon, and the League of Women Voters' 90 Year Celebration.

13. REQUEST FOR FUTURE ITEMS

Council Member Cao requested City Council support to place an item on a future agenda to discuss a resolution opposing County Board of Supervisors proposed ½ cent sales tax to support public healthcare services. Council Members Fu and Kwan concurred.

14. ADJOURNMENT

The City Council adjourned at 8:40 p.m. to Tuesday, March 3, 2026, at 6:00 p.m., in the City Council Conference Room.



Linda Rodriguez
City Clerk



DEVELOPMENT SERVICES DEPARTMENT

DATE: March 3, 2026

TO: Honorable Mayor and City Council

FROM: Lisa L. Flores, Interim Development Services Director
Simon Vuong, Economic Development Manager

SUBJECT: ORDINANCE NO. 2411 AMENDING ARTICLE VI OF THE ARCADIA MUNICIPAL CODE REGARDING THE BUSINESSES, PROFESSIONS, TRADES, AND OCCUPATIONS (BUSINESS LICENSE) CODE
CEQA: Exempt
Recommendation: Adopt

SUMMARY

At its regular meeting of January 20, 2026, the City Council conducted a public hearing to consider Ordinance No. 2411 to approve amendments to the Business License Code (see Attachment No. 2 - January 20, 2026, Staff Report). Based on guidance from the City Council, Ordinance No. 2411 was revised and resubmitted for further consideration. During its regular meeting of February 17, 2026, the City Council introduced Ordinance No. 2411, approving the amendments and determining the project to be categorically exempt under the California Environmental Quality Act (“CEQA”).

The City Council voted unanimously to introduce Ordinance No. 2411 with amendments. The amendments include modernizing the Code, improving clarity and consistency, and ensuring it aligns with current business practices and regulatory requirements. Refer to “Exhibit A” of Attachment No. 1 for the final text amendments under Ordinance No. 2411.

ENVIRONMENTAL ANALYSIS

CEQA requires that certain projects be reviewed for environmental impacts and that environmental documents be prepared. The proposed update to the businesses,

professions, trades and occupations are exempt from the requirements of CEQA pursuant to CEQA Guidelines Section 15061(b)(3) because it can be seen with certainty that the proposed municipal code amendments would not have a significant effect on the environment and thus, are not subject to CEQA review.

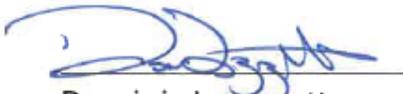
FISCAL IMPACT

The adoption of the proposed code and amendments will have no fiscal impact on the City.

RECOMMENDATION

It is recommended that the City Council adopt Ordinance No. 2411 amending Article VI of the Arcadia Municipal Code regarding the Businesses, Professions, Trades, and Occupations (Business License) Code and find this action to be categorically exempt under the California Environmental Quality Act ("CEQA").

Approved:



Dominic Lazzaretto
City Manager

Attachment No. 1: Ordinance No. 2411 with Final Draft of the Business Code

Attachment No. 2: City Council Staff Reports (without attachments), dated
January 20, 2026, and February 17, 2026

Attachment No. 1

Ordinance No. 2411 with Final Draft of the
Business Code

ORDINANCE NO. 2411

AN ORDINANCE OF THE CITY COUNCIL OF ARCADIA APPROVING ORDINANCE NO. 2411 AMENDING ARTICLE VI OF THE ARCADIA MUNICIPAL CODE REGARDING THE BUSINESSES, PROFESSIONS, TRADES, AND OCCUPATIONS (BUSINESS LICENSE) CODE

WHEREAS, the Business License Division of the Development Services Department has initiated an amendment to update Article VI of the Arcadia Municipal Code Regarding the Businesses, Professions, Trades, and Occupations (referred to as "Business License Code Update") to modernize the Code, improve clarity and consistency, and ensure it aligns with the current business practices and regulatory requirements; and

WHEREAS, on November 12, 2025, the Business License Division completed an environmental review of the proposed amendments to the Arcadia Municipal Code and determined that it is exempt from review under the California Environmental Quality Act ("CEQA") pursuant to Section 15061(b)(3) of the CEQA Guidelines because it can be seen with certainty that proposed amendments would not have a significant effect on the environment and, thus, is not subject to CEQA review; and

WHEREAS, on November 19, 2025, the City published the public hearing notice for the Business License Code Update at the City Clerk's Office, City Council Chambers, at the Arcadia Library, and on the City's Business License website. The notice was also published in a newspaper of general circulation (Arcadia Weekly) in

the jurisdiction where the hearing will occur. At said hearing, the Business License Review Board will review the code amendments and forward a recommendation to the City Council; and

WHEREAS, on December 9, 2025, the Business License Review Board held a duly noticed public hearing to consider the Business License Code Update, considered all public testimonies, and forwarded a recommendation to the City Council for approval; and

WHEREAS, on January 20, 2026, the City Council held a duly noticed public hearing to consider the Business License Code Update, considered all public testimonies, discussed the item, and provided further direction to City staff to preserve the existing Business License appeals process, and to return to City Council with the intact appeals process for review and approval.

WHEREAS, on February 17, 2026, the City Council held a duly noticed public hearing to introduce the Business License Code Update and voted 5-0 to approve the ordinance amendments.

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF ARCADIA, CALIFORNIA DOES ORDAIN AS FOLLOWS:

SECTION 1. The recitals above are each incorporated by reference and adopted as findings by the City Council.

SECTION 2. The City Council determines that the proposed Text Amendment

is exempt from review under the California Environmental Quality Act ("CEQA") pursuant to Section 15061(b)(3) of the CEQA Guidelines, where it can be seen with certainty that the Business License Code Update would not have a significant effect on the environment and, thus, is not subject to CEQA review.

SECTION 3. Based on the entire record before the City Council, all written and oral evidence presented to the City Council, and the findings made in the staff report and this Ordinance, the City Council approves the proposed changes to Article VI of the Arcadia Municipal Code regarding the Businesses, Professions, Trades, and Occupations reflected in Exhibit "A" of this Ordinance.

SECTION 4. For the foregoing reasons, the City Council adopts this Ordinance. Staff is authorized to correct typographical errors, spelling, formatting or codification and to make other minor revisions to improve the reader's comprehension of the changes from this text amendment attached hereto under Exhibit "A" of this Ordinance, provided that any revisions do not alter the regulatory meaning and intent.

SECTION 5. The City Clerk shall certify to the adoption of this Ordinance and shall cause a copy of the same to be published in accordance with Resolution No. 7483. This Ordinance shall take effect thirty-one (31) days after its adoption.

SECTION 6. The Custodian of Records for this Ordinance is Linda Rodriguez, City Clerk and the records comprising the administrative record for this

Ordinance are located at Arcadia City Hall, 240 W. Huntington Drive, Arcadia CA.

Passed, approved and adopted by the City Council this 3rd day of March, 2026.

Mayor of the City of Arcadia

ATTEST:

City Clerk

APPROVED AS TO FORM:



Michael J. Maurer
City Attorney

EXHIBIT "A"

Ordinance No. 2411 and Business
License Code Update

ARTICLE VI. BUSINESSES, PROFESSIONS, TRADES AND OCCUPATIONS

TABLE OF CONTENTS

CHAPTER 1. LICENSES

PART 1. LICENSING PROCEDURE

DIVISION 1. BUSINESS LICENSING

Section 6111. Business License and Tax Required
Section 6111.01 Business License Application
Section 6111.03 Application for an Annual License for a New Business
Section 6111.05 Renewal Application for an Annual License
Section 6111.07 Determination by the License Officer
Section 6111.09 Denial of License
Section 6111.11 Suspension or Revocation of License
Section 6111.13 Appeal to the Business License Review Board
Section 6111.15 Notice
Section 6111.17 Appeals Fees
Section 6111.19. Reinstatement
Section 6111.21. Interstate/Intercity Commerce
Section 6111.23. Claims of Exemption

DIVISION 2. LICENSE ISSUANCE

Section 6112. License Certificate
Section 6112.01. Violations Not Authorized
Section 6112.03. State License
Section 6112.05. Free License
Section 6112.07. Vehicle Tax
Section 6112.09. Not Transferable
Section 6112.11. Amendment
Section 6112.13. Duplicate
Section 6112.15. Permit Prerequisite/ Zoning

DIVISION 3. LICENSE DURATION

Section 6113. Computation of Periods

DIVISION 4. LIABILITIES AND OBLIGATIONS

Section 6114. Civil Obligation
Section 6114.01. Payment
Section 6114.03. Delinquency
Section 6114.05. Penalty
Section 6114.07. Errors
Section 6114.09. Refunds
Section 6114.11. Owner's and Contractor's Liability for Subcontractors
Section 6114.13. Criminal Liability

DIVISION 5. EXEMPTIONS

Section 6115. Unexpired Licenses Previously Issued
Section 6115.01. Disabled Veterans
Section 6115.03. Home-Grown Food Stuffs
Section 6115.05. Commercial Agents
Section 6115.07. Charitable Organization
Section 6115.09. Certified Producers/Farmers

DIVISION 6. GENERAL PROVISIONS

Section 6116. Separate Licenses
Section 6116.01. Exception for Sale of New Automobiles
Section 6116.03. Exhibiting of Licenses
Section 6116.05. Enforcement
Section 6116.07 Appeal to the City Council

PART 2. LICENSES AND ACTIVITIES SUBJECT TO TAXES AND FEES

Section 6120. License Taxes and Fee Rates
Section 6120.01. Automatic Annual License Rate Adjustment
Section 6120.03. Activities Subject to a License Tax

CHAPTER 2. PERMITS

PART 1. PERMIT PROCEDURES

DIVISION 1. APPLICATION, INVESTIGATION, AND PERMIT FEE

Section 6211. Business Permit Required
Section 6211.01. Business Permit Application
Section 6211.03. Permit Application Investigation
Section 6211.05. Payment

DIVISION 2. ISSUANCE AND DENIAL. NEW PERMITS

Section 6212. Issuance of Permit
Section 6212.01. Denial of Permit
Section 6212.03. Issuance of Permit Conditions

DIVISION 3. ISSUANCE AND DENIAL. RENEWALS

Section 6213. Renewal Requirements
Section 6213.01. Existing Permits

DIVISION 4. SUSPENSION AND REVOCATION

Section 6214. Grounds for Suspension or Revocation
Section 6214.01. Appeal and Final Determination
Section 6214.03. Temporary Suspension of Permit
Section 6214.05. Reinstatement of Permit

CHAPTER 2.5. BUSINESS LICENSE REVIEW BOARD

Section 6250. Creation and Duties
Section 6251. Membership
Section 6252. Meetings

CHAPTER 3. SPECIAL REGULATIONS
PART 1. ENTERTAINMENT ENTERPRISES

DIVISION 1. ENTERTAINMENT PERMITS

Section 6311.01. Any Other Business Conducted for the Purpose of Public Entertainment or Enjoyment

DIVISION 2. PRIVATE CLUBS

Section 6312. Free Entry by Law Enforcement Officers

DIVISION 3. FORTUNETELLING

Section 6313. Permit and Compliance with Conditions Required

Section 6313.01. Permit Application

Section 6313.03. Investigation

Section 6313.05. Decision by the License Officer

Section 6313.07. Issuance of Permit

Section 6313.09. Permit Revocation

Section 6313.11. Exceptions

PART 2. COMMERCIAL ENTERPRISES

DIVISION 1. MESSAGE THERAPIST REGULATIONS

Section 6321. Findings and Purpose

Section 6321.01. Definitions

Section 6321.03. Acupressure

Section 6321.05. Zoning and Building Laws Applicable to Massage Therapy Business Activities – Conditional Use Permit
Required

Section 6321.07. State Massage Certification Required to Conduct Massage Therapy in the City

Section 6321.09. Business License Required

Section 6321.11. Denial, Suspension and Revocation of Massage Therapy Business License; Appeal Procedure and
Reinstatement

Section 6321.13. Hours of Operation

Section 6321.15. Business Owner / Operator Responsibility

Section 6321.17. Renewal of Massage Therapy Business License

Section 6321.19. Change of Information

Section 6321.21. Cessation of Massage Therapy Services

Section 6321.23. Prohibited Activities

Section 6321.25. Operations

Section 6321.27. Exemptions

DIVISION 2. REGULATION OF WRITTEN MATERIALS

Section 6322. Refusal Register

Section 6322.01. Regulations Governing Distribution

DIVISION 3. PEDDLERS AND SOLICITORS

Section 6323. Peddlers and Solicitors License

Section 6323.01. "No Peddlers or Solicitors" Signs

Section 6323.03. Exception on Invitation

Section 6323.05. Persistence After Request to Leave

Section 6323.07. Refusal to Leave on Request
Section 6323.09. Legislative Policy
Section 6323.11. Prohibited Activities
Section 6323.13. Duties
Section 6323.15. Powers Section 6323.17. Permit Required
Section 6323.17. Permit Application Contents
Section 6323.19. Permit Application Fee
Section 6323.21. Form of Permit
Section 6323.23. Time of Issuance
Section 6323.25. Permit Granting and/or Denial
Section 6323.27. Permit Transfer
Section 6323.29. Term of Permit
Section 6323.31. Permit Cancellation
Section 6323.33. Permit Revocation, Suspension
Section 6323.35. Compliance Required
Section 6323.37. Appeals to the Business License Review Board
Section 6323.39. Permit Exemptions
Section 6323.41. Permit and Badge to be Carried on Person
Section 6323.43. Prohibited Acts While Soliciting, Peddling, or Canvassing
Section 6323.45. Sign Posting
Section 6323.47. Hours
Section 6323.49. Distribution of Handbills Excluded
Section 6323.51. Charitable, Religious and Political Canvassing Excluded
Section 6323.53. Use of Sound-Making, Sound-Amplifying Devices
Section 6423.55 Permit Holder's Books and Records
Section 6233.57. Investigation of Solicitors and Peddlers
Section 6323.59. Misrepresentation Prohibited
Section 6323.61. Separate Violations
Section 6323.63 Permittee's Books and Records
Section 6323.65. Permittee's Reports
Section 6323.67. Investigation of Solicitors
Section 6323.69. Misrepresentation Prohibited
Section 6323.71. False Application
Section 6323.73. Separate Violations

DIVISION 4. PRIVATE PATROLS

Section 6324. Permit Procedure
Section 6324.01. Approval
Section 6324.03. Liability Insurance
Section 6324.05. Display of Permit and License

DIVISION 5. RUBBISH COLLECTION, HAULING OR DISPOSAL

Section 6325. Permit Required
Section 6325.01. Regulations
Section 6325.03. Limitation
Section 6325.05. Definitions
Section 6325.07. Application Provisions
Section 6325.09. Insurance
Section 6325.11. Equipment, Enclosed Body
Section 6325.13. Ownership
Section 6325.15. Removal of Spillage

Section 6325.17. Production of Customer Lists, Rates and Ownership Statement
Section 6325.19. Suspension

DIVISION 6. SIDEWALK AND PARKING LOT SALES

Section 6326. Commercial Use of Sidewalk
Section 6326.01. Conditions of Sidewalk and Parking Lot Sales
Section 6326.03. Purpose of Street Vending Provisions
Section 6326.05. Permits Required
Section 6326.07. Review of Permit Application; Decision
Section 6326.09. Renewal of Sidewalk Vending Permit
Section 6326.11. Stationary Sidewalk Vending Locations and Standards
Section 6326.13. Sidewalk Vending in Parks, Certified Farmer's Markets
Section 6326.15. Roaming Sidewalk Vending
Section 6326.17. Suspension; Rescission
Section 6326.19. Appeals
Section 6326.21. Penalties

DIVISION 7. MOTION PICTURE FILMING

Section 6327. Film Permit
Section 6327.01. Application
Section 6327.03. Scope of Permit
Section 6327.05. Separate Permit
Section 6327.07. Film Permit Approved
Section 6327.09. Cost of City Services
Section 6327.11. Written Notification
Section 6327.13. Fee Amount
Section 6327.15. Waiver of Fees
Section 6327.17. Revocation or Denial of Application

PART 3. ADULT BUSINESSES

DIVISION 1. ADULT BUSINESS PERFORMER LICENSE

Section 6331. Purpose
Section 6331.01. Adult Business Performer License
Section 6331.03. Investigation and Action on Application for Adult Business Performer License
Section 6331.05. Denial, Suspension or Revocation of Adult Business Performer License / Appeal Hearing
Section 6331.07. Judicial Review
Section 6331.09. Display of License Identification Cards
Section 6331.11. Adult Business Performer License Nontransferable
Section 6331.13. Time Limit for Filing Application for Permit
Section 6331.15. Violations
Section 6331.17. Regulations Nonexclusive
Section 6331.19. Severability

DIVISION 2. ADULT BUSINESS LICENSE

Section 6332. Purpose
Section 6332.01. Definitions
Section 6332.03. Permit Required
Section 6332.05. Permit Requirements

Section 6332.07. Investigation and Action on Application for Adult Business Regulatory Permit
Section 6332.09. Development and Operating Standards
Section 6332.11. Transfer of Adult Businesses or Adult Business Regulatory Permits
Section 6332.13. Denial, Suspension, or Revocation of Adult Business Regulatory Permits / Appeal Procedure
Section 6332.15. Judicial Review
Section 6332.17. Display of Adult Business Regulatory Permit
Section 6332.19. Employment of and Services Rendered to Persons Under the Age of Eighteen (18) Years Prohibited, Twenty-One (21) if Alcoholic Beverages are Served
Section 6332.21. Inspections
Section 6332.23. Employment of Performers Without Valid License Unlawful
Section 6332.25. Regulations Non-Exclusive
Section 6332.27. Violations
Section 6332.29. Public Nuisance
Section 6332.31. Severability

CHAPTER 4 – DEFINITIONS

Section 6400. General Information about Definitions
Section 6400.01. “A” Definitions
Section 6400.02. “B” Definitions
Section 6400.03. “C” Definitions
Section 6400.04. “D” Definitions
Section 6400.05. “E” Definitions
Section 6400.06. “F” Definitions
Section 6400.07. “G” Definitions
Section 6400.08. “H” Definitions
Section 6400.09. “I” Definitions
Section 6400.10. “J” Definitions
Section 6400.11. “K” Definitions
Section 6400.12. “L” Definitions
Section 6400.13. “M” Definitions
Section 6400.14. “N” Definitions
Section 6400.15. “O” Definitions
Section 6400.16. “P” Definitions
Section 6400.17. “Q” Definitions
Section 6400.18. “R” Definitions
Section 6400.19. “S” Definitions
Section 6400.20. “T” Definitions
Section 6400.21. “U” Definitions
Section 6400.22. “V” Definitions
Section 6400.23. “W” Definitions
Section 6400.24. “X” Definitions
Section 6400.25. “Y” Definitions
Section 6400.26. “Z” Definitions

CHAPTER 1. LICENSES

PART 1. LICENSING PROCEDURE

DIVISION 1. BUSINESS LICENSING

6111. BUSINESS LICENSE AND TAX REQUIRED

- A. No person shall conduct any business in the city without first having obtained a business license, paid the applicable business license tax and complied with any and all applicable provisions of this Code.
- B. A separate business license shall be obtained for each business location and for each separate type of business at the same location.
- C. A home-based business (“Home Occupation Permit”) shall be required to obtain a business license prior to conducting business within a residential unit or on residential property.
- D. Except as otherwise provided in this Section, an employee of a business that has obtained a valid Arcadia Business License is not required to obtain a separate business license.
- E. A business license shall not be issued to a business that requires training or state licensing for the business owner, or for each technician or employee, until satisfactory proof of training or licensing is provided to the city. These businesses include without limitation barbers, cosmetologists, estheticians and manicurists.
- F. A business license shall not be issued to a business that requires Workers' Compensation Insurance until satisfactory proof of having Workers' Compensation Insurance is provided to the city.

6111.01. BUSINESS LICENSE APPLICATION

- A. Applications for a business license shall be filed with the city and shall comply with the following requirements:
 - 1. Completion of an application on the form designated by the city and signed by the applicant under penalty of perjury;
 - 2. Applications shall be filed a minimum of 30 days prior to the date requested for issuance of the permit;
 - 3. Payment of the applicable filing fee; and
 - 4. Such other information as may be required by the city.
- B. Contents of general business license application shall contain the following information:
 - 1. Business name
 - 2. Business address
 - 3. Permanent mailing address of the applicant
 - 4. Phone number
 - 5. Email address
 - 6. Employer I.D. number (or Social Security number)
 - 7. State driver license;

-
8. State resale permit (if applicable)
 9. State employer I.D. number
 10. State contractors/business and professional license number (if applicable)
 11. Description of the business being conducted
 12. Days and hours of operation
 13. Start date
 14. Type of ownership
 15. Owners or principal officers
 16. Description of all vehicles and mechanical equipment owned by or under the control of the business
 17. Business license number (in the case of a renewal application)
 18. Business license tax paid
 19. Health permit number (if applicable)
 20. Workers' Compensation Insurance Policy number, date and date of expiration (if applicable)
 21. Proof of any other required county, state or federal training and/or license or permit
 22. Such other information as may be required by the application form or requested by the city for enforcement and administration of this title.

6111.03. APPLICATION FOR AN ANNUAL LICENSE FOR A NEW BUSINESS

If an applicant for an annual license did not engage in business in the City in the previous year, or has been engaged in business in the City for less than one year, then the application shall set forth the estimated information needed to determine the amount of tax for the year for which the application is being submitted, and such estimated information shall be used to determine the amount of license tax to be paid.

6111.05. RENEWAL APPLICATION FOR AN ANNUAL LICENSE

When renewing an annual license, if the tax for the previous year was based on estimated numbers, then the actual numbers for the previous year shall be compared to the estimated numbers that were used to determine the tax, and if different, the amount of additional tax or amount of credit for the previous year shall be calculated and either added or subtracted from the amount of tax due for the new year. This provision applies to the first renewal of an annual license tax that is based on numbers from the previous tax year but does not apply to subsequent renewals of such a tax.

6111.07. DETERMINATION BY THE LICENSE OFFICER

- A. If any person fails to file any required statement within the prescribed time, or if the License Officer or designee determines that a licensee has incorrectly reported any information to the City or has not paid all or any of the tax, penalties, or interest that are due, the License Officer may make a determination of the amount of license tax due from and payable by such person, using such information as the License Officer may be able to obtain.
- B. The License Officer or designee shall give notice of the determination as provided in Section 6111.15.
- C. Definition of "Business License Officer." For purposes of this Article, "Business License Officer" means the Officer or the Officer's designee.

6111.09. DENIAL OF LICENSE

- A. The License Officer may refuse to issue a license under this Article if the License Officer determines that the applicant or applicant's agent have, in the conduct of the same or any similar business, been guilty of fraud, misrepresentation, or conduct detrimental to the public welfare which includes operations or activities that do not comport with the peace, health, safety, and convenience of the public such as (a) operation of a business prohibited by local, federal, or state law (b) allowance of activities that are or become a public nuisance which includes the disruptive conduct of business patrons whether on or immediately off the premises where such patrons disturb the peace, obstruct traffic, damage property, engage in criminal conduct, violate the law, or otherwise impair the free enjoyment of life and property. The License Officer may also refuse to issue a license upon any of the grounds established for license suspension or revocation as put forth in Section 6111.11.
- B. Notice of a decision to deny an application for a business license shall be served on the Licensee as provided in Section 6111.15.

6111.11. SUSPENSION OR REVOCATION OF LICENSE

- A. The License Officer may suspend or revoke any business license upon receipt of information from any source that:
 - 1. The holder of the license, or the licensee's employee, agent, partner, director, officer, controlling stockholder, or manager has knowingly made any false, misleading, or fraudulent statement of material facts in the application for the license or permit, or in any report or record required to be filed with the city's police department, county health department, or any other city department or office in connection with the operation of the business; or
 - 2. The business has been expanded, or partially or wholly converted to another business without the required City approvals and permits; or
 - 3. The holder of the license has violated any of the conditions of the license, or has violated or permitted to be violated any law or laws of the United States or the State, or any ordinance applicable to the premises where the business covered by the license is conducted, or in connection with the business; or
 - 4. The holder of the license, or the licensee's employee, agent, partner, director, officer, controlling stockholder, or manager has, in the conduct of the licensed business or any similar business, been guilty of fraud, misrepresentation, or conduct detrimental to the public welfare which includes operations or activities that do not comport with the peace, health, safety, or convenience of the public such as (a) operation of a business prohibited by local or state law (b) or allowance of activities that are or become a public nuisance which includes the disruptive conduct of business patrons whether on or immediately off the premises where such patrons disturb the peace, obstruct traffic, damage property, engage in criminal conduct, violate the law, or otherwise impair the free enjoyment of life and property; or
 - 5. The holder of the license has failed to pay either the entirety or a portion of the business license tax.
- B. Notice of a decision to suspend or revoke a business license shall be served on the Licensee as provided in Section 6111.15.

6111.13. APPEAL TO THE BUSINESS LICENSE REVIEW BOARD

- A. Any person aggrieved by the decision of the License Officer with respect to the issuance or refusal of a license, or any determination pursuant to this title may appeal the decision to the Business License Review Board, designated by the City Manager, within ten (10) days following notice of the action. The notice of

appeal shall be in writing and signed by the person making the appeal and shall contain the following information:

1. The name, address, email address, and telephone number of the Appellant;
 2. A true and correct copy of the notice of decision or action by the License Officer that the Appellant is appealing;
 3. A specific statement of the reasons and grounds for making the appeal in sufficient detail to enable the Business License Review Board to understand the nature of the controversy, the basis of the appeal, and the relief being requested;
 4. All documents or other evidence pertinent to the appeal that the Appellant requests that the Business License Review Board to consider at the hearing; and
 5. Appellant must pay the designated appeal fee at the time the appeal is filed.
- B. In the event a written notice of appeal is timely filed, the suspension, revocation, or denial is not effective until a final decision has been rendered and issued by the Business License Review Board. The Business License Review Board shall set a hearing within thirty (30) calendar days from that date unless the parties agree otherwise. Notice of the hearing shall be served as provided in Section 6111.15.
- C. At the hearing the person against whom the determination or decision was made may present evidence and argument regarding the determination or decision to show why the determination or decision is incorrect and to show what the determination or decision should be.
- D. Within sixty (60) days after the close of the hearing the Business License Review Board shall issue a final determination or decision, unless the time period is extended by the Business License Review Board for good cause. The final determination or decision of the Business License Review Board shall be served as provided in Section 6111.15.
- E. In lieu of conducting a hearing itself, but only upon recommendation of the City Manager, the Board may choose to refer the matter to an Administrative Law Judge provided by the Office of Administrative Hearings pursuant to Government Code Section 27727. After referral and a hearing, the Administrative Law Judge shall render a written decision based solely on the relevant ordinance and findings of fact within five (5) days of the hearing. The written decision of the Administrative Law Judge shall carry the same weight and authority as decisions of the Board.

6111.15. NOTICE

Whenever the City must give notice of an action or a document under this Article, notice shall be effective on a person when either (i) served personally on the person, (ii) deposited in the United States Mail, postage prepaid, and addressed to the person at the person's address on file with the City, or (iii) sent by email to the person using an email address provided to the City by the person. Notice provided by method (ii) above shall be deemed received within three days of mailing. Notice provided by methods (i) or (iii) above shall be deemed received immediately upon delivery.

6111.17. APPEAL FEES

Each appeal of the denial of a business license or permit shall be accompanied by the payment of the fee established by City Council by Resolution, as may be amended from time to time, to cover the City's costs of administering the hearing and appeal.

6111.19. REINSTATEMENT

- A. If either the final decision of the City Council, the Board, or the Administrative Law Judge, in revoking a license contains a provision that no new license may be requested by the holder of the revoked license for

a certain, specified amount of time, a new license may not be requested during that amount of time by the holder of the revoked license or by his or her employee, agent, partner, director, officer, controlling stockholder, or manager, for any business or location within the City or by any other person for the same business on the same premises where the business covered by the revoked license was conducted or for the same business on a different premises within the City. If, after the period specified, application for a new business license is made, the applicant must comply with all requirements of this Code for issuance of a new business license. There shall be no automatic reinstatement of a revoked business license and the City is under no obligation to grant the new application.

- B. If either the final decision of the City Council, the Board, or the Administrative Law Judge in suspending a license contains a provision that no new license may be requested by the holder of the suspended license for a certain, specified amount of time, a new license may not be requested during that amount of time by the holder of the suspended license or by his or her employee, agent, partner, director, officer, controlling stockholder, or manager, for any business or location within the city or by any other person for the same business on the same premises where the business covered by the suspended license was conducted or for the same business on a different premises within the City. If, after the period specified, the License Officer has determined that the holder of the suspended license has successfully met all conditions imposed by City Council, the Board, or the Administrative Law Judge for reinstatement to occur, the License Officer will reinstate the license as per the instructions from the City Council, the Board, or the Administrative Law Judge. **6111.21. INTERSTATE/INTERCITY COMMERCE**

- A. No tax shall be imposed by this Chapter so as to constitute an undue burden on interstate commerce or intercity commerce or to violate the equal protection or due process clauses of the United States or California constitutions.
- B. A person who has to pay a tax under this Chapter and who contends that the application of the tax constitutes an undue burden on interstate commerce or intercity commerce or violates the equal protection or due process clauses of the United States or California constitutions may apply to the License Officer for an apportionment of the tax that would remove the constitutional violation by filing within six months of having paid the tax a written request with the License Officer that explains the factual and legal basis for the claimed constitutional violation and proposes a method of apportionment that would resolve the alleged constitutional violations.
- C. The License Officer shall review the application and within sixty (60) days of the filing of the application issue a decision on the application. The decision on the application shall be served on the person who submitted the application as provided in Section 6111.15. The decision is a determination of the License Officer, which the applicant may contest by requesting a hearing before the Business License Review Board under Section 6111.13, and the Business License Review Board's final decision following a hearing may be appealed to the City Council under Section 6116.07.

6111.23. CLAIMS OF EXEMPTION

Any person who claims an exemption from a tax imposed under this Chapter by the constitution, statutes, or regulations of the United States or the State of the California; by the charter or ordinances of the City of Arcadia; or any other law may apply to the License Officer for an exemption from the tax by filing with the License Officer either before the tax is due or within six months of having paid the tax a written request that explains the factual and legal basis for the claimed exemption. The License Officer shall review the request and within sixty (60) days of the filing of the request issue a decision on the request. The decision on the request shall be served as provided in Section 6111.15. The decision is a determination of the License Officer, which the applicant may contest by requesting a hearing before the Business License Review Board under Section 6111.13, and the Business License Review Board final decision following a hearing may be appealed to the City Council under Section 6116.07.

DIVISION 2. LICENSE ISSUANCE

6112. LICENSE CERTIFICATE

- A. Upon payment of the required tax, and upon compliance with all of the provisions of this Article, and if there are no grounds for denial under Section 6111.09, the License Officer shall prepare and issue a license certificate to any person who has applied for a business license under this Article. The License Officer shall state in the license certificate the date of its issuance, the amount of the tax, the period of time covered by the license certificate, the name of the person to whom it is issued, the business, profession, trade, commercial enterprise, or occupation thereby licensed, and the location or place of business where it shall be carried on.
- B. The License Officer may impose reasonable conditions with the license that the License Officer deems necessary to ensure compliance with the requirements of this Article. In addition, the License Officer may impose such terms, conditions, restrictions, and limitations upon the operation and conduct of a licensee's activity, not in conflict with the law, as the License Officer may deem necessary or expedient to protect the public peace, health, safety, morals, or welfare of the City or the inhabitants thereof.
- C. A licensee may contest a condition imposed by the License Officer under subsection B of this Section by requesting a hearing before the Business License Review Board under Section 6111.13 regarding the License Officer's determination to impose the condition, and the Business License Review Board's final decision following a hearing may be appealed to the City Council under Section 6116.07.

6112.01. VIOLATIONS NOT AUTHORIZED

The payment of a license tax required by the provisions of this Chapter, the acceptance the payment of a license tax by the City, or the issuance of a license to any person, shall not:

- A. Entitle any person to continue or carry on business at any building or premises if it is located in a zone or locality where the conduct of such business violates any law (federal, state, or local) or provision of this Code;
- B. Authorize the conduct or continuance of any business which for any reason is in violation of any law (whether federal, state, or local) or provision of this Code;
- C. Affect or render valid any violation of any zoning regulation of the City; or
- D. Authorize the placement or installation of an advertising sign in a residential zone.

6112.03. STATE LICENSE

For any trade or profession for which a State license is required, a current State license shall first be exhibited to the License Officer before a City license will be issued.

6112.05. VEHICLE TAX

Any person operating a wheeled vehicle for which a license is required or who has a fixed place of business within the City which has been licensed under this Chapter, and who in the usual course of business uses a wheeled vehicle or vehicles for the delivery of personal property or services which have been sold from said fixed place of business, shall list each vehicle on the business license and pay the tax as provided in the City's Resolution, as may be amended from time to time, for each vehicle.

6112.07. NOT TRANSFERABLE

Except as specifically authorized, no license issued pursuant to this Chapter shall be transferred or assigned, nor shall such license be construed as authorizing any person other than the licensee to engage in the business thus licensed.

6112.09. AMENDMENT

Where a license is issued authorizing a person to conduct a business at a particular place, the licensee may, upon application and paying the fee per the City's Resolution, as may be amended from time to time, have the license amended to authorize the conduct of the business at a different location.

6112.11. DUPLICATE

The License Officer shall charge a fee per the City's Resolution, as may be amended from time to time, for each duplicate license issued under the provisions of this Chapter that has been lost or destroyed.

6112.13. PERMIT PREREQUISITE/ZONING

The License Officer shall not issue any license for any business, profession, trade, commercial enterprise, or occupation that is not permitted by the City's zoning regulations or for which a permit is required by any provision of this Code until a permit is obtained pursuant to Chapter 2 of this Article, nor if any such permit has been revoked or has expired and has not been reinstated or renewed. Any license issued under this Chapter for any business, profession, trade, commercial enterprise, or occupation for which a permit is required by any provision of this Code, for all or part of the activities on licensed premises, shall be voidable upon the revocation or expiration of any such permit.

DIVISION 3. LICENSE DURATION

6113. COMPUTATION OF PERIODS

For the purpose of this Chapter:

- A. A part of a day shall be deemed a day.
- B. More than fifteen (15) days and less than one (1) month shall be deemed a month.
- C. More than one (1) month and less than two (2) months shall be deemed two-thirds ($\frac{2}{3}$) of a quarter.
- D. More than two (2) months and less than three (3) months shall be deemed a quarter.
- E. When a license tax is fixed at a monthly rate, the tax shall apply to each calendar month or fraction thereof, unless otherwise provided.

-
- F. When a tax is to be paid quarterly, it shall be paid on the following quarters of the calendar year and shall be due on the first day of each quarter:
 - (1) First quarter: January 1 to March 31;
 - (2) Second quarter: April 1 to June 30;
 - (3) Third quarter: July 1 to September 30;
 - (4) Fourth quarter: October 1 to December 31.
 - G. When a yearly or annual license or tax is required and imposed by this Chapter, it shall apply to the twelve (12) month period commencing on the first day of the month in which the license is issued and terminating after the last day of the twelfth (12th) month. For each year thereafter, the renewal date shall be the first day of the month in which the license was first issued.
 - H. When a business that holds a yearly or annual license makes a change requiring additional license taxes, the business shall pay the additional taxes on a prorated basis for the remainder of the license period. Proration of taxes does not apply to Section 6112.07 (Vehicle Tax) or any section that indicates taxes are per year or fraction thereof.
 - I. When a daily license is required by this Chapter, it shall be due and payable to the City each day in advance.
 - J. When the obligation to perform and act under this Article fall on a weekend or a holiday recognized by the City of Arcadia, the deadline to perform the act is extended to the next day that is not a weekend or holiday.

DIVISION 4. LIABILITIES AND OBLIGATIONS

6114. CIVIL OBLIGATION

The amount of any license tax, fee, or penalty imposed under this Chapter shall constitute a debt to the City. Any person engaging in business in the City without having a license so to do shall be subject to an action in the name of the City in any court of competent jurisdiction for the collection of the amount of the license tax and penalties imposed by this Chapter.

6114.01. PAYMENT

- A. All license taxes, unless otherwise expressly stated in this Chapter, shall be paid in advance in legal currency of the United States of America at the office of the City Treasurer. The City may at its discretion accept negotiable paper in the payment of any license tax. The acceptance by the City of negotiable paper shall constitute a payment of the tax only when such paper is duly paid. If for any reason any negotiable paper is not paid on due presentation, the license tax shall be deemed not to have been paid and the license issued shall be deemed not to have been issued, and shall be void and of no effect.
- B. Any person engaging in business for which a license is required by this Chapter must submit an application for a license to the License Officer and pay the required tax before engaging in that business.
- C. Any person holding an annual business license must submit an application to renew the license and pay the required tax thirty (30) days after the renewal date for the license.

6114.03. DELINQUENCY

Any tax owed under this Chapter is delinquent on the following dates:

- A. The tax for a business that commences operation and does not hold a license is delinquent on the first day of operation if not paid before commencing operation.

-
- B. The tax for a business that holds an annual business license is delinquent if the tax is not paid thirty (30) days after the renewal date.
 - C. The tax for a business that is licensed and taxed on a daily basis is delinquent on the day of operation if not paid the day before commencing operation.
 - D. The tax for a business that is licensed and taxed on a per-event basis is delinquent if not paid before the beginning of the event.

6114.05. PENALTY

- A. A penalty equal to one hundred percent (100%) of the license tax shall be automatically applied to the tax owed by any person who commences the operation of a business without first having obtained a license and paid the tax.
- B. If the tax for the renewal of an annual business license is not paid thirty (30) days after the renewal date, a penalty of twenty percent (20%) of the license tax shall be automatically added to the amount of tax due. If the tax for the renewal of an annual business license is not paid sixty (60) days after the renewal date, an additional penalty of forty percent (40%) of the license tax shall be automatically added to the amount of tax due. If the tax for the renewal of an annual business license is not paid ninety (90) days after the renewal date, an additional penalty of forty percent (40%) of the license tax shall be automatically added to the amount of tax due.

6114.07. ERRORS

In no case shall any mistake made by the City Treasurer or License Officer in collecting or stating the amount of a license tax prevent or prejudice the collection by the City of such amount as shall be due from any person engaged in business who is subject to a license under this Chapter.

6114.09. REFUNDS

- A. A person who believes that any tax, fee, or penalty has been illegally, erroneously, or mistakenly paid to, collected by, or otherwise received by the City may file a claim for a refund of the amount of tax, fee, or penalty claimed to have been improperly received by the City.
- B. The claim must be filed with the License Officer and signed under penalty of perjury. The claim must state:
 - 1. The legal and factual basis for the refund claim;
 - 2. The amount of tax, fee, or penalty allegedly improperly received by the City;
 - 3. The date or dates that the improper payments were made to the City; and
 - 4. The address of the claimant.
- C. The claim must be submitted to the License Officer within one year of the date of the allegedly improper payment to the City.
- D. The License Officer shall provide a written decision on the claim within 30 days of receipt of the claim by serving the determination on the claimant as provided in Section 6111.15.
- E. A claimant may contest the Tax Collector's decision and determination on a refund claim by requesting a hearing before the Business License Review Board under Section 6111.13, and the Business License Review Board's decision may be appealed to City Council under Section 6116.07.

6114.11. OWNER'S AND CONTRACTOR'S LIABILITY FOR SUBCONTRACTORS

Any person operating a business shall be liable for and shall pay to the City any business license tax due to the City from any of their contractors, and contractors shall be liable for and shall pay to the City any business license tax due to the City from any of their subcontractors, who performed work or furnished materials to or for any improvement at such time as the statement of names and addresses of such subcontractors is required to be filed prior to final inspection or issuance of the certificate of occupancy, or if such a statement is not required to be filed, then prior to the completion of any such work or improvement.

6114.13. CRIMINAL LIABILITY

The conviction and punishment of any person for engaging in business without a license shall not excuse or exempt such person from the payment of any license tax, fee, or penalty, due or unpaid, at the time of such conviction, and nothing in this Chapter shall prevent a criminal prosecution for any violation of the provisions of this Chapter.

DIVISION 5. EXEMPTIONS

6115. UNEXPIRED LICENSES PREVIOUSLY ISSUED

When a license for revenue purposes has been issued to any business by the City and the tax paid under the provisions of this Chapter and the term of the license has not expired, any increase in the license tax by an amendment to this Chapter shall not apply to the business until the expiration of the license.

6115.01. DISABLED VETERANS

A disabled war veteran shall be entitled to receive a free license for peddling or canvassing, if the veteran provides the License Officer with evidence of the veteran's status as a veteran, that the veteran has received an honorable discharge from the armed forces of the United States, and is physically unable to obtain a livelihood by manual labor. Applicants for free licenses under this Section shall be required to comply with all other provisions of this Article pertaining to peddlers or canvassers.

6115.03. HOME-GROWN FOOD STUFFS

A free license shall be granted to a person peddling fruits and vegetables grown by that person in the City. An application to the License Officer for a free license under this provision must state: the applicant's address; the kind of goods to be sold; the method of solicitation, sale, and delivery; the location of any warehouse used or operated by the applicant in conjunction with the raising or selling of such products; and any other facts necessary to establish a claim of exemption.

6115.05. COMMERCIAL AGENTS

No business license or tax shall be required for or from commercial travelers or selling agents selling goods, wares, or merchandise to dealers at wholesale for resale purposes, or to persons who use the purchased goods, wares, or merchandise in the making of a product manufactured in the City.

6115.07. CHARITABLE ORGANIZATION

Charitable organizations maintaining an office location within the City shall be issued a free license by the License Officer upon proof of charitable status of the organization with the State of California.

6115.09 CERTIFIED PRODUCERS/ FARMERS

Every participant in a Certified Farmer's Market as a Certified Producer of homegrown foodstuffs is exempt from payment of any license tax in this Chapter provided that the participation is with a City-authorized Farmer's Market. Proof of Certified Producer status is subject to approval by the management of the farmer's market and Los Angeles County Department of Health Services.

"Certified Producer" shall be anyone with proper proof that they are selling what they caught, grew, collected, or raised. Each Certified Producer of fruits, nuts, or vegetables must obtain an embossed photocopy of their Certified Producer's Certificate issued by any county in the State of California.

DIVISION 6. GENERAL PROVISIONS

6116. SEPARATE LICENSES

A separate license shall be obtained for each establishment or location of a business. Each license shall authorize the licensee to engage only in the business licensed for that location and in the manner designated in the license.

6116.01. EXCEPTION FOR SALE OF NEW AUTOMOBILES

Where a person is engaged in the business of selling new automobiles and has procured a license under the provisions of this Chapter, a lot maintained by such person within two hundred feet (200') of the licensed place of business, where used cars owned by the licensee are displayed for sale, shall not be deemed to be a separate place of business or establishment.

6116.03. EXHIBITING OF LICENSES

Every person having a license under this Chapter and carrying on a business or pursuit at a fixed place of business shall keep the license posted in a conspicuous place in the place of business so as to be easily seen. Every person having a license but not carrying on a business or pursuit at a fixed place of business shall have the license in their possession at all times while engaging in business in the City and shall exhibit such license whenever requested to do so by any police officer, or by any officer authorized to issue or inspect licenses or collect license taxes.

6116.05. ENFORCEMENT

The License Officer shall enforce the provisions of this Article. The License Officer, in the exercise of the duties imposed by this Article, may examine or cause to be examined all places of business in the City to ascertain whether the provisions of this Article have been fully complied with. The License Officer, the License Officer's assistants, and every police officer, shall have the power and authority to enter, free of charge and at any reasonable time, any place of business required to be licensed under this Article, and to demand the exhibition of a business's license certificate. No person having a license certificate issued under this Article shall willfully fail to exhibit the certificate on demand. The License Officer may cause a complaint to be filed against any person found to be violating any provisions of this Article.

6116.07. APPEAL TO THE CITY COUNCIL

Within ten (10) days of receipt of any final decision by either the Board or an Administrative Law Judge, either the holder of the revoked license or applicant for the denied license, any member of the City Council, the Development Services Director, or any other business or resident of the City may appeal the decision by filing an appeal with the Board. Immediately upon receipt of such appeal, the Board shall transmit to the City Council the final decision and all findings for placement on the agenda at the first regularly scheduled Council meeting subsequent to the filing of the appeal, or as soon thereafter as possible. The City Council shall consider the findings and recommendations of the Board and may adopt them in total, hold a de novo hearing, or the City Council may amend, modify or reject the recommended decision of the Board. In addition, the City Council may send the findings and recommendations back to the Board with instructions to rehear any relevant matter not previously heard and then resubmit additional amended or modified findings to the City Council. The City Council may revoke, amend or modify the license, or impose such other or further reasonable terms, conditions or restrictions on the terms, conditions or restrictions theretofore placed on said license as the City Council finds reasonable or necessary to ensure that the business enterprise, occupation or activity will not be contrary to or inimical to or jeopardize the preservation of the public peace, safety or welfare of the City or its inhabitants, or be detrimental to other properties or businesses in its vicinity. The City Council may also prevent the holder of a revoked or suspended license from applying for a new license within one year or such other certain, specified, reasonable time period as the City Council deems prudent. The decision of the City Council shall be final.

PART 2. LICENSES AND ACTIVITIES SUBJECT TO TAXES AND FEES

6120. LICENSE TAXES AND FEES RATES

Except for those businesses, trades, or occupations for which a license tax is specifically provided by any other provision of this Code, the following license taxes are established and shall be paid by the owners or agents thereof in the amounts provided in this Part.

6120.01. AUTOMATIC ANNUAL LICENSE RATE ADJUSTMENT

Business license fees will be adjusted in accordance with the schedule for citywide fee updates, as determined by the City Council, as may be amended from time to time. Adjustments will occur annually, at the same time as other city fee adjustments, unless otherwise specified. Cost increases can be attributed to a variety of factors, including labor cost increases and material costs increases attributed to general inflation. Annual increases to City fees may be adjusted either by general increases to total labor costs or the Consumer Price Index (CPI) for the Los

Angeles Urban Wage Earners and Clerical Workers, whichever is higher in order to ensure that fee rates and cost recovery levels are maintained over time. The City may also utilize a combination of these factors if the employee portion of a fee can easily be separated from the supplies/equipment portion of a fee.

6120.03. ACTIVITIES SUBJECT TO A LICENSE TAX

Activity Subject to a Tax	Description
Advertising - Distributing or Solicitation	Any person distributing advertising materials or engaging in solicitation, excluding proprietors of businesses in the City.
Apartments and Lodging	Operators of apartment buildings, motels, hotels, or lodging facilities. Rental units include manager/owner-occupied spaces with sleeping facilities. Short term rentals are not allowed in the City.
Auctions or Temporary Retail Sale	Includes auctioning goods and temporary retail sales by charitable, nonprofit, civic, or religious organizations, limited to 7 days.
Bowling Alleys or Billiards	Businesses offering billiards, bowling, shuffleboard, skee-ball, or similar entertainment.
Carnival	Shows, exhibitions, and amusement parks featuring acrobatics, horsemanship, merry go-around, or mechanical amusement devices.
Christmas Trees; Pumpkin Patches	Seasonal sales of Christmas trees or pumpkins, excluding nonprofit organizations.
Circus	Public spectacles featuring mechanical rides, animal performances, acrobatics, games, and entertainment.
Contractors and Subcontractors	Includes general engineering, building contractors, electrical, and plumbing contractors.
Dance Hall - Public	Operators of public dance halls, floors, or ballrooms.
Family Care/Day Care/Assisted Living Care Facility	Businesses provide care for 7 or more children or adults from different families, including daycare, family care, and assisted living facilities, nursing homes licensed by the State of California.
Farmer's Market	Market sponsors and vendors participating in City-approved Certified Farmer's Markets.
Fortuneteller	Individuals engaged in fortunetelling, as defined in the Municipal Code.
Moving Services	Businesses providing residential or commercial moving services.

Private Patrols	Businesses providing private security patrols.
Pawnbroker	Operators of pawnshops dealing in loans secured by personal property.
Peddlers and Solicitors	Individuals selling goods/services without a fixed business location.
Photographer/Videographer	Photographer/videographer operate without a permanent business location.
Private Clubs	Social clubs charging members for games and entertainment (excluding food services).
Professional Services	Medical office, dental offices, clinics, veterinarian, physical therapists, health services, and any use that requires licensed professionals in regulated occupations within California.
Real Estate Broker	Brokers engaged in real estate transactions.
Rental of Non-Residential Property	Entities leasing commercial, industrial, office, or vacant lots for non-residential purposes.
Salvaged Goods Dealer	Those involved in collecting, purchasing, or selling junk.
Services	Retail services or stores, restaurants, any food establishments, therapists, personal services (such as beauty, barbershop, and nail salons), kennels, laundromats, fitness facilities or studios, office spaces, service stations (with or without convenience stores), dry cleaners, consultants, financial institutions, warehousing, gardeners and landscapers, bars, lounges, manufacturing, food trucks, mobile food vendor, athletic trainers, auto repair including body and oil changes, car wash (full or self-service), charging stations, educational services, vending and reverse vending machines, and other services, as determined by the License Officer.
Taxi	Operators of taxicab services.
Theaters and Shows	Businesses conducting movie theaters, live performances, and open-air shows.
Wheeled Vehicles	Businesses use of vehicles for hauling, distributing, selling, or delivering goods within the City.
Other	Other business uses determined to be similar to any of the activities or uses listed above, but for which the City has no dedicated business use defined, as determined by the Development Services Director or designee.

CHAPTER 2. PERMITS
PART 1. PERMIT PROCEDURES

DIVISION 1. APPLICATION, INVESTIGATION AND PERMIT FEE

6211. BUSINESS PERMIT REQUIRED

A business permit is required when a business needs specific authorization to engage in certain activities. It is distinct from a business license, as it grants permission for regulated activities, ensuring the business complies with specific laws.

- A. In addition to any other business, profession, trade or occupation for which a permit is required by some other provision of this Code, no person shall engage in any business, and no business license shall be issued for any business mentioned in Part 2 until a permit has first been obtained upon application in writing therefore pursuant to the provisions contained within Part 1 of this Chapter.
- B. A separate permit shall be applied for and obtained for each and every kind of business, occupation, trade or concession for which a permit is required by this Part or any other provision of this Code, regardless of community of ownership, management or location.

6211.01 BUSINESS PERMIT APPLICATION

Unless otherwise specifically provided elsewhere in this Code, every person for whom a permit is required by this Chapter shall submit an application in writing to the License Officer, shall be signed and verified by the applicant and shall provide the following information specified in subsections (A) through (J). No person shall file or cause to be filed an application for a permit containing false or fraudulent statements under penalty of perjury. This Section does not apply to adult businesses; the regulation and permitting of adult businesses and the licensing of the trades, professions, callings, and occupations thereof involved are separately enacted and provided for in Chapter 5 of this Article.

- A. The name and address of the applicant.
- B. The name and address of the person by whom the applicant is employed, if the applicant is employed by someone.
- C. The nature and a complete description of the business or activity for which a permit is requested.
- D. The place where such business is to be conducted.
- E. The zoning applicable to the property upon which such business or occupation is to be conducted.
- F. The structural development and other improvements located upon such property.
- G. The zoning applicable to the real property adjacent to or across from alley of the premises upon which the business or occupation, for which a permit is requested, is to be conducted or maintained.
- H. A description of the nature and amount of equipment to be used in connection with such business or activity.
- I. An estimate of the number of persons that can attend or be served by said business or occupation at any one time.

-
- J. The dates upon which such business or activity is to be conducted or maintained and the hours during which it is proposed to conduct or maintain such business.

6211.03. PERMIT APPLICATION INVESTIGATION

- A. The License Officer shall, without unnecessary delay, refer any such application for a permit to the Chief of Police for investigation of any facts which in the License Officer's opinion warrant investigation. In the event the Chief of Police, in the course of investigation, determines that fingerprints and thumbprints of the applicant would aid in such investigation, the applicant shall be notified and shall comply promptly with such request. The Chief of Police shall report any criminal connections of the applicant, an officer, principal stockholder, or any person having a substantial interest in or management responsibility for any organization connected with applicant.
- B. The License Officer may, at any time after notice of the filing of any such application for a permit, refer such application to the Planning Commission when the Development Services Director and License Officer determines that any portion or portions of said permit application warrants investigation.

6211.05. PAYMENT

Unless otherwise expressly stated in this Article, all permit fees and deposits required to be paid or made by Chapter 2 or Chapter 3 of this Article shall be paid in advance in legal currency of the United States of America at the office of the City Treasurer. The City may at its discretion accept negotiable paper in payment of any such fee or deposit. The acceptance by the City of negotiable paper shall constitute payment of such fee or deposit only when such paper is duly paid. If for any reason any negotiable paper is not paid on due presentation, the fee or deposit for which it was accepted shall be deemed not to have been paid, and any permit issued pursuant to such payment shall be deemed not to have been issued and shall be void and of no effect, and any action taken by City for which such payment is a prerequisite shall be deemed not to have been taken and to be void and of no effect.

DIVISION 2. ISSUANCE AND DENIAL. NEW PERMITS

6212. ISSUANCE OF PERMIT

Upon the receipt of an application in the form prescribed in Division 1 of this Part for any business for which a permit is required by any provision of this Code, and upon payment of the required fee, and compliance with all of the provisions of this Article, the License Officer shall prepare and issue a permit to every person liable to pay a permit fee hereunder.

6212.01. DENIAL OF PERMIT

Subject to the appeal provisions, the License Officer may refuse to issue a permit under this Article if it is determined that the applicant or applicant's agents have, in the conduct of the same or any similar business, been guilty of fraud, misrepresentation or conduct detrimental to the public welfare which includes operations or activities that do not comport with the peace, health, safety and convenience of the public such as (a) operation of a business prohibited by local or state law (b) allowance of activities that are or become a public nuisance which includes the disruptive conduct of business patrons whether on or immediately off the premises where such patrons disturb the peace, obstruct traffic, damage property, engage in criminal conduct, violate the law and otherwise impair the free enjoyment of life and property.

6212.03. ISSUANCE OF PERMIT CONDITIONS

- A. If such permit is granted, the License Officer may impose such terms, conditions, restrictions and limitations upon the operation and conduct of such permit activity, not in conflict with any paramount law, as it may

deem necessary or expedient to protect the public peace, health, safety, morals or welfare of the City or the inhabitants thereof.

- B. The License Officer shall not deliver any permit to a permittee for any business, profession, trade, business enterprise or occupation for which a license is required by Chapter 1 of this Article until all sums due to the City thereunder have been paid.
- C. The permit shall contain the name of the applicant and of the business for which the permit is issued, the dates for which such permit is issued, the location for which such permit is issued, and the conditions and restrictions upon which such permit is issued.
- D. The permit shall be posted in a conspicuous place on the premises where the business for which such permit is issued is conducted, if conducted at a fixed place of business in the City, and shall remain so posted during the period the permit shall be in force. If the business is not conducted at a fixed place of business in the City, the permittee shall have such permit in his possession at all times while engaging in such business.
- E. No person shall violate or fail to comply with any condition, term or provision of any permit issued pursuant to this Article.

DIVISION 3. ISSUANCE AND DENIAL. RENEWALS

6213. RENEWAL REQUIREMENTS

- A. The License Officer may, upon the recommendation of the Chief of Police, waive the permit requirements as to applications for renewal of any permit originally issued in accordance with the procedure outlined in this Part for a business or activity which has been conducted at the same location, and under the same ownership or management without interruption during the preceding permit period, when in the judgment of the Police Chief, there is no cause or reason to require reprocessing pursuant to this Part.
- B. In any application for the renewal of any permit issued in accordance with the procedure outlined in this Part, it shall be sufficient for applicant to insert the words "same as in prior application" wherever such words are truly applicable.
- C. Upon written request, the License Officer may waive any or all of the requirements of this Part with respect to any institution or organization which is conducted, managed or carried on wholly for the benefit of charitable, religious, educational, recreational or scientific purposes and from which profit is not derived either directly or indirectly by any individual firm or corporation. Such institution or organization must provide proof of nonprofit status by either a federal or state governing body.

6213.01. EXISTING PERMITS

All permits heretofore issued by the City under this Chapter or any other regulatory City ordinance shall remain in full force and effect until the expiration date therein specified. If no expiration date is therein specified, such permit shall expire on December 31 of the year during which it was issued. All businesses for which a permit is required by the terms of this Chapter, which are in actual operation upon the date this Chapter becomes applicable thereto, shall have to and including the 2nd day of January of the following year within which time to make application for the permit required for such business, and may continue to operate thereafter until final action is taken by the License Officer on such application. Any business for which a permit is required under this Chapter commencing after the provisions of this Chapter or any similar regulatory City ordinance becomes applicable thereto shall not commence operation until a valid and proper permit shall have been issued by the License Officer for such business.

DIVISION 4. SUSPENSION AND REVOCATION

6214. GROUNDS FOR SUSPENSION OR REVOCATION

- A. The License Officer may revoke any permit issued by it under the provisions of this Chapter upon any ground upon which such permit could or should have been denied in the first instance, or whenever the License Officer is satisfied that the conduct of any such business does or will in any manner endanger, threaten or jeopardize the public health, safety, morals, peace or welfare or that the same has been conducted in an illegal, improper or disorderly manner or that such permit was obtained upon false or misleading statements or representations of or on behalf of the applicant. The License Officer may revoke if it is determined that the applicant or applicant's agents have, in the conduct of the same or any similar business, been guilty of fraud, misrepresentation or conduct detrimental to the public welfare which includes operations or activities that do not comport with the peace, health, safety and convenience of the public such as (a) operation of a business prohibited by local, federal or state law or (b) allowance of activities that are or become a public nuisance which includes the disruptive conduct of business patrons whether on or immediately off the premises where such patrons disturb the peace, obstruct traffic, damage property, engage in criminal conduct, violate the law and otherwise impair the free enjoyment of life and property.
- B. The License Officer may revoke or suspend any permit issued by it under the provisions of this Chapter where the proprietor or person in charge thereof violates or permits any infraction of any law of the State, or any provision of this Code, or any condition of the permit.
- C. The License Officer may, without necessity of any public hearing, revoke or suspend any permit issued under the terms of this Chapter if the permittee shall have been adjudged guilty of a misdemeanor under this Article.

6214.01. APPEAL AND FINAL DETERMINATION

The actions taken to deny, suspend, or revoke a permit require at least ten (10) days' written notice to the applicant. Within ten (10) days of the date of the notice of denial, suspension or revocation, the applicant may file an appeal to the Business License Review Board. The same procedure for appeal and the disposition thereof shall be that established for business licenses in Division 1 of Part 1 of Chapter 1 of this Article, Sections 6111.13 through 6111.17.

6214.03. TEMPORARY SUSPENSION OF PERMIT

- A. For any reasons specified in the preceding sections of this Division, the License Officer may seek to temporarily suspend any permit issued under the provisions of this Chapter by first providing notice of the intent to suspend the permit and at least five (5) days written notice of a hearing on the proposed suspension. The procedures for the hearing must follow the requirements in Division 1 of Part 1 of Chapter 1 of this Article, Sections 6111.11 and 6111.13. Notices shall be given as provided in Division 1 of Part 1 of Chapter 1 of this Article, Section 6111.15.
- B. A person against whom a determination to temporarily suspend a license under subsection (A) has been made may contest the determination and request an appeal to the Business License Review Board under the same procedure for appeal established for business licenses in Division 1 of Part 1 of Chapter 1 of this Article, Section 6111.13.
- C. The License Officer can temporarily suspend a permit without a hearing if continued operation of the business constitutes a serious imminent threat to public health or safety. A hearing on such a temporary suspension must be provided as soon as practicable, following the procedure outlined in Division 1 of Part 1 of Chapter 1 of this Article, Sections 6111.11 and 6111.13.

-
- D. Such temporary suspension shall remain in full force and effect until the decision of the Business License Review Board, who may thereupon rescind, modify or continue such suspension or may revoke such permit or affix new or different terms to the continuation of such permit.

6214.05. REINSTATEMENT OF PERMIT

- A. If either the final decision of the City Council, the Board, or the Administrative Law Judge in revoking a permit contains a provision that no new permit may be requested by the holder of the revoked permit for a certain, specified amount of time, a new permit may not be requested during that amount of time by the holder of the revoked permit or by his or her employee, agent, partner, director, officer, controlling stockholder or manager, for any business or location within the city or by any other person for the same business on the same premises where the business covered by the revoked permit was conducted or for the same business on a different premises within the City. If, after the period specified, application for a new permit is made, the applicant must comply with all requirements of this Code for issuance of a new permit. There shall be no automatic reinstatement of a revoked permit and the City is under no obligation to grant the new application.
- B. If either the final decision of the City Council, the Board, or the Administrative Law Judge in suspending a permit contains a provision that no new permit may be requested by the holder of the suspended permit for a certain, specified amount of time, a new permit may not be requested during that amount of time by the holder of the suspended permit or by his or her employee, agent, partner, director, officer, controlling stockholder or manager, for any business or location within the city or by any other person for the same business on the same premises where the business covered by the suspended permit was conducted or for the same business on a different premises within the City. If, after the period specified, the License Officer has determined that the holder of the suspended permit has successfully met all conditions imposed by the City Council, the Board, or the Administrative Law before reinstatement may occur, the License Officer will reinstate the permit.

CHAPTER 2.5 BUSINESS LICENSE REVIEW BOARD

6150. CREATION AND DUTIES.

The Business License Review Board (hereinafter referred to as the "Board") is hereby created to hear appeals of business license denials and revocations, permit denials and revocations, and appeals of business license fees pursuant to this Article and take such action as is authorized herein.

6151. MEMBERSHIP.

The Board shall be comprised of the members of the Arcadia Planning Commission, as defined in Article II, Part 5, Section 2251 of the Arcadia Municipal Code. When meeting as the Board, the members of the Planning Commission will retain none of their duties, obligations, or rights as Planning Commission members and will act solely in their capacity as Board members.

The Chairperson of the Board shall be the Chairperson of the Planning Commission or his/her designee. The Development Services Director or his/her designee shall serve as the Secretary to the Board.

6152. MEETINGS.

The Board shall meet at such times and dates, and in such places, as shall be designated by the Chairperson of the Board, or his/her designee; provided, however, that the Board shall meet within thirty (30) days of receiving a notice of appeal pursuant to Section 6216.8, or as soon thereafter as possible. The Chairperson of the Board, or his/her designee, shall give written notice of each such meeting called to the other members of the Board not less than twenty-four (24) hours before the time specified for the proposed meeting, unless an emergency requires shorter notice as permitted by the Ralph M. Brown Act of the State of California or its

successor statute. Attendance of members at such a meeting shall be deemed to constitute waiver of the requirement of written notice for such members. The Board may only act when a majority of its members are present.

CHAPTER 3. SPECIAL REGULATIONS

PART 1. ENTERTAINMENT ENTERPRISES

DIVISION 1. ENTERTAINMENT PERMITS

A separate Entertainment Permit is required for any entertainment activity not previously approved through a Conditional Use Permit or Minor Use Permit. This includes, but is not limited to, fortunetelling, live music performances, live entertainment, and other activities as determined by the License Officer.

6311.01. ANY OTHER BUSINESS CONDUCTED FOR THE PURPOSE OF PUBLIC ENTERTAINMENT OR ENJOYMENT

Any other business conducted for the purpose of public entertainment or enjoyment including but not limited to businesses where such activities accompany or are ancillary to another use such as the utilization of musicians, bands or other live entertainment provided by the licenses. In such cases, the business licensee shall be responsible for all entertainment permits applicable to the licensed premises and shall be required to set forth the schedule of performance, the nature and scope of the performance, exhibition, show or contest and provide whatever other information deemed necessary by the License Officer that is reasonably related to appropriate consideration of the permit

DIVISION 2. PRIVATE CLUBS

A private club is a membership system. The club's activities and amenities (e.g., bar, dining area, recreational facilities) are generally reserved for members and their guests. Access to the premises is not available to the general public.

6312. FREE ENTRY BY LAW ENFORCEMENT OFFICERS

Any member of the Police Department or any Peace Officer of the State shall at all times be permitted to enter the club rooms or grounds of any private club as described in Part 2 of Chapter 1 of this Article. If the owner, manager or employee of such private club shall violate any law of the United States, of the State or of the City, or permit the same or any of them to be violated within the club rooms or upon the club grounds, such license shall be revoked.

DIVISION 3. FORTUNETELLING

Fortunetelling is the practice of predicting information about a person's life, future, or circumstances through various methods.

6313. PERMIT AND COMPLIANCE WITH CONDITIONS REQUIRED

- A. No person shall conduct, engage in, carry on, participate in, or practice fortunetelling or cause the same to be done for pay without having first obtained a permit from the License Officer and without having posted and maintained in full force and effect a surety bond as required by this Division.
- B. No person shall violate any of the terms and conditions of a permit issued pursuant to this Article, nor any of the regulations and provisions within this Article. Each day such a violation or violations occur shall constitute a separate offense.

6313.01. PERMIT APPLICATION

- A. Every natural person who, for pay, actively conducts, engages in, carries on, or practices fortunetelling shall file a separate verified application for a permit with the License Officer. The application shall contain, but not be limited to:
 - 1. The name, home or business address, and business phone number and email address of the applicant.
 - 2. The record of conviction for violations of the law, excluding minor traffic violations.
 - 3. The fingerprints of the applicant on a form provided by the Arcadia Police Department.
- B. The address, city and state, and the approximate dates where and when the applicant practices a similar business, either alone or in conjunction with others.

6313.03. INVESTIGATION

Upon the filing of the application, it shall be referred by the License Officer to the Police Department for investigation, report and recommendation. The investigation shall be conducted to verify the facts contained in the application and any supporting data. The investigation shall be completed and a report and recommendation made in writing to the License Officer within fourteen (14) days after the filing of the application, unless the applicant requests or consents to an extension of the time period. If the report recommends denial of the permit to the applicant, the grounds for the recommended denial shall be set forth. At the time of the filing of the report and recommendation with the License Officer, a copy thereof shall be served personally or by certified mail by the License Officer on the applicant.

6313.05. DECISION BY THE LICENSE OFFICER

- A. The License Officer shall consider the application and the report and recommendation on or before the seventh (7th) day after the filing of the report and recommendation referred to in the above subsection, Section 6314.03 (Investigation)
- B. The decision of the License Officer to grant or deny the permit shall be in writing, and if adverse to the applicant, shall contain information on the applicant's right to appeal to the Business License Review Board.

6313.07. ISSUANCE OF PERMIT

- A. The License Officer shall issue the permit when:
 - 1. The applicant has complied with all of the provisions of this Article, and

2. The fee required by Part 2 of Chapter 1 of this Article for fortunetelling has been paid.

B. The term of any permit issued under this Section shall be one (1) year subject to renewal.

6313.09. PERMIT REVOCATION

Upon the discovery of any false or misleading statement in the application or any misrepresentation by the applicant in procuring the permit or upon the termination of the bond required hereunder or upon the applicant's violation of any provision of this Article, the License Officer may revoke the permit. The applicant shall have the right to appeal any permit revocation to the Business License Review Board using the procedure as set forth in Division 1 of Part 1 of Chapter 1 of this Article, Sections 6111.11 and 6111.13.

6313.11. EXCEPTIONS

- A. The provisions of this Section shall not apply to any person solely by reason of the fact because of their engagement in the business of entertaining the public through demonstrations of mindreading, mental telepathy, thought conveyance, or the giving of horoscopic readings, at public places and in the presence of and within the hearing of other persons and at which no questions are answered, as part of such entertainment, except in a manner to permit all persons present at such public place to hear such answers.
- B. No person shall be required to pay any fee or take out any permit for conducting or participating in any religious ceremony or service when such person holds a certificate of ordination as a minister, missionary, medium, healer or clairvoyant, hereinafter collectively referred to as minister, from any bona fide church or religious association maintaining a church and holding regular services and having a creed or set of religious principles that is recognized by all churches of like faith; provided, that:
1. Except as provided in (3) hereof, the fees, gratuities, compensation, and profits thereof shall be regularly accounted for and paid solely to or for the benefit of the bona fide church or religious association, as defined in this subsection (B).
 2. The minister holding a certificate of ordination from such bona fide church or religious association, as defined in this subsection (B), shall file with the License Officer a certified copy of the minister's certificate of ordination with the minister's name, age, street address, and phone number in this City where the activity set forth in this subsection (B) is to be conducted.
 3. Such bona fide church or religious association, as defined in this subsection (B), may pay to its ministers a salary or compensation based upon a percentage basis, pursuant to an agreement between the church and the minister which is embodied in a resolution and transcribed in the minutes of such church or religious association.

PART 2. COMMERCIAL ENTERPRISES

DIVISION 1. MASSAGE THERAPIST REGULATIONS

6321. FINDINGS AND PURPOSE

The City of Arcadia is authorized, by virtue of the State Constitution and Section 51031 of the Government Code, to regulate massage therapists by conditioning the issuance of a license to engage in the business of massage on reasonable standards relative to their skill and experience, and to regulate massage owners and operators of massage therapy businesses to ensure the safety of clients receiving massage therapy.

While the City Council recognizes that Section 4612 of the Business and Professions Code and Section 51034 of the Government Code gives those individuals who are certified pursuant to Chapter 10.5 of the Business and Professions Code the right to practice massage, those sections also gives the City the right to adopt reasonable business licensing and health and safety requirements for massage establishments and businesses, including requiring a conditional use permit (CUP) to operate.

The City Council finds and determines that the standards contained in this Division pertaining to massage therapy business activities are necessary to protect the public health and safety and the personal safety of massage therapists.

The City Council further finds that the public health and safety are best served by the adoption of an ordinance providing for regulation of massage therapy business activities in a manner that is consistent throughout the City of Arcadia, and that is consistent with State law (including, but not limited to Chapter 10.5 of the Business and Professions Code - Sections 4600 et seq.).

The establishment of reasonable standards for issuance of a license and restrictions on massage therapy business activities would serve to reduce the risk of illegal activities.

There is a significant risk of injury to massage clients by improperly trained and/or uneducated massage therapists and this Division provides reasonable safeguards against injury and economic loss.

6321.01. DEFINITIONS

For the purpose of this Division, unless it is plainly evident from the context that a different meaning is intended, the following definitions shall apply to this Division only:

Employ. Shall include, without limitation, contracting with independent contractors as well as hiring or employing persons.

Employee. Shall include, without limitation, independent contractors and persons hired or employed by an operator or owner of a massage therapy business.

Operator (or Owner). The individual(s) who are responsible for the management and/or supervision of a massage therapy business. Whenever the term owner or operator is used in this Division, it shall be deemed to include, without limitation, the manager of any massage therapy business.

6321.03. ACUPRESSURE

This Division shall also apply to the administration of acupressure, except as administered by licensed acupuncturists.

6321.05. ZONING AND BUILDING LAWS APPLICABLE TO MASSAGE THERAPY BUSINESS ACTIVITIES - CONDITIONAL USE PERMIT REQUIRED

No person shall engage in, conduct or carry on, or permit to be engaged in, conducted or carried on, any massage therapy business within a structure, unless the structure is located in a zone where such use is permitted and a conditional use permit has been obtained pursuant to the Arcadia Development Code, Chapter 1 of Article IX of this Code. All such established businesses shall comply with all building and zoning regulations, the regulations of this Division including licensing and permitting requirements, and all other applicable requirements of law.

6321.07. STATE MASSAGE CERTIFICATION REQUIRED TO CONDUCT MASSAGE THERAPY IN THE CITY

On or after January 1, 2016, it shall be unlawful for any person to engage in massage therapy within the City (whether having a fixed or mobile place of business within the City (e.g.: "out-call", "in-home" or "in-office" services)), without having a valid Massage Certificate. To ensure compliance with this Code section, all massage

therapists must file a certified copy of their Massage Certificate with the City of Arcadia Development Services Department - Business License Division. After successfully filing his or her Massage Certificate, all massage therapists will be issued a City of Arcadia Massage Verification Card. The City shall charge no fee for review of a Massage Certificate or issuance of a Massage Verification Card.

Notwithstanding the above, any person engaging in massage therapy under a valid Massage Therapist Identification Card may continue to do so until January 1, 2016 and, prior to that date, a Massage Therapist Identification Card shall be deemed equivalent to a Massage Certificate for purposes of compliance with this Division. All Massage Therapist Identification Cards shall expire on January 1, 2016. Commencing on the effective date of this Division, no further Massage Therapist Identification Cards will be issued or renewed.

Any Massage Therapist Identification Card remaining in effect may be suspended or revoked for violations of this Division, this Code or State law, pursuant to the procedures contained in Division 1 of Part 1 of Chapter 1 of this Article, Section 6111.11.

6321.09. BUSINESS LICENSE REQUIRED

Any person owning or operating a business that provides massage therapy shall apply for and obtain from the City a Massage Business License. Obtaining the required business license includes obtaining approval from the Department of Development Services, Planning Services, confirming that the proposed business location is in compliance with applicable zoning, building and other codes or laws. The applicant shall file a written application on the required form provided by the Development Services Department.

The following information, documents and other requirements shall be included with the submission of such application:

- A. The information required from all business license applicants, pursuant to Division 1 of Part 1 of Chapter 1 of this Article, Sections 6111 and 6111.01.
- B. A statement in writing and dated by the applicant certifying under penalty of perjury that all information contained in the application is true and correct,
- C. A statement in writing and dated by the applicant certifying under penalty of perjury that he or she: (a) has received a copy of this Division; (b) understands its contents; and (c) understands the duties of owners/operators of businesses that provide massage therapy as provided in this Division,
- D. Applicant's valid Massage Certificate or valid City of Arcadia Massage Verification Card, if applicant plans to practice massage therapy, and
- E. Proof that the applicant has obtained a conditional use permit from the City and is otherwise in compliance with the City's zoning code.

6321.11. DENIAL, SUSPENSION AND REVOCATION OF MASSAGE THERAPY BUSINESS LICENSE; APPEAL PROCEDURE AND REINSTATEMENT

A Massage Business License may be denied for the same reasons and on the same grounds as any other business license in the City, pursuant to Division 1 of Part 1 of Chapter 1 of this Article, Section 6111.09.

A Massage Business License may be suspended or revoked by the City for the same reasons and on the same grounds as any other business license in the City, pursuant to Division 1 of Part 1 of Chapter 1 of this Article, Section 6111.11.

The appeal of a denial, suspension or revocation of a Massage Business License shall be governed by the procedures set forth in Division 1 of Part 1 of Chapter 1 of this Article, Sections 6111.11 through 6111.19.

The reinstatement of a Massage Business License shall be governed by the procedures set forth in Division 1 of Part 1 of Chapter 1 of this Article, Section 6111.19.

6321.13. HOURS OF OPERATION

No massage therapist shall administer a massage in any established business between the hours of 9:00 p.m. and 7:00 a.m. A massage begun any time before 9:00 p.m. must nevertheless terminate at 9:00 p.m. All massage customers, patrons and visitors shall be excluded from the massage therapy business during these hours and be advised of these hours. The hours of operation must be displayed in a conspicuous public place within the established business.

The operator must notify the City of any change in hours, of which the City has received any prior notification, not later than seven (7) calendar days prior to said change.

6321.15. BUSINESS OWNER/OPERATOR RESPONSIBILITY

All massage therapy business owners and/or operators shall be responsible for the conduct of all employees and independent contractors. Any act or omission of any employee or independent contractor constituting a violation of the provisions of this Division shall be deemed the act or omission of the business owner for purposes of determining whether the owner's license shall be revoked, suspended, denied or renewed.

No business owner and/or operator shall employ any person, or allow any person, to conduct a massage or act as an independent contractor conducting massage who does not have a valid Massage Certificate and City of Arcadia Massage Verification Card. In order to ensure compliance with these Code provisions, no massage therapy business owner shall employ any person who has not shown them their valid Massage Certificate and City of Arcadia Massage Verification Card.

6321.17. RENEWAL OF MASSAGE THERAPY BUSINESS LICENSE

Owners and/or operators of businesses that provide massage therapy shall annually apply for renewal of their Massage Business License. The owner and/or operator applicant shall pay a nonrefundable application renewal fee at the time of filing a renewal application in the amount established by resolution of the City Council. as may be amended from time to time. The owner of a business that provides massage therapy shall maintain a current business license. Any owner and/or operator who currently possesses a business license allowing them to operate a massage therapy business must, upon time for the renewal of their license, apply for a Massage Business License, supplying the information as required of this Division.

6321.19. CHANGE OF INFORMATION

If, during the term of a Massage Therapy Business License, a massage therapist or an owner and/or operator has any change of information submitted on the original application or license renewal application, the massage therapist shall notify the License Officer of such change in writing within ten (10) business days thereafter.

6321.21. CESSATION OF MASSAGE THERAPY SERVICES

The massage therapist is required to notify the Business License Office by written notice, filed within fifteen (15) business days after the last date of the performance or offering of massage therapy services, if he or she no longer performs or offers massage therapy services in the City of Arcadia.

6321.23. PROHIBITED ACTIVITIES

- A. It is unlawful for any massage therapist, employee, massage patron, or any other person present where massage therapy services are being offered or performed, to expose or touch the genitals or anal area, or the breast of any female, whether his or her own, or those of another person.
- B. It is unlawful for any massage therapist, employee, massage patron, or any other person present where massage therapy services are being offered or performed, to engage in any sexual activities.

-
- C. It is unlawful for any massage therapist, employee, massage patron, or any other person present where massage therapy services are being offered or performed, to be in a state of nudity or semi-nudity.
 - D. No massage therapist shall provide or offer to provide any massage therapy services to a minor unless the minor's parent or legal guardian provides written permission.
 - E. No person shall enter, be in, or remain in, any area where massage therapy services are offered or performed while in the possession of, consuming, using or under the influence of, any alcoholic beverage or controlled substance. Service of alcoholic beverages shall not be permitted at any established business where massage therapy services are being performed.
 - F. Massage patrons shall not be prohibited from the use of, or possession of, cellular phones, pagers or any communication devices while massage therapy services are being offered or performed.
 - G. It is unlawful for any massage therapist, employee, massage patron, or any other person present where massage therapy services are being offered or performed, to wear or have in their possession such items as nightgowns, negligees, bathrobes, sexually oriented merchandise or condoms. Every business owner and/or operator shall assure that such items are not being kept, possessed, stored or used on the business premises.
 - H. No electrical, mechanical or artificial device shall be used for audio and/or video recording or for monitoring the performance of a massage, or the conversation or other sounds in any massage room.
 - I. No person shall use or possess any sexually oriented merchandise in or on any part of a massage establishment. For purposes of this subsection, "sexually oriented merchandise" shall mean sexually oriented implements and paraphernalia, such as, but not limited to: dildos, auto sucks, sexually oriented vibrators, edible underwear, benwa balls, inflatable orifices, anatomical balloons with orifices, simulated and battery-operated vaginas, and similarly sexually oriented devices which are designed or marketed primarily for the stimulation of human genital organs or sadomasochistic activity.
 - J. Except as provided herein, a massage therapy business may not lock any of its doors through which the public enters from an outside location during business hours. This prohibition shall not apply to a massage therapy business that is owned by one individual with one or no employees or independent contractors. No massage therapy business may lock any of its internal doors leading to a room in which massage is performed.

6321.25. OPERATIONS

- A. Identification Cards. Each massage therapist shall at all times while on the massage therapy business premises have in his or her possession their Massage Certificate, a valid photo identification, and their City of Arcadia Massage Verification Card. Such card and identification shall be provided to the City upon demand. Each owner and/or operator shall at all times while on the massage therapy business premises have in his or her possession a copy of the Business License required by this Division and a valid photo identification. Such card, license and identification shall be provided to the City upon demand.
- B. Display of License. Each owner or operator of a massage therapy business shall display the Business License Certificate issued pursuant to this Division in an open and conspicuous place on the business premises where massage therapy services are performed.
- C. Clothing. Each massage therapist and all other employees shall be fully clothed at all times in compliance with the clothing standards set forth in section 4609(a)(10) of the Business and Professions Code.
- D. Sterilizing Equipment. Each massage therapist shall provide and maintain at the business location where the massage is performed adequate equipment for disinfecting and sterilizing instruments used in massage.

-
- E. Covering. Each massage therapist shall provide to all massage patrons clean, sanitary and opaque coverings capable of covering the massage patron's specified anatomical areas, including the genital, anal and female breast area. Reuse is prohibited unless the covering is adequately cleaned.
 - F. Linen. Towels and linen shall be changed and laundered promptly after each use. Separate cabinets or containers shall be provided for the storage of clean and soiled towels and linen.
 - G. Advertising. No massage therapist operating under this Division shall place, publish or distribute, or cause to be placed, published or distributed, any advertising matter that depicts nudity or semi-nudity or employs language in the text of such advertising that would reasonably suggest to a prospective massage patron that any other services are available other than those services authorized by this Division.
 - H. Discrimination. No massage therapist may discriminate or exclude massage patrons on the basis of their race, sex, religion, age, handicap or any other classification protected under federal or state laws, rules or regulations.
 - I. Inspections and Searches. The business owner/operator, and massage therapist, as a condition to the issuance of either each Business License or each Massage Therapist Identification Card, shall be deemed to consent to the reasonable inspection of the business premises during regular business hours by the City Development Services Department, Fire Department, Police Department and the Los Angeles County Health Department for the purpose of determining that the provisions of this Division or other applicable laws or regulations are met.
 - J. Lighting. The lighting in each massage room shall be at least one (1) sixty-watt white light bulb and shall be activated at full wattage at all times (no dimming) while a massage patron is in such room or enclosure. No strobe flashing lights may be used. No colored lights shall be used nor shall any coverings be used which change the color of the primary light source.
 - K. Ventilation. Ventilation shall be provided in accordance with the applicable provisions of the building and construction codes adopted by the City of Arcadia.
 - L. Building Permits. All building, plumbing and electrical installations shall be installed under permit and inspected by the Development Services Department. Such installations shall be installed in accordance with the applicable provisions of the building and construction codes adopted by the City of Arcadia.
 - M. Separate Sexes and Rooms. If male and female massage patrons are to be treated simultaneously, the following shall be provided: separate treatment rooms (except in the case of consensual "couples massage" whereby not more than two individuals may be treated simultaneously in the same room by two massage therapists), separate dressing rooms and separate toilet facilities for each massage patron. Nothing in this Division shall prevent a massage therapist of one sex from providing massage to a massage patron of the other sex.
 - N. Maintenance. All facilities where massage therapy services are offered must be in good repair and shall be thoroughly cleaned and sanitized each day the business is in operation. All walls, floors and ceilings of each restroom and shower area shall be easily cleanable.
 - O. Massage Table. A massage table shall be provided in each massage room or enclosure and the massage shall be performed on this massage table. The tables shall have a minimum height of eighteen inches (18"). Two-inch (2") thick foam pads with maximum width of four feet (4') may be used on a massage table and must be covered with durable, washable plastic or other waterproof material. Beds, floor mattresses, table showers and waterbeds are not permitted on the business premises.
 - P. Posting. Each service offered, the price thereof and the minimum length of time such service is performed shall be posted in a conspicuous public location on the business premises. No services shall be performed and no sums shall be charged for such services other than those posted.

-
- Q. Wall/Window Requirements. The City may not require a massage therapy business to have windows or walls that do not extend from the floor to ceiling, or have other internal physical structures, including windows, that interfere with a client's reasonable expectation of privacy.
 - R. Roster of Employees. The business owner and/or operator shall maintain a register of all massage therapists and employees, showing the name, nicknames and aliases used by the massage therapist or employee, home address, age, birth date, gender, height, weight, color of hair and eyes, phone numbers, social security number, date of employment and termination, if any, and duties of each employee. The above information concerning each massage therapist and employee shall be maintained at the premises of the business for a period of two (2) years following their termination. The business owner and/or operator shall make the register of massage therapists and employees available immediately for inspection by the City upon demand at all reasonable times.
 - S. Living and food prohibited. No person or persons shall be allowed to live inside the massage therapy business at any time. All living quarters shall be separate from the massage therapy business. No food of any kind shall be prepared for sale or sold in the business premises.
 - T. Preemption. In the event the terms and conditions of any current, valid Massage Certificate, or any applicable regulation adopted by a state agency, conflict with or supersede the requirements of this Section, a massage therapist or massage therapy business shall not be subject to the requirements of this Section to the extent of any such conflict or inconsistency.

6321.27. EXEMPTIONS

The provisions of this Division, with the exception of those provisions relating to massage therapy business ownership, shall not apply to any of the following:

- A. State licensed physicians, surgeons, chiropractors, physical therapists, osteopaths, or any registered or licensed vocational nurses working on the premises of, and under the direct supervision of, a State licensed physician, surgeon, chiropractor or osteopath;
- B. Barbers, beauticians, manicurists and pedicurists who are duly licensed under the laws of the State of California, except that this exemption shall apply solely to the massaging of the scalp, face, neck, arms, hands, or feet of the client for cosmetic or beautifying purposes;
- C. Athletic trainers certified by the State of California performing training services for professionals, amateur or school athletic events or practices; and
- D. Duly licensed businesses and government agencies only with respect to on-site massage therapy services which are offered and provided at the expense of the business or government agency, or at the expense of their employees, exclusively to their respective employees, and not to the general public, solely as a benefit of employment. Massage therapy provided hereunder must be provided by a person who (1) is a massage therapist, as defined in Chapter 7 of this Article, who maintains a valid Massage Certificate, or (2) qualifies for an exemption pursuant to subsections (A), (B) or (C) of this Section.

DIVISION 2. REGULATION OF WRITTEN MATERIALS

6322. REFUSAL REGISTER

- A. The License Officer shall maintain a list of those businesses and residences whose occupants have submitted a written expression of their unwillingness to receive unsolicited written material. Such list shall be known formally as the "Refusal Register." Occupants listed on the register as not willing to receive unsolicited written material may specify whether they wish to receive no unsolicited written material at all, or may specify from whom they do or do not wish to receive unsolicited written material. Occupants may also

include the name or names of minors under the care and custody of such occupants at the particular residence.

- B. The License Officer shall update the refusal register on a quarterly basis throughout the year. The License Officer shall remove any occupant or any minor under the occupant's care and custody at a particular residence from the refusal register upon the request of such occupant.
- C. The License Officer shall provide a free copy of the refusal register to any person so requesting.

6322.01. REGULATIONS GOVERNING DISTRIBUTION

It is unlawful for any person to distribute unsolicited written material in violation of the following regulations:

- A. Unsolicited written material shall not be distributed to any business or residence that is listed on the most recently updated refusal register as one who does not wish to receive written materials from the person attempting to so distribute.
- B. Unsolicited written material shall not be distributed to any business or residence that contains a "no solicitation" sign conspicuously posted on, or near, the entrance or front door of the business or residence.
- C. Unsolicited written material shall not be distributed by any person to any business or residence that contains unremoved unsolicited written material of the same person where such unsolicited written material is reasonably visible from the public right-of-way.
- D. Unsolicited written material shall not be distributed to any business or residence at any location other than at the doorknob or doorstep of such premises.
- E. All unsolicited written material shall have printed thereon, or affixed in legible form, the name, address and telephone number of the person responsible for the distribution of the unsolicited written material, together with a legible notice informing the recipient that anyone who does not desire to receive such unsolicited advertising material may so notify the person responsible for the distribution thereof or the License Officer in writing.
- F. Upon receipt of a notice pursuant to subsection (E) of this Section, the person responsible for distribution of any unsolicited written material shall not distribute any further unsolicited written material in contravention of such notice.
- G. It is unlawful for any person to distribute unsolicited written material unless he or she has, upon his or her person, a copy of the most recently updated copy of the refusal register, or the information contained in the most recently updated refusal register.
- H. The provisions of this Chapter shall not apply to the following:
 - 1. The distribution of United States mail, telegrams or other matter preempted by state or federal law; or
 - 2. The posting or leaving of legally required notices; or
 - 3. Distribution of any notices or other written material by persons employed by or acting at the behest of the City of Arcadia, the State of California or the Federal government; or
 - 4. Any written material which the occupant or owner has expressly requested in writing.
- I. All unsolicited written material that is distributed in violation of this Division is designated as litter and a nuisance pursuant to Government Code Section 38771.
- J. Any person violating any provision of this Division, or failing to comply with any of its requirements, shall be deemed guilty of either a misdemeanor or an infraction, punishable pursuant to Section 1200 of the Arcadia Municipal Code.

DIVISION 3. PEDDLERS AND SOLICITORS

6323. PEDDLING OR SOLICITATOR LICENSE

A business license is required for any individual who engages in peddling, which includes selling or offering for sale any goods, wares, merchandise, liquids, or food intended for human consumption by traveling from house to house or business to business. All licensed peddlers and solicitors shall carry an original business license, along with a picture identification, at all times when peddling, and adhere to the following requirements:

1. No person shall engage in peddling or solicitation in any area of the city which is zoned for residential uses under this Code between the hours of 7:00 p.m. and 9:00 a.m.
2. No person shall affix any object to another person, onto private property, or public property without first receiving permission from such person or the owner of the property.
3. No peddler shall continue to engage in peddling or solicitation directed at another person, if such person informs the peddler of his or her desire not to be subject to peddling or solicitation.

6323.01. "NO PEDDLERS OR SOLICITORS" SIGNS

No peddler or solicitor selling, or pretending to sell, or offering for sale, or demonstrating or taking orders for, or soliciting orders for, goods, wares or merchandise of any kind or character, or any article, material or substance, shall ring the bell, or knock on the door of or attempt to gain admittance to any residence, dwelling, flat or apartment whereon a sign bearing the words "No Peddlers or Solicitors", or words of similar import indicating that peddlers or solicitors are not wanted on said premises, is painted or affixed or exposed to public view.

6323.03. EXCEPTION ON INVITATION

The provisions of this Division shall not apply to any peddler or solicitor who knocks at any door or rings any bell at the invitation or with the consent of some member of the household at which he so applies for admission.

6323.05. PERSISTENCE AFTER REQUEST TO LEAVE

No person shall offer for sale, demonstrate, attempt to sell, or to solicit or attempt to solicit orders for goods, wares or merchandise of any kind or character, or any article, material or substance, at or in any residence, dwelling, flat or apartment after having been requested to leave such residence, dwelling, flat or apartment by the person or tenant in lawful possession thereof.

6323.07. REFUSAL TO LEAVE ON REQUEST

No peddler or solicitor shall refuse to leave any residence, dwelling, flat or apartment, or any portion of the premises thereof, when requested to leave by the tenant or person in lawful possession thereof.

6323.09. LEGISLATIVE POLICY

That the practice of going in and upon private residences in the City of Arcadia, California, by solicitors, peddlers, hawkers, itinerant merchants, salesperson and transient vendors of merchandise, not having been requested or invited so to do by the owner or owners thereof, by the occupant or occupants of said private residence, or by the person or persons in lawful possession thereof, for the purpose of soliciting orders for the sale of services, goods, wares and merchandise, or vending, peddling or hawking the same, is hereby declared to be a nuisance, and punishable as such nuisance as a misdemeanor.

6323.11. PROHIBITED ACTIVITIES

- A. No solicitor, peddler, hawker, itinerant merchant, transient vendor of merchandise, salesman or other person shall go in or upon any private residence in the City for the purpose of soliciting orders for the sale of services, goods, wares or merchandise, or vending, peddling or hawking the same, unless such person shall have first been requested or invited so to do by the owner, occupant or person in lawful possession of such private residence.
- B. The provisions of Sections 6324.09 (Legislative Policy) and subsection (A) above shall not apply to the activities of any charity, nor shall they apply to any franchisee of the City of Arcadia with a valid franchise from the City of Arcadia when the solicitation is related to the purpose and intent of said franchise and further provided the prior consent of a majority of the City Council is obtained.
- C. The provisions of Sections 6324.09 (Legislative Policy) and subsection (A) above shall not apply to the solicitation or obtaining of subscriptions to newspapers of general circulation, published for the dissemination of local or telegraphic news or intelligence of a general character and printed or published at regular intervals, biweekly or more often.

6323.11 DUTIES

It shall be the duty of the License Officer or designee to investigate each application for a permit as hereinafter provided by the provisions of this Chapter. He or she shall maintain each application on file, together with his or her decision thereon, all of which shall be subject to public inspection at any reasonable time.

6323.13. POWERS

The License Officer or designee shall have the power to issue and deny permits as hereinafter provided; to summon witnesses; to demand production of documents and things; to take testimony and to direct investigations as hereinafter provided; and to do and to perform all other acts that may be necessary or proper within the scope of his or her duties and functions.

6323.15 PERMIT REQUIRED

No person shall exercise, practice or engage in any activity as described in Division 1 of Part 1 of this Chapter unless such person obtains a permit as provided in this chapter and pays the application and permit fees required by this chapter.

6323.17. PERMIT APPLICATION CONTENTS

Each and every person desiring to practice, exercise or engage in any of the activities described in Division 1 of Part 1 of this Chapter shall personally appear before the License Officer or designee and file with him or her a written, signed and acknowledged application, showing:

- A. The true and fictitious names, aliases and residences of the applicant if an individual; the true and fictitious names, aliases and residences of all members of the applicant if applicant is a firm, association or partnership; the true and fictitious names, aliases and residences of the principal officers of the applicant if the applicant is a corporation;
- B. The length of service of the applicant with such firm, association, partnership, corporation or organization;
- C. The place of birth, birth date and social security number of each and every person enumerated in subsection (A) of this Section;
- D. The city, county and state where the persons, enumerated in subsection (A) of this Section, practiced or conducted any of the activities described in Division 1 of Part 1 of this Chapter, or any business or practice kindred thereto within twelve (12) months previous to the date of said application and the name under which the same was conducted;
- E. The length of residence of the persons enumerated in subsection (A) of this Section within the City, if applicable;
- F. A statement of the nature and character of applicant's proposed practice or activity;
- G. The nature and character of the goods, wares, merchandise or services to be offered by the applicant;
- H. Whether the persons enumerated in subsection (A) of this Section have ever been convicted of a felony involving murder, manslaughter, fraud, burglary or any sex crime as defined by California Penal Code 11105.2; if so, applicant shall state the nature of each offense, date of conviction, the sentence received therefore and the court in which each conviction and sentence was entered;
- I. Such other reasonable information as to the identity and background of the persons enumerated in subsection (A) of this Section as the chief of police may require, including, but not limited to, a photograph or photographs of said persons.

6323.19. PERMIT APPLICATION FEE

The fee that may be established by resolution of the City Council, as may be amended from time to time, shall be paid simultaneously with the filing of each application for a permit required under this chapter, for the purpose of defraying the expenses incidental to processing said application, including the expenses of investigating applicant's character and background.

6323.21. FORM OF PERMIT

Permits issued under this chapter shall bear the name and address of the person to whom it is issued, the number of the certificate, the date issued, the certificate's expiration date and the License Officer's or designee's signature.

6323.23. TIME OF ISSUANCE

The License Officer or designee shall either grant or deny the requested certificate within ten (10) days of the date the application is made. If the License Officer or designee fails to act within the time prescribed, the permit shall be deemed granted.

6323.25. PERMIT GRANTING AND/OR DENIAL

- A. After the receipt of a properly completed and filed application, if the application is accepted, the License Officer or designee shall issue a permit, numbered and in due form, allowing the applicant to practice the activities, proposed in said application upon payment of the prescribed permit fee, unless the applicant has been convicted of one of the crimes enumerated in Section 6412.1(H) (Permit-Application-Contents).
- B. The application may be rejected if the activities sought to be permitted do not comply in every way with the rules, regulations and laws applicable thereto, or if the License Officer or designee determines, after investigation, that the applicant's character or background is unsatisfactory. If the application is rejected, the License Officer or designee will notify the applicant in writing, giving the reason for the same and shall refund all the fees submitted with the application, save and except for costs incurred by the City in investigating the same.

6323.27. PERMIT TRANSFER

No permit issued pursuant to this chapter shall be transferable to any person.

6323.29. TERM OF PERMIT

Certificates issued hereunder shall be valid for a period of one hundred eighty (180) days unless revoked pursuant to the provisions of this Chapter. A new application must be made for each certificate.

6323.31. PERMIT CANCELLATION

Upon the discovery of any false or misleading statements in the application or any misrepresentation by the applicant in procuring said permit, the License Officer may, upon five (5) days' notice to said applicant, cancel and annul said permit; whereupon the applicant shall be subject to the penalties prescribed in this code from and after the date of the cancellation as though the permit had never been granted.

6323.33. PERMIT REVOCATION, SUSPENSION

- A. Any permittee who commits any of the crimes specified in Section 6412.1(H) (Permit-Application-Contents) is liable to have his or its permit suspended or revoked by the License Officer. The License Officer shall also have the right to suspend or revoke such permit whenever it is shown to the satisfaction of the License Officer that the activities so licensed are being conducted in a manner that is detrimental to the public health, morals, peace, welfare or safety of the community. Any suspension or revocation shall cause to be served upon the permittee a written notice specifying the grounds for said suspension or revocation and informing the permittee of the hearing procedures before the **Business License Review Board** at which time the permittee shall have the opportunity to be heard and to make his or her defense against any complaints and allegations made as to his or her activities pursuant to this Chapter. Such written notice shall be served in accordance with the provisions of Code of Civil Procedure Section 1094.6.
- B. When a permit has been revoked, no other permit shall be issued under the provisions of this Chapter to the same permittee within one (1) calendar year of the date of revocation or for such other specified, certain, reasonable time determined by the License Officer.

6323.35. COMPLIANCE REQUIRED

No person shall commence, engage in, carry on, exercise, practice or advertise that he will engage in, carry on, exercise or practice any activity as described in Division 1 of Part 1 of this Chapter without first having procured a permit as required by the permit provision of this Chapter, or without complying with any and all regulations of such activity contained in this or any other provisions of this Code, or any City Ordinance. Engaging in or practicing any activity described in Division 1 of Part 1 of this Chapter without first having procured such a permit when

required to do so, or without complying with any and all regulations of such activity contained in this Chapter, this Code, or the City's Ordinances, constitutes a nuisance and a separate violation of this Chapter for each and every day that such activity is so advertised, engaged in or carried on.

6323.37. APPEALS TO THE BUSINESS LICENSE REVIEW BOARD

Any applicant for a permit may appeal the License Officer's decision to the Business License Review Board,, per the procedures described in Division 1 of Part 1 of Chapter 1 of this Article, Sections 6111.11 and 6111.13.

6323.39. PERMIT EXEMPTIONS

The above provisions of this Division shall not apply to any person having an established route in the City, to solicitation at wholesale on business premises within the City, or to charitable or religious solicitations that are conducted solely by members of said charity or religion, at regular assemblies, meetings, services or otherwise.

6323.41. PERMIT AND BADGE TO BE CARRIED ON PERSON

Each applicant for a permit must at all times keep on his person the permit issued by the License Officer or designee. No person shall fail to wear a badge (as described herein) on his/her chest over the heart that indicates the number of the solicitation permit, its expiration date and the name of the permit holder; all badges to be white with black lettering that is legible at a distance of five feet (5') and to contain a photograph of the individual wearing each badge that has been taken within the previous six (6) months of the date of solicitation.

6323.43. PROHIBITED ACTS WHILE SOLICITING, PEDDLING OR CANVASSING

For the purposes of this Section, the performance of one solicitation of any person by one individual contrary to any subsection of this Section shall constitute a separate violation.

- A. No person shall represent in any manner that the City, its departments or officers have endorsed the permit holder or the products, services or causes on behalf of which individuals are being solicited, peddled or canvassed.
- B. No person shall affix any object to, or place any object on, the body of any person to whom any solicitation, peddling or canvassing is directed without that person's express consent.
- C. No person shall touch, brush up against, or otherwise voluntarily come into physical contact with any person without that person's express consent.
- D. No person shall willfully obstruct the movement of any person on any street, sidewalk or other public place.
- E. No person shall solicit, peddle or canvass any person that has objected, by words or conduct, to such soliciting, canvassing or peddling.
- F. No person shall represent in any manner that the soliciting or peddling is conducted for anyone other than the permit holder.
- G. No person shall refuse to identify the permit holder on whose behalf the soliciting or peddling is being conducted when requested to do so by any person contacted by the solicitor or peddler, or fail to truthfully state the uses any solicited items will be put to, when requested to do so by any person being solicited.
- H. No person shall threaten any injury or damage to any person who declines to be subject to any soliciting, peddling or canvassing or who declines to make a purchase, donation or contribution.
- I. No person shall accept food stamps as a contribution.
- J. No person shall misrepresent one's physical or mental health while soliciting, peddling, or canvassing.

6323.45. SIGN POSTING

- A. No peddler shall ring the bell of, knock on the door of or attempt to gain admittance to any residence, dwelling or apartment whereon a sign bearing the words "No Peddlers" is painted, affixed or exposed to public view.
- B. No solicitor shall ring the bell of, knock on the door of or attempt to gain admittance to any residence, dwelling, flat or apartment whereon a sign bearing the words "No Solicitors" is painted, affixed or exposed to public view.
- C. No canvasser shall ring the bell of, knock on the door of or attempt to gain admittance to any residence, dwelling, flat or apartment whereon a sign bearing the words "No Canvassers" is painted, affixed or exposed to public view.
- D. No peddler or solicitor shall ring the bell of, knock on the door of, or attempt to gain admittance to any residence, dwelling, flat or apartment whereon a sign bearing, the words "No Peddlers or Solicitors" or words of similar import indicating that peddlers or solicitors are not wanted on said premises is painted, affixed or exposed to public view.
- E. This Section shall not apply to any peddler, solicitor or canvasser who rings the bell of or knocks on the door of any residence, dwelling, flat or apartment at the invitation of or with the consent of some adult member of the household of any such residence, dwelling, flat or apartment.

6323.47. HOURS

No person shall practice or engage in peddling, soliciting or canvassing, as described in Division 1 of Part 1 of this Chapter, whether for profit or for a non-profit purpose, by traveling from place to place, or from street to street, between the hours of dusk and 8:00 a.m. of any day.

6323.49. DISTRIBUTION OF HANDBILLS EXCLUDED

Nothing in this Chapter shall prohibit persons from distributing handbills door-to-door within the City without a permit. Distribution of handbills is subject to the requirements of Division 1 of Chapter 3 of Part 2 of Article VI of this Code.

6323.51. CHARITABLE, RELIGIOUS AND POLITICAL CANVASSING EXCLUDED

Nothing in this chapter shall prohibit persons from canvassing door-to-door within the City without a permit, subject to the regulations set forth in this Chapter. Additionally, solicitation of donations made incidental to such canvassing is excluded from the permit requirements of this Section, but not the provisions of Section 6412.27 (Prohibited Acts while Soliciting, Peddling, or Canvassing) of this Division.

6323.53. USE OF SOUND-MAKING, SOUND-AMPLIFYING DEVICES

No person shall peddle, solicit or canvass by driving, operating, propelling, stopping or parking any wagon, cart, automotive vehicle or any other type of conveyance with a sound-making device, sound-amplifying device, or loudspeaker thereof in use or operation or by making any outcry, blowing a horn, ringing a bell or using any sound device or musical instrument upon any of the streets, alleys, parks or other public places of the city:

- A. Whenever any such sound can be heard for a distance greater than three hundred feet (300');
- B. When passing a hospital at any time or a place of worship during the hour services are being held therein;
- C. Within five hundred feet (500') of the nearest property line of any property on which a school building is located during the hours school is in session;
- D. Between the hours of dusk and 8:00 a.m. of any day.

Notwithstanding the provisions of this Section, all persons who are permitted by the city to sell goods, wares, merchandise, meats, fish, vegetables, fruits, garden truck, farm products or provisions, candy, ice cream, popcorn, peanuts or any other edibles from a wagon, cart, automotive vehicle or any other type of conveyance, and whose conveyances are equipped with sound apparatus emitting sounds and amplifying sounds, including but not limited to music, shall not operate or use said apparatus unless such sounds, including but not limited to music, emitted therefrom do not exceed ninety (90) decibels measured at a distance of ten feet (10') from the speaker of said apparatus.

6323.55 PERMIT HOLDER'S BOOKS AND RECORDS

Every person who engages in soliciting or peddling as permitted shall maintain a system of accounting whereby all monies collected by such person are entered upon the books or records of such person.

6323.57. INVESTIGATION OF SOLICITORS AND PEDDLERS

The License Officer or designee is authorized to investigate the affairs of any person engaged in soliciting or peddling under a permit or certificate issued under the provisions of this Chapter.

6323.59. MISREPRESENTATION PROHIBITED

No person shall directly or indirectly solicit, peddle or canvass for any purpose by misrepresentation of his name, occupation, financial condition, social condition or residence, and no person shall make or perpetrate any misstatement, deception or fraud in connection with any soliciting, peddling or canvassing for any purpose in the City.

6323.61. SEPARATE VIOLATIONS

Each separate act of soliciting or peddling for any purpose without a permit shall constitute a nuisance and a separate offense for each day such act is committed.

6323.63 PERMITTEE'S BOOKS AND RECORDS

Every person who solicits any contribution for a charitable purpose shall maintain a system of accounting whereby all donations to and all disbursements by such person are entered upon the books or records of such person.

6323.65. PERMITTEE'S REPORTS

Every person to whom a permit has been issued under this Part shall, within sixty (60) days after the solicitation has been completed, furnish to the License Officer a detailed report and financial statement showing the amount raised by the solicitation, the amount expended in collecting such funds, a detailed report of the wages, fees, commissions and expenses paid to any person in connection with such solicitation, and the disposition of the balance of the funds collected by the solicitation. This report shall be available for public inspection at the License Officer's office. The permit holder shall make available to the License Officer, or to any person designated in writing by the License Officer as their representative for such purpose, all books, records and papers whereby the accuracy of such report may be checked.

6323.67. INVESTIGATION OF SOLICITORS

The License Officer is authorized to investigate the affairs of any person soliciting for charitable or religious purposes under a permit or certificate issued under the provisions of this Part, and may make public their written findings in order that the public may be fully informed as to the affairs of any of said persons. All such persons shall make available to the License Officer, or to any representative designated by them in writing for such specific

purpose, all books, records or other information reasonably necessary to enable the License Officer to fully and fairly inform the public of all facts necessary to a full understanding by the public of the works and methods of operation of such persons. Five (5) days before the public release of any findings under this Section, the License Officer shall first serve a copy of said findings upon the person investigated, and at the time of the release of their findings they must release a copy of any written statement filed by such person in explanation, denial or confirmation of said findings.

6323.69. MISREPRESENTATION PROHIBITED

No person shall, directly or indirectly, solicit for any purpose by misrepresentation of his name, occupation, financial condition, social condition or residence, and no person shall make or perpetrate any misstatement, deception or fraud in connection with any solicitation for any purpose in the City, or in any application or report filed under this Part.

6323.71. FALSE APPLICATION

No person shall file or cause to be filed an application for a permit or certificate under this Part containing false or fraudulent statements.

6323.73. SEPARATE VIOLATIONS

Each separate act of soliciting for any charitable purposes without a permit, or soliciting for any religious purpose without a certificate, shall constitute a separate offense.

DIVISION 4. PRIVATE PATROLS

6324. PERMIT PROCEDURE

No person, either as owner, manager, employee or otherwise, shall solicit for, manage, conduct, carry on or assist in the solicitation for, management, conducting or carrying on of the business of a private patrol without having obtained a written permit from the License Officer pursuant to Chapter 3 of this Article, and without paying the license fee required by Part 2 of Chapter 1 of this Article for private patrols.

6324.01. APPROVAL

The License Officer shall first satisfy himself or herself that the management, conduct or carrying on of said private patrol will comport with the public welfare and for this purpose may consider any facts or evidence bearing on the moral fitness, ability, qualifications and character of any person or persons who will be in charge of, manage, conduct, or carry on said private patrol, and may require the submission of any facts or evidence tending to enlighten it in this respect.

6324.03. LIABILITY INSURANCE

A certificate of insurance shall be provided to the City of Arcadia and approved by the City Attorney. The certificate of insurance shall stipulate that the insurance will not be cancelled, reduced or allowed to expire unless ten (10) day prior written notice is provided to the City of Arcadia and shall name the City of Arcadia, its officers and employees, as an additional insured in the amount of not less than one million dollars (\$1,000,000).

6324.05. DISPLAY OF PERMIT AND LICENSE

The license and permit required for any business or occupation specified in this Division shall be conspicuously displayed in or at the place of business of the licensee, except that in all instances in which a license and permit are issued for the carrying on of any business conducted personally, the license and permit therefor shall be carried upon the person of the individual operating thereunder at all times while engaged in such business.

DIVISION 5. RUBBISH COLLECTION, HAULING OR DISPOSAL

6325. PERMIT REQUIRED

No person shall collect, haul or dispose of commercial refuse in the City without obtaining a permit to do so pursuant to Chapter 3 of this Article.

6325.01. REGULATIONS

No person collecting, hauling or disposing of garbage, dry garbage, refuse or rubbish in the City shall fail to comply with all applicable provisions of Chapter 1 of Article V of this Code.

6325.03. LIMITATION

No more than three (3) permits for the collection, hauling or disposing of commercial refuse in the City shall be in effect at any one time; provided, however, that no permit renewal shall be denied to a hauler holding a permit as of June 30, 2003, if the hauler meets and complies with all applicable City requirements.

- A. Santa Anita Race Track (SART) Permit and Refuse Fee. The above limitation shall not apply to Santa Anita Race Track. A special refuse permit shall apply to SART to allow for commercial collectors who may not hold a permit pursuant to this Section, subject to payment of a permit fee as follows:
 - 1. The Santa Anita Race Track shall be billed quarterly in the amount established in the City's Resolution to fund the cost of preparing, adopting, implementing and administering the source reduction and recycling element and the integrated waste management plan mandated by Public Resource Code 40000 et seq.
- B. Commercial Refuse Fee. Each commercial/industrial waste hauler shall pay a permit fee to the City in the amount of nine and one-half percent (9.5%) of any and all gross monthly receipts resulting from the operation of business in the City. This fee shall be charged to fund the cost of preparing, adopting, implementing and administering the source reduction and recycling element and the integrated waste management plan mandated by Public Resources Code 40000 et seq. This fee shall be in addition to any other fee or charge for solid waste collection authorized by this Code, and may be subsequently amended by resolution of the City Council.
 - 1. Purpose of Calculation/Gross Receipts. For the purposes of calculation of such a permit fee, "gross monthly receipts" means any and all compensation received by the permitted haulers in connection with collecting, transporting, disposing and/or recycling of solid waste kept, accumulated or produced in the City plus any and all such compensation received by the waste hauler or the waste hauler's subcontractors in connection with collecting, transporting, disposing, and/or recycling of solid waste produced, kept or accumulated in the City, with the exception of compensation received from the sale of material recovered through recycling.
 - 2. Method of Calculation and Payment. Each month a permit fee shall be calculated as nine and one-half percent (9.5%) of the gross monthly receipts received in the preceding calendar month. The permit fee must be received by the City no later than the last day of the month following the month which is being reported.

-
3. Requirements for Reporting Business Activity. The waste hauler shall file a monthly collection report to the City, and it must be received by the City no later than the last day of the month following the month which is being reported. The report shall include the following information:
 - a. Total tonnage of solid waste disposed;
 - b. Total number of accounts served;
 - c. Total gross receivables for the month.
 4. City Inspection Authority. The permitted haulers shall maintain accurate and complete books and accounts of all revenues and income arising out of its operations under the permit granted and in a manner which conforms with generally accepted accounting principals. The waste hauler's books, accounts and records, arising out of or related to its operations under the permit granted, shall at all times be open to inspection, examinations and audit by authorized officers, employees and agents of the City.
 5. Definition of Waste. In addition to those definitions set forth in Part 1 of Chapter 1 of Article V of this Code, solid waste shall include all solid, semisolid, and liquid wastes, including garbage, trash, refuse, paper, rubbish, ashes, industrial wastes, demolition and construction wastes, abandoned vehicles and parts thereof, discarded appliances, treated or chemically fixed sewage sludge which is not hazardous waste, manure, vegetable and animal solid and semisolid wastes, and other discarded solid and semisolid wastes excluding hazardous, infectious wastes and liquid waste.

6325.07. APPLICATION PROVISIONS

Every application for a permit under this Division shall contain, in addition to the information required by Division 1 of Part 1 of Chapter 3 of Article VI of the Arcadia Municipal Code, the following:

- A. A statement of facts evidencing the applicant's ability to supply the service for which the permit is required including financial responsibility, technical ability, experience and the availability of additional equipment for use in the event of loss, destruction, damage or breakdown of the equipment regularly used in rendering service under such permit.
- B. The name and address of the person or persons who shall be responsible for the compliance with all of the provisions applicable to such permittee. Before any permit issued under this Division shall be operative, such person shall in writing acknowledge receipt of a copy of all permit conditions and shall agree to be personally responsible for compliance therewith.
- C. Names, titles and addresses of the owners of the business conducted by applicant if said business is a sole proprietorship, joint venture or co-partnership; the names, titles and addresses of the officers, directors and shareholders of applicant if applicant is a corporation; names and addresses of the trustor, trustee and beneficiaries if the business conducted by applicant is conducted by or as a trust.
- D. A description of all equipment proposed to be used in performing the service under any permit issued pursuant to this Division including the height and capacity of all such vehicles. No other equipment may be used in the performance of any service under such permit without the prior consent of the City Manager.
- E. A statement of the area or areas within the City which the applicant proposes to serve; a statement of the maximum charges to be made by permittee for any service rendered in said area or areas and under such permit; and an agreement that the applicant will if granted a permit collect refuse anywhere within said area or areas where he may lawfully do so at rates equal to or less than those specified in his application.
- F. A schedule of days and hours applicant proposes to collect garbage, refuse or rubbish within the City and an agreement that applicant will at applicant's sole expense notify each of applicant's customers in writing at least forty-eight (48) hours prior to any change from said schedule of collection.

6325.09. INSURANCE

No permit required by this Division shall be issued unless and until the applicant files with the City a certificate of liability insurance evidencing insurance coverage in the following amounts:

Bodily injury/auto and other:	\$1,000,000 each person \$2,000,000 each accident
Property damage/auto:	\$1,000,000 each accident
Property damage/except auto:	\$1,000,000 each accident

Said certificate shall likewise evidence the fact that the City is named as an additional insured in the insurance policy thereby evidenced, and shall further provide that the insurance thereby evidenced shall not be cancelled, allowed to lapse or expire or be reduced in amount during the term of any such permit unless the City be given at least twenty (20) days' notice in writing by the insurer prior to any such cancellation, lapsing, expiration or reduction in coverage.

6325.11. EQUIPMENT, ENCLOSED BODY

- A. Every vehicle subject to this Division regularly used in the collecting, hauling or disposing of dry garbage, refuse (both residential and commercial) and rubbish as same are defined in Part 1 of Chapter 1 of Article V, on established routes, shall be equipped with a completely enclosed compactor-type body. Every vehicle used for the collection or hauling of garbage as defined by Chapter 1 of Part 1 of Article V of this Code shall be equipped with a completely enclosed water-tight metal body and shall be so loaded at all times as to prevent spillage or leakage therefrom. Except when the same are actually being loaded or unloaded, all such vehicles shall be kept entirely closed so that none of the contents thereof may spill or drop from such vehicle.
- B. Each vehicle used for collecting, hauling or disposing of residential or commercial refuse in the City shall be inspected and certified twice each year by the California Highway Patrol. Notice of such certification shall be filed with the License Officer and the Chief of Police each June and December prior to the issuance of a business license, and as vehicles are placed into service. Failure to submit required notice of such certification shall be grounds for suspending the Contractor's business license until a notice evidencing passage of inspection as required is received by the License Officer and Police Chief.
- C. All vehicles operated under the provisions of this Division shall at all times be maintained in a safe and sanitary condition, painted and cleaned to reflect a neat appearance. The Chief of Police may cause any such vehicle to be inspected and tested at any time in such manner as may be appropriate to determine that such vehicle is being maintained in compliance with the provisions of this Division and in compliance with the provisions of the California Vehicle Code.
- D. No vehicle used for collection, hauling or disposing of garbage, dry garbage, refuse or rubbish subject to this Division shall be loaded in excess of the manufacturer's gross vehicle weight rating or in excess of the maximum weights specified by the California Vehicle Code, whichever is less.
- E. Every permittee under this Division shall maintain on each side of every cab or body of each vehicle used in the collecting, hauling or disposing of garbage or refuse the name and phone number of the company or person to whom such permit has been granted in letters and numbers not less than three inches (3") in height and one and one-half inches (1½") in width and in a color sharply contrasting with the color of such vehicle. In addition, every permittee under this Division shall maintain in or upon every vehicle subject to this Division and available for inspection at all times, evidence of the manufacturer's name and gross vehicle weight rating for said vehicle.
- F. Each vehicle used for collecting, hauling or disposing of residential or commercial refuse shall be equipped with an audible warning device that is activated when the vehicle is backing up.

6325.13. OWNERSHIP

No permit shall be issued to any person or company controlled directly or indirectly by any other person or company to whom a permit has been issued pursuant to this Division or who owns or controls directly or indirectly any person or company holding a permit issued pursuant to this Division.

6325.15. REMOVAL OF SPILLAGE

No permittee under this Division shall fail to pick up and remove all refuse which has been spilled or dropped on public or private property in the course of collecting or hauling of garbage or refuse. All expenses incurred by the City in the collection and disposal of any such spilled or dropped garbage or refuse shall be paid to the City, on demand, by the permittee causing or permitting such spilling or dropping of refuse.

6325.17. PRODUCTION OF CUSTOMER LISTS, RATES AND OWNERSHIP STATEMENT

Every person or company holding a permit pursuant to this Division shall, within fourteen (14) days of demand made in writing by the City Manager, produce for his inspection on a form prescribed by the Manager, a list of the names and addresses of commercial refuse collection customers served by the permittee within the City of Arcadia, a statement setting forth frequency of collection from said customers, a list of the rates charged each such customer for said service, a profit and loss statement of permittee's operations pertaining to garbage, residential combustible and noncombustible refuse and commercial refuse collection, hauling and disposal within the City for the previous year in a form satisfactory to the City Manager and a statement of the current information required by subdivision (c) of Section 6333.07 (Application Provisions). Said information shall be certified as true and correct under penalty of perjury by permittee. Information obtained by virtue of this Section shall be and remain confidential information and not a public record.

6325.19. SUSPENSION

The Chief of Police may at any time suspend any permit issued pursuant to this Division if he finds that any equipment of the permittee used in the collection or hauling of garbage or refuse in the City fails to comply with any applicable regulation. Such suspension shall remain in effect until the License Officer shall set aside such suspension, extend such suspension for a specific period of time and upon specified conditions, or revoke the permit.

DIVISION 6. SIDEWALK AND PARKING LOT SALES

6326. COMMERCIAL USE OF SIDEWALK

Except as otherwise expressly provided in the Arcadia Municipal Code, no person shall conduct any commercial activity on a public street, sidewalk or parkway.

6326.01. CONDITIONS OF SIDEWALK AND PARKING LOT SALES

No merchant, vendor or seller shall place his goods, wares or merchandise outside of his building for the purpose of storage, advertising, display or sale except upon applying for and receiving a permit as set forth in Division 5 of Part 2 of Chapter 3 of this Article, and such sidewalk or parking lot sales shall be permitted only in accordance with the regulations set forth in this Section:

- A. No business shall participate in more than two (2) sidewalk or parking lot sales in any calendar year. No such sale may be conducted for more than two (2) consecutive days and shall be held not earlier than 9:00 a.m. nor later than 9:00 p.m.
- B. Sidewalk and parking lot sales may only be conducted in Downtown Mixed Use (DMU) or less restrictive zones.

-
- C. Only the goods, wares or merchandise normally of the type sold on the premises may be offered for sale and such sale may only be conducted within the extended lot lines of the premises offering such goods for sale.
 - D. For parking lot sales, twenty-five percent (25%) of the parking area may be utilized for the sales or display of merchandise. If the parking provided exceeds Code requirements, those additional spaces may be utilized.
 - E. Each sidewalk sale shall include the participation of a minimum of thirty percent (30%) of the businesses on a block face.
 - F. No merchandise or signs shall be displayed within fifty feet (50') of a residentially zoned property.
 - G. Tables, racks and other displays or merchandise may be placed on sidewalks provided that a walkway of a minimum width of seven feet (7') be left clear adjacent to the curb and, provided further, that all doorways, alleyways, driveways and other means of ingress or egress to adjoining buildings and property shall remain clear of obstruction.
 - H. Any signs shall be permitted only during the conduct of the event and shall be approved as to size and place by the Development Services Director or designee at the time of application approval.

6326.03. PURPOSE OF STREET VENDING PROVISIONS

The City finds that the vending of prepared or pre-packaged foods, goods, and/or wares at semi-permanent locations on public sidewalks and rights-of-way may pose unsafe conditions and special dangers to the public health, safety, and welfare of residents and visitors. The purpose of this Chapter is to implement regulations on both roaming and stationary sidewalk vending that protect the public health, safety, and welfare of the community while complying with the requirements of general state law, as amended from time to time, to promote safe vending practices, prevent safety, traffic, and health hazards, and preserve the public peace, safety, and welfare of the community.

6326.05. PERMITS REQUIRED

- A. All sidewalk vendors shall obtain a sidewalk vending permit from the License Officer prior to engaging in any sidewalk vending activities. All sidewalk vendors must have a valid business license issued by the City. As part of its application for a business license, the sidewalk vendor shall furnish to the City evidence of insurance, against liability for death or injury to any person as a result of ownership, operation, or use of its vendor. The City's insurance requirements are on file and available for inspection, or a copy may be obtained, at the office of the City Clerk, Arcadia City Hall. The following information shall be required.
 - 1. Name, current mailing address, and phone number of the vendor; and
 - 2. If the vendor is an agent of an individual, company, partnership, or corporation, the name and business address of the principal; and
 - 3. A description of the merchandise/goods to be offered for sale or exchange, and the days/hours of sales; and
 - 4. A copy of the California seller's permit with the sales tax number issued by the California Department of Tax and Fee Administration to the vendor; and
 - 5. A copy of the valid California Driver's license or California Identification Card issued to the vendor; or
A copy of the individual taxpayer identification number issued to the vendor; or
A municipal identification number.

-
- a. Any such identification number(s) or license(s) collected shall not be available to the public for inspection and shall remain confidential and not be disclosed except as required to administer the permit or licensure program or comply with a state law or state or federal court order.
 6. If preparing or selling food, a copy of the Los Angeles County Environmental Health Department permit issued to the vendor; and
 7. If the vendor proposes to be a sidewalk vendor, a description or site plan map of the proposed location(s) where vending will take place, showing that the sidewalk location maintains a minimum of thirty-six inches (36") of accessible route area, in compliance with the Americans with Disabilities Act; and
 8. If the vendor proposes to be a sidewalk vendor, an encroachment permit pursuant to Part 7 of Chapter 2 of Article VII of this Code; and
 9. A copy of general liability policy naming the City as additional insured in the amount of \$500,000.
 10. A certification by the vendor that to his or her knowledge and belief, the information contained in the application is true.
- B. At the time the application or renewal application is filed, the applicant shall pay the permit processing fee established by separate resolution of the City Council, as may be amended from time to time.

6326.07. REVIEW OF PERMIT APPLICATION; DECISION

- A. Upon acceptance of a properly completed and filed sidewalk vendor permit application, the License Officer shall conduct a preliminary investigation to determine compliance with this Chapter and shall make such determination within no more than thirty (30) days of acceptance to approve or deny the application. The License Officer shall provide the applicant with written notice of his or her decision to the address indicated in the application.
- B. The License Officer may deny an application for a permit if an applicant fails to meet any of the requirements for a new permit, or if he or she makes any of the following findings:
1. The applicant has failed to pay any fees or charges.
 2. The applicant has made one or more material misstatements in the application for a permit.
 3. The applicant does not have a valid social security card or valid California Driver's license or Identification Card; or valid individual taxpayer identification number.
 4. The applicant does not provide a certificate of liability insurance.
 5. The applicant's vending operation, as described in the application, is inconsistent with the standards, conditions, and requirements of this Chapter.
 6. It is determined that the applicant does not possess all federal, state, and local permits and licenses necessary to engage in the activity in which he or she seeks to engage.
- C. If the application is denied, the reasons for disapproval shall be noted on the application, and the applicant shall be notified that his or her application is denied and that no permit will be issued. Notice shall be mailed to the applicant at the address shown on the application form.
- D. Exemptions. A sidewalk vending permit shall not be required for the following activities:
1. The sale of agriculture products on the site where the product is grown.
 2. Catering for private parties held exclusively on private property and not open to the general public.

-
- 3. Events permitted pursuant to a lawfully issued temporary use permit including but not limited to a Certified Farmers' Market, Swap Meet, street fairs, outdoor concerts, sport league opening day, and business sidewalk sales.
 - E. Term of permit. A sidewalk vending permit issued pursuant to this Chapter shall automatically expire one (1) year from the date issued, unless an earlier expiration date is noted on the permit.
 - F. Transferability. A sidewalk vending permit shall not be transferable to any other entity or person and is valid only as to the original applicant for the term stated.

6326.09. RENEWAL OF SIDEWALK VENDING PERMIT

All sidewalk vendors shall annually apply for renewal of their sidewalk vending permit from the License Officer prior to continuing to engage in any sidewalk vending activities. Any sidewalk vendor who currently possesses a sidewalk vending permit allowing them to operate a vending operation must, upon time of renewal of their license, apply for a sidewalk vending permit, supplying the information as required above in Section 6336.05 (Permits Required) of this Division.

6326.11. STATIONARY SIDEWALK VENDING LOCATIONS AND STANDARDS

- A. Stationary sidewalk vendors shall be prohibited from operating or establishing in any residential zone of the City. Stationary sidewalk vendors may operate in non-residential zones of the City, including mixed use zones, provided they meet the following:
 - 1. The sidewalk vendor is duly licensed, with a business license and sidewalk vending permit displayed at all times, and meets all requirements outlined above in Section 6336.05 (Permits Required) of this Division; and
 - 2. The sidewalk vendor can set up their vending operation while still leaving a minimum of thirty-six inches (36") of accessible path of travel, without obstruction, along the public sidewalk or public pathway; and
 - 3. Sidewalk vending hours shall be conducted between the hours of 7:00 AM and 10:00 PM of every day; and
 - 4. The sidewalk vendor maintains the vending area in a clean, orderly, and sanitary condition; removes litter caused by its products from any public or private property within a 25-foot radius of the sidewalk vendor's location; and
 - 5. The sidewalk vendor location does not block entrances to private buildings, private driveways, parking spaces or building windows, and driveway and intersection visibility; and
 - 6. No vending shall occur within ten (10) feet of a fire hydrant, fire escape, bus stop, loading zone, handicapped parking space or access ramp, fire station driveway, or police station driveway; and
 - 7. No tables, chairs, fences, shade structures, other site furniture, or any freestanding signs shall be permitted in conjunction with the vendors vending activities; and
 - 8. The vendor shall not attach or use any water lines, electrical lines, or gas lines during vending operations; and
 - 9. Exterior storage or display of refuse, equipment, materials, goods, wares, or merchandise associated with the vendor is prohibited; and
 - 10. No vending shall occur within the immediate vicinity of a Certified Farmers' Market, a Swap Meet or an event held pursuant to a Temporary Event Permit.

-
11. The vendor shall not discharge any liquid (e.g. water, grease, oil, etc.) onto or into city streets, storm drains, catch basins, or sewer facilities. All discharges shall be contained and properly disposed of by the vendor.

6326.13. SIDEWALK VENDING IN PARKS, CERTIFIED FARMER'S MARKETS

- A. Sidewalk vending of food or merchandise by roaming or stationary vendors shall be prohibited in any City Park with a concession stand operated by a vendor under exclusive contract with the City selling similar food or merchandise or in an area occupied by a Certified Farmer's Market.
- B. Subject to Section 6336.5(A) (Permits Required), sidewalk vendors may operate in City Parks provided they meet the following:
 1. The sidewalk vendor is duly licensed, with a business license and sidewalk vending permit displayed at all times, and meets all requirements outlined above in of Section 6336.03 of this Division (Purpose of Street Vending Provisions); and
 2. For stationary sidewalk vending, the sidewalk vendor can set up their vending operation while still leaving a minimum of thirty-six inches (36") of accessible path of travel, without obstruction, along the public sidewalk or public pathway; and
 3. The sidewalk vendor shall cease operations one (1) hour prior to the close of the park; and
 4. The sidewalk vendor maintains the vending area in a clean, orderly, and sanitary condition, and removes litter caused by its products within a 25 foot radius of the vending location, and
 5. The sidewalk vendor location does not block entrances to buildings, driveways, parking spaces, or building windows; and
 6. No vending shall occur within the immediate vicinity of an event held pursuant to a Temporary Event Permit; and
 7. In City Parks that are located within a residential area, where stationary sidewalk vending is prohibited, as described above in Section 6336.09 (Renewal of Sidewalk Vending Permit) of this Chapter, only roaming sidewalk vendors shall be allowed in such Parks; and
 8. The City can impose regulations to limit the number of sidewalk vendors in City Parks to limit the undue concentration of commercial activity that unreasonably interferes with the scenic and natural character of the park or necessary to endure the public's use and enjoyment of the natural resources and recreational opportunities of City parks.

6326.15. ROAMING SIDEWALK VENDING

- A. Roaming sidewalk vendors shall meet the following:
 1. The sidewalk vendor is duly licensed, with a business license and sidewalk vending permit displayed at all times, and meets all requirements of section 6336.03 (Purpose of Street Vending Provisions) of this Division; and
 2. Sidewalk vending hours for residential zones shall be conducted between the hours of 7:00 AM and 6:00 PM Monday through Friday and 8:00 AM to 5:00 PM on Saturday, and no Sundays or holidays; and
 3. Sidewalk vending hours for non-residential zones shall be conducted between the hours of 7:00 AM and 10:00 PM every day; and
 4. The sidewalk vendor maintains their temporary vending area in a clean, orderly, and sanitary condition and removes litter caused by its products within a 25-foot radius of the vending location; and

-
5. The sidewalk vendor does not block entrances to buildings, driveways, parking spaces, or building windows; and
 6. The sidewalk vendor does not conduct sales from a public street; and
 7. No vending shall occur within the immediate vicinity of a Certified Farmers' Market, or a Swap Meet; and
 8. The vendor shall not discharge any liquid (e.g. water, grease, oil, etc.) onto or into city streets, storm drains, catch basins, or sewer facilities. All discharges shall be contained and properly disposed of by the vendor.

6326.17. SUSPENSION; RESCISSION

- A. A sidewalk vendor permit issued under this Chapter may be suspended or rescinded by the License Officer after four or more violations of this Chapter in accordance with Section 6336.15 (Roaming Sidewalk Vending) of this Chapter, at their discretion, for any of the following causes:
 1. Fraud or misrepresentation in the course of vending;
 2. Fraud or misrepresentation in the application for the permit;
 3. Vending in a manner that creates a public nuisance or constitutes a danger to the public.
- B. Notice of the suspension or rescission of a sidewalk vendor permit issued under this Chapter shall be mailed, postage prepaid, to the holder of the sidewalk vendor permit at his or her last known address.
- C. No person whose street vending permit has been revoked pursuant to this Chapter shall be issued a street vending permit for a period of two (2) years from the date revocation becomes final.

6326.19. APPEALS

In the event that any applicant or permittee desires to appeal from any order, rescission, or other ruling of the License Officer made under the provisions of this Chapter, such applicant or any other person aggrieved shall have the right to appeal such action as prescribed in Division 1 of Part 1 of Chapter 1 of this Article, Section 6111.13.

6326.21. PENALTIES

- A. It is unlawful for any person to violate any provision or fail to comply with any requirements of this Chapter. A violation of this Chapter shall be punished by:
 1. An administrative fine not exceeding \$100 for a first violation.
 2. An administrative fine not exceeding \$200 for a second violation within one (1) year of the first violation.
 3. An administrative fine not exceeding \$500 for each additional violation within one (1) year of the first violation.
- B. A violation of vending without a sidewalk vending permit may, in lieu of the penalties set forth in subsection (A) set forth above, be punished by:
 1. An administrative fine not exceeding two hundred fifty (\$250) dollars for a first violation.
 2. An administrative fine not exceeding five hundred dollars (\$500) for a second violation within one (1) year of the first violation.
 3. An administrative fine not exceeding one thousand dollars (\$1,000) for each additional violation within one (1) year of the first violation.

-
- C. If an individual is subject to subsection (B), set forth above, for vending without a sidewalk vending permit, upon the individual providing proof of a valid permit issued by the City, the administrative fines set forth in this Chapter shall be reduced to the administrative fines set forth in subsection (A), respectively.
 - D. The proceeds of any administrative fines assessed pursuant to this Chapter shall be deposited in the treasury of the City.
 - E. Failure to pay an administrative fine assessed under this Chapter shall not be punishable as an infraction or misdemeanor. Additional fines, fees, assessments, or any other financial conditions beyond those authorized in this Chapter shall not be assessed.
 - F. Any violation of this Chapter shall not be punishable as an infraction or misdemeanor, and any person alleged to have violated any provisions of this Chapter shall not be subject to arrest except when otherwise permitted under law.
 - G. When assessing an administrative fine pursuant to this Chapter, the adjudicator shall take into consideration the person's ability to pay the fine. The City shall provide the person with notice of his or her right to request an ability-to-pay determination and shall make available instructions or other materials for requesting an ability-to-pay determination. The person may request an ability-to-pay determination at adjudication or while the judgment remains unpaid, including when a case is delinquent or has been referred to a comprehensive collection program.
 - 1. If the person meets the criteria described in subdivision (a) or (b) of Government Code section 68632, the City shall accept, in full satisfaction, twenty (20) percent of the administrative fine imposed pursuant to this Chapter.
 - 2. The City may allow the person to complete community service in lieu of paying the total administrative fine, may waive the administrative fine, or may offer an alternative disposition.
 - H. A person who is currently serving, or who completed, a sentence, or who is subject to a fine, for a conviction of a misdemeanor or infraction for sidewalk vending, whether by trial or by open or negotiated plea, who would not have been guilty of that offense under SB 946 had SB 946 been in effect at the time of the offense, may petition for dismissal of the sentence, fine, or conviction before the trial court that entered the judgment of conviction in his or her case.

DIVISION 7. MOTION PICTURE FILMING

6327. FILM PERMIT

A film permit shall be required for any filming activity, including the staging, shooting, filming, videotaping, photographing, or other similar process conducted for the making of still photographs, motion pictures, television programs, commercial, and nontheatrical film productions. A film permit shall not be required for filming activities conducted for news purposes or conducted exclusively for private or family use.

6327.01. APPLICATION

All applicants shall complete a City of Arcadia film permit application package and all required forms contained therein prior to the issuance of a film permit. The forms shall require a detailed description of the filming and the equipment to be used.

6327.03. SCOPE OF PERMIT

Each film permit issued shall authorize only the filming location and the filming dates listed on the film permit application form. An approved film permit is required prior to the start of any filming activity.

6327.05. SEPARATE PERMIT

A separate film permit and fee is required for each filming location and for each set of filming dates. Set of filming dates shall mean the dates requested on the original application. The dates do not necessarily need to be consecutive.

6327.07. FILM PERMIT APPROVED

Permits will only be issued after they have been reviewed and approved by the License Officer, or designee, consistent with the designated film permit policy as set forth in the film permit application package.

6327.09. COST OF CITY SERVICES

The City will have the right to require police, fire, or other city services as part of the film permit process. The applicant shall pay directly for all services provided by the City. The fee for services will be the cost incurred by the City for providing the services. City may require a deposit applicable to these costs.

6327.11. WRITTEN NOTIFICATION

Each applicant shall notify, in writing, all of the properties which are immediately adjacent to the filming location prior to the start of filming as defined in the film permit application package. The written notification shall include a general description of the filming activity that will take place and the dates and times when the filming activity is scheduled.

6327.13. FEE AMOUNT

The film permit fee is as defined in the City's Resolution, as may be amended from time to time.

6327.15. WAIVER OF FEES

The License Officer, or designee, may waive a film permit fee if the applicant is a student or a local charitable organization with documented proof of this status.

6327.17. REVOCATION OR DENIAL OF APPLICATION

The License Officer, or designee, may revoke the film permit or deny approval of film application if any of the following circumstances occur:

- A. There has been a misrepresentation in the permit application with respect to the nature of the film activity, the number of personnel or equipment, or other relevant matter.
- B. Where the filming activity, as conducted, has become a hazard to persons or property, or unduly disruptive to neighboring residents and/or businesses.
- C. Where the film activity goes beyond the hours specified in the film permit.
- D. Where any provision of the fire/life safety requirements has not been corrected after notification by police/fire personnel.
- E. For failure to comply with insurance requirements and maintain satisfactory insurance at all times during applicant's activities in the City.
- F. Failure to abide by and comply with the terms and conditions of this permit.
- G. Allowance of conditions and/or actions that constitute a public nuisance or otherwise disturb or disrupt the neighborhood.

Revocation for any of the reasons set forth above shall be grounds to deny subject applicant subsequent permits.

PART 3. ADULT BUSINESSES

DIVISION 1. ADULT BUSINESS PERFORMER LICENSE

6331. PURPOSE

It is the purpose and intent of this Chapter to provide for the licensing of adult business performers in order to promote the health, safety, and general welfare of the citizens of the City. The goals of the performer licensing provisions are: (1) to protect minors by requiring that all performers be over the age of eighteen (18); (2) to assure the correct identification of persons performing in adult businesses; (3) to enable the City to deploy law enforcement resources effectively; and (4) to detect and discourage the involvement of crime in adult businesses by precluding the licensing of performers with certain sex-related convictions in a set time period. It is neither the intent nor the effect of these regulations to invade the privacy of performers or to impose limitations or restrictions on the content of any communicative material. Similarly, it is neither the intent nor the effect of these regulations to restrict or deny access by adults to communicative materials or to deny access by the distributors or exhibitors of adult businesses to their intended lawful market. Nothing in these regulations is intended to authorize, legalize, or permit the establishment, operation, or maintenance of any business, building, or use which violates any City Ordinance or any statute of the State of California regarding public nuisances, unlawful or indecent exposure, sexual conduct, lewdness, obscene or harmful matter, or the exhibition or public display thereof.

The definitions contained in the Arcadia Municipal Code, specifically those found in the Arcadia Development Code, Division 9 of Chapter 1 of Article IX of this Code, shall govern for purposes of these regulations.

6331.01. ADULT BUSINESS PERFORMER LICENSE

- A. No performer shall be employed, hired, contracted for or otherwise retained in an adult business to participate in or give any live performance displaying specified anatomical areas or specified sexual activities without first having a valid adult business performer license issued by the City.
- B. Consistent with Chapter 4B of Article I of this Code, for purposes of enforcing Division 1, Part 3 of Article VI of the Arcadia Municipal Code (Adult Business Performer License - Sections 6331 et seq.) Officer shall mean the License Officer or his or her designee.
- C. License applicants shall file a written, signed, and verified application or renewal application on a form provided by the Officer. Such application shall contain the following information, necessary for the City to determine an applicant's ability to function responsibly in an adult business setting, and be accompanied by the following documents:
 - 1. The license applicant's legal name and any other names (including "stage names" and aliases) used by the applicant.
 - 2. Age, date and place of birth.
 - 3. Height, weight, hair and eye color and tattoo descriptions and locations.
 - 4. Each present and/or, as the case may be, proposed business address(es) and telephone number(s) of the establishments at which the applicant intends to work.
 - 5. Driver's license or identification number and state of issuance.
 - 6. Social Security number.

-
7. Satisfactory written proof of verifiable identification establishing that the permit applicant is at least eighteen (18) years of age or twenty-one (21) years of age if the performance is to occur in a Department of Alcoholic Beverage Control ("ABC") regulated establishment.
 8. The license applicant's fingerprints on a form provided by the Police Department and a color two (2) by two (2) inch photograph clearly showing the applicant's face. Any fees for the photographs and fingerprints shall be paid by the applicant. Fingerprints and photograph shall be taken within six (6) months of the date of application.
 9. Whether the license applicant, has pled guilty or nolo contendere or been convicted of an offense classified by this or any other state as a sex-related offense and (a) less than two (2) years have elapsed since the date of conviction or the date of release from confinement of conviction to the date of application, whichever is the later date, if the conviction is a misdemeanor; or (b) less than five (5) years have elapsed since the date of conviction or the date of release from confinement of conviction to the date of conviction, whichever is the later date, if the conviction is a felony; or (c) less than five (5) years have elapsed since the date of the last conviction or the date of release from confinement for the conviction to the date of application, whichever is the later date, if the convictions are two (2) or more misdemeanors or combination of misdemeanor offenses occurring within any twenty-four (24) month period. This section shall be applied consistent with California Penal Code Section 11105 and any amendments thereto.
 10. If the application is made for the purpose of renewing a license, the license applicant shall attach a copy of the license to be renewed.
 11. Address of principal place of residence.
- D. The completed application shall be accompanied by a non-refundable application fee and an annual license fee. Said fees shall be set by Resolution of the City Council, as may be amended from time to time.
 - E. The completeness of an application shall be immediately determined by the Officer upon its submittal. The Officer will accept applications during normal City Hall working hours. If the Officer determines that the application is incomplete, the Officer shall immediately inform the applicant of such fact and the reasons therefor, including any additional information necessary to render the application complete. Upon receipt of a completed adult business performer application and payment of the license fee specified in Subsection D of this Section, the Officer shall immediately issue a temporary license which shall expire of its own accord ten (10) business days from the date of issuance and shall only be extended as provided in Section 6331.03(C). This temporary adult business performer license shall authorize a performer to commence performance at an adult business establishment that possesses a valid adult business regulatory permit authorized to provide live entertainment.
 - F. The fact that a license applicant possesses other types of State or City permits or licenses does not exempt the license applicant from the requirement of obtaining an adult business performer license.
 - G. The information provided above in Subsections C 1, 5, 6 and 11 shall be redacted from any public disclosure under the California Public Records Act to protect the physical security of the performers.

6331.03. INVESTIGATION AND ACTION ON APPLICATION FOR ADULT BUSINESS PERFORMER LICENSE

- A. Upon submission of a completed application, payment of license fees, and issuance of a temporary adult business performer license pursuant to Section 6331.01, the Officer shall immediately stamp the application "Received" and shall refer the application to the Police Department for investigation to determine whether the license applicant should be issued an adult business performer license.
- B. Investigation shall not be grounds for the City to unilaterally delay in reviewing a completed application. The Officer's decision to grant or deny the adult business performer license shall be made within ten (10)

working days from the date the temporary license was issued and in no case shall the decision to grant or deny the license application be made after the expiration of the temporary license.

- C. The Officer shall render a written decision to grant or deny the license within the foregoing ten (10) day period. Said decision shall be mailed first class postage pre-paid or hand-delivered to the applicant, within the foregoing ten (10) day period, at the address provided by the applicant in the application.

For good cause as set forth in writing, the ten (10) day period shall be extended up to an additional ten (10) days. This shall automatically extend the temporary license. Failure of the License Officer to render a decision on the permit within the time frames established by the Section shall be deemed to constitute an approval, subject to appeal to the Business License Review Board, pursuant to Section 6331.05.

- D. The Officer shall notify the applicant as follows:

1. The Officer shall write or stamp "Approved" or "Denied" on the application and date and sign such notation.
2. If the application is denied, the License Officer shall attach to the application a statement of the reasons for denial. Such notice shall also provide that the permit applicant may appeal the denial to the Business License Review Board in accordance with Section 6331.05.
3. If the application is approved, the Officer shall attach to the application an adult business performer license.
4. The application, as acted upon, and the license, if any, shall be placed in the United States mail, first class postage prepaid, or hand delivered, addressed to the license applicant at the residence address stated in the application in accordance with the time frames established herein.

- E. The Officer shall approve the application and issue the license unless the application is denied based on one of the grounds set forth in Section 6331.05(C).

- F. On determining that the grounds for license denial exist in accordance with Section 6331.05, the Officer shall furnish written notice of the denial to the applicant. Such notice shall provide, in addition to the grounds for denial, that the license applicant may appeal the denial to the Business License Review Board in accordance with Section 6331.05, and that the temporary license shall be extended through the time the appeal is concluded.

- G. Each adult business performer license, other than the temporary license described in Section 6331.01, shall expire one (1) year from the date of issuance and may be renewed only by filing with the Officer a written request for renewal, accompanied by the annual license fee and a copy of the license to be renewed. If said application conforms to the previously approved application and there has been no change with respect to the license holder being convicted of any crime classified by this or any other state as a sex-related offense, the Officer shall renew the license for one (1) year. Any plea to or conviction of a sex-related offense requires the renewal application to be denied in accordance with the provisions of this Section. The denial of a renewal application is appealable pursuant to the provisions of Section 6331.05. The request for renewal shall be made at least thirty (30) days before the expiration date of the license. Applications for renewal shall be acted upon as provided herein for action upon applications for license.

6331.05. DENIAL, SUSPENSION OR REVOCATION OF ADULT BUSINESS PERFORMER LICENSE/APPEAL HEARING

- A. On determining that grounds for license denial, suspension or revocation (also referred to collectively as License Action) exist, the Officer shall furnish written notice of the license action to the license holder or applicant (hereinafter "license holder" or "licensee" shall also mean "license applicant" or "applicant"). Such notice shall set forth the procedures for appeal, the pertinent Arcadia Municipal Code Sections, and a brief

statement of the factual matters in support thereof. The notice shall be mailed, postage prepaid, addressed to the last known address of the license holder, or shall be delivered to the license holder personally.

- B. During any appeal to the Business License Review Board, the applicant or license holder shall have the right to offer testimonial, documentary, and tangible evidence bearing upon the issues and may be represented by counsel. Any hearing under this section may be continued for a reasonable time for the convenience of a party or a witness at the request of the licensee. Extensions of time or continuances sought by a licensee shall not be considered delay on the part of the City or constitute failure by the City to provide for prompt decisions on license actions.
- C. A license may be denied, suspended or revoked, based on any of the following causes arising from the acts or omissions of the permit holder:
 - 1. The licensee has made any false, misleading, or fraudulent statement of material fact in the application for a performer license.
 - 2. The license applicant is under eighteen (18) years of age.
 - 3. The licensee has pled guilty, nolo contendere or been convicted of an offense classified by this or any other state as a sex-related offense and (a) less than two (2) years have elapsed since the date of conviction or the date of release from confinement for the conviction to the date of application, whichever is the later date, if the conviction is a misdemeanor, or (b) less than five (5) years have elapsed since the date of conviction or the date of release from confinement of conviction to the date of application, whichever is the later date, if the conviction is a felony; or (c) less than five (5) years have elapsed since the date of the last conviction or the date of release from confinement for the conviction to the date of application, whichever is the later date, if the convictions are two (2) or more misdemeanors or combination of misdemeanor offenses occurring within any twenty-four (24) month period.
 - 4. The Licensee has committed acts in violation of the requirements and standards of the Adult Business Ordinance (Sections 9104.02.020 (“Adult Business Uses”) and 6331 et seq.).
- D. After holding the hearing in accordance with the provisions of this Section, if the Board finds and determines that there are grounds for denial, suspension or revocation, the Board shall impose one of the following:
 - 1. Suspension of the license for a specified period of either one (1) year or some other time to be determined in the Board's discretion; or
 - 2. Denial and/or revocation of the license; or
 - 3. Conditional granting of the license.
 - 4. The Business License Review Board shall render a written decision in accordance with the procedures of Section 6214.01.
- E. In the event a license is revoked pursuant to this Section, another adult business performer license shall not be granted to the licensee within twelve (12) months after the date of such revocation or such other time as the Board determines.

6331.07. JUDICIAL REVIEW

- A. Decisions of the Business License Review Board may be appealed to the City Council pursuant to the procedures of Section 6116.07.
- B. The time for a court challenge to a decision of the City Council under Sections 6331.03 and/or 6331.05 is governed by California Code of Civil Procedure § 1094.8.
- C. Notice of the Business License Review Board’s decision and its findings under Sections 6331.03 and/or 6331.05 shall include citation to California Code of Civil Procedure § 1094.8.

-
- D. Any applicant or license holder whose license has been denied, suspended, or revoked, pursuant to Sections 6331.03 and/or 6331.05 shall be afforded prompt judicial review of that decision as provided by California Code of Civil Procedure § 1094.8.

6331.09. DISPLAY OF LICENSE IDENTIFICATION CARDS

The Officer shall provide each adult business performer required to have a license pursuant to Section 6331 et seq. with an identification card containing the name, address, photograph, and permit number of such performer. Every performer shall have such card available for inspection at all times during which he or she is on the premises of the adult business at which he or she performs or entertains.

6331.11. ADULT BUSINESS PERFORMER LICENSE NONTRANSFERABLE

No adult business performer license may be sold, transferred, or assigned by any licensee or by operation of law, to any other person, group, partnership, corporation, or any other entity. Any such sale, transfer, or assignment, or attempted sale, transfer, or assignment shall be deemed to constitute a voluntary surrender of the adult business performer license, and the license thereafter shall be null and void.

6331.13. TIME LIMIT FOR FILING APPLICATION FOR PERMIT

All persons required by Section 6331 et seq. to obtain an adult business performer license who are performing in Arcadia prior to the effective day of the Ordinance codified in this Chapter must apply for and obtain such adult business performer license within sixty (60) days of the effective date of said Ordinance. Failure to do so and continued performance that displays specified anatomical areas or specified sexual activities in an adult business after such time without a license shall constitute a violation of the Arcadia Municipal Code.

6331.15. VIOLATIONS

- A. Any person violating or causing the violation of any of these provisions regulating adult business performer licenses shall be subject to license revocation pursuant to Section 6331.05 above and any and all other civil remedies. It shall be a violation of this Chapter for any principal, including but not limited to any adult business operator or permittee, to permit, procure, counsel or assist any agent of that principal, including but not limited to an employee or independent contractor, to violate any provision of this Chapter. All remedies provided herein shall be cumulative and not exclusive. Any violation of these provisions shall constitute a separate violation for each and every day during which such violation is committed or continued.
- B. The operating standards for performers of adult live entertainment are part of a regulatory licensing process, and the City does not impose a criminal penalty for violations of the provisions of this Chapter relating to sexual conduct or activities.
- C. In addition to the remedies set forth in subsection (A), any violation of any of these provisions regulating adult business performer licenses is hereby declared to constitute a public nuisance and may be abated or enjoined.

6331.17. REGULATIONS NONEXCLUSIVE

The provisions of this Chapter regulating adult business performer licenses are not intended to be exclusive, and compliance therewith shall not excuse noncompliance with any other regulations pertaining to the licensing provisions as adopted by the City Council of the City of Arcadia; provided, however, that the provisions contained in Article VI, Chapters 1 through 4, inclusive, of the Arcadia Municipal Code shall be deemed superseded by these regulations in the event a business activity therein also meets the definitions contained in this Chapter 5.

6331.19. SEVERABILITY

If any section, subsection, paragraph, sentence, clause, or phrase of this Chapter and the Ordinance to which it is a part, or any part thereof is held for any reason to be unconstitutional, invalid, or ineffective by any court of competent jurisdiction, the remaining sections, subsections, paragraphs, sentences, clauses, and phrases shall not be affected thereby. The City Council declares that it would have adopted this Chapter and the Ordinance to which it is a part regardless of the fact that one or more sections, subsections, paragraphs, sentences, clauses, or phrases may be determined to be unconstitutional, invalid, or ineffective. (Added by Ord. 2178 adopted 5-6-03)

DIVISION 2. ADULT BUSINESS LICENSE

6332. PURPOSE

The intent of this chapter is to regulate uses which, because of their very nature, are believed to have any of the recognized significant secondary effects on the community which include, but are not limited to: depreciated property values and increased vacancies in residential and commercial areas in the vicinity of adult oriented businesses, interference with residential, commercial and industrial property owners' enjoyment of their property when such property is located in the vicinity of adult oriented businesses due to increased crime, debris, noise and vandalism; higher crime rates in the vicinity of adult oriented businesses; and blighting conditions such as low-level maintenance of commercial premises and parking lots which thereby have a deleterious effect upon adjacent areas. Special regulation of these uses is necessary to ensure that these adverse effects will not contribute to the blighting or downgrading of the neighborhoods in the vicinity of the adult oriented businesses. In approving the regulations contained in this Article, the city council has reviewed detailed studies, reports and letters prepared by other jurisdictions and its own staff with respect to the detrimental social, health and economic effects on persons and properties surrounding adult oriented businesses. These studies include Upland, California (1992); Garden Grove, California (1991); Tucson, Arizona (1990); Seattle, Washington (1989); Austin, Texas (1986); Oklahoma City, Oklahoma (1986); Indianapolis, Indiana (1984); Houston, Texas (1983); Beaumont, Texas (1982); Minneapolis, Minnesota (1980); Phoenix, Arizona (1979); Whittier, California (1978); Amarillo, Texas (1977); Cleveland, Ohio (1977); Los Angeles, California (1977); State of Minnesota, Attorney General Report (1989); Newport news, Virginia (1996); St. Paul, Minnesota (1987); Corpus Christi, Texas (1995); National Law Center (1995); and Azusa (2003) (collectively "studies"). The studies substantiate the adverse, secondary effects of adult businesses. It is neither the intent nor effect of this chapter to impose limitations or restrictions on the content of any communicative material. Similarly, it is neither the intent nor effect of this chapter to restrict or deny access by adults to sexually oriented materials protected by the First Amendment, or to deny access by the distributors or exhibitors of sexually oriented materials to their intended market.

Nothing in this chapter is intended to authorize, legalize or permit the establishment, operation or maintenance of any business, building or use which violates any City ordinance or any statute of the State of California regarding public nuisances, unlawful exposure, sexual conduct, lewdness or obscene or harmful matter or the exhibition or public display thereof.

6332.01. DEFINITIONS

In addition to any other definitions contained in the Municipal Code, the following words and phrases shall, for the purpose of this Chapter and Chapter 5 of this Article, be defined as follows, unless it is clearly apparent from the context that another meaning is intended. Should any of the definitions be in conflict with any current provisions of the Municipal Code, these definitions shall prevail.

- A. "Adult arcade" shall mean a business establishment to which the public is permitted or invited and where coin, card or slug operated or electronically, electrically or mechanically controlled devices, still or motion picture machines, projectors, videos, holograms, virtual reality devices or other image-producing devices are maintained to show images on a regular or substantial basis, where the images so displayed are

distinguished or characterized by an emphasis on matter depicting or describing "specified sexual activities" or "specified anatomical areas." Such devices shall be referred to as "adult arcade devices."

- B. "Adult booth/individual viewing area" shall mean a partitioned or partially enclosed portion of an adult business used for any of the following purposes:
1. Where a live or taped performance is presented or viewed, where the performances and/or images displayed or presented are distinguished or characterized by their emphasis on matter depicting, describing, or relating to "specified sexual activities" or "specified anatomical areas"; or
 2. Where "adult arcade" devices are located.
- C. "Adult business" shall mean:
1. A business establishment or concern that as a regular and substantial course of conduct operates as an adult retail store, adult motion picture theater, adult arcade, adult cabaret, adult motel or hotel, adult modeling studio (as these phrases are defined in this section); or
 2. A business establishment or concern which as a regular and substantial course of conduct offers, sells or distributes "adult oriented material" or "sexually oriented merchandise," or which offers to its patrons materials, products, merchandise, services or entertainment characterized by an emphasis on matters depicting, describing, or relating to "specified sexual activities" or "specified anatomical areas" but not including those uses or activities (as these phrases are defined in this section) which are preempted by State law.
- D. "Adult cabaret" shall mean a business establishment (whether or not serving alcoholic beverages) that features "adult live entertainment."
- E. "Adult hotel/motel " shall mean a "hotel" or "motel" (as defined in the Municipal Code) that is used for presenting on a regular and substantial basis images through closed circuit television, cable television, still or motion picture machines, projectors, videos, holograms, virtual reality devices or other image-producing devices that are distinguished or characterized by the emphasis on matter depicting or describing or relating to "specified sexual activities" or "specified anatomical areas" (as these phrases are defined in this section).
- F. "Adult live entertainment" shall mean any physical human body activity, whether performed or engaged in, alone or with other persons, including but not limited to singing, walking, speaking, dancing, acting, posing, simulating, wrestling or pantomiming, which (1) the performer (including but not limited to a topless and/or bottomless dancers, go-go dancers, exotic dancers, strippers, or similar performers) exposes to public view, without opaque covering, "specified anatomical areas"; and/or (2) the performance or physical human body activity depicts, describes, or relates to "specified sexual activities" whether or not the specified anatomical areas are covered.
- G. "Adult modeling studio" shall mean a business establishment which provides for any form of consideration, the services of a live human model, who, for the purposes of sexual stimulation of patrons, displays "specified anatomical areas" to be observed, sketched, photographed, filmed, painted, sculpted, or otherwise depicted by persons paying for such consideration. "Adult modeling studio" does not include schools maintained pursuant to standards set by the Board of Education of the State of California.
- H. "Adult motion picture theater" shall mean a business establishment, with or without a stage or proscenium, where, on a regular and substantial basis and for any form of consideration, material is presented through films, motion pictures, video cassettes, slides, laser disks, digital video disks, holograms, virtual reality devices, or similar electronically-generated reproductions that is characterized by the depiction or description of "specified sexual activities" or "specified anatomical areas."

-
- I. "Adult oriented material" shall mean accessories, paraphernalia, books, magazines, laser disks, compact discs, digital video disks, photographs, prints, drawings, paintings, motion pictures, pamphlets, videos, slides, tapes, holograms or electronically generated images or devices including computer software, or any combination thereof that is distinguished or characterized by its emphasis on matter depicting, describing or relating to "specified sexual activities" or "specified anatomical areas." "Adult oriented material" shall include "sexually oriented merchandise."
- J. "Adult retail store" shall mean a business establishment having as a regular and substantial portion of its stock in trade, "adult oriented material" and/or "sexually oriented merchandise."
- K. "Day care facility" or "day care center" means any child day care facility as defined in Section 1596.750 of the California Health and Safety Code other than family day care homes.
- L. "Establishment of an adult business" shall mean any of the following:
1. The opening or commencement of any "adult business" (as defined earlier) as a new business;
 2. The conversion of an existing business, whether or not an "adult business," to any "adult business";
 3. The addition of any "adult business" to any other existing "adult business";
 4. The relocation of any "adult business"; or
 5. Physical changes that expand the square footage of an existing "adult business" by more than ten percent (10%).
- M. "Owner/permit holder" shall mean any of the following: (1) the sole proprietor of an adult business; (2) any general partner of a partnership that owns and operates an adult business; (3) a corporation; (4) the owner of a controlling interest in a corporation or limited liability company that owns and operates an adult business; or (5) the person designated by the officers of a corporation or the members of a limited liability company to be the permit holder for an adult business owned and operated by the corporation.
- N. "Park" shall mean any park, playground, swimming pool, golf course or athletic field within the City which is under the City's control, operation and management, and the Arcadia County Park.
- O. "Performer" shall mean any person who is an employee or independent contractor of an adult business, and who, with or without any compensation or other form of consideration, performs adult live entertainment for patrons of an adult business. Performer does not include a patron.
- P. "Religious institution" shall mean structure or facility that is used primarily for religious worship and related religious activities such as a church, temple or synagogue.
- Q. "Residential zone" shall mean any property within the City which carries a zoning designation of: R-M Residential Mountainous Zone Single Family Zone; R-O Residential First One-Family; R-1 Residential Second One-Family; R-2 Medium Density Multiple-Family Residential Zone; and R-3 Multiple Family Residential Zone.
- R. "School" shall mean any institution of learning for minors, whether public or private, offering instruction in those courses of study required by the California Education Code and/or is maintained pursuant to standards set by the Board of Education of the State of California and has an approved use permit, if required under the applicable jurisdiction. This definition includes a nursery school, kindergarten, elementary school, middle or junior high school, senior high school, or any special institution of education under the jurisdiction of the California Department of Education, but it does not include a vocational or professional institution of higher education, including a community or junior college, college, or university. It does not include private instructional and/or tutoring facilities.
- S. "Sexually oriented merchandise" shall mean sexually oriented implements, paraphernalia, or novelty items, such as, but not limited to: dildos, auto sucks, sexually oriented vibrators, benwa balls, inflatable

orifices, anatomical balloons with orifices, simulated and battery operated vaginas, and similar sexually oriented devices which are designed or marketed primarily for the stimulation of human genital organs or sado-masochistic activity or distinguished or characterized by their emphasis on matter depicting, describing or relating to "specified sexual activities" or "specified anatomical areas."

- T. "Specified anatomical areas" shall mean and include any of the following:
1. Less than completely and opaquely covered, and/or simulated to be reasonably anatomically correct, even if completely and opaquely covered human:
 - a. Genitals, pubic region;
 - b. Buttocks, anus;
 - c. Female breasts below a point immediately above the top of the areola; or
 2. Human male genitals in a discernibly turgid state, even if completely or opaquely covered.
- U. "Specified sexual activities" shall mean and include any of the following, irrespective of whether performed directly or indirectly through clothing or other covering:
1. Human genitals in a state of sexual stimulation or arousal;
 2. Acts of human masturbation, sexual stimulation or arousal;
 3. Simulated sexual intercourse;
 4. Use of human or animal ejaculation, sodomy, oral copulation, coitus or masturbation;
 5. Masochism, erotic or sexually oriented torture, beating, or the infliction of pain, or bondage and/or restraints;
 6. Human excretion, urination, menstruation, vaginal or anal irrigation; and/or
 7. Fondling or other erotic touching of human genitals, pubic region, buttock, or female breast.

6332.03. PERMIT REQUIRED

In addition to the requirements of Section 9104.02.020 ("Adult Business Uses"), of this Code, no adult business shall be permitted to operate, engage in, conduct or carry on business within the City unless the owner of the business first obtains both an Adult Business Regulatory permit and a business license from the City.

6332.05. PERMIT REQUIREMENTS

- A. It shall be unlawful for any person to establish, operate, engage in, conduct, or carry on any adult business within the City of Arcadia unless the person first obtains, and continues to maintain in full force and effect, an adult business regulatory permit as herein required. Any occurrence of the "establishment of an adult business" as defined in Arcadia Municipal Code Section 6332.01(L) shall require a new application for an adult business use permit. The adult business use permit shall be subject to the development and operational standards contained in Sections 6332.09.
- B. Permit applicants shall file a written, signed, and verified application on a form provided by the License Officer or designee. Any changes in information on an application shall be submitted on a supplemental application within ten (10) working days of each such change. Such application shall contain the following information and shall also include applicant's acknowledgment that he/she has read and understands all requirements set forth in Section 6332.09.
1. If the permit applicant is an individual, the individual shall state his or her legal name, including any aliases, telephone number, home address (including previous addresses), tax identification

number, social security number, information regarding past adult business ownership, and shall submit satisfactory written proof that he or she is at least eighteen (18) years of age.

2. If the permit applicant is a partnership, the partners shall state the partnership's complete name, address, and telephone number, and the names (including aliases), telephone number, home address (including previous addresses), tax identification number, social security number, and information on past adult business ownership of all partners. The applicant and all the partners shall also submit satisfactory written proof that he or she is at least eighteen (18) years of age and whether the partnership is general or limited; and shall attach a copy of the partnership agreement, if any.
3. If the permit applicant is a corporation, the corporation shall provide its complete name, the date of its incorporation, evidence that the corporation is in good standing under the laws of the State of California, the names and capacities of all officers and directors, the name of the registered corporate agent, and the address of the registered office for service of process.
4. If the permit applicant is an individual, he or she shall sign the application. If the permit applicant is other than an individual, each individual or entity with a ten percent (10%) or greater interest in the business entity shall sign the application. Any individual who signs the application must also provide his or her name, including any aliases, home address (including previous addresses), telephone number, date of birth, social security number, information regarding past adult business ownership, and shall submit satisfactory written proof that he or she is at least eighteen (18) years of age.
5. If the permit applicant intends to operate the adult business under a name other than that of the permit applicant, the permit applicant shall file the fictitious name of the adult business and show proof of registration of the fictitious name.
6. A description of the type of adult business for which the permit is requested and the proposed address where the adult business will operate, plus the names and addresses of the owners and lessors of the adult business site. If premises are leased, a complete copy of the current lease must be attached. The property owner must sign the application.
7. The address to which notice of action on the application is to be mailed.
8. The full names, aliases, if any, addresses, telephone numbers and date of birth of all employees, independent contractors, and other persons who will perform at the adult business, who are required by Section 6331 et seq. to obtain an adult business performer license. This information shall be updated by the licensee of the adult business establishment within five (5) days of retention of any new or additional employees, independent contractors, and other persons who will perform at the adult business, who are required by Section 6331 et seq. to obtain an adult business performer license. All persons who have been issued an adult business regulatory permit shall promptly supplement the information provided as part of the application for the permit with the names of all employees, independent contractors, or other persons, who are required to obtain an adult business performer license, within ten (10) working days of any change in the information originally submitted. The information obtained by the City pursuant to this Subsection B(8) shall be kept confidential.
9. Permit applications shall include a signed and verified statement that:
 - a. The permit applicant, if an individual, or each shareholder, partner, officer and director, or other party possessing a ten percent (10%) or greater interest, if a partnership or corporation, has not pled guilty or nolo contendere or been convicted of an offense classified by this or any other state as a sex or sex-related offense; or
 - b. If there has been a conviction or a plea, then:

-
- (1) More than two (2) years have elapsed between the date of conviction or plea, or the date of release from confinement for a conviction or plea, whichever is the later date, and the date of application if the conviction or plea is a misdemeanor; or
 - (2) More than five (5) years have elapsed between the date of conviction or plea, or the date of release from confinement for a conviction or plea, whichever is the later date, and the date of application if the conviction or plea is a felony; or
 - (3) More than five (5) years have elapsed between the date of the last conviction or plea, or the date of release from confinement for the last conviction or plea, whichever is the later date, and the date of application if the convictions or pleas are two (2) or more misdemeanors or a combination of misdemeanor offenses occurring within any twenty-four (24) month period.
- C. The completed application shall be accompanied by a non-refundable application fee. Said fee shall be set forth by Resolution of the City Council.
 - D. The completeness of an application for an adult business regulatory permit shall be determined by the Officer within five (5) working days of its submittal. If the Officer determines that the permit application is incomplete, the Officer shall immediately notify in writing the permit applicant of such fact and the reasons therefor, including any additional information necessary to render the application complete. Such writing shall be deposited in the U.S. mail, postage prepaid, immediately upon determination that the application is incomplete. Within five (5) working days following the receipt of an amended application or supplemental information, the Officer shall again determine whether the application is complete in accordance with the provisions set forth above. Evaluation and notification shall occur as provided herein until such time as the application is found to be complete.
 - E. The fact that a permit applicant possesses other types of State or City permits or licenses does not exempt the permit applicant from the requirement of obtaining an adult business regulatory permit.

6332.07. INVESTIGATION AND ACTION ON APPLICATION FOR ADULT BUSINESS REGULATORY PERMIT

- A. The completeness of an application for an adult business regulatory permit shall be determined by the License Officer or his or her designee within five (5) working days of its submittal. If the Officer determines that the permit application is incomplete, the Officer shall immediately notify in writing the permit applicant of such fact and the reasons therefor, including any additional information necessary to render the application complete. Such writing shall be deposited in the U.S. mail, postage prepaid, immediately upon determination that the application is incomplete. Within five (5) working days following the receipt of an amended application or supplemental information, the Officer shall again determine whether the application is complete in accordance with the provisions set forth above. Evaluation and notification shall occur as provided herein until such time as the application is found to be complete.
- B. Upon receipt of a completed application and payment of the application and permit fees, the Officer shall immediately write or stamp the application "Received" and, in conjunction with City staff and the Chief of Police, shall promptly investigate the information contained in the application to determine whether an adult business regulatory permit shall be granted.
- C. Within ten (10) working days of receipt of the completed application, the Officer shall issue or deny the license, unless extended for five (5) additional working days upon a showing of good cause. Only one such extension shall be permitted unless requested by the applicant.

-
- D. In reaching a decision, the Officer shall not be bound by the formal rules of evidence in the California Evidence Code.
- E. The failure of the Officer to render any decision within the time frames established in any part of this Section shall be deemed to constitute an approval, subject to appeal to the Business License Review Board, pursuant to Section 6332.13. The Officer's decision shall be hand delivered or mailed to the applicant at the address provided in the application, and shall be provided in accordance with the requirements of this Code.
- F. Notwithstanding any provisions in this Section regarding the occurrence of any action within a specified period of time, the applicant may request additional time beyond that provided for in this Section or may request a continuance regarding any decision or consideration by the City of the pending application. Extensions of time sought by applicants shall not be considered delay on the part of the City or constitute failure by the City to provide for prompt decisions on applications.
- G. The Officer shall grant or deny the application in accordance with the provisions of this Section, and so notify the applicant as follows:
1. The Officer shall write or stamp "Granted" or "Denied" on the application and date and sign such notation.
 2. If the application is denied, the Officer shall attach to the application a statement of the reasons for the denial.
 3. If the application is granted, the Officer shall stamp "Approved" on the application.
- H. The Officer shall grant the application and issue the adult business regulatory permit unless the application is denied based upon one (1) or more of the criteria set forth in subsection J below.
- I. If the Officer grants the application, the applicant may begin operating the adult business for which the permit was sought, subject to strict compliance with the development and operational standards and requirements of this Chapter. The permit holder shall post the permit conspicuously in the premises of the adult business.
- J. The Officer shall deny the application for any of the following reasons:
1. The adult business does not comply with the zoning and location standards found in Section 9104.02.020 ("Adult Business Uses").
 2. The adult business does not comply with the development, operational or performance standards found in this Chapter.
 3. The permit applicant, his or her employee, agent, partner, director, officer, shareholder with a ten percent (10%) or greater interest, or manager has made any false, misleading, or fraudulent statement of material fact in the application for an adult business regulatory permit or in any report, record, or document required to be filed with the application, the Police Department, Sheriff, other law enforcement agency, or other department of the City.
 4. The permit applicant is under eighteen (18) years of age.
 5. The required application fees have not been paid.
 6. The permit applicant, if an individual, or any shareholder, partner, officer, director or other party possessing a ten percent (10%) or greater interest, if a partnership or corporation, has:
 - a. Pled guilty or nolo contendere or been convicted of an offense classified by this or any other state as a sex or sex-related offense; and
 - b. (i) Less than two (2) years have elapsed between the date of conviction or plea, or the date of release from confinement for a conviction or plea, whichever is the later date,

and the date of application if the conviction or plea is a misdemeanor; or (ii) Less than five (5) years have elapsed between the date of conviction or plea, or the date of release from confinement for a conviction or plea, whichever is the later date, and the date of application if the conviction or plea is a felony; or (iii) Less than five (5) years have elapsed between the date of the last conviction or plea, or the date of release from confinement for the last conviction or plea, whichever is the later date, and the date of application if the convictions or pleas are two (2) or more misdemeanors or a combination of misdemeanor offenses occurring within any twenty-four (24) month period.

- 7. Within the past eighteen (18) months the applicant, including, but not limited to, an owner, partner or shareholder with a ten percent (10%) or greater financial interest has been found to have violated any provision of this Chapter, has had an adult oriented business permit or similar entitlement permitting the establishment of an adult or sexually oriented business revoked, regardless of whether such revocation occurred within the City or in some other jurisdiction.
- K. An applicant cannot re-apply for an adult business regulatory permit for a location for which the applicant previously submitted an application within one (1) year from the date of prior denial.
- L. Any affected person may appeal the decision of the Director in writing in accordance with the provisions of Section 6332.13.

6332.09. DEVELOPMENT AND OPERATING STANDARDS

- A. Hours of Operation. It shall be unlawful for any permittee, owner, operator, manager or employee of an adult business to allow such adult business to remain open for business, or to permit any employee or performer to engage in a performance, solicit a performance, make a sale, solicit a sale, provide a service, or solicit a service, between the hours of 2:00 a.m. and 10:00 a.m. of any day excepting here from an "adult hotel/motel."
- B. Exterior Lighting Requirements. All exterior areas, including parking lots, of the adult business shall be illuminated at a minimum of 1.50 foot-candle, maintained and evenly distributed at ground level with appropriate devices to screen, deflect or diffuse the lighting in such manner as to prevent glare or reflected light from creating adverse impacts on adjoining and nearby public and private properties. Inoperable and/or broken lights shall be replaced within twenty-four (24) hours.
- C. Interior Lighting Requirements. All interior areas of the adult business excepting there from adult hotels and motels shall be illuminated at a minimum of 1.00 foot-candle, maintained and evenly distributed at floor level. Inoperable and/or broken lights shall be replaced within twenty-four (24) hours.
- D. Minors' Access.
 - 1. To the extent that it is in conformity with the Penal Code, movies, videotapes, digital video disks (DVDs), compact disks (CDs) and laser disks rated "X" or "NC-17" by the Motion Picture Association of America ("MPAA") or which have not been submitted to the MPAA for a rating and which are distinguished or characterized by an emphasis on depicting or describing specified sexual activities or specified anatomical areas shall be restricted to persons at least eighteen (18) years of age. If an establishment that is not otherwise prohibited from providing access to persons under eighteen (18) years of age sells, rents, or displays movies, videos, DVDs, or laser disks that have been rated "X" or rated "NC-17" by the MPAA, or which have not been submitted to the MPAA for a rating, and which consist of images which are distinguished or characterized by an emphasis on depicting or describing specified sexual activities or specified anatomical areas, said movies, videos, DVDs, CDs, and laser disks shall be located in a specific section of the establishment where persons under the age of eighteen (18) shall be prohibited.

-
2. For material relative to adult businesses not covered by Subsection (D)(1), of this Section, access shall be restricted to persons over eighteen (18) years of age.
 3. It shall be unlawful for any employee, owner, operator, responsible managing employee, manager or permittee of an adult business to allow any person under the age of eighteen (18) years upon the premises or within the confines of any adult business, either as a patron or employee, if no liquor is served, or under the age of twenty-one (21) if liquor is served.
- E. Regulation of Adult Booth/Individual Viewing Area.
1. No adult booth/individual viewing area shall be occupied by more than one (1) individual at a time.
 2. Each adult booth/individual viewing area within the adult business shall be visible from a continuous and accessible main aisle in a public portion of the establishment, and shall not be obscured by any door, curtain, wall, two-way mirror or other device which would prohibit a person from seeing the entire interior of the adult booth/individual viewing area from the main aisle. A manager shall be stationed in the main aisle at all times. Further, no one shall maintain any adult booth/individual viewing area in any configuration unless the entire interior wherein the picture or entertainment is viewed is visible from one main aisle. The entire body of any patron in any adult booth/individual viewing area must be visible from the main aisle without the assistance of mirrors or other device.
 3. No doors are permitted on an adult booth/individual viewing area. No partially or fully enclosed adult booth/individual viewing areas or partially or fully concealed adult booth/individual viewing areas shall be permitted.
 4. No holes or other openings (commonly known as "glory holes") shall be permitted between adult booths/individual viewing areas. Any such hole or opening shall be repaired within twenty-four (24) hours using "pop" rivets to secure metal plates over the hole or opening to prevent patrons from removing the metal plates.
 5. No beds shall be permitted in an adult booth/individual viewing area.
- F. Interior of Premises. No exterior door or window on the premises of an adult business shall be propped or kept open at anytime while the business is open and any exterior windows shall be covered with opaque coverings at all times.
- G. On-Site Manager—Security Measures. All adult businesses shall have a responsible person who shall be at least twenty-one (21) years of age and shall be on the premises to act as manager at all times during which the business is open. The individual designated as the on-site manager shall be registered with the Director to receive all complaints and be given by the owner and/or operator the responsibility and duty to address and immediately resolve all violations taking place on the premises.
- All adult businesses shall provide a security system that visually records and monitors all parking lot areas during all business hours. At least one (1) security guard shall be on duty outside the premises, patrolling the grounds and parking lot at all times. The security guard shall be charged with preventing violations of law and enforcing the provisions of this Chapter. All security guards shall be uniformed so as to be readily identifiable as a security guard by the public. No person acting as a security guard shall act as a door person, ticket taker or seller, or any similar function, while acting as a security guard. For all adult oriented businesses providing live entertainment, an additional security guard shall be provided with each increase in maximum occupancy of two hundred (200) persons. Security guards shall be licensed under the California Private Security Services Act, Business & Professions Code Section 7580 et seq.
- H. Sign Requirements. All adult businesses shall comply with the following sign requirements, in addition to those otherwise set forth in the Arcadia Municipal Code. Should a conflict exist between the other requirements of the Arcadia Municipal Code and this Subsection, the more restrictive shall prevail.
-

-
1. If an adult business does not serve alcohol, it shall post a notice inside the establishment, within ten (10) feet of every entrance used by customers for access to the establishment, stating that persons below the age of eighteen (18) years of age are prohibited from entering onto the premises or within the confines of the adult business. This notice shall be posted on a wall in a place of prominence. The dimensions of the notice shall be no less than six (6) inches by six (6) inches, with a minimum typeface of twenty-five (25) points on contrasting background. If the adult business serves alcohol, it shall comply with all notice and posting requirements of the Alcoholic Beverage Control Department.
 2. No material relative to adult businesses on the premises shall be displayed in window areas or any area where they can be viewed from the sidewalk in front of the building.
- I. Adult Live Entertainment—Additional Operating Requirements. The following additional requirements shall pertain to adult businesses providing live entertainment. No person, association, partnership, or corporation shall engage in, conduct or carry on, or permit the operation of an adult business to engage in, conduct or carry on unless all of the following requirements are met:
1. No employee, owner, operator, responsible managing employee, manager or permittee of such use shall allow any person below the age of eighteen (18) years upon the premises or within the confines if no liquor is served, or under the age of twenty-one (21) if liquor is served.
 2. Except as provided below, no performer then performing adult live entertainment characterized by the exposure of specified anatomical areas or specified sexual activities shall perform such adult live entertainment at an adult business except upon a permanently fixed stage at least eighteen (18) inches above the level of the floor surrounded by a railing at least thirty (30) inches high which railing is set back from the outside edges of the stage by six (6) feet. The performer then performing live entertainment characterized by the exposure of specified anatomical areas or specified sexual activities shall only perform such live entertainment six (6) feet or more from a patron while the performer is so performing.
 3. A performer shall only be permitted to perform off-stage adult live entertainment characterized by the exposure of specified anatomical areas or specified sexual activities when such performer is at least six (6) feet from a patron while the performer is so performing. This provision shall not apply to an individual viewing area where the performer is completely separated from the patron by a floor to ceiling permanent solid barrier enclosed on all sides such that access by the patron is not possible.
 4. No performer then performing adult live entertainment characterized by the exposure of specified anatomical areas or specified sexual activities shall have physical contact with any patron, and no patron shall have physical contact with any performer, while the performer is performing on the premises. In addition, while on the premises, no performer shall have physical contact with a patron and no patron shall have physical contact with a performer, which physical contact involves the touching of the clothed or unclothed genitals, pubic area, buttocks, cleft or the buttocks, perineum, anal region, or female breast with any part or area of any other person's body either before or after any adult live entertainment by such performer. This prohibition does not extend to incidental touching. Patrons shall be advised of the separation and no touching requirements by signs conspicuously placed on the barrier between patrons and performers. If necessary, patrons shall also be advised of the separation and no touching requirements by employees or independent contractors of the adult business.
 5. All employees, except therefrom performers while performing, shall, at a minimum while on or about the premises or tenant space, wear an opaque covering which covers their specified anatomical areas.

-
6. No performer then performing adult live entertainment characterized by the exposure of specified anatomical areas or specified sexual activities shall accept directly from a patron, and no patron shall directly hand to such performer any tip or gratuity, throw tips to performers, or place tips in the performers' costumes. Patrons shall be advised of these tipping and gratuity requirements by signs conspicuously placed on the premises. If necessary, patrons shall also be advised of the tipping and gratuity requirements by employees or independent contractors of the adult business.
 7. The adult business shall provide dressing rooms for performers that are separated by gender and exclusively dedicated to the performers' use, and which the performers shall use. Same gender performers may share a dressing room. Patrons shall not be permitted in dressing rooms.
 8. The adult business shall provide an entrance/exit for performers which is separate from the entrance/exit used by patrons, which the performers shall use at all times.
 9. The adult business shall provide access for performers between the stage and the dressing rooms which is completely separated from the patrons. If such separate access is not physically feasible, the adult business shall provide a minimum three (3) foot wide walk aisle for performers between the dressing room area and the stage, with a railing, fence or other barrier separating the patrons and the performers capable of (and which actually results in) preventing any physical contact between patrons and performers. Nothing in this Section is intended to exempt the adult business from compliance with the provisions of Title 24 of the California Code of Regulations pertaining to handicapped accessibility.
 10. Fixed rail(s) at least thirty (30) inches in height shall be maintained establishing the separations between performers and patrons required by this Subsection.
- J. Adult Motion Picture Theater. An adult motion picture theater shall observe the following special requirements:
1. If the theater contains a hall or auditorium area, the area shall comply with each of the following provisions:
 - a. Have individual, separate seats, not couches, benches, or the like, to accommodate the maximum number of persons who may occupy the area;
 - b. Have a continuous main aisle alongside of the seating areas in order that each person seated in the areas shall be visible from the aisle at all times; and
 - c. Have a sign posted in a conspicuous place at or near each entrance to the hall or auditorium area which lists the maximum number of persons who may occupy the hall or auditorium area, which number shall not exceed the number of seats within the hall or auditorium area.
 2. If an adult motion picture theater is designed to permit outdoor viewing by persons seated in automobiles, it shall have the motion picture screen so situated, or the perimeter of the establishment so fenced, that the material to be seen by those persons may not be seen from any public right-of-way, day care facility, park, school, or religious institution, as those terms are defined in this Chapter.
- K. Regulation of Public Restroom Facilities. If the adult business is required to provide restrooms for patron use, it shall provide separate restroom facilities for male and female patrons. The restrooms shall be free from adult oriented material. Only one (1) person shall be allowed in each restroom at any time, unless otherwise required by law, in which case the adult business shall employ a restroom attendant of the same sex as the restroom users who shall be present in the public portion of the restroom during operating hours. The attendant shall ensure that no person of the opposite sex is permitted into the restroom, and that not more than one (1) person is permitted to enter a restroom stall, unless otherwise

required by law, and that the restroom facilities are used only for their intended sanitary purposes. Access to restrooms for patron use shall not require passage through an area used as a dressing area by performers.

- L. Trash. All interior trash cans shall be emptied into a single locked trash bin lined with a plastic bag at least once a day.

6332.11. TRANSFER OF ADULT BUSINESSES OR ADULT BUSINESS REGULATORY PERMITS

- A. A permit holder shall not operate an adult business under the authority of an adult business regulatory permit at any place other than the address of the adult business stated in the application for the permit.
- B. In the event of a transfer of ownership of the adult business or the adult business regulatory permit, the new owner shall be fully informed by the transferor' of the requirements of this Chapter, including the operational and development standards of Section 6332.09 and the provisions relating to adult business performer licenses including disqualification from certain criminal convictions pursuant to Sections 6332.07(J)(6) and 6331.05(C)(3).
- C. In the event of a transfer of the adult business or the adult business regulatory permit, the transferee must provide the City with the following information at least thirty (30) days prior to the transfer.
- D. No permit shall be transferred to a transferee with criminal convictions as set forth in Section 6332.07(J)(6). Such transfers are deemed to be null and void.
- E. If the permit holder is a corporation and the corporation retains ownership of the business, the sale of the corporate stock shall not be considered a transfer of an adult business regulatory permit under this section. The new shareholders shall provide all information required under Section 6332.05(B)(4) within ten (10) working days of sale of stock.

6332.13. DENIAL, SUSPENSION OR REVOCATION OF ADULT BUSINESS REGULATORY PERMITS/APPEAL PROCEDURE

- A. On determining that grounds for permit denial, suspension or revocation exist, the Officer shall furnish written notice of the permit action to the license holder or applicant (hereinafter "permit holder" shall also mean "permit applicant" or "applicant"). Such notice shall set forth the procedures for appeal, the pertinent Arcadia Municipal Code Sections, and a brief statement of the factual matters in support thereof. The notice shall be mailed, postage prepaid, addressed to the last known address of the permit holder, or shall be delivered to the permit holder personally.
- B. During any appeal to the Business License Review Board, the applicant or permit holder shall have the right to offer testimonial, documentary, and tangible evidence bearing upon the issues and may be represented by counsel. The Board shall not be bound by the formal rules of evidence. Any hearing under this section may be continued for a reasonable time for the convenience of a party or a witness at the request of the licensee. Extensions of time or continuances sought by a licensee shall not be considered delay on the part of the City or constitute failure by the City to provide for prompt decisions on license actions. If the Board finds and determines that there are grounds for denial, suspension or revocation, the Board shall impose one (1) of the following:
 - 1. Denial of the permit or conditional granting of the permit;
 - 2. Suspension of the permit for a specified period of at least one (1) year; or
 - 3. Revocation of the permit.

The Board shall render a written decision that shall be hand delivered or overnight mailed to the permit holder within five (5) working days of the Board convening to render its decision.

-
- C. A permit may be suspended or revoked based on the following causes arising from the acts or omissions of the permit holder, or an employee, agent, partner, director, stockholder with a ten percent (10%) or greater interest, or manager of the permittee (unless an entertainer is an employee, any entertainer shall be deemed to be an agent of the permittee for purposes of this Chapter):
1. The use or building, structure, equipment, or location used by the adult business fails to comply with applicable building, fire, electrical, plumbing, health, and those zoning requirements of the Arcadia Municipal Code or this Chapter relating to adult businesses, including the adult business development and operating standards contained in Section 6332.09.
 2. The permit holder has failed to obtain or maintain all required city, county, and State licenses and permits.
 3. The permit holder has made any false, misleading, or fraudulent statement of material fact in the application for an adult business regulatory permit.
 4. The permit is being used to conduct an activity different from that for which it was issued.
 5. The permit holder has failed to submit and/or update the information pertaining to performers in accordance with Section 6332.05(B)(8).
 6. An adult business has been operated without a responsible adult on the premises, officially acting in the capacity of manager, at all times during which the business is open or operating.
 7. That a permittee, including, but not limited to, an owner, partner, or shareholder with a ten percent (10%) or greater financial interest, or employee of an adult business, has pled guilty or nolo contendere or been convicted of an offense classified by this or any other state as a sex-related offense and: (a) less than two (2) years have elapsed since the date of conviction or the date of release from confinement of conviction to the date of application, whichever is the later date, if the conviction is a misdemeanor; (b) less than five (5) years have elapsed since the date of conviction or the date of release from confinement of conviction to the date of application, whichever is the later date, if the conviction is a felony; or (c) less than five (5) years have elapsed since the date of the last conviction or the date of release from confinement for the conviction to the date of application, whichever is the later date, if the convictions are two (2) or more misdemeanors or combination of misdemeanor offenses occurring within any twenty-four (24) month period.
 8. That an individual employed by the adult business has been convicted of two (2) or more sex-related offenses that occurred in or on the licensed premises within a twelve (12) month period and was an employee of the adult business at the time the offenses were committed.
 9. That the use for which the approval was granted has ceased to exist or has been suspended for more than six (6) months.
 10. That the transferee/new owner of an adult business or adult business regulatory permit fails to comply with the requirements of Section 6332.11.
 11. The permit holder, employee, agent, partner, director, stockholder with at least a ten percent (10%) interest in the business, or manager has knowingly allowed or permitted, and has failed to make a reasonable effort to prevent the occurrence of any of the following on the premises of the adult business; or a permittee has been convicted of violating any of the following State laws on the premises of the adult business:
 - a. Any act of unlawful sexual intercourse, sodomy, oral copulation, or masturbation.
 - b. Use of the establishment as a place where unlawful solicitations for sexual intercourse, sodomy, oral copulation, or masturbation openly occur.

-
- c. The occurrence of acts of lewdness, assignation, or prostitution, including any conduct constituting violations of Sections 315, 316, 318 of the California Penal Code.
 - d. Any act constituting a felony involving the sale, use, possession, or possession for sale of any controlled substance specified in Sections 11054, 11055, 11056, 11057, or 11058 of the California Health and Safety Code.
 - e. Any conduct constituting a criminal offense which requires registration under Section 290 of the California Penal Code.
 - f. An act or omission in violation of any of the requirements of this Chapter if such act or omission is with the knowledge, authorization, or approval of the permit holder or is as a result of the permit holder's negligent supervision of the employees of the adult facility. This includes the allowance of activities that are or become a public nuisance which includes the disruptive conduct of business patrons whether on or immediately off the premises where such patrons disturb the peace, obstruct traffic, damage property, engage in criminal conduct, violate the law and otherwise impair the free enjoyment of life and property.
- D. In the event a permit is revoked (or suspended) pursuant to this Section, another adult business regulatory permit to operate an adult business shall not be granted to the permittee, or any other owner, manager, director, board member or immediate family member of any of the above within eighteen (18) months after the date of such revocation (or if suspended, during the period of suspension) or as otherwise ordered by the Hearing Officer.
- E. Notwithstanding any other provision of this Code, the decision of the Hearing Officer on any suspension or revocation is final.

6332.15. JUDICIAL REVIEW

- A. Decisions of the Business License Review Board may be appealed to the City Council pursuant to the procedures of Section 6116.07..
- B. The time for a court challenge to a decision of the City Council under Sections 6332.11 and/or 6332.13 is governed by California Code of Civil Procedure § 1094.8.
- C. Notice of the **Business License Review Board's** decision and its findings under Sections 6333.11 and/or 6332.13 shall include citation to California Code of Civil Procedure § 1094.8.
- D. Any applicant or license holder whose license has been denied, suspended, or revoked, pursuant to Sections 6332.11 and/or 6332.13 shall be afforded prompt judicial review of that decision as provided by California Code of Civil Procedure § 1094.8.

6332.17. DISPLAY OF ADULT BUSINESS REGULATORY PERMIT

Every adult business shall display at all times during business hours the permit issued pursuant to the provisions of this Division for such adult business in a conspicuous place so that the same may be readily seen by all persons entering the adult business.

6332.19. EMPLOYMENT OF AND SERVICES RENDERED TO PERSONS UNDER THE AGE OF EIGHTEEN (18) YEARS PROHIBITED, TWENTY-ONE (21) IF ALCOHOLIC BEVERAGES ARE SERVED

- A. Employees. Employees of an adult business must be at least eighteen (18) years of age. It shall be unlawful for any owner, operator, manager, partner, director, officer, employee, or other person in charge of any adult business to employ, contract with, or otherwise retain any services in connection with

the adult business with or from any person who is not at least eighteen (18) years of age. If alcoholic beverages are served at the adult business, employees of the adult business must be at least twenty-one (21) years of age. If alcoholic beverages are served at the adult business, it shall be unlawful for any owner, operator, manager, partner, director, officer, employee, or other person in charge of any adult business to employ, contract with, or otherwise retain any services in connection with the adult business with or from any person who is not twenty-one (21) years of age; and said persons shall exercise reasonable care in ascertaining the true age of persons seeking to contract with, be employed by, or otherwise service the adult business.

The provisions of this Subsection do not apply to service employees (e.g., janitors, repair and maintenance workers, or similar service workers) whose work is not conducted during the normal hours of operation as set forth in Section 6332.09.

- B. Patrons. Patrons of an adult business must be at least eighteen (18) years of age. It shall be unlawful for any owner, operator, manager, partner, director, officer, employee, or other person in charge of any adult business to permit to enter or remain within the adult business any person who is not at least eighteen (18) years of age. If alcoholic beverages are served at the adult business, patrons must be at least twenty-one (21) years of age. If alcoholic beverages are served at the adult business, it shall be unlawful for any owner, operator, manager, partner, director, officer, employee, or other person in charge of any adult business to permit to enter or remain within the adult business any person who is not at least twenty-one (21) years of age; and said persons shall exercise reasonable care in ascertaining the true age of persons entering the adult business.
- C. X-rated Movies. The selling, renting and/or displaying of movies, videotapes, digital video disks (DVDs), compact disks (CDs) and laser disks rated "X" or "NC-17" by the Motion Picture Association of America ("MPAA") shall be restricted to persons at least eighteen (18) years of age or older. If an establishment that is not otherwise prohibited from providing access to persons under eighteen (18) years of age sells, rents, or displays movies, videos, DVDs, CDs, or laser disks that have been rated "X" or rated "NC-17" by the MPAA, or which have not been submitted to the MPAA for a rating, and which consist of images that are distinguished or characterized by an emphasis on depicting or describing specified sexual activities or specified anatomical areas, said movies, videos, DVDs, CDs, and laser disks shall be located in a specific section of the establishment from which persons under the age of eighteen (18) shall be prohibited.

6332.21. INSPECTIONS

Each permit applicant, permit holder, owner, operator, partner, director, officer, shareholder with a ten percent (10%) or greater interest, agent, employee or other person in charge of an adult business shall permit representatives of the Police Department, Health Department, Fire Department, Development Services Department, other City departments, to inspect the adult business for the purpose of insuring compliance with the law and the development and operating standards applicable to adult businesses at any time it is occupied or opened for business. Such inspections shall be conducted in a reasonable manner.

6332.23. EMPLOYMENT OF PERFORMERS WITHOUT VALID LICENSE UNLAWFUL

It shall be unlawful for any owner, operator, manager, permit holder, partner, director, officer, shareholder with a ten percent (10%) or greater interest, agent, employee or other person in charge of an adult business which provides live entertainment displaying specified anatomical areas or specified sexual activities to allow any person to perform such entertainment who is not in possession of a valid, un-revoked, un-suspended adult business performer license.

6332.25. REGULATIONS NON-EXCLUSIVE

The provisions of this Chapter regulating adult businesses are not intended to be exclusive, and compliance therewith shall not excuse noncompliance with any other regulations pertaining to the operation of

businesses as adopted by the City Council of the City of Arcadia; provided, however, that the provisions contained in Article VI, Chapters 1 through 4, inclusive, of the Arcadia Municipal Code shall be deemed superseded by these regulations in the event a business activity therein also meets the definitions contained in this Chapter.

6332.27. VIOLATIONS

- A. Any owner, permit holder, operator, manager, employee or independent contractor of an adult business violating or permitting, counseling, or assisting the violation of any of these provisions regulating adult businesses shall be subject to any and all civil remedies, including without limitation permit revocation. All remedies provided herein shall be cumulative and not exclusive. Any violation of these provisions shall constitute a separate violation for each and every day during which such violation is committed or continued.
- B. The restrictions imposed pursuant to this Chapter are part of a regulatory licensing process, and do not constitute a criminal offense. Notwithstanding any other provision of the Arcadia Municipal Code, the City does not impose a criminal penalty for violations of the provisions of this Chapter related to sexual conduct or activities.

6332.29. PUBLIC NUISANCE

In addition to the penalties set forth in Section 6332.27 above, any adult business which is operating in violation of these provisions regulating adult businesses is declared to constitute a public nuisance and, as such, may be abated or enjoined from further operation.

6332.31. SEVERABILITY

If any section, subsection, paragraph, sentence, clause, or phrase of this Chapter and the Ordinance to which it is a part, or any part thereof is held for any reason to be unconstitutional, invalid, or ineffective by any court of competent jurisdiction, the remaining sections, subsections, paragraphs, sentences, clauses, and phrases shall not be affected thereby. The City Council hereby declares that it would have adopted this Chapter and the Ordinance to which it is a part regardless of the fact that one or more sections, subsections, paragraphs, sentences, clauses, or phrases may be determined to be unconstitutional, invalid, or ineffective.

CHAPTER 4. DEFINITIONS

6400. GENERAL INFORMATION ABOUT DEFINITIONS

This Chapter provides definitions of terms and phrases used in this Article as a means of providing consistency in its interpretation. Where any definition in this Chapter conflicts with definitions in other Articles of the Arcadia Municipal Code, these definitions shall prevail for the purposes of this Article. If a word is not defined in this Chapter or in other provisions of the Municipal Code, the most common dictionary definition is presumed to be correct.

6400.01. "A" DEFINITIONS

Acupressure. The stimulation or sedation of specific meridian points and trigger points near the surface of the body by the use of pressure applied in order to prevent or modify perception of pain or to normalize physiological functions, including pain control, in the treatment of certain diseases or dysfunctions of the body.

Acupuncture. The stimulation of a certain point or points on or near the surface of the body by the insertion of needles to prevent or modify the perception of pain or to normalize physiological functions, including

pain control, for the treatment of certain diseases or dysfunctions of the body and includes the techniques of electroacupuncture, cupping, and moxibustion.

Acupuncturist. An individual to whom a license has been issued to practice acupuncture pursuant to Chapter 12 of the Business and Professions Code, which is in effect and is not suspended or revoked.

Advertising Matter. Printed handbills, posters, booklets, cards in excess of two and one-half (2½) inches by four (4) inches, and any other printed advertising matter describing or calling attention to any product, business, enterprise, person, firm, or corporation for any purpose other than solely for religious or political purposes, but excluding a newspaper.

Advertising Vehicle. The business of operating upon the street any wheeled vehicle equipped with music or a musical device, loud speaker or other device for attracting attention, or of operating any wheeled vehicle for advertising purposes and to which wheeled vehicle there are attached signs, placards, billboards or other advertising matter.

Apartment Building. Any building or portion thereof which is designed, built, rented, leased, let, or hired out to be occupied or which is occupied as the home or residence of four or more families living independently of each other and doing their own cooking in said building, and includes flats and apartments.

Arcade (or Electronic Game Center). Shall have the same definition as defined in the Arcadia Development Code, Division 9 of Chapter 1 of Article IX of this Code.

Automobile for hire. Shall mean and include every motor vehicle, including limousines, not equipped with a taximeter which is used to provide prearranged transportation service for a fee. No automobile for hire shall be painted a distinctive color for the purpose of identification.

6400.02. "B" DEFINITIONS

6400.03. "C" DEFINITIONS

Canvassing. Shall include the act of any person, whether a resident of the city or not, traveling either by foot, wagon, automotive vehicle or any other type of conveyance, from place to place, from house to house or from street to street, advocating or proselytizing on behalf of a religious, charitable, social or political cause.

Carnival Ride. Rides that are typically found at a carnival, circus, or entertainment park, including, but not limited to, Ferris wheel, merry-go-round, and miniature railways.

Certified copy. A copy of a document that is certified by the issuer as being a true and accurate copy of the original document or a similar document bearing an original signature of the issuer.

Chief of Police. The Chief of Police of the City of Arcadia, or a designated representative.

City Clerk. The City Clerk of the City of Arcadia, or the authorized designee thereof.

City of Arcadia Massage Verification Card. The no fee business license issued by the City of Arcadia after receiving a certified copy of a Massage Certificate which verifies the massage therapist's ability to practice massage in the City of Arcadia.

Commercial Recreation. Shall have the same definition as defined in the Arcadia Development Code, Division 9 of Chapter 1 of Article IX of this Code, including, but not limited to, axe, ball, dart, knife, or ring throwing or other similar device throwing, billiards and pool halls, bowling alleys, country clubs, and skating rinks.

Commercial Building Rental. Any building or portions thereof which is designed, built, rented, leased, let, or hired out to be occupied or which is occupied as the business address of two (2) or more companies or businesses.

Contractor. Any person who engages with the owner or lessee or other person in possession of any lot or parcel of land or building, for the erection, construction, or repair of any building or structure; or for the construction or doing of any heating, air conditioning, automatic or other sprinkler system, paving, wrecking, excavating, drainage, irrigation, electric signs, sign devices, gas filled luminous tube signs or designs, brick laying, cement work, sewer work, painting, paperhanging, tile work, carpenter work, glazing, insulation, structural pest control, lathing, plastering, roofing, sheet metal, shingling, flooring, swimming pools, landscaping, fencing, or interior decorating; whether it be by contract at a fixed price, upon the cost of materials and labor basis, or upon the basis of the cost of construction or repair plus a percentage thereof. Each contractor is required to have a vehicle tag.

6400.04. "D" DEFINITIONS

Day Care. Shall have the same definition as defined in the Arcadia Development Code, Division 9 of Chapter 1 of Article IX of this Code.

Daytime Sports and Athletics Events. Shall have the same definition as defined in the Arcadia Development Code, Division 9 of Chapter 1 of Article IX of this Code, including but not limited to boxing match or contest, races and speed contests either by human beings, animals other than horses, or vehicles of any kind and wrestling match or contest.

Disseminate. To distribute, deposit, hand out, pass out, give out, deliver, or throw away, including causing or permitting any of the foregoing.

Distribute. The act of throwing, casting, or scattering, or causing the same to be done.

Driver. Shall mean and include any person in actual charge and control of any automobile for hire or taxicab.

6400.05. "E" DEFINITIONS

Employee. One who is on duty at least four (4) hours out of twenty-four (24) hours.

Engaged in Business. The conducting, managing, or carrying on of any business, profession, trade, occupation, or commercial enterprise for which a license or permit is required under the provisions of this Article, as owner, officer, agent, manager, employee, or lessee of any of them. "Engaged in Business" also means "doing business."

6400.06. "F" DEFINITIONS

Farmers' Market. Shall mean a location operated in accordance with the City's Development Code, Division 9 of Chapter 1 of Article IX of this Code; "An outdoor market certified for direct retail sales by farms to the public by the State or County Agricultural Commission under California Code of Regulations Title 3, Chapter 3, Article 6.5. Farmers' Markets can also include limited sales of crafts and goods."

For Pay. Shall mean for a fee, reward, donation, loan or receipt of anything of value.

Fortunetelling. Shall mean telling of fortunes, forecasting of futures, or furnishing of any information not otherwise obtainable by the ordinary process of knowledge, by means of any occult, psychic power, faculty, force, clairvoyance, clairaudience, cartomancy, psychology, psychometry, phrenology, spirits, tea leaves or other such reading, mediumship, seership, prophecy, augury, astrology, palmistry, necromancy, mind-reading, telepathy, or other craft art, science, cards, talisman, charm, potion, magnetism, magnetized article or substance, crystal gazing, or magic of any kind or nature.

6400.07. "G" DEFINITIONS

Game Machine. Machines or games for skill or amusement/music boxes and mechanical devices, including remote control machines operating from a central station means any person engaged in the business of maintaining any machines or games for skill or amusement that involve the deposit or payment of a slug or coin and any vending machines or games operated mechanically or otherwise in which slugs or coins are deposited and in addition to vending or discharging merchandise make any display other than the merchandise offered for sale or which emit anything whether of value or not in addition to merchandise or any person engaged in the business of maintaining any amusement machine, apparatus or device designed or constructed for the purpose of producing or reproducing or playing any musical tone or tones or combination of tones, or any similar instrument, recording device, music box, jukebox, motion picture or photograph machine.

6400.08. "H" DEFINITIONS

6400.09. "I" DEFINITIONS

Indoor Entertainment. Shall have the same definition as defined in the Arcadia Development Code, Division 9 of Chapter 1 of Article IX of this Code, including but not limited to dance halls, motion picture theaters, opera houses, and performing arts centers.

6400.10. "J" DEFINITIONS

6400.11. "K" DEFINITIONS

Kennel. Any place where four (4) or more dogs and cats, or four (4) or more of either, are maintained at any one location.

6400.12. "L" DEFINITIONS

6400.13. "M" DEFINITIONS

Massage (or Massage Therapy). Shall mean any method of pressure on, or friction against, or stroking, kneading, rubbing, tapping, pounding, vibrating, or stimulating the external parts of the human body with the hands or with the aid of any mechanical or electrical apparatus or appliance, with or without supplementary aids such as creams, ointments, or other similar preparations commonly used in the practice of massage, under such circumstances that it is reasonably expected that the person to whom the treatment is provided or some third person on their behalf will pay money or give any other consideration or any gratuity therefor.

Massage Business License. The City of Arcadia business license required to be applied for and obtained by anyone wishing to own or operate a massage therapy business.

Massage Certificate. Shall mean a certificate issued pursuant to Sections 4600 et seq. of the Business and Professions Code.

Massage Patron. Any person who receives a massage in exchange for any form of consideration including, but not limited to, the payment of money.

Massage therapist. Any person who, for any consideration whatsoever, performs or offers to perform a massage in a massage therapy business.

Massage therapy business. Shall mean both massage establishments or businesses that are sole proprietorships, where the sole proprietor has a Massage Certificate and massage establishments or businesses that employ or use only persons that have a Massage Certificate to provide massage services.

Massage Therapist Identification Card. Shall mean a certain card issued by the City of Arcadia, pursuant to Municipal Code provisions no longer in effect, which allows the holder of the card to practice massage in the City.

Minor. Any individual under the age of eighteen (18) years.

6400.14. "N" DEFINITIONS

Newspaper. A publication which has been and at the time of its dissemination or distribution is a second-class matter under applicable United States Postal regulations, is a newspaper of general circulation under the laws of the State, and at the time of its dissemination or distribution maintains a bona fide list of paying subscribers at regular published rates.

Nudity (or Semi-nudity). Shall mean any of the following:

1. The appearance or display of an anus, male or female genital, pubic region or a female breast; or
2. A state of undress which less than completely covers an anus, male or female genital, pubic region or a female breast.

6400.15. "O" DEFINITIONS

6400.16. "P" DEFINITIONS

Park. Shall mean a public park owned by the City.

Parking Lot Sales. Sales that take place within an automobile parking lot.

Peddlers and Solicitors. Every person who travels from place to place or house to house and makes demonstrations of; solicits, takes orders, or canvasses for the sale of; or who sells any goods, wares, merchandise, or things or articles of value of any nature, kind, or description.

Peddling. Shall include the acts of any person, whether a resident of the city or not, traveling by foot, wagon, automotive vehicle or any other type of conveyance, from place to place, from house to house or from street to street, carrying, conveying or transporting goods, wares, merchandise, meats, fish, vegetables, fruits, garden truck, farm products or provisions offering and exposing the same for present sale, or making sales and delivering articles to purchasers or offering services to be performed immediately.

Person. Shall mean any individual, group, firm, partnership, corporation, company, business trust, Massachusetts Trust, syndicate, association, church, sect, denomination, society, league, or organization of any kind, and every city, county, quasi-public unit, body, agency, or entity.

Poultry and Animal Business. The business of owning or maintaining twenty-five (25) or more birds, fowl, poultry, rabbits, or animals (other than horses); and offering to sell, trade, or exchange for anything of value or offering by any sign or other means of advertising to sell, trade, or exchange for anything of value, any birds, fowl, poultry, rabbits, or animals (other than horses) or the offspring, products, or by-products thereof. Every person who owns or maintains twenty-five (25) or more birds, fowl, poultry, rabbits, or animals (other than horses) and who sells, offers to sell, trades, or exchanges for anything of value, or who by any sign or other means of advertising offers to sell, trade, or exchange for anything of value, any birds, fowl, poultry, rabbits, or animals

(other than horses) or the offspring, products or by-products thereof, shall conclusively be presumed to be conducting, managing, and carrying on a business subject to the provisions of this Article.

Premises. Includes a house, dwelling, building, structure, enclosure, business establishment, lot, yard, location, place, alley, parkway, sidewalk, street, public way, or vehicle.

Printed. Includes mimeographed, lithographed, handwritten, stereotyped, typewritten, or painted.

Private Patrol. The operation, maintenance, or conduct of the business or occupation of night watchman, night watch service, or agency; private policeman, police patrol service, or any other occupation the purpose of which is to afford, for hire or reward, additional police, guard, or fire protection in addition to that furnished by the City.

Private School. Shall have the same definition as defined in the Arcadia Development Code, Division 9 of Chapter 1 of Article IX of this Code.

Public Dance Hall. A dance hall, dance floor, or ballroom open to the public.

6400.17. "Q" DEFINITIONS

6400.18. "R" DEFINITIONS

Rate Type. The business license tax schedule in Chapter 1, Part 2 of this Article to which a business or occupation is subject.

Refusal register. Shall mean the most recent edition of the unsolicited written material refusal register maintained by the City Clerk.

Residential Care Facility. Shall have the same definition as defined in the Arcadia Development Code, Division 9 of Chapter 1 of Article IX of this Code.

Roaming sidewalk vendor. Shall mean a sidewalk vendor who moves from place to place and stops only to complete a transaction.

6400.19. "S" DEFINITIONS

Sidewalk vendor. Shall mean a person who sells food or merchandise from a pushcart, stand, display, pedal-driven cart, wagon, showcase, rack, or other non-motorized conveyance, or from one's person, upon a public sidewalk or other pedestrian path.

Soliciting. Shall include the act of any person, whether a resident of the city or not, traveling either by foot, wagon, automotive vehicle or any other type of conveyance, from place to place, from house to house or from street to street, requesting money or personal property, or taking or attempting to take orders for sale of goods, wares and merchandise, personal property of any nature whatsoever for future delivery or for services to be performed in the future, whether or not such person has, carries or exposes for sale a sample of the subject of such sale, or whether such person is collecting advance payment on such sale or not.

Special Outdoor Events. Shall have the same definition as "Special Events," defined in the Arcadia Development Code, Division 9 of Chapter 1 of Article IX of this Code, including but not limited to carnivals, circus, exhibition, fair, and side show.

Specified anatomical area. Shall mean human genitals, pubic region or a female breast.

Supportive Housing. Shall have the same definition as defined in the Arcadia Development Code, Division 9 of Chapter 1 of Article IX of this Code.

Swap Meet. Any location operated in accordance with Article 6 (commencing with Section 21660) of Chapter 9 of Division 8 of the Business and Professions Code, and any regulations adopted pursuant to that article.

6400.20. "T" DEFINITIONS

Taxicab. Shall mean and include an automobile having a distinctive insignia and color scheme, used for the transportation of not more than five passengers for hire, excluding the driver, at rates based on the distance, direction, number of trips, waiting time or any combination thereof.

Transitional Housing. Shall have the same definition as defined in the Arcadia Development Code, Arcadia Development Code, Division 9 of Chapter 1 of Article IX of this Code.

6400.21. "U" DEFINITIONS

Unsolicited written material. Shall mean written material that is distributed to a business or residence in the absence of a subscription agreement.

6400.22. "V" DEFINITIONS

6400.23. "W" DEFINITIONS

Wheeled Vehicle. An automobile, truck, tank truck, trailer, wagon, cart, or any and all contrivances used or capable of being used as a means of transportation of persons or property, that move or roll on one or more wheels.

Written material. Shall mean any handbill, pamphlet, circular, newspaper, paper, booklet, poster, leaflet or other printed matter.

6400.24. "X" DEFINITIONS

6400.25. "Y" DEFINITIONS

6400.26. "Z" DEFINITIONS

Attachment No. 2

February 17, 2026 and January 20, 2026
City Council Staff Reports without
Attachments



DEVELOPMENT SERVICES DEPARTMENT

DATE: February 17, 2026

TO: Honorable Mayor and City Council

FROM: Lisa L. Flores, Interim Development Services Director
Simon Vuong, Economic Development Manager

SUBJECT: ORDINANCE NO. 2411 AMENDING ARTICLE VI OF THE ARCADIA MUNICIPAL CODE REGARDING THE BUSINESSES, PROFESSIONS, TRADES, AND OCCUPATIONS (BUSINESS LICENSE) CODE (CONTINUED FROM JANUARY 20, 2026)
CEQA: Exempt
Recommendation: Introduce

SUMMARY

The Development Services Department is proposing to amend Article VI of the Arcadia Municipal Code related to the City's Businesses, Professions, Trades, and Occupations (referred to as the "Business License Code"). The Business License Code has been updated in a piecemeal fashion throughout the years, and this is the first comprehensive update in decades. The proposed amendments aim to modernize the Code, improve clarity and consistency, and ensure it aligns with current business practices and regulatory requirements.

The City Council conducted a public hearing on January 20, 2026. The recommendation was to introduce Ordinance No. 2411, approve amendments to the Business License Code, and determine that the proposed amendments are Categorically Exempt under the California Environmental Quality Act (CEQA). Refer to Attachment No. 3 for January 20, 2026, City Council staff report, excluding attachments. The Business License Review Board voted 4-0 at its December 9, 2025 meeting to recommend approval of the changes to the City Council – refer to Attachment No. 4 for the staff report and approved minutes.

Following City Council discussion, Councilmember Fu recommended that the appeal process remain unchanged, rather than revised to allow appeals from the Hearing Officer to the City Manager or designee. The City Council expressed consensus that appeals should continue to be heard by the Business License Review Board and the City Council, in order to provide Appellants the opportunity to present their case before a five-member City Council rather than a single decision-maker. The City Council voted 5-0 to direct the preparation of a revised ordinance reflecting this change. These redline revisions are reflected in Attachment No. 2.

It is recommended that the City Council introduce Ordinance No. 2411 (refer to Attachment No. 1) approving amendments to the Business License Code and determine that the proposed amendments are Categorical Exempt under the California Environmental Quality Act ("CEQA").

ENVIRONMENTAL ANALYSIS

The California Environmental Quality Act ("CEQA") requires that certain projects be reviewed for environmental impacts and that environmental documents be prepared. The proposed update to the businesses, professions, trades and occupations are exempt from the requirements of CEQA pursuant to CEQA Guidelines Section 15061(b)(3) because it can be seen with certainty that the proposed municipal code amendments would not have a significant effect on the environment and, thus, are not subject to CEQA review (refer to Attachment No. 5).

PUBLIC COMMENTS/NOTICE

On February 5, 2026, a second public hearing notice for this item was published in the Arcadia Weekly and posted at the City Clerk's Office, City Council Chambers, the Arcadia Public Library, and on the City's website on February 5, 2026.

Additionally, the Arcadia Chamber of Commerce and the Downtown Arcadia Improvement Association were notified of the proposed changes. No comments were received prior to the first public hearing.

FISCAL IMPACT

There is no fiscal impact associated with adoption of this amendment to the Business License Code. Implementation of the amendment can be accommodated within existing budgets and resources and will not result in additional costs or changes to City revenue.

RECOMMENDATION

It is recommended that the City Council determine that the proposed action is exempt under the California Environmental Quality Act ("CEQA"); and introduce Ordinance No. 2411 amending Article VI of the Arcadia Municipal Code regarding the Businesses, Professions, Trades, and Occupations (Business License) Code (Continued from the January 20, 2026).

Approved:

- Attachment No. 1: Ordinance No. 2411 with Final Draft of the Business Code
- Attachment No. 2: Redline Version Reflecting City Council changes
- Attachment No. 3: January 20, 2026, City Council Staff Report without attachments
- Attachment No. 4: Business License Review Board Staff Report and Minutes
- Attachment No. 5: Preliminary Exemption Assessment



DEVELOPMENT SERVICES DEPARTMENT

DATE: January 20, 2026

TO: Honorable Mayor and City Council

FROM: Lisa Flores, Interim Development Services Director
Simon Vuong, Economic Development Manager

SUBJECT: ORDINANCE NO. 2411 AMENDING ARTICLE VI OF THE ARCADIA MUNICIPAL CODE REGARDING THE BUSINESSES, PROFESSIONS, TRADES, AND OCCUPATIONS (BUSINESS LICENSE) CODE
CEQA: Exempt
Recommendation: Introduce

SUMMARY

The Development Services Department is proposing to amend Article VI of the Arcadia Municipal Code related to the City's Businesses, Professions, Trades, and Occupations (referred to as the "Business License Code"). The Business License Code has been updated in a piecemeal fashion throughout the years and this is the first comprehensive update in decades. The proposed amendments aim to modernize the Code, improve clarity and consistency, and ensure it aligns with current business practices and regulatory requirements.

It is recommended that the City Council introduce Ordinance No. 2411 (refer to Attachment No. 1) approving amendments to the Business License Code and determine that the proposed amendments are Categorical Exempt under the California Environmental Quality Act ("CEQA").

BACKGROUND

The Business License Code has remained largely unchanged for many years, with modifications made as necessary. Despite limited updates, business owners and applicants have continued to receive consistent service without interruptions in the licensing process. Over time, new sections and definitions have been added to reflect shifts in industry practices, societal and cultural trends, and emerging local issues. As

businesses have evolved and increasingly do not fit within one classification, the City is now proposing a broader, more flexible approach to encompass a wider range of business types under this update.

A full rewrite of the Business License Code has never occurred, largely because it is a time-intensive undertaking and the Code has not been a hindrance to licensing practices. However, allowing a patchwork of outdated rules to persist is no longer functional or good practice. A comprehensive Code update is needed to create a consistent framework for all businesses operating within the City and will eliminate many obsolete or overly-specific provisions that no longer serve a purpose.

The Business License Review Board (a sub-function of the Planning Commission) reviewed the proposed Code amendment at its December 9, 2025, meeting, and recommended that the City Council approve the Ordinance to amend Article VI: Businesses, Professions, Trades, and Occupations of the Arcadia Municipal Code, with a 4-0 vote. Further details of the Board's discussion and recommendation can be found later in this report.

PROPOSAL

The proposed amendments to Business License Code will include modernizations to remove redundancies and outdated language, update business categories, and streamline structure and formatting to align with the City's Development Code. This effort simplifies licensing, reflects current economic realities, and ensures the Code keeps pace with the City's evolving business environment. The goal is to make the business licensing process clear and to ensure effective compliance when enforcing its requirements.

The proposed update represents a near-complete reorganization, with significant restructuring and removal of obsolete sections. The final draft can be found in Attachment No. 1, with the original Code text in Attachment No. 2. The proposed amendments are so extensive that a redline comparison of the changes would be neither helpful nor clear.

The Business License Division of the Development Services Department has been continually working on this update since 2022, coordinating with consultant Avenu Insights & Analytics, as well as the City Attorney's Office, for their guidance and feedback on the proposed changes.

DISCUSSION

The update to the Business License Code was driven by the City's commitment to maintain a streamlined, business-friendly process. While the current code has presented few challenges for businesses, modernization efforts will align it more closely with the City's broader economic development goals. This update removes outdated language and processes, clarifies licensing requirements, and eliminates unnecessary barriers, thereby creating a clearer, more efficient framework that supports both business growth and the City's responsibility to protect public health, safety, and welfare.

The Business License Code requires full reorganization, clearer terminology, and improvements to the overall process. Staff have identified several issues that necessitate these amendments to ensure the code remains clear, efficient, and aligns with current best practices. The update will remove archaic procedures and simplify implementation.

Summary of Proposed Changes:

- Comprehensive reformatting and reorganization.
- Consolidates business types into a table and simplifies related code provisions.
- Updates section numbering and sequencing for easier reference.
- Clarifies taxes and fees for specific license types.
- Distinguishes between business licenses and business permits while reducing the number of permit categories.
- Adds explanatory language throughout for greater clarity.
- Moves the definitions section toward the end for consistency.

Additional language was included to clarify the distinction between a business permit and a business license in that a permit authorizes certain activities and a license grants permission for regulated ones. The number of permit categories was consolidated to simplify staff review. Overall, these revisions are administrative and organizational in nature, designed to reduce ambiguity, improve readability, and maintain the original intent of the Code.

Sections Deleted or Moved:

- Amusement and Game Machines (*Was moved to the City's Development Code*)
- Firework Stands and Displays
- Keeping of Poultry and Animals
- Closing Out Sales
- Taxicabs
- Well Drilling
- Billboards
- Yard Sales (*Was moved to the City's Development Code in 2016*)
- Slaughterhouse
- Tip Sheet

Some of the sections above were deleted because they are outdated, have never been used, are prohibited in the City, or are no longer applicable (e.g., Tip Sheets, Slaughterhouse, Keeping of Poultry and Animals, Closing Out Sales, Well Drilling). Other sections, such as those related to Taxicabs, were removed because they are regulated by another entity, the California Public Utilities Commission. Additional topics, including Amusement and Game Machines, Billboards, and Yard Sales were relocated in 2016 and are now addressed in the Development Code.

Revised Appeal Process

Previously, a decision by the Business License Officer could be appealed to the Business License Review Board, and that decision could, in turn, be appealed to the City Council. To simplify and modernize the process, the appeal procedure has been revised so that appeals are now heard directly by a Hearing Officer, who is the City Manager or their designee. The Hearing Officer's decision is final and not subject to further appeal.

A two-tiered appeal process is uncommon. Most cities provide a single standard appeal, typically to the Hearing Officer, who is either the City Manager or their designee. Arcadia's current process, which allows appeals to both the Business License Review Board (Planning Commission) and the City Council, is not typical. The proposed code update would eliminate the need for the Business License Review Board in this context, reducing the number of hearings required for relatively minor business license matters and aligning the City with standard practice. Over the past several years, only two business license appeals have been brought forward to the

City Council, demonstrating the infrequent use of the existing two-tiered appeal process.

Overall, these changes are primarily administrative and are not expected to have a significant impact on existing or prospective businesses. Most updates concern internal processes and should not materially affect the public's experience in obtaining a business license.

Business License Review Board Meeting

At the December 9, 2025, Business License Review Board meeting, the Board reviewed proposed amendments to the Business License Code, including changes to the appeal process (refer to Attachment No. 3). Board members discussed the transition from a two-tier appeal process before the Business License Review Board and City Council, to a single appeal heard by the City Manager or their designee. It was explained that appeals most often arise from business license revocations following repeated compliance efforts and that the current process can result in redundant appeals without new information. The proposed change reflects common municipal practice and establishes a single, final administrative appeal. Board members ultimately agreed with this approach and noted that business owners would retain the ability to address City Council through public comment. In response to questions regarding the selection of a designee, it was noted that no specific standards are prescribed in the code.

No public comments were received at the time of the meeting. The Board expressed appreciation for the efforts to update the Business License Code and voted 4-0 (Board Member Hui was absent) to recommend that the City Council approve the proposed amendments to Article VI (Business License) of the Municipal Code.

ENVIRONMENTAL ANALYSIS

The California Environmental Quality Act ("CEQA") requires that certain projects be reviewed for environmental impacts and that environmental documents be prepared. The proposed update to the businesses, professions, trades and occupations are exempt from the requirements of CEQA pursuant to CEQA Guidelines Section 15061(b)(3) because it can be seen with certainty that the proposed municipal code amendments would not have a significant effect on the environment and, thus, are not subject to CEQA review (refer to Attachment No. 4).

PUBLIC COMMENTS/NOTICE

A public hearing notice for this item was published in the Arcadia Weekly on December 18, 2025, and posted at the City Clerk’s Office, City Council Chambers, the Arcadia Public Library, and on the City’s website on December 18, 2025. Additionally, the Arcadia Chamber of Commerce and the Downtown Arcadia Improvement Association were specifically notified of the proposed changes, given their role in the local business community. As of January 7, 2026, no comments were received.

FISCAL IMPACT

There is no fiscal impact associated with adoption of this amendment to the Business License Code. Implementation of the amendment can be accommodated within existing budgets and resources, and will not result in additional costs or changes to City revenue.

RECOMMENDATION

It is recommended that the City Council determine that the proposed action is exempt under the California Environmental Quality Act (“CEQA”); and introduce Ordinance No. 2411 amending Article VI of the Arcadia Municipal Code regarding the Businesses, Professions, Trades, and Occupations (Business License) Code.

Approved:



Dominic Lazzaretto
City Manager

Attachment No. 1: Ordinance No. 2411 with Final Draft of the Business Code

Attachment No. 2: Article VI of the Arcadia Municipal Code (Existing regulations)

Attachment No. 3: Business License Review Board Minutes and Staff Report, dated
December 9, 2025

Attachment No. 4: Preliminary Exemption Assessment



PUBLIC WORKS SERVICES DEPARTMENT

DATE: March 3, 2026

TO: Honorable Mayor and City Council

FROM: Paul Cranmer, Public Works Services Director
By: Carlos Aguilar, General Services Superintendent

SUBJECT: RESOLUTION NO. 7673 AMENDING THE FISCAL YEAR 2025-26 CAPITAL IMPROVEMENT PROGRAM BUDGET, AUTHORIZING A SUPPLEMENTAL BUDGET APPROPRIATION FOR THE PEACOCK FOUNTAIN RESURFACING PROJECT IN THE AMOUNT OF \$63,414.22, OFFSET BY A REDUCTION IN THE CAPITAL OUTLAY FUND; AND APPROVE A CONTRACT WITH HORIZONS CONSTRUCTION CO. INT'L INC. FOR THE PEACOCK FOUNTAIN RESURFACING PROJECT IN THE AMOUNT OF \$57,649.29

CEQA: Exempt

Recommendation: Adopt and Approve

SUMMARY

The Public Works Services Department ("PWSD") is responsible for the maintenance and repair of the Peacock Fountain located in the northeast corner of Arcadia County Park. Over time, vandalism, age, and general wear have caused significant deterioration to the fountain's concrete basin, including cracks, broken nozzles, and chipped coatings. These conditions have led to water leaks that have damaged the exterior mosaic tiles and compromised the fountain's structural integrity. To prevent further damage and extend the life of the Peacock Fountain, resurfacing the basin is necessary. After exploring possible purchasing options, it was determined that using Sourcewell, a national cooperative purchasing program, enables the City to streamline the process of resurfacing the Peacock Fountain while receiving the best price possible.

It is recommended that the City Council adopt Resolution No. 7673 amending the Fiscal Year 2025-26 Capital Improvement Program Budget, authorizing a supplemental budget appropriation for the Peacock Fountain Resurfacing Project in

the amount of \$63,414.22, offset by a reduction in the Capital Outlay Fund; and approve a contract with Horizons Construction Co. Int'l Inc. for the Peacock Fountain Resurfacing Project, with a 10% contingency.

BACKGROUND

The PWSD is responsible for the maintenance and repair of the Peacock Fountain, located in the northeast corner of Arcadia County Park. The fountain features a large bronze peacock positioned in the center of a concrete basin that is adorned with mosaic glass tiles. The mosaic tiles depict flowers, petals, and leaves on a blue background. The interior of the concrete basin is currently in poor condition, with numerous cracks, broken nozzles, and chipped coatings. These issues are the result of vandalism, age, and general deterioration. As a result, water seeps into the hollow interior space that houses the fountain's plumbing, placing additional stress on the structure's integrity. This has also led to cracks in the exterior of the basin and damage to the glass tile mosaic. To preserve the structural integrity of the Peacock Fountain and protect the exterior glass tiles from further deterioration, a comprehensive resurfacing of the interior basin is required. The Peacock Fountain Resurfacing Project will restore the basin's waterproofing, stabilize its structural components, and prevent further damage to the fountain's exterior mosaic tiles.

DISCUSSION

The project scope includes removal of the existing deteriorated waterproofing from the interior of the basin, repairing damaged concrete, and sealing cracks. The basin will be resurfaced, water features reattached, and two coats of waterproofing applied. In addition, a protective topcoat will be applied to enhance durability. Fifteen fountain nozzles will also be removed and replaced to improve functionality and quality of the water features. This project will ensure longevity of the Peacock Fountain while preserving its exterior appearance. The project is expected to be completed within five weeks.

Utilizing Sourcewell, a national cooperative purchasing program, enables the City to streamline the procurement process for these services at a lower cost than the traditional competitive bidding process. The California Government Code authorizes public agencies to participate in cooperative purchasing agreements, such as those established by Sourcewell, while remaining within the City's adopted rules and

procedures for purchasing. Sourcewell awarded a contract to Horizons Construction Co. Int'l Inc. for a series of general building services, including those needed for the Peacock Fountain Resurfacing Project. A copy of the agreement between Sourcewell and Horizons Construction Co. Int'l Inc. is attached. The bidding process and the contract have been reviewed by the PWSD and meet the City's procurement requirements. The City has previously contracted with Horizons Construction Co. Int'l Inc. and has been satisfied with their services.

ENVIRONMENTAL ANALYSIS

The Project is considered a Class 1 Exemption as defined in Section 15301(a) "Existing Facilities" projects of the California Environmental Quality Act ("CEQA"), which exempts projects consisting of the minor alteration of existing public structures.

FISCAL IMPACT

The total cost for the Peacock Fountain Resurfacing Project is \$57,649.29. In addition, a standard 10% contingency or \$5,764.93 is recommended to cover potential unforeseen costs or circumstances. This project was not budgeted as part of the Fiscal Year 2025-26 Capital Improvement Program Budget; therefore, a budget appropriation from the Capital Outlay Fund in the amount of \$63,414.22 is being requested.

RECOMMENDATION

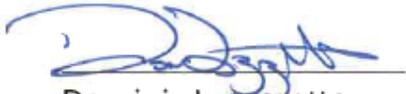
It is recommended that the City Council determine that this project is exempt under the California Environmental Quality Act ("CEQA"); and adopt Resolution No. 7673 amending the Fiscal Year 2025-26 Capital Improvement Program Budget, authorizing a supplemental budget appropriation for the Peacock Fountain Resurfacing Project in the amount of \$63,414.22, offset by a reduction in the Capital Outlay Fund; and approve a contract with Horizons Construction Co. Int'l Inc. for the Peacock Fountain Resurfacing Project in the amount of \$57,649.29, with a 10% contingency.

Resolution No. 7673 Award Peacock Fountain Resurfacing Project

March 3, 2026

Page 4 of 4

Approved:



Dominic Lazzaretto
City Manager

Attachment No. 1: Resolution No. 7673

Attachment No. 2: Proposed Short Form Contract

Attachment No. 3: Sourcewell Contract

RESOLUTION NO. 7673

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ARCADIA, CALIFORNIA AMENDING THE FISCAL YEAR 2025-26 CAPITAL IMPROVEMENT PROGRAM BUDGET, AUTHORIZING A SUPPLEMENTAL BUDGET APPROPRIATION FOR THE PEACOCK FOUNTAIN RESURFACING PROJECT IN THE AMOUNT OF \$63,414.22, OFFSET BY A REDUCTION IN THE CAPITAL OUTLAY FUND

WHEREAS, the Peacock Fountain located in the northeast corner of Arcadia County Park is currently in poor condition; and

WHEREAS, vandalism, age, and general deterioration of the fountain's concrete basin have led to cracks, broken nozzles, and chipped coatings; and

WHEREAS, these issues have resulted in water leaks which have damaged the fountains exterior glass tile mosaic and have affected the structures' integrity; and

WHEREAS, a comprehensive resurfacing project is needed to prevent further damage and extend the life of the Peacock Fountain; and

WHEREAS, the total cost of the Peacock Fountain Resurfacing Project is \$57,649.29, plus a 10% contingency in the amount of \$5,764.93, would total \$63,414.22; and

WHEREAS, the need for this Project was not anticipated and therefore, no funds were included in the Fiscal Year 2025-26 Capital Improvement Program Budget for this Project; and

WHEREAS, an amendment to the Fiscal Year 2025-26 Capital Improvement

Program Budget authorizing a supplemental budget appropriation in the amount of \$63,414.22 is needed for the Peacock Fountain Resurfacing Project; and

WHEREAS, the supplemental budget appropriation will be offset by a reduction in the Capital Outlay Fund; and

WHEREAS, the City Manager has certified that there are sufficient reserves available in the Capital Outlay Fund.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF ARCADIA, CALIFORNIA, DOES FIND, DETERMINE AND RESOLVE AS FOLLOWS:

SECTION 1. The sum of Sixty-Three Thousand, Four Hundred Fourteen Dollars and Twenty-Two Cents (\$63,414.22) is hereby appropriated in the Capital Improvement Program Budget for the forgoing purposes, offset with an equal reduction in the Capital Outlay Fund.

SECTION 2. The City Clerk shall certify to the adoption of this Resolution.

[SIGNATURES ON THE NEXT PAGE]

Passed, approved and adopted this 3rd day of March, 2026.

Mayor of the City of Arcadia

ATTEST:

City Clerk

APPROVED AS TO FORM:



Michael J. Maurer
City Attorney

**CITY OF ARCADIA
CONSTRUCTION CONTRACT
PEACOCK FOUNTAIN RESURFACING PROJECT**

1. PARTIES AND DATE.

This Contract is made and entered into this _____ day of _____, 2026 by and between the City of Arcadia, a public agency of the State of California (“City”) and **Horizons Construction Company Int’l, Inc.**, a California Corporation, with its principal place of business at **432 W. Meats Avenue, Orange, CA 92865** (“Contractor”). City and Contractor are sometimes individually referred to as “Party” and collectively as “Parties” in this Contract.

2. RECITALS.

2.1 City. City is a public agency organized under the laws of the State of California, with power to contract for services necessary to achieve its purpose.

2.2 Contractor. Contractor desires to perform and assume responsibility for the provision of certain construction services required by the City on the terms and conditions set forth in this Contract. Contractor represents that it is duly licensed and experienced in providing **construction** related construction services to public clients, that it and its employees or subcontractors have all necessary licenses and permits to perform the services in the State of California, and that it is familiar with the plans of City. The following license classifications are required for this Project: **Class B**.

2.3 Project. City desires to engage Contractor to render such services for the **Peacock Fountain Resurfacing Project** (“Project”) as set forth in this Contract.

2.4 Project Documents & Certifications. Contractor has obtained, and delivers concurrently herewith, a performance bond, a payment bond, and all insurance documentation, as required by the Contract.

3. TERMS

3.1 Incorporation of Documents. This Contract includes and hereby incorporates in full by reference the following documents, including all exhibits, drawings, specifications and documents therein, and attachments and addenda thereto:

- Services/Schedule (Exhibit “A”)
- Plans and Specifications (Exhibit “B”)
- Special Conditions (Exhibit “C”)
- Contractor’s Certificate Regarding Workers’ Compensation (Exhibit “D”)
- Public Works Contractor Registration Certification (Exhibit “E”)
- Payment and Performance Bonds (Exhibit “F”)
- Federal Requirements (Exhibit “G”)
- Addenda
- Change Orders executed by the City

- **Current** Edition of the Standard Specifications for Public Works Construction (The Greenbook), Excluding Sections 1-9
- Notice Inviting Bids, if any
- Instructions to Bidders, if any
- Contractor's Bid

3.2 Contractor's Basic Obligation; Scope of Work. Contractor promises and agrees, at its own cost and expense, to furnish to the City all labor, materials, tools, equipment, services, and incidental and customary work necessary to fully and adequately complete the Project, including all structures and facilities necessary for the Project or described in the Contract (hereinafter sometimes referred to as the "Work"), for a Total Contract Price as specified pursuant to this Contract. All Work shall be subject to, and performed in accordance with the above referenced documents, as well as the exhibits attached hereto and incorporated herein by reference. The plans and specifications for the Work are further described in Exhibit "B" attached hereto and incorporated herein by this reference. Special Conditions, if any, relating to the Work are described in Exhibit "C" attached hereto and incorporated herein by this reference.

3.2.1 Change in Scope of Work. Any change in the scope of the Work, method of performance, nature of materials or price thereof, or any other matter materially affecting the performance or nature of the Work shall not be paid for or accepted unless such change, addition or deletion is approved in writing by a valid change order executed by the City. Should Contractor request a change order due to unforeseen circumstances affecting the performance of the Work, such request shall be made within five (5) business days of the date such circumstances are discovered or shall waive its right to request a change order due to such circumstances. If the Parties cannot agree on any change in price required by such change in the Work, the City may direct the Contractor to proceed with the performance of the change on a time and materials basis.

3.2.2 Substitutions/"Or Equal". Pursuant to Public Contract Code Section 3400(b), the City may make a finding that designates certain products, things, or services by specific brand or trade name. Unless specifically designated in this Contract, whenever any material, process, or article is indicated or specified by grade, patent, or proprietary name or by name of manufacturer, such Specifications shall be deemed to be used for the purpose of facilitating the description of the material, process or article desired and shall be deemed to be followed by the words "or equal."

Contractor may, unless otherwise stated, offer for substitution any material, process or article which shall be substantially equal or better in every respect to that so indicated or specified in this Contract. However, the City may have adopted certain uniform standards for certain materials, processes and articles. Contractor shall submit requests, together with substantiating data, for substitution of any "or equal" material, process or article no later than thirty-five (35) days after award of the Contract. To facilitate the construction schedule and sequencing, some requests may need to be submitted before thirty-five (35) days after award of Contract. Provisions regarding submission of "or equal" requests shall not in any way authorize an extension of time for performance of this Contract. If a proposed "or equal" substitution request is rejected, Contractor shall be responsible for providing the specified material, process or article. The burden of proof as to the equality of any material, process or article shall rest with Contractor.

The City has the complete and sole discretion to determine if a material, process or article is an “or equal” material, process or article that may be substituted. Data required to substantiate requests for substitutions of an “or equal” material, process or article data shall include a signed affidavit from Contractor stating that, and describing how, the substituted “or equal” material, process or article is equivalent to that specified in every way except as listed on the affidavit. Substantiating data shall include any and all illustrations, specifications, and other relevant data including catalog information which describes the requested substituted “or equal” material, process or article, and substantiates that it is an “or equal” to the material, process or article. The substantiating data must also include information regarding the durability and lifecycle cost of the requested substituted “or equal” material, process or article. Failure to submit all the required substantiating data, including the signed affidavit, to the City in a timely fashion will result in the rejection of the proposed substitution.

Contractor shall bear all of the City’s costs associated with the review of substitution requests. Contractor shall be responsible for all costs related to a substituted “or equal” material, process or article. Contractor is directed to the Special Conditions (if any) to review any findings made pursuant to Public Contract Code section 3400.

3.3 Period of Performance and Liquidated Damages. Contractor shall perform and complete all Work under this Contract within **Forty (40) CALENDAR days**, beginning the effective date of the Notice to Proceed (“Contract Time”). Contractor shall perform its Work in strict accordance with any completion schedule, construction schedule or project milestones developed by the City. Such schedules or milestones may be included as part of Exhibits “A” or “B” attached hereto, or may be provided separately in writing to Contractor. Contractor agrees that if such Work is not completed within the aforementioned Contract Time and/or pursuant to any such completion schedule, construction schedule or project milestones developed pursuant to provisions of the Contract, it is understood, acknowledged and agreed that the City will suffer damage. Pursuant to Government Code Section 53069.85, Contractor shall pay to the City as fixed and liquidated damages the sum of **Two Hundred Eighty Dollars and No Cents (\$280.00) per day for each and every calendar day** of delay beyond the Contract Time or beyond any completion schedule, construction schedule or Project milestones established pursuant to the Contract.

3.4 Standard of Performance; Performance of Employees. Contractor shall perform all Work under this Contract 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. Contractor represents and maintains that it is skilled in the professional calling necessary to perform the Work. Contractor warrants that all employees and subcontractors shall have sufficient skill and experience to perform the Work 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 Work, including any required business license, and that such licenses and approvals shall be maintained throughout the term of this Contract. As provided for in the indemnification provisions of this Contract, Contractor shall perform, at its own cost and expense and without reimbursement from the City, any work necessary to correct errors or omissions which are caused by Contractor’s failure to comply with the standard of care provided for herein. Any employee who is determined by the City to be uncooperative, incompetent, a threat to the safety of persons or the Work, or any employee who fails or refuses to perform the Work in a manner acceptable to the City, shall be promptly removed from the Project by Contractor and shall not be re-employed on the Work.

3.5 Control and Payment of Subordinates; Contractual Relationship. City retains Contractor on an independent contractor basis and Contractor is not an employee of City. Any additional personnel performing the work governed by this Contract on behalf of Contractor shall at all times be under Contractor's exclusive direction and control. Contractor shall pay all wages, salaries, and other amounts due such personnel in connection with their performance under this Contract and as required by law. Contractor shall be responsible for all reports and obligations respecting such additional personnel, including, but not limited to: social security taxes, income tax withholding, unemployment insurance, and workers' compensation insurance.

3.6 City's Basic Obligation. City agrees to engage and does hereby engage Contractor as an independent contractor to furnish all materials and to perform all Work according to the terms and conditions herein contained for the sum set forth above. Except as otherwise provided in the Contract, the City shall pay to Contractor, as full consideration for the satisfactory performance by Contractor of the services and obligations required by this Contract, the below-referenced compensation in accordance with compensation provisions set forth in the Contract.

3.7 Compensation and Payment.

3.7.1 Amount of Compensation. As consideration for performance of the Work required herein, City agrees to pay Contractor the Total Contract Price of **FIFTY-SEVEN THOUSAND, SIX HUNDRED FORTY-NINE DOLLARS, AND TWENTY-NINE CENTS (\$57,649.29)** ("Total Contract Price") provided that such amount shall be subject to adjustment pursuant to the applicable terms of this Contract or written change orders approved and signed in advance by the City.

3.7.2 Payment of Compensation. If the Work is scheduled for completion in thirty (30) or less calendar days, City will arrange for payment of the Total Contract Price upon completion and approval by City of the Work. If the Work is scheduled for completion in more than thirty (30) calendar days, City will pay Contractor on a monthly basis as provided for herein. On or before the fifth (5th) day of each month, Contractor shall submit to the City an itemized application for payment in the format supplied by the City indicating the amount of Work completed since commencement of the Work or since the last progress payment. These applications shall be supported by evidence which is required by this Contract and such other documentation as the City may require. The Contractor shall certify that the Work for which payment is requested has been done and that the materials listed are stored where indicated. Contractor may be required to furnish a detailed schedule of values upon request of the City and in such detail and form as the City shall request, showing the quantities, unit prices, overhead, profit, and all other expenses involved in order to provide a basis for determining the amount of progress payments.

3.7.3 Prompt Payment. City shall review and pay all progress payment requests in accordance with the provisions set forth in Section 20104.50 of the California Public Contract Code. However, no progress payments will be made for Work not completed in accordance with this Contract. Contractor shall comply with all applicable laws, rules and regulations relating to the proper payment of its employees, subcontractors, suppliers or others.

3.7.4 Contract Retentions. From each approved progress estimate, five percent (5%) will be deducted and retained by the City, and the remainder will be paid to Contractor. All Contract retention shall be released and paid to Contractor and subcontractors pursuant to California Public Contract Code Section 7107.

3.7.5 Other Retentions. In addition to Contract retentions, the City may deduct from each progress payment an amount necessary to protect City from loss because of: (1) liquidated damages which have accrued as of the date of the application for payment; (2) any sums expended by the City in performing any of Contractor's obligations under the Contract which Contractor has failed to perform or has performed inadequately; (3) defective Work not remedied; (4) stop notices as allowed by state law; (5) reasonable doubt that the Work can be completed for the unpaid balance of the Total Contract Price or within the scheduled completion date; (6) unsatisfactory prosecution of the Work by Contractor; (7) unauthorized deviations from the Contract; (8) failure of Contractor to maintain or submit on a timely basis proper and sufficient documentation as required by the Contract or by City during the prosecution of the Work; (9) erroneous or false estimates by Contractor of the value of the Work performed; (10) any sums representing expenses, losses, or damages as determined by the City, incurred by the City for which Contractor is liable under the Contract; and (11) any other sums which the City is entitled to recover from Contractor under the terms of the Contract or pursuant to state law, including Section 1727 of the California Labor Code. The failure by the City to deduct any of these sums from a progress payment shall not constitute a waiver of the City's right to such sums.

3.7.6 Substitutions for Contract Retentions. In accordance with California Public Contract Code Section 22300, the City will permit the substitution of securities for any monies withheld by the City to ensure performance under the Contract. At the request and expense of Contractor, securities equivalent to the amount withheld shall be deposited with the City, or with a state or federally chartered bank in California as the escrow agent, and thereafter the City shall then pay such monies to Contractor as they come due. Upon satisfactory completion of the Contract, the securities shall be returned to Contractor. For purposes of this Section and Section 22300 of the Public Contract Code, the term "satisfactory completion of the contract" shall mean the time the City has issued written final acceptance of the Work and filed a Notice of Completion as required by law and provisions of this Contract. Contractor shall be the beneficial owner of any securities substituted for monies withheld and shall receive any interest thereon. The escrow agreement used for the purposes of this Section shall be in the form provided by the City.

3.7.7 Title to Work. As security for partial, progress, or other payments, title to Work for which such payments are made shall pass to the City at the time of payment. To the extent that title has not previously been vested in the City by reason of payments, full title shall pass to the City at delivery of the Work at the destination and time specified in this Contract. Such transferred title shall in each case be good, free and clear from any and all security interests, liens, or other encumbrances. Contractor promises and agrees that it will not pledge, hypothecate, or otherwise encumber the items in any manner that would result in any lien, security interest, charge, or claim upon or against said items. Such transfer of title shall not imply acceptance by the City, nor relieve Contractor from the responsibility to strictly comply with the Contract, and shall not relieve Contractor of responsibility for any loss of or damage to items.

3.7.8 Labor and Material Releases. Contractor shall furnish City with labor and material releases from all subcontractors performing work on, or furnishing materials for, the Work governed by this Contract prior to final payment by City.

3.7.9 Prevailing Wages. Contractor is aware of the requirements of California Labor Code Section 1720 et seq., and 1770 et seq., as well as California Code of Regulations, Title 8, Section 16000 et seq., ("Prevailing Wage Laws"), which require the payment of prevailing wage rates and the performance of other requirements on "public works" and "maintenance" projects.

Since the Services are being performed as part of an applicable “public works” or “maintenance” project, as defined by the Prevailing Wage Laws, and if the total compensation is \$25,000 or more, Contractor agrees to fully comply with such Prevailing Wage Laws. City shall provide Contractor with a copy of the prevailing rates of per diem wages in effect at the commencement of this Contract. Contractor shall make copies of the prevailing rates of per diem wages for each craft, classification or type of worker needed to execute the Services available to interested parties upon request, and shall post copies at Contractor’s principal place of business and at the project site. Contractor shall defend, indemnify and hold the City, its officials, officers, employees and agents free and harmless from any claim or liability arising out of any failure or alleged failure to comply with the Prevailing Wage Laws. Contractor and any subcontractor shall forfeit a penalty of up to \$200 per calendar day or portion thereof for each worker paid less than the prevailing wage rates.

3.7.10 Apprenticeable Crafts. If the Total Contract Price exceeds \$35,000 and if Contractor employs workmen in an apprenticeable craft or trade, Contractor shall comply with the provisions of Section 1777.5 of the California Labor Code with respect to the employment of properly registered apprentices upon public works. The primary responsibility for compliance with said section for all apprenticeable occupations shall be with Contractor. The Contractor or any subcontractor that is determined by the Labor Commissioner to have knowingly violated Section 1777.5 shall forfeit as a civil penalty an amount not exceeding \$100 for each full calendar day of noncompliance, or such greater amount as provided by law.

3.7.11 Hours of Work. If the Total Contract Price exceeds \$25,000, Contractor is advised that eight (8) hours labor constitutes a legal day’s work. Pursuant to Section 1813 of the California Labor Code, Contractor shall forfeit a penalty of \$25.00 per worker for each day that each worker is permitted to work more than eight (8) hours in any one calendar day and forty (40) hours in any one calendar week, except when payment for overtime is made at not less than one and one-half (1-1/2) times the basic rate for that worker.

3.7.12 Payroll Records. If the Total Contract Price exceeds \$25,000, Contractor and each subcontractor shall keep an accurate payroll record, showing the name, address, social security number, work classification, straight time and overtime hours worked each day and week, and the actual per diem wages paid to each journeyman, apprentice, worker, or other employee employed by him or her in connection with the public work. The payroll records shall be certified and shall be available for inspection at all reasonable hours at the principal office of Contractor in the manner provided in Labor Code section 1776. In the event of noncompliance with the requirements of this section, Contractor shall have 10 days in which to comply subsequent to receipt of written notice specifying in what respects such Contractor must comply with this section. Should noncompliance still be evident after such 10-day period, Contractor shall, as a penalty to City, forfeit not more than \$100.00 for each calendar day or portion thereof, for each worker, until strict compliance is effectuated. The amount of the forfeiture is to be determined by the Labor Commissioner. A contractor who is found to have violated the provisions of law regarding wages on Public Works with the intent to defraud shall be ineligible to bid on Public Works contracts for a period of one to three years as determined by the Labor Commissioner. Upon the request of the Division of Apprenticeship Standards or the Division of Labor Standards Enforcement, such penalties shall be withheld from progress payments then due. The responsibility for compliance with this section is on Contractor. The requirement to submit certified payroll records directly to the Labor Commissioner under Labor Code section 1771.4 shall not apply to work performed on a public

works project that is exempt pursuant to the small project exemption specified in Labor Code Section 1771.4.

3.7.13 Contractor and Subcontractor Registration. If the Total Contract Price exceeds \$25,000, then pursuant to Labor Code sections 1725.5 and 1771.1, all contractors and subcontractors that wish to bid on, be listed in a bid proposal, or enter into a contract to perform public work must be registered with the Department of Industrial Relations. No bid will be accepted nor any contract entered into without proof of the contractor's and subcontractors' current registration with the Department of Industrial Relations to perform public work. Contractor is directed to review, fill out and execute the Public Works Contractor Registration Certification attached hereto as Exhibit "E" prior to contract execution. Notwithstanding the foregoing, the contractor registration requirements mandated by Labor Code Sections 1725.5 and 1771.1 shall not apply to work performed on a public works project that is exempt pursuant to the small project exemption specified in Labor Code Sections 1725.5 and 1771.1.

3.7.14 Labor Compliance; Stop Orders. If the Total Contract Price exceeds \$25,000, Contractor acknowledges that it is aware that this Project is subject to compliance monitoring and enforcement by the Department of Industrial Relations. It shall be the Contractor's sole responsibility to evaluate and pay the cost of complying with all labor compliance requirements under this Contract and applicable law. Any stop orders issued by the Department of Industrial Relations against Contractor or any subcontractor that affect Contractor's performance of Work, including any delay, shall be Contractor's sole responsibility. Any delay arising out of or resulting from such stop orders shall be considered Contractor caused delay subject to any applicable liquidated damages and shall not be compensable by the City. Contractor shall defend, indemnify and hold the City, its officials, officers, employees and agents free and harmless from any claim or liability arising out of stop orders issued by the Department of Industrial Relations against Contractor or any subcontractor.

3.8 Performance of Work; Jobsite Obligations.

3.8.1 Water Quality Management and Compliance.

3.8.1.1 Water Quality Management and Compliance. Contractor shall keep itself and all subcontractors, staff, and employees fully informed of and in compliance with all local, state and federal laws, rules and regulations that may impact, or be implicated by the performance of the Work including, without limitation, all applicable provisions of the Federal Water Pollution Control Act (33 U.S.C. §§ 1300); the California Porter-Cologne Water Quality Control Act (Cal Water Code §§ 13000-14950); local ordinances regulating discharges of storm water; and any and all regulations, policies, or permits issued pursuant to any such authority regulating the discharge of pollutants, as that term is used in the Porter-Cologne Water Quality Control Act, to any ground or surface water in the State.

3.8.1.2 Compliance with the Statewide Construction General Permit. Contractor shall comply with all conditions of the most recent iteration of the National Pollutant Discharge Elimination System General Permit for Storm Water Discharges Associated with Construction Activity, issued by the California State Water Resources Control Board ("Permit"). It shall be Contractor's sole responsibility to file a Notice of Intent and procure coverage under the Permit for all construction activity which results in the disturbance of more than one acre of total land area or which is part of a larger common area of development or sale. Prior to initiating work,

Contractor shall be solely responsible for preparing and implementing a Storm Water Pollution Prevention Plan (SWPPP) as required by the Permit. Contractor shall be responsible for procuring, implementing and complying with the provisions of the Permit and the SWPPP, including the standard provisions, and monitoring and reporting requirements as required by the Permit. The Permit requires the SWPPP to be a “living document” that changes as necessary to meet the conditions and requirements of the job site as it progresses through different phases of construction and is subject to different weather conditions. It shall be Contractor’s sole responsibility to update the SWPPP as necessary to address conditions at the project site.

3.8.1.3 Other Water Quality Rules Regulations and Policies.

Contractor shall comply with the lawful requirements of any applicable municipality, drainage City, or local agency regarding discharges of storm water to separate storm drain systems or other watercourses under their jurisdiction, including applicable requirements in municipal storm water management programs.

3.8.1.4 Cost of Compliance.

Storm, surface, nuisance, or other waters may be encountered at various times during construction of The Work. Therefore, the Contractor, by submitting a Bid, hereby acknowledges that it has investigated the risk arising from such waters, has prepared its Bid accordingly, and assumes any and all risks and liabilities arising therefrom.

3.8.1.5 Liability for Non-Compliance.

Failure to comply with the Permit is a violation of federal and state law. Pursuant to the indemnification provisions of this Contract, Contractor hereby agrees to defend, indemnify and hold harmless the City and its officials, officers, employees, volunteers and agents for any alleged violations. In addition, City may seek damages from Contractor for any delay in completing the Work in accordance with the Contract, if such delay is caused by or related to Contractor’s failure to comply with the Permit.

3.8.1.6 Reservation of Right to Defend.

City reserves the right to defend any enforcement action brought against the City for Contractor’s failure to comply with the Permit or any other relevant water quality law, regulation, or policy. Pursuant to the indemnification provisions of this Contract, Contractor hereby agrees to be bound by, and to reimburse the City for the costs (including the City’s attorney’s fees) associated with, any settlement reached between the City and the relevant enforcement entity.

3.8.1.7 Training.

In addition to the standard of performance requirements set forth in paragraph 3.4, Contractor warrants that all employees and subcontractors shall have sufficient skill and experience to perform the Work assigned to them without impacting water quality in violation of the laws, regulations and policies described in paragraph 3.8.1. Contractor further warrants that it, its employees and subcontractors will receive adequate training, as determined by City, regarding the requirements of the laws, regulations and policies described in paragraph 3.8.1 as they may relate to the Work provided under this Agreement. Upon request, City will provide the Contractor with a list of training programs that meet the requirements of this paragraph.

3.8.2 Safety.

Contractor shall execute and maintain its work so as to avoid injury or damage to any person or property. Contractor shall comply with the requirements of the specifications relating to safety measures applicable in particular operations or kinds of work. In carrying out its Work, Contractor shall at all times be in compliance with all applicable local, state

and federal laws, rules and regulations, and shall exercise all necessary precautions for the safety of employees appropriate to the nature of the Work and the conditions under which the Work is to be performed. Safety precautions as applicable shall include, but shall not be limited to, adequate life protection and lifesaving equipment; adequate illumination for underground and night operations; instructions in accident prevention for all employees, such as machinery guards, safe walkways, scaffolds, ladders, bridges, gang planks, confined space procedures, trenching and shoring, fall protection and other safety devices, equipment and wearing apparel as are necessary or lawfully required to prevent accidents or injuries; and adequate facilities for the proper inspection and maintenance of all safety measures. Furthermore, Contractor shall prominently display the names and telephone numbers of at least two medical doctors practicing in the vicinity of the Project, as well as the telephone number of the local ambulance service, adjacent to all telephones at the Project site.

3.8.3 Laws and Regulations. Contractor shall keep itself fully informed of and in compliance with all local, state and federal laws, rules and regulations in any manner affecting the performance of the Contract or the Work, including all Cal/OSHA requirements, and shall give all notices required by law. Contractor shall be liable for all violations of such laws and regulations in connection with Work. If Contractor observes that the drawings or specifications are at variance with any law, rule or regulation, it shall promptly notify the City in writing. Any necessary changes shall be made by written change order. If 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. City is a public entity of the State of California subject to certain provisions of the Health & Safety Code, Government Code, Public Contract Code, and Labor Code of the State. It is stipulated and agreed that all provisions of the law applicable to the public contracts of a municipality are a part of this Contract to the same extent as though set forth herein and will be complied with. Contractor shall defend, indemnify and hold City, its officials, officers, employees and agents free and harmless, pursuant to the indemnification provisions of this Contract, from any claim or liability arising out of any failure or alleged failure to comply with such laws, rules or regulations.

3.8.4 Permits and Licenses. Contractor shall be responsible for securing City permits and licenses necessary to perform the Work described herein, including, but not limited to, any required business license. While Contractor will not be charged a fee for any City permits, Contractor shall pay the City's business license fee, if any. Any ineligible contractor or subcontractor pursuant to Labor Code Sections 1777.1 and 1777.7 may not perform work on this Project.

3.8.5 Trenching Work. If the Total Contract Price exceeds \$25,000 and if the Work governed by this Contract entails excavation of any trench or trenches five (5) feet or more in depth, Contractor shall comply with all applicable provisions of the California Labor Code, including Section 6705. To this end, Contractor shall submit for City's review and approval a detailed plan showing the design of shoring, bracing, sloping, or other provisions to be made for worker protection from the hazard of caving ground during the excavation of such trench or trenches. If such plan varies from the shoring system standards, the plan shall be prepared by a registered civil or structural engineer.

3.8.6 Hazardous Materials and Differing Conditions. As required by California Public Contract Code Section 7104, if this Contract involves digging trenches or other excavations that extend deeper than four (4) feet below the surface, Contractor shall promptly, and prior to

disturbance of any conditions, notify City of: (1) any material discovered in excavation that Contractor believes to be a hazardous waste that is required to be removed to a Class I, Class II or Class III disposal site; (2) subsurface or latent physical conditions at the site differing from those indicated by City; and (3) unknown physical conditions of an unusual nature at the site, significantly different from those ordinarily encountered in such contract work. Upon notification, City shall promptly investigate the conditions to determine whether a change order is appropriate. In the event of a dispute, Contractor shall not be excused from any scheduled completion date and shall proceed with all Work to be performed under the Contract, but shall retain all rights provided by the Contract or by law for making protests and resolving the dispute.

3.8.7 Underground Utility Facilities. To the extent required by Section 4215 of the California Government Code, City shall compensate Contractor for the costs of: (1) locating and repairing damage to underground utility facilities not caused by the failure of Contractor to exercise reasonable care; (2) removing or relocating underground utility facilities not indicated in the construction drawings; and (3) equipment necessarily idled during such work. Contractor shall not be assessed liquidated damages for delay caused by failure of City to provide for removal or relocation of such utility facilities.

3.8.8 Air Quality. Contractor must fully comply with all applicable laws, rules and regulations in furnishing or using equipment and/or providing services, including, but not limited to, emissions limits and permitting requirements imposed by the California Air Resources Board (CARB). Although CARB limits and requirements are more broad, Contractor shall specifically be aware of their application to "portable equipment", which definition is considered by CARB to include any item of equipment with a fuel-powered engine. Contractor shall indemnify City against any fines or penalties imposed by CARB, or any other governmental or regulatory agency for violations of applicable laws, rules and/or regulations by Contractor, its subcontractors, or others for whom Contractor is responsible under its indemnity obligations provided for in this Agreement.

3.8.9 State Recycling Mandates. Contractor shall comply with State Recycling Mandates. Any recyclable materials/debris collected by the contractor that can be feasibly diverted via reuse or recycling must be hauled by the appropriate handler for reuse or recycling.

3.9 Completion of Work. When Contractor determines that it has completed the Work required herein, Contractor shall so notify City in writing and shall furnish all labor and material releases required by this Contract. City shall thereupon inspect the Work. If the Work is not acceptable to the City, the City shall indicate to Contractor in writing the specific portions or items of Work which are unsatisfactory or incomplete. Once Contractor determines that it has completed the incomplete or unsatisfactory Work, Contractor may request a reinspection by the City. Once the Work is acceptable to City, City shall pay to Contractor the Total Contract Price remaining to be paid, less any amount which City may be authorized or directed by law to retain. Payment of retention proceeds due to Contractor shall be made in accordance with Section 7107 of the California Public Contract Code.

3.10 Claims; Government Code Claim Compliance.

3.10.1 Intent. Effective January 1, 1991, Section 20104 et seq., of the California Public Contract Code prescribes a process utilizing informal conferences, non-binding judicial supervised mediation, and judicial arbitration to resolve disputes on construction claims of \$375,000 or less. Effective January 1, 2017, Section 9204 of the Public Contract Code prescribes a

process for negotiation and mediation to resolve disputes on construction claims. The intent of this Section is to implement Sections 20104 et seq. and Section 9204 of the California Public Contract Code. This Section shall be construed to be consistent with said statutes.

3.10.2 Claims. For purposes of this Section, “Claim” means a separate demand by the Contractor, after a change order duly requested in accordance with the terms of this Contract has been denied by the City, for (A) a time extension, (B) payment of money or damages arising from Work done by or on behalf of the Contractor pursuant to the Contract, or (C) an amount the payment of which is disputed by the City. Claims governed by this Section may not be filed unless and until the Contractor completes all procedures for giving notice of delay or change and for the requesting of a time extension or change order, including but not necessarily limited to the change order procedures contained herein, and Contractor’s request for a change has been denied in whole or in part. Claims governed by this Section must be filed no later than fourteen (14) days after a request for change has been denied in whole or in part or after any other event giving rise to the Claim. The Claim shall be submitted in writing to the City and shall include on its first page the following in 16 point capital font: “THIS IS A CLAIM.” Furthermore, the claim shall include the documents necessary to substantiate the claim. Nothing in this Section is intended to extend the time limit or supersede notice requirements otherwise provided by contract for the filing of claims, including all requirements pertaining to compensation or payment for extra Work, disputed Work, and/or changed conditions. Failure to follow such contractual requirements shall bar any claims or subsequent lawsuits for compensation or payment thereon.

3.10.3 Supporting Documentation. The Contractor shall submit all claims in the following format:

3.10.3.1 Summary of claim merit and price, reference Contract Document provisions pursuant to which the claim is made

3.10.3.2 List of documents relating to claim:

- (A) Specifications
- (B) Drawings
- (C) Clarifications (Requests for Information)
- (D) Schedules
- (E) Other

3.10.3.3 Chronology of events and correspondence

3.10.3.4 Analysis of claim merit

3.10.3.5 Analysis of claim cost

3.10.3.6 Time impact analysis in CPM format

3.10.3.7 If Contractor’s claim is based in whole or in part on an allegation of errors or omissions in the Drawings or Specifications for the Project, Contractor shall

provide a summary of the percentage of the claim subject to design errors or omissions and shall obtain a certificate of merit in support of the claim of design errors and omissions.

3.10.3.8 Cover letter and certification of validity of the claim, including any claims from subcontractors of any tier, in accordance with Government Code section 12650 et seq.

3.10.4 City's Response. Upon receipt of a claim pursuant to this Section, City shall conduct a reasonable review of the claim and, within a period not to exceed 45 days, shall provide the Contractor a written statement identifying what portion of the claim is disputed and what portion is undisputed. Any payment due on an undisputed portion of the claim will be processed and made within 60 days after the public entity issues its written statement.

3.10.4.1 If City needs approval from its governing body to provide the Contractor a written statement identifying the disputed portion and the undisputed portion of the claim, and the governing body does not meet within the 45 days or within the mutually agreed to extension of time following receipt of a claim sent by registered mail or certified mail, return receipt requested, City shall have up to three days following the next duly publicly noticed meeting of the governing body after the 45-day period, or extension, expires to provide the Contractor a written statement identifying the disputed portion and the undisputed portion.

3.10.4.2 Within 30 days of receipt of a claim, City may request in writing additional documentation supporting the claim or relating to defenses or claims City may have against the Contractor. If additional information is thereafter required, it shall be requested and provided pursuant to this subdivision, upon mutual agreement of City and the Contractor.

3.10.4.3 City's written response to the claim, as further documented, shall be submitted to the Contractor within 30 days (if the claim is less than \$50,000, within 15 days) after receipt of the further documentation, or within a period of time no greater than that taken by the Contractor in producing the additional information or requested documentation, whichever is greater.

3.10.5 Meet and Confer. If the Contractor disputes City's written response, or City fails to respond within the time prescribed, the Contractor may so notify City, in writing, either within 15 days of receipt of City's response or within 15 days of City's failure to respond within the time prescribed, respectively, and demand an informal conference to meet and confer for settlement of the issues in dispute. Upon receipt of a demand, City shall schedule a meet and confer conference within 30 days for settlement of the dispute.

3.10.6 Mediation. Within 10 business days following the conclusion of the meet and confer conference, if the claim or any portion of the claim remains in dispute, City shall provide the Contractor a written statement identifying the portion of the claim that remains in dispute and the portion that is undisputed. Any payment due on an undisputed portion of the claim shall be processed and made within 60 days after City issues its written statement. Any disputed portion of the claim, as identified by the Contractor in writing, shall be submitted to nonbinding mediation, with City and the Contractor sharing the associated costs equally. City and Contractor shall mutually agree to a mediator within 10 business days after the disputed portion of the claim has been identified in writing, unless the parties agree to select a mediator at a later time.

3.10.6.1 If the Parties cannot agree upon a mediator, each Party shall select a mediator and those mediators shall select a qualified neutral third party to mediate with regard to the disputed portion of the claim. Each Party shall bear the fees and costs charged by its respective mediator in connection with the selection of the neutral mediator.

3.10.6.2 For purposes of this section, mediation includes any nonbinding process, including, but not limited to, neutral evaluation or a dispute review board, in which an independent third party or board assists the Parties in dispute resolution through negotiation or by issuance of an evaluation. Any mediation utilized shall conform to the timeframes in this section.

3.10.6.3 Unless otherwise agreed to by City and the Contractor in writing, the mediation conducted pursuant to this section shall excuse any further obligation under Section 20104.4 to mediate after litigation has been commenced.

3.10.6.4 The mediation shall be held no earlier than the date the Contractor completes the Work or the date that the Contractor last performs Work, whichever is earlier. All unresolved claims shall be considered jointly in a single mediation, unless a new unrelated claim arises after mediation is completed.

3.10.7 Procedures After Mediation. If following the mediation, the claim or any portion remains in dispute, the Contractor must file a claim pursuant to Chapter 1 (commencing with Section 900) and Chapter 2 (commencing with Section 910) of Part 3 of Division 3.6 of Title 1 of the Government Code. For purposes of those provisions, the running of the period of time within which a claim must be filed shall be tolled from the time the Contractor submits his or her written claim pursuant to subdivision (a) until the time the claim is denied, including any period of time utilized by the meet and confer conference or mediation.

3.10.8 Civil Actions. The following procedures are established for all civil actions filed to resolve claims subject to this Section:

3.10.8.1 Within 60 days, but no earlier than 30 days, following the filing or responsive pleadings, the court shall submit the matter to non-binding mediation unless waived by mutual stipulation of both parties or unless mediation was held prior to commencement of the action in accordance with Public Contract Code section 9204 and the terms of these procedures.. The mediation process shall provide for the selection within 15 days by both parties of a disinterested third person as mediator, shall be commenced within 30 days of the submittal, and shall be concluded within 15 days from the commencement of the mediation unless a time requirement is extended upon a good cause showing to the court.

3.10.8.2 If the matter remains in dispute, the case shall be submitted to judicial arbitration pursuant to Chapter 2.5 (commencing with Section 1141.10) of Title 3 of Part 3 of the Code of Civil Procedure, notwithstanding Section 1114.11 of that code. The Civil Discovery Act of 1986 (Article 3 (commencing with Section 2016) of Chapter 3 of Title 3 of Part 4 of the Code of Civil Procedure) shall apply to any proceeding brought under this subdivision consistent with the rules pertaining to judicial arbitration.

3.10.8.3 In addition to Chapter 2.5 (commencing with Section 1141.10) of Title 3 of Part 3 of the Code of Civil Procedure, (A) arbitrators shall, when possible, be

experienced in construction law, and (B) any party appealing an arbitration award who does not obtain a more favorable judgment shall, in addition to payment of costs and fees under that chapter, also pay the attorney's fees on appeal of the other party.

3.10.9 Government Code Claims. In addition to any and all contract requirements pertaining to notices of and requests for compensation or payment for extra work, disputed work, claims and/or changed conditions, Contractor must comply with the claim procedures set forth in Government Code sections 900 et seq. prior to filing any lawsuit against the City. Such Government Code claims and any subsequent lawsuit based upon the Government Code claims shall be limited to those matters that remain unresolved after all procedures pertaining to extra work, disputed work, claims, and/or changed conditions have been followed by Contractor. If no such Government Code claim is submitted, or if any prerequisite contractual requirements are not otherwise satisfied as specified herein, Contractor shall be barred from bringing and maintaining a valid lawsuit against the City. A Government Code claim must be filed no earlier than the date the work is completed or the date the Contractor last performs work on the Project, whichever occurs first. A Government Code claim shall be inclusive of all unresolved claims unless a new unrelated claim arises after the Government Code claim is submitted.

3.10.10 Non-Waiver. City's failure to respond to a claim from the Contractor within the time periods described in this Section or to otherwise meet the time requirements of this Section shall result in the claim being deemed rejected in its entirety. City's failure to respond shall not waive City's rights to any subsequent procedures for the resolution of disputed claims.

3.11 Loss and Damage. Except as may otherwise be limited by law, Contractor shall be responsible for all loss and damage which may arise out of the nature of the Work agreed to herein, or from the action of the elements, or from any unforeseen difficulties which may arise or be encountered in the prosecution of the Work until the same is fully completed and accepted by City. In the event of damage proximately caused by an Act of God, as defined by Section 7105 of the Public Contract Code, the City may terminate this Contract pursuant to Section 3.17.3; provided, however, that the City needs to provide Contractor with only one (1) day advanced written notice.

3.12 Indemnification.

3.12.1 Scope of Indemnity. To the fullest extent permitted by law, Contractor shall defend, indemnify and hold the City, its officials, employees, agents and authorized volunteers free and harmless from any and all claims, demands, causes of action, suits, actions, proceedings, costs, expenses, liability, judgments, awards, decrees, settlements, loss, damage or injury of any kind, in law or equity, to property or persons, including wrongful death, (collectively, "Claims") in any manner arising out of, pertaining to, or incident to any alleged acts, errors or omissions, or willful misconduct of Contractor, its officials, officers, employees, subcontractors, consultants or agents in connection with the performance of the Contractor's services, the Project or this Agreement, including without limitation the payment of all consequential damages, expert witness fees and attorneys' fees and other related costs and expenses. Notwithstanding the foregoing, to the extent required by Civil Code section 2782, Contractor's indemnity obligation shall not apply to liability for damages for death or bodily injury to persons, injury to property, or any other loss, damage or expense arising from the sole or active negligence or willful misconduct of the City or the City's agents, servants, or independent contractors who are directly responsible to the City, or for defects in design furnished by those persons.

3.12.2 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 covered by this section that may be brought or instituted against City or its officials, employees, agents and authorized volunteers. In addition, Contractor shall pay and satisfy any judgment, award or decree that may be rendered against City or its officials, employees, agents and authorized volunteers 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 or its officials, employees, agents and authorized volunteers 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 and its officials, employees, agents and authorized volunteers, for any and all legal expenses and costs incurred by each of them in connection therewith or in enforcing the indemnity herein provided. Contractor's obligation to indemnify shall not be restricted to insurance proceeds, if any, received by the City, its officials, employees, agents and authorized volunteers.

3.13 Insurance.

3.13.1 Time for Compliance. Contractor shall not commence Work under this Contract until it has provided evidence satisfactory to the City that it has secured all insurance required under this section. In addition, Contractor shall not allow any subcontractor to commence work on any subcontract until it has provided evidence satisfactory to the City that the subcontractor has secured all insurance required under this section. Failure to provide and maintain all required insurance shall be grounds for the City to terminate this Contract for cause.

3.13.2 Minimum Requirements. Contractor shall, at its expense, procure and maintain for the duration of the Contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the Work hereunder by Contractor, its agents, representatives, employees or subcontractors. Contractor shall also require all of its subcontractors to procure and maintain the same insurance for the duration of the Contract. Such insurance shall meet at least the following minimum levels of coverage:

3.13.2.1 Minimum Scope of Insurance. Coverage shall be at least as broad as the latest version of the following: (1) General Liability: Insurance Services Office Commercial General Liability coverage (occurrence form CG 00 01) OR Insurance Services Office Owners and Contractors Protective Liability Coverage Form (CG 00 09 11 88) (coverage for operations of designated contractor); (2) Automobile Liability: Insurance Services Office Business Auto Coverage form number CA 00 01, code 1 (any auto); and (3) Workers' Compensation and Employer's Liability: Workers' Compensation insurance as required by the State of California and Employer's Liability Insurance. Policies shall not contain exclusions contrary to this Contract.

3.13.2.2 Minimum Limits of Insurance. Contractor shall maintain limits no less than: (1) **General Liability: \$5,000,000 per occurrence and \$5,000,000 aggregate for bodily injury, personal injury and property damage;** (2) **Automobile Liability: \$5,000,000 per accident for bodily injury and property damage;** and (3) **Workers' Compensation and Employer's Liability: Workers' compensation limits as required by the Labor Code of the State of California. Employer's Liability limits of \$1,000,000 each accident, policy limit bodily injury or disease, and each employee bodily injury or disease.** Defense costs shall be available in addition to the limits. Notwithstanding the minimum limits specified herein, any available coverage

shall be provided to the parties required to be named as additional insureds pursuant to this Contract.

3.13.3 Insurance Endorsements. The insurance policies shall contain the following provisions, or Contractor shall provide endorsements (amendments) on forms supplied or approved by the City to add the following provisions to the insurance policies:

3.13.3.1 General Liability. (1) Such policy shall give the City, its officials, employees, agents and authorized volunteers additional insured status using ISO endorsements CG20 10 10 01 plus CG20 37 10 01, or endorsements providing the exact same coverage, with respect to the Work or operations performed by or on behalf of Contractor, including materials, parts or equipment furnished in connection with such work. **Contractor may provide blanket endorsements to meet the Additional Insured requirement in this written contract. However, all subcontractors' endorsements shall specifically name the City, its elected officials, officers, employees, volunteers, boards, agents, and representatives as additional insureds and blanket endorsements are not acceptable;** (2) all policies shall waive or shall permit Contractor to waive all rights of subrogation which may be obtained by the Contractor or any insurer by virtue of payment of any loss or any coverage provided to any person named as an additional insured pursuant to this Contract, and Contractor agrees to waive all such rights of subrogation; and (3) the insurance coverage shall be primary insurance as respects the City, its officials, employees, agents and authorized volunteers, or if excess, shall stand in an unbroken chain of coverage excess of Contractor's scheduled underlying coverage. Any insurance or self-insurance maintained by the City, its officials, employees, agents and authorized volunteers shall be excess of Contractor's insurance and shall not be called upon to contribute with it.

3.13.3.2 Automobile Liability. (1) Such policy shall give the City, its officials, employees, agents and authorized volunteers additional insured status with respect to the ownership, operation, maintenance, use, loading or unloading of any auto owned, leased, hired or borrowed by Contractor or for which Contractor is responsible. **Contractor may provide blanket endorsements to meet the Additional Insured requirement in this written contract. However, all subcontractors' endorsements shall specifically name the City, its elected officials, officers, employees, volunteers, boards, agents, and representatives as additional insureds and blanket endorsements are not acceptable.;** (2) all policies shall waive or shall permit Contractor to waive all rights of subrogation which may be obtained by the Contractor or any insurer by virtue of payment of any loss or any coverage provided to any person named as an additional insured pursuant to this Contract, and Contractor agrees to waive all such rights of subrogation; and (3) the insurance coverage shall be primary insurance as respects the City, its officials, employees, agents and authorized volunteers, or if excess, shall stand in an unbroken chain of coverage excess of Contractor's scheduled underlying coverage. Any insurance or self-insurance maintained by the City, its officials, employees, agents and authorized volunteers shall be excess of Contractor's insurance and shall not be called upon to contribute with it in any way.

3.13.3.3 Workers' Compensation and Employer's Liability Coverage. The insurer shall agree to waive all rights of subrogation against the City, its officials, employees, agents and authorized volunteers for losses paid under the terms of the insurance policy which arise from work performed by Contractor.

3.13.3.4 All Coverages. Each insurance policy required by this Contract shall be endorsed to state that: (1) coverage shall not be suspended, voided, reduced or

canceled except after thirty (30) days prior written notice by certified mail, return receipt requested, has been given to the City; and (2) any failure to comply with reporting or other provisions of the policies, including breaches of warranties, shall not affect coverage provided to the City, its officials, employees, agents and authorized volunteers.

3.13.4 Separation of Insureds; No Special Limitations. All insurance required by this Section shall contain standard separation of insureds provisions. In addition, such insurance shall not contain any special limitations on the scope of protection afforded to the City, its officials, employees, agents and authorized volunteers.

3.13.5 Deductibles and Self-Insurance Retentions. Any deductibles or self-insured retentions must be declared to and approved by the City. Contractor shall guarantee that, at the option of the City, either: (1) the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the City, its officials, employees, agents and authorized volunteers; or (2) the Contractor shall procure a bond or other financial guarantee acceptable to the City guaranteeing payment of losses and related investigation costs, claims and administrative and defense expenses.

3.13.6 Acceptability of Insurers. Insurance is to be placed with insurers with a current A.M. Best's rating no less than A:VII, licensed to do business in California, and satisfactory to the City. Exception may be made for the State Compensation Insurance Fund when not specifically rated.

3.13.7 Verification of Coverage. Contractor shall furnish City with original certificates of insurance and endorsements effecting coverage required by this Contract on forms satisfactory to the City. The certificates and endorsements for each insurance policy shall be signed by a person authorized by that insurer to bind coverage on its behalf, and shall be on forms supplied or approved by the City. All certificates and endorsements must be received and approved by the City before work commences. The City reserves the right to require complete, certified copies of all required insurance policies, at any time.

3.13.8 Subcontractors. All subcontractors shall meet the requirements of this Section before commencing Work. Contractor shall furnish separate certificates and endorsements for each subcontractor. Subcontractor policies of General Liability insurance shall name the City, its officials, employees, agents and authorized volunteers as additional insureds using form ISO 20 38 04 13 or endorsements providing the exact same coverage. All subcontractors' endorsements shall specifically name the City, its elected officials, officers, employees, volunteers, boards, agents, and representatives as additional insureds and blanket endorsements are not acceptable. All coverages for subcontractors shall be subject to all of the requirements stated herein except as otherwise agreed to by the City in writing.

3.13.9 Reporting of Claims. Contractor shall report to the City, in addition to Contractor's insurer, any and all insurance claims submitted by Contractor in connection with the Work under this Contract.

3.14 Bond Requirements.

3.14.1 Payment Bond. If required by law or otherwise specifically requested by City in Exhibit "C" attached hereto and incorporated herein by reference, Contractor shall execute and

provide to City concurrently with this Contract a Payment Bond in an amount required by the City and in a form provided or approved by the City. If such bond is required, no payment will be made to Contractor until the bond has been received and approved by the City.

3.14.2 Performance Bond. If specifically requested by City in Exhibit “C” attached hereto and incorporated herein by reference, Contractor shall execute and provide to City concurrently with this Contract a Performance Bond in an amount required by the City and in a form provided or approved by the City. If such bond is required, no payment will be made to Contractor until the bond has been received and approved by the City.

3.14.3 Bond Provisions. Should, in City’s sole opinion, any bond become insufficient or any surety be found to be unsatisfactory, Contractor shall renew or replace the effected bond within (ten) 10 days of receiving notice from City. In the event the surety or Contractor intends to reduce or cancel any required bond, at least thirty (30) days prior written notice shall be given to the City, and Contractor shall post acceptable replacement bonds at least ten (10) days prior to expiration of the original bonds. No further payments shall be deemed due or will be made under this Contract until any replacement bonds required by this Section are accepted by the City. To the extent, if any, that the Total Contract Price is increased in accordance with the Contract, Contractor shall, upon request of the City, cause the amount of the bond to be increased accordingly and shall promptly deliver satisfactory evidence of such increase to the City. If Contractor fails to furnish any required bond, the City may terminate the Contract for cause.

3.14.4 Surety Qualifications. Only bonds executed by an admitted surety insurer, as defined in California Code of Civil Procedure Section 995.120, shall be accepted. If a California-admitted surety insurer issuing bonds does not meet these requirements, the insurer will be considered qualified if it is in conformance with Section 995.660 of the California Code of Civil Procedure, and proof of such is provided to the City.

3.15 Warranty. Contractor warrants all Work under the Contract (which for purposes of this Section shall be deemed to include unauthorized work which has not been removed and any non-conforming materials incorporated into the Work) to be of good quality and free from any defective or faulty material and workmanship. Contractor agrees that for a period of one year (or the period of time specified elsewhere in the Contract or in any guarantee or warranty provided by any manufacturer or supplier of equipment or materials incorporated into the Work, whichever is later) after the date of final acceptance, Contractor shall within ten (10) days after being notified in writing by the City of any defect in the Work or non-conformance of the Work to the Contract, commence and prosecute with due diligence all Work necessary to fulfill the terms of the warranty at its sole cost and expense. Contractor shall act sooner as requested by the City in response to an emergency. In addition, Contractor shall, at its sole cost and expense, repair and replace any portions of the Work (or work of other contractors) damaged by its defective Work or which becomes damaged in the course of repairing or replacing defective Work. For any Work so corrected, Contractor’s obligation hereunder to correct defective Work shall be reinstated for an additional one year period, commencing with the date of acceptance of such corrected Work. Contractor shall perform such tests as the City may require to verify that any corrective actions, including, without limitation, redesign, repairs, and replacements comply with the requirements of the Contract. All costs associated with such corrective actions and testing, including the removal, replacement, and reinstatement of equipment and materials necessary to gain access, shall be the sole responsibility of Contractor. All warranties and guarantees of subcontractors, suppliers and manufacturers with respect to any portion of the Work, whether express or implied, are deemed to be obtained by

Contractor for the benefit of the City, regardless of whether or not such warranties and guarantees have been transferred or assigned to the City by separate agreement and Contractor agrees to enforce such warranties and guarantees, if necessary, on behalf of the City. In the event that Contractor fails to perform its obligations under this Section, or under any other warranty or guaranty under this Contract, to the reasonable satisfaction of the City, the City shall have the right to correct and replace any defective or non-conforming Work and any work damaged by such work or the replacement or correction thereof at Contractor's sole expense. Contractor shall be obligated to fully reimburse the City for any expenses incurred hereunder upon demand.

3.16 Employee/Labor Certifications.

3.16.1 Contractor's Labor Certification. By its signature hereunder, Contractor certifies that he is aware of the provisions of Section 3700 of the California Labor Code which require every employer to be insured against liability for Worker's Compensation or to undertake self-insurance in accordance with the provisions of that Code, and agrees to comply with such provisions before commencing the performance of the Work. A certification form for this purpose, which is attached to this Contract as Exhibit "D" and incorporated herein by reference, shall be executed simultaneously with this Contract.

3.16.2 Equal Opportunity Employment. Contractor represents that it is an equal opportunity employer and that it shall not discriminate against any employee or applicant for employment because of race, religion, color, national origin, ancestry, sex, age or other interests protected by the State or Federal Constitutions. Such non-discrimination shall include, but not be limited to, all activities related to initial employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination.

3.16.3 Verification of Employment Eligibility. By executing this Contract, Contractor verifies that it fully complies with all requirements and restrictions of state and federal law respecting the employment of undocumented aliens, including, but not limited to, the Immigration Reform and Control Act of 1986, as may be amended from time to time, and shall require all subcontractors and sub-subcontractors to comply with the same.

3.17 General Provisions.

3.17.1 City's Representative. The City hereby designates the General Manager, or his or her designee, to act as its representative for the performance of this Contract ("City's Representative"). City's Representative shall have the power to act on behalf of the City for all purposes under this Contract. Contractor shall not accept direction or orders from any person other than the City's Representative or his or her designee.

3.17.2 Contractor's Representative. Before starting the Work, Contractor shall submit in writing the name, qualifications and experience of its proposed representative who shall be subject to the review and approval of the City ("Contractor's Representative"). Following approval by the City, Contractor's Representative shall have full authority to represent and act on behalf of Contractor for all purposes under this Contract. Contractor's Representative shall supervise and direct the Work, using his best skill and attention, and shall be responsible for all construction means, methods, techniques, sequences and procedures and for the satisfactory coordination of all portions of the Work under this Contract. Contractor's Representative shall devote full time to the Project and either he or his designee, who shall be acceptable to the City, shall

be present at the Work site at all times that any Work is in progress and at any time that any employee or subcontractor of Contractor is present at the Work site. Arrangements for responsible supervision, acceptable to the City, shall be made for emergency Work which may be required. Should Contractor desire to change its Contractor's Representative, Contractor shall provide the information specified above and obtain the City's written approval.

3.17.3 Termination. This Contract may be terminated by City at any time, either with or without cause, by giving Contractor three (3) days advance written notice. In the event of termination by City for any reason other than the fault of Contractor, City shall pay Contractor for all Work performed up to that time as provided herein. In the event of breach of the Contract by Contractor, City may terminate the Contract immediately without notice, may reduce payment to Contractor in the amount necessary to offset City's resulting damages, and may pursue any other available recourse against Contractor. Contractor may not terminate this Contract except for cause. In the event this Contract is terminated in whole or in part as provided, City may procure, upon such terms and in such manner as it may determine appropriate, services similar to those terminated. Further, if this Contract is terminated as provided, City may require Contractor to provide all finished or unfinished documents, data, diagrams, drawings, materials or other matter prepared or built by Contractor in connection with its performance of this Contract.

3.17.4 Contract Interpretation. Should any question arise regarding the meaning or import of any of the provisions of this Contract or written or oral instructions from City, the matter shall be referred to City's Representative, whose decision shall be binding upon Contractor.

3.17.5 Anti-Trust Claims. This provision shall be operative if this Contract is applicable to California Public Contract Code Section 7103.5. In entering into this Contract to supply goods, services or materials, Contractor hereby offers and agrees to assign to the City all rights, title, and interest in and to all causes of action it may have under Section 4 of the Clayton Act (15 U.S.C. Section 15) or under the Cartwright Act (Chapter 2, commencing with Section 16700, of Part 2 of Division 7 of the Business and Professions Code) arising from purchases of goods, services, or materials pursuant to the Contract. This assignment shall be made and become effective at the time the City tender final payment to Contractor, without further acknowledgment by the Parties.

3.17.6 Notices. All notices hereunder and communications regarding interpretation of the terms of the Contract or changes thereto shall be provided by the mailing thereof by registered or certified mail, return receipt requested, postage prepaid and addressed as follows:

CONTRACTOR:

Horizons Construction Company Int'l. Inc.
432 W. Meats Avenue
Orange, CA 92865
Attn: Kinan Kotrash

CITY:

City of Arcadia
240 West Huntington Drive
Arcadia, California 91066
Attn: Carlos Aguilar, General Services Superintendent

Any notice so given shall be considered received by the other Party three (3) days after deposit in the U.S. Mail as stated above and addressed to the Party at the above address. Actual notice shall be deemed adequate notice on the date actual notice occurred, regardless of the method of service.

3.17.7 Time of Essence. Time is of the essence in the performance of this Contract.

3.17.8 Assignment Forbidden. Contractor shall not, either voluntarily or by action of law, assign or transfer this Contract or any obligation, right, title or interest assumed by Contractor herein without the prior written consent of City. If Contractor attempts an assignment or transfer of this Contract or any obligation, right, title or interest herein, City may, at its option, terminate and revoke the Contract and shall thereupon be relieved from any and all obligations to Contractor or its assignee or transferee.

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

3.17.10 Laws, Venue, and Attorneys' Fees. This Agreement shall be interpreted in accordance with the laws of the State of California. If any action is brought to interpret or enforce any term of this Agreement, the action shall be brought in a state or federal court situated in the County of Los Angeles, State of California.

3.17.11 Counterparts. This Contract may be executed in counterparts, each of which shall constitute an original.

3.17.12 Successors. The Parties do for themselves, their heirs, executors, administrators, successors, and assigns agree to the full performance of all of the provisions contained in this Contract.

3.17.13 [Reserved]

3.17.14 Solicitation. Contractor maintains and warrants that it has not employed nor retained any company or person, other than a bona fide employee working solely for Contractor, to solicit or secure this Contract. Further, Contractor warrants that it has not paid nor has it agreed to pay any company or person, other than a bona fide employee working solely for Contractor, any fee, commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting from the award or making of this Contract. For breach or violation of this warranty, City shall have the right to terminate this Contract without liability.

3.17.15 Conflict of Interest. Contractor maintains and warrants that it has not employed nor retained any company or person, other than a bona fide employee working solely for Contractor, to solicit or secure this Agreement. Further, Contractor warrants that it has not paid nor has it agreed to pay any company or person, other than a bona fide employee working solely for Contractor, any fee, commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting from the award or making of this Agreement. For breach or violation of this warranty, City shall have the right to rescind this Agreement without liability. For the term of this Contract, no official, officer or employee of City, during the term of his or her service with City, shall have any direct interest in this Contract, or obtain any present or anticipated material benefit arising therefrom. In addition, Contractor agrees to file, or to cause its employees or subcontractors to file,

a Statement of Economic Interest with the City's Filing Officer as required under state law in the performance of the Work.

3.17.16 Certification of License.

3.17.16.1 Contractor certifies that as of the date of execution of this Contract, Contractor has a current contractor's license of the classification indicated below under Contractor's signature.

3.17.16.2 Contractors are required by law to be licensed and regulated by the Contractors' State License Board which has jurisdiction to investigate complaints against contractors if a complaint regarding a patent act or omission is filed within four (4) years of the date of the alleged violation. A complaint regarding a latent act or omission pertaining to structural defects must be filed within ten (10) years of the date of the alleged violation. Any questions concerning a contractor may be referred to the Registrar, Contractors' State License Board, P.O. Box 26000, Sacramento, California 95826.

3.17.17 Authority to Enter Contract. Each Party warrants that the individuals who have signed this Contract have the legal power, right and authority to make this Contract and bind each respective Party.

3.17.18 Entire Contract; Modification. This Contract contains the entire agreement of the Parties with respect to the subject matter hereof, and supersedes all prior negotiations, understandings or agreements. This Contract may only be modified by a writing signed by both Parties.

3.17.19 Non-Waiver. None of the provisions of this Agreement shall be considered waived by either party, unless such waiver is specifically specified in writing.

3.17.20 City's Right to Employ Other Contractors. City reserves right to employ other contractors in connection with this Project or other projects.

[SIGNATURES ON NEXT PAGE]

**SIGNATURE PAGE FOR CONSTRUCTION CONTRACT
BETWEEN THE CITY OF ARCADIA
AND HORIZONS CONSTRUCTION COMPANY INT'L., INC.**

IN WITNESS WHEREOF, the Parties have entered into this Agreement as of the _____ day of _____, 2026.

CITY OF ARCADIA

HORIZONS CONSTRUCTION CO. INT'L, INC.

By: _____
Dominic Lazaretto
City Manager

By: _____

Its: _____

Printed Name: _____

ATTEST:

By: _____

By: _____
City Clerk

Its: _____

Printed Name: _____

APPROVED AS TO FORM:

By: _____
Michael J. Maurer
City Attorney

EXHIBIT "A"

SERVICES / SCHEDULE

The project plan and proposal (Work Order Number 145486.00) are incorporated into this Contract. (see attachment "A").

The project plan and proposal (EZIQC Contract No.: CA-R8-GB-101723-HRZ) are incorporated into this Contract.



Work Order Signature Document

EZIQC Contract No.: CA-R8-GB-101723-HRZ			
<input checked="" type="checkbox"/>	New Work Order	<input type="checkbox"/>	Modify an Existing Work Order
Work Order Number.:	145486.00	Work Order Date:	<u>01/07/2026</u>
Work Order Title:	Arcadia Peacock Fountain Resurfacing Project		
Owner Name:	<u>City of Arcadia Public Works</u>	Contractor Name:	<u>Horizons Construction Co. Int'l, Inc.</u>
Contact:	<u>Carlos Aguilar</u>	Contact:	<u>Kinan Kotrash</u>
Phone:	<u>626-254-2710</u>	Phone:	<u>(714) 626-0000</u>

Work to be Performed
Work to be performed as per the Final Detailed Scope of Work Attached and as per the terms and conditions of Sourcewell EZIQC Contract No CA-R8-GB-101723-HRZ.
<u>Brief Work Order Description:</u>

Time of Performance	Estimated Start Date:	
	Estimated Completion Date:	
Liquidated Damages	Will apply: <input type="checkbox"/>	Will not apply: <input checked="" type="checkbox"/>

Work Order Firm Fixed Price: \$57,649.29
Owner Purchase Order Number:

Approvals

 City of Arcadia Public Works Service Department Date

 Horizons Construction Co. Int'l, Inc. Date

Detailed Scope of Work

To: Kinan Kotrash
 Horizons Construction Co. Int'l, Inc.

 432 W. Meats Ave.
 Orange, CA 92865
 (714) 626-0000

From: Carlos Aguilar
 City of Arcadia Public Works Services Department
 11800 Goldring Rd.
 Arcadia, CA 91066
 626-254-2710

Date Printed: January 07, 2026

Work Order Number: 145486.00

Work Order Title: Arcadia Peacock Fountain Resurfacing Project

Brief Scope:

Preliminary

Revised

Final

The following items detail the scope of work as discussed at the site. All requirements necessary to accomplish the items set forth below shall be considered part of this scope of work.

145486.00 - Arcadia Peacock Fountain Resurfacing Project

Detailed Scope of Work

1. Remove Existing Waterproofing Remove and dispose of all existing waterproofing layers (approx. four total) from the fountain structure.
2. Concrete Repairs Inspect and repair damaged concrete as needed after waterproofing is removed.
3. Apply Waterproofing Furnish and apply two coats of Miracote Membrane C waterproofing over the prepared surface.
4. Apply Protective Coating Furnish and install Miracote MPC as a protective topcoat over the waterproofing.
5. Install Fountain Nozzles Furnish and install fifteen (15) missing fountain nozzles in the existing manifold.
6. Closeout Documentation Provide electronic O&M manual and record drawings upon project completion.

Subject to the terms and conditions of eziQC Contract **CA-R8-GB-101723-HRZ**.

Horizons Construction Co. Int'l, Inc.

Date

City of Arcadia Public Works Service Dept.

Date

Contractor's Price Proposal - Summary

Date: January 07, 2026

Re: IQC Master Contract #: CA-R8-GB-101723-HRZ
Work Order #: 145486.00
Owner PO #:
Title: Arcadia Peacock Fountain Resurfacing Project
Contractor: Horizons Construction Co. Int'l, Inc.
Proposal Value: \$57,649.29

Section - 01	\$8,363.46
Section - 03	\$28,236.22
Section - 07	\$7,496.87
Section - 13	\$13,552.74
Proposal Total	\$57,649.29

This total represents the correct total for the proposal. Any discrepancy between line totals, sub-totals and the proposal total is due to rounding.

The Percentage of NPP on this Proposal: %

Contractor's Price Proposal - Detail

Date: January 07, 2026

Re: IQC Master Contract #: CA-R8-GB-101723-HRZ
 Work Order #: 145486.00
 Owner PO #:
 Title: Arcadia Peacock Fountain Resurfacing Project
 Contractor: Horizons Construction Co. Int'l, Inc.
 Proposal Value: \$57,649.29

Sect.	Item	Mod.	UOM	Description	Line Total
Labor	Equip.	Material	(Excludes)		
Section - 01					
1	01 22 16 00 0002		EA	Reimbursable Fees Reimbursable Fees will be paid to the contractor for eligible costs as directed by Owner. Insert the appropriate quantity to adjust the base cost to the actual Reimbursable Fee. If there are multiple Reimbursable Fees, list each one separately and add a comment in the "note" block to identify the Reimbursable Fee (e.g. sidewalk closure, road cut, various permits, extended warranty, expedited shipping costs, etc.). A copy of each receipt, invoice, or proof of payment shall be submitted with the Price Proposal.	\$1,240.99
			Installation	Quantity Unit Price Factor = Total 1,128.17 x 1.00 x 1.1000 = 1,240.99	
				Bond and Insurance 2 % \$56,408.30 x 0.02 = \$1,128.17	
2	01 22 20 00 0080		HR	Project Manager For tasks not included in the Construction Task Catalog® and as directed by owner only.	\$5,273.60
			Installation	Quantity Unit Price Factor = Total 32.00 x 160.00 x 1.0300 = 5,273.60	
				Due to the age of the fountain, investigation is necessary to identify the original materials used in its construction.	
3	01 22 23 00 0903		DAY	2,000 PSI Pressure Washer With Full-Time Operator	\$2,920.17
			Installation	Quantity Unit Price Factor = Total 3.00 x 945.04 x 1.0300 = 2,920.17	
				Pressure Washer for 3 Days	
4	01 22 23 00 0903 0037		MOD	For Equipment Without Operator, Deduct	-\$1,071.30
			Installation	Quantity Unit Price Factor = Total 1.25 x -832.08 x 1.0300 = -1,071.30	
Subtotal for Section - 01					\$8,363.46
Section - 03					
5	03 01 30 71 0037		SF	Spall Concrete Repair, >3/4" To 1-1/2" Deep On Vertical/Overhead Surfaces	\$4,674.96
			Installation	Quantity Unit Price Factor = Total 40.00 x 113.47 x 1.0300 = 4,674.96	
				Spalling and Repairing of any Damage Concrete on Fountain prior to placement of waterproofing materials.	
6	03 01 30 71 0037 0134			For Up To 100, Add	\$3,167.46
			Installation	Quantity Unit Price Factor = Total 40.00 x 76.88 x 1.0300 = 3,167.46	
7	03 01 30 71 0045		SF	Up To 10 SF, Clean Calcite/Staining On Concrete With Brush	\$11,633.34
			Installation	Quantity Unit Price Factor = Total 490.00 x 23.05 x 1.0300 = 11,633.34	
				Complete Cleaning of concrete Surface of Fountain Prior to Installation of Miracote membranes	
8	03 01 30 71 0054		LF	Up To 1/4" Wide, Latex Emulsion, Gravity Fed Non-Structural Crack Repair For Concrete, Surface Applied With Squeeze Tube (Quikrete® Concrete Crack Seal)	\$2,404.33
			Installation	Quantity Unit Price Factor = Total 310.00 x 7.53 x 1.0300 = 2,404.33	
				Repair any non structural cracks on the fountain prior to installation of waterproofing membrane.	

Contractor's Price Proposal - Detail Continues..

Work Order Number: 145486.00
Work Order Title: Arcadia Peacock Fountain Resurfacing Project

Section - 03

9	03 35 83 00 0011	SF	>1/4" To 1/2" Penetration Abrasive Media Blasting, New Concrete Wall Finishes	9 Lb. of sand abrasive media material per SF					\$6,356.13
		Installation	510.00	x	12.10	x	1.0300	=	6,356.13
Sand Blasting Fountain concrete Surface to prep for new Waterproofing materials.									

Subtotal for Section - 03 **\$28,236.22**

Section - 07

10	07 13 53 00 0022	CSF	60 Mil Polyethylene Vapor Barrier With Bentonite	Includes seam tape, liquid mastic, anchors and termination bar.					\$840.48
		Installation	5.10	x	145.96	x	1.0300	=	766.73
		Demolition	5.10	x	14.04	x	1.0300	=	73.75
Remove Existing Benotonite Vapor Barrier and Install New.									
11	07 16 13 00 0001	SF	Polymer Modified Cementitious Waterproofing Assembly, 2 Coats	As manufactured by Thoro Consumer Products. Includes Thoroseal, Acryl 60, acrylic waterproof coating and white pigmented acrylic copolymer primer.					\$2,594.16
		Installation	490.00	x	5.14	x	1.0300	=	2,594.16
Furnish and Install Two Coats of Miracote Membrane C Waterproofing.									
12	07 16 16 00 0001	SF	Crystalline Cementitious Waterproofing. 2 Coats (Xypex Concentrate)						\$3,134.19
		Installation	490.00	x	6.21	x	1.0300	=	3,134.19
Apply 2 Coat of Cementitious Waterproofing on Fountain.									
13	07 51 13 00 0154	SQ	AlphaGuard C-Prime Primer	100% solids epoxy primer for concrete surfaces.					\$928.04
		Installation	9.80	x	91.94	x	1.0300	=	928.04
Apply 2 coats of aqua primer for Fountain Miracota MPC material..									

Subtotal for Section - 07 **\$7,496.87**

Section - 13

14	13 12 13 00 0011	EA	Aerator Nozzle						\$13,552.74
		Installation	15.00	x	780.71	x	1.0300	=	12,061.97
		Demolition	15.00	x	96.49	x	1.0300	=	1,490.77
Remove and Replace (15) Fountain Nozzles									

Subtotal for Section - 13 **\$13,552.74**

Proposal Total **\$57,649.29**

This total represents the correct total for the proposal. Any discrepancy between line totals, sub-totals and the proposal total is due to rounding.

The Percentage of NPP on this Proposal: %

Subcontractor Listing

Date: January 07, 2026

Re: IQC Master Contract #: CA-R8-GB-101723-HRZ
Work Order #: 145486.00
Owner PO #:
Title: Arcadia Peacock Fountain Resurfacing Project
Contractor: Horizons Construction Co. Int'l, Inc.
Proposal Value: \$57,649.29

Name of Contractor	Duties	Amount	%
No Subcontractors have been selected for this Work Order		\$0.00	0.00

EXHIBIT “B”

PLANS AND SPECIFICATIONS

All service and unit specifications are listed in Exhibit “A”

EXHIBIT "C"

SPECIAL CONDITIONS

ARTICLE 1. BONDS

Within ten (10) calendar days from the date the Contractor is notified of award of the Contract, the Contractor shall deliver to the City four identical counterparts of the Performance Bond and Payment Bond on the forms supplied by the City and included as Exhibit "F" to the Contract. Failure to do so may, in the sole discretion of City, result in the forfeiture of Contractor's bid security. The surety supplying the bond must be an admitted surety insurer, as defined in Code of Civil Procedure Section 995.120, authorized to do business as such in the State of California and satisfactory to the City. The Performance Bond and the Payment Bond shall be for one hundred percent (100%) of the Total Contract Price.

EXHIBIT "D"

**CERTIFICATION
LABOR CODE - SECTION 1861**

I, the undersigned Contractor, am aware of the provisions of Section 3700, et seq., of the California Labor Code which require 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, the undersigned Contractor, agree to and will comply with such provisions before commencing the performance of the Work on this Contract.

**HORIZONS CONSTRUCTION COMPANY
INT'L., INC.**

By: _____
Signature

Name (Print)

Title (Print)

EXHIBIT “E”

PUBLIC WORKS CONTRACTOR REGISTRATION CERTIFICATION

Pursuant to Labor Code sections 1725.5 and 1771.1, all contractors and subcontractors that wish to bid on, be listed in a bid proposal, or enter into a contract to perform public work must be registered with the Department of Industrial Relations. See <http://www.dir.ca.gov/Public-Works/PublicWorks.html> for additional information.

No bid will be accepted nor any contract entered into without proof of the contractor’s and subcontractors’ current registration with the Department of Industrial Relations to perform public work.

Contractor hereby certifies that it is aware of the registration requirements set forth in Labor Code sections 1725.5 and 1771.1 and is currently registered as a contractor with the Department of Industrial Relations.¹

Name of Contractor: _____

DIR Registration Number: _____

DIR Registration Expiration: _____

Small Project Exemption: ____ Yes or ____ No

Unless Contractor is exempt pursuant to the small project exemption, Contractor further acknowledges:

- Contractor shall maintain a current DIR registration for the duration of the project.
- Contractor shall include the requirements of Labor Code sections 1725.5 and 1771.1 in its contract with subcontractors and ensure that all subcontractors are registered at the time of bid opening and maintain registration status for the duration of the project.
- Failure to submit this form or comply with any of the above requirements may result in a finding that the bid is non-responsive.

Name of Contractor _____

Signature _____

Name and Title _____

Dated _____

¹ If the Project is exempt from the contractor registration requirements pursuant to the small project exemption under Labor Code Sections 1725.5 and 1771.1, please mark “Yes” in response to “Small Project Exemption.”

EXHIBIT "F"

PAYMENT AND PERFORMANCE BONDS

PERFORMANCE BOND

KNOW ALL PERSONS BY THESE PRESENTS:

THAT WHEREAS, the City of Arcadia (hereinafter referred to as "City") has awarded to **Horizons Construction Company Int'l. Inc.**, (hereinafter referred to as the "Contractor") an agreement for **Peacock Fountain Resurfacing Project / Contract No. _____** (hereinafter referred to as the "Project").

WHEREAS, the work to be performed by the Contractor is more particularly set forth in the Contract Documents for the Project dated _____, (hereinafter referred to as "Contract Documents"), the terms and conditions of which are expressly incorporated herein by reference; and

WHEREAS, the Contractor is required by said Contract Documents to perform the terms thereof and to furnish a bond for the faithful performance of said Contract Documents.

NOW, THEREFORE, we, _____, the undersigned Contractor and _____ as Surety, a corporation organized and duly authorized to transact business under the laws of the State of California, are held and firmly bound unto the City in the sum of **FIFTY-SEVEN THOUSAND, SIX HUNDRED FORTY-NINE DOLLARS, AND TWENTY-NINE CENTS (\$57,649.29)**, said sum being not less than one hundred percent (100%) of the total amount of the Contract, for which amount 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 Contractor, his or its heirs, executors, administrators, successors or assigns, shall in all things stand to and abide by, and well and truly keep and perform the covenants, conditions and agreements in the Contract Documents and any alteration thereof made as therein provided, on its part, to be kept and performed at the time and in the manner therein specified, and in all respects according to their intent and meaning; and shall faithfully fulfill all obligations including the one-year guarantee of all materials and workmanship; and shall indemnify and save harmless the City, its officers and agents, as stipulated in said Contract Documents, then this obligation shall become null and void; otherwise it shall be and remain in full force and effect.

As a condition precedent to the satisfactory completion of the Contract Documents, unless otherwise provided for in the Contract Documents, the above obligation shall hold good for a period of one (1) year after the acceptance of the work by City, during which time if Contractor shall fail to make full, complete, and satisfactory repair and replacements and totally protect the City from loss or damage resulting from or caused by defective materials or faulty workmanship, Surety shall undertake and faithfully fulfill all such obligations. The obligations of Surety hereunder shall continue so long as any obligation of Contractor remains. Nothing herein shall limit the City's rights or the Contractor or Surety's obligations under the Contract, law or equity, including, but not limited to, California Code of Civil Procedure section 337.15.

Whenever Contractor shall be, and is declared by the City to be, in default under the Contract Documents, the Surety shall remedy the default pursuant to the Contract Documents, or shall promptly, at the City's option:

- (1) Take over and complete the Project in accordance with all terms and conditions in the Contract Documents; or
- (2) Obtain a bid or bids for completing the Project in accordance with all terms and conditions in the Contract Documents and upon determination by Surety of the lowest responsive and responsible bidder, arrange for a Contract between such bidder, the Surety and the City, and make available as work progresses sufficient funds to pay the cost of completion of the Project, less the balance of the contract price, including other costs and damages for which Surety may be liable. The term "balance of the contract price" as used in this paragraph shall mean the total amount payable to Contractor by the City under the Contract and any modification thereto, less any amount previously paid by the City to the Contractor and any other set offs pursuant to the Contract Documents.
- (3) Permit the City to complete the Project in any manner consistent with local, California and federal law and make available as work progresses sufficient funds to pay the cost of completion of the Project, less the balance of the contract price, including other costs and damages for which Surety may be liable. The term "balance of the contract price" as used in this paragraph shall mean the total amount payable to Contractor by the City under the Contract and any modification thereto, less any amount previously paid by the City to the Contractor and any other set offs pursuant to the Contract Documents.

Surety expressly agrees that the City may reject any contractor or subcontractor which may be proposed by Surety in fulfillment of its obligations in the event of default by the Contractor.

Surety shall not utilize Contractor in completing the Project nor shall Surety accept a bid from Contractor for completion of the Project if the City, when declaring the Contractor in default, notifies Surety of the City's objection to Contractor's further participation in the completion of the Project.

The Surety, for value received, hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of the Contract Documents or to the Project to be performed thereunder 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 Project, including but not limited to the provisions of sections 2819 and 2845 of the California Civil Code.

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

(Corporate Seal)

Contractor/ Principal

By _____

Title _____

(Corporate Seal)

Surety

By _____
Attorney-in-Fact

Signatures of those signing for the Contractor and Surety must be notarized and evidence of corporate authority attached.

(Attach Attorney-in-Fact Certificate)

Title _____

The rate of premium on this bond is _____ per thousand. The total amount of premium charges, \$_____.
(The above must be filled in by corporate attorney.)

THIS IS A REQUIRED FORM

Any claims under this bond may be addressed to:

(Name and Address of Surety) _____

(Name and Address of Agent or Representative for service of process in California, if different from above) _____

(Telephone number of Surety and Agent or Representative for service of process in California) _____

NOTE: A copy of the Power-of-Attorney authorizing the person signing on behalf of the Surety to do so must be attached hereto.

Notary Acknowledgment

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

STATE OF CALIFORNIA
COUNTY OF _____

On _____, 20____, before me, _____, Notary Public, personally

appeared _____, who proved to me on the basis of satisfactory

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

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

WITNESS my hand and official seal.

Signature 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.

CAPACITY CLAIMED BY SIGNER

DESCRIPTION OF ATTACHED DOCUMENT

- Individual
- Corporate Officer

_____ Title(s)

_____ Title or Type of Document

- Partner(s) Limited
- General

_____ Number of Pages

- Attorney-In-Fact
- Trustee(s)
- Guardian/Conservator
- Other:

_____ Date of Document

Signer is representing:
Name Of Person(s) Or Entity(ies)

_____ Signer(s) Other Than Named Above

PAYMENT BOND

KNOW ALL MEN BY THESE PRESENTS That

WHEREAS, the City of Arcadia (hereinafter designated as the "City"), by action taken or a resolution passed **March 3, 2026** has awarded to **Horizons Construction Company Int'l., Inc.** hereinafter designated as the "Principal," a contract for the work described as follows: **Peacock Fountain Resurfacing Project** (the "Project"); and

WHEREAS, the work to be performed by the Principal is more particularly set forth in the Contract Documents for the Project dated _____ ("Contract Documents"), the terms and conditions of which are expressly incorporated by reference; and

WHEREAS, said Principal is required to furnish a bond in connection with said contract; providing that if said Principal or any of its Subcontractors shall fail to pay for any materials, provisions, provender, equipment, or other supplies used in, upon, for or about the performance of the work contracted to be done, or for any work or labor done thereon of any kind, or for amounts due under the Unemployment Insurance Code or for any amounts required to be deducted, withheld, and paid over to the Employment Development Department from the wages of employees of said Principal and its Subcontractors with respect to such work or labor the Surety on this bond will pay for the same to the extent hereinafter set forth.

NOW THEREFORE, we, the Principal and _____ as Surety, are held and firmly bound unto the City in the penal sum of **FIFTY-SEVEN THOUSAND, SIX HUNDRED FORTY-NINE DOLLARS, AND TWENTY-NINE CENTS (\$57,649.29)** lawful money of the United States of America, for the payment of which sum well and truly to be made, we bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH that if said Principal, his or its subcontractors, heirs, executors, administrators, successors or assigns, shall fail to pay any of the persons named in Section 9100 of the Civil Code, fail to pay for any materials, provisions or other supplies, used in, upon, for or about the performance of the work contracted to be done, or for any work or labor thereon of any kind, or amounts due under the Unemployment Insurance Code with respect to work or labor performed under the contract, or for any amounts required to be deducted, withheld, and paid over to the Employment Development Department or Franchise Tax Board from the wages of employees of the contractor and his subcontractors pursuant to Section 18663 of the Revenue and Taxation Code, with respect to such work and labor the Surety or Sureties will pay for the same, in an amount not exceeding the sum herein above specified.

This bond shall inure to the benefit of any of the persons named in Section 9100 of the Civil Code so as to give a right of action to such persons or their assigns in any suit brought upon this bond.

It is further stipulated and agreed that the Surety on this bond shall not be exonerated or released from the obligation of this bond by any change, extension of time for performance, addition, alteration or modification in, to, or of any contract, plans, specifications, or agreement pertaining or relating to any scheme or work of improvement herein above described, or pertaining or relating to the furnishing of labor, materials, or equipment therefore, nor by any change or modification of any terms of payment or extension of the time for any payment pertaining or relating to any scheme or work of improvement herein above described, nor by any rescission or attempted rescission of the contract, agreement or bond, nor by any conditions precedent or subsequent in the bond attempting to limit the right of recovery of claimants otherwise entitled to recover under any such contract or agreement or under the bond, nor by any fraud practiced by any person other than the claimant

seeking to recover on the bond and that this bond be construed most strongly against the Surety and in favor of all persons for whose benefit such bond is given, and under no circumstances shall Surety be released from liability to those for whose benefit such bond has been given, by reason of any breach of contract between the owner or City and original contractor or on the part of any obligee named in such bond, but the sole conditions of recovery shall be that claimant is a person described in Section 9100 of the Civil Code, and has not been paid the full amount of his claim and that Surety does hereby waive notice of any such change, extension of time, addition, alteration or modification herein mentioned and the provisions of sections 2819 and 2845 of the California Civil Code.

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

(Corporate Seal)

Contractor/ Principal

By _____

Title _____

(Corporate Seal)

Surety

By _____

Attorney-in-Fact

Title _____

Signatures of those signing for the Contractor and Surety must be notarized and evidence of corporate authority attached. A Power-of-Attorney authorizing the person signing on behalf of the Surety to do so must be attached hereto.

NOTE: A copy of the Power-of-Attorney authorizing the person signing on behalf of the Surety to do so must be attached hereto.

Notary Acknowledgment

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

STATE OF CALIFORNIA
 COUNTY OF _____

On _____, 20____, before me, _____, Notary Public, personally appeared _____, who proved to me on the basis of satisfactory

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

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

WITNESS my hand and official seal.

Signature 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.

CAPACITY CLAIMED BY SIGNER

DESCRIPTION OF ATTACHED DOCUMENT

- Individual
- Corporate Officer

_____ Title(s)

_____ Title or Type of Document

- Partner(s) Limited
- General

_____ Number of Pages

- Attorney-In-Fact
- Trustee(s)
- Guardian/Conservator
- Other:

_____ Date of Document

Signer is representing:
 Name Of Person(s) Or Entity(ies)

_____ Signer(s) Other Than Named Above

EXHIBIT "G"
FEDERAL REQUIREMENTS

Not Applicable.

Attachment No. 3



Indefinite Delivery-Indefinite Quantity Construction Contract

Contract Number: CA-R8-GB-101723-HRZ

Service Type: General Building

This Indefinite Delivery-Indefinite Quantity Construction Contract (Contract) is between **Sourcewell**, 202 12th Street Northeast, P.O. Box 219, Staples, MN 56479 and **Horizons Construction Company Int'l Inc., 432 W Meats Avenue, Orange , California 92865** (Contractor).

Sourcewell is a State of Minnesota local government agency and service cooperative created under the laws of the State of Minnesota (Minnesota Statutes Section 123A.21) that offers cooperative procurement solutions to government entities. Participation is open to federal, state and municipal governmental entities, K-12 and higher education entities, nonprofit entities, tribal governments, and other public entities located within the United States.

The Contractor desires to contract with Sourcewell to provide construction services to entities that access Sourcewell's indefinite delivery-indefinite quantity (IDIQ) construction contracts within the Service Region.

I. TERM OF CONTRACT

A. EFFECTIVE DATE. This Contract, including the General Terms and Conditions incorporated by reference, is effective upon the later of December 6, 2023 or the date of the final signature below.

B. EXPIRATION DATE AND EXTENSION. This Contract expires **December 5, 2024**, unless it is terminated sooner pursuant to Article XX of the General Terms and Conditions, which are incorporated into this Contract by reference. This Contract allows up to five additional one-year extensions upon the request of Sourcewell and written agreement with Contractor. Sourcewell retains the right to consider additional extensions beyond six years as required under exceptional circumstances.

II. REGION AND SERVICES

The Contractor's Region is: Region 8. The Contractor's IDIQ construction service type is: General Building. The Contractor **has** agreed to perform work outside the Region.

III. ADJUSTMENT FACTORS

The Contractor will perform any or all Tasks in the Construction Task Catalog for the Unit Price appearing therein multiplied by the following Adjustment Factors. See the General Terms and Conditions for additional information.

A. **Normal Working Hours – Prevailing Wage Rate Projects**: Work performed from 7:00 a.m. until 4:00 p.m. Monday to Friday, except Holidays. The Contractor will perform Tasks during Normal Working Hours for the Unit Price set forth in the CTC multiplied by the Adjustment Factor of: 1.0300.

B. **Other Than Normal Working Hours – Prevailing Wage Rate Projects:** Work performed from 4:00 p.m. to 7:00 a.m. Monday to Friday, and any time Saturday, Sunday and Holidays. The Contractor will perform Tasks during Other Than Normal Working Hours for the Unit Price set forth in the CTC multiplied by the Adjustment Factor of: 1.0700.

C. **Secured Facilities/OSHPD Prevailing - Wage Rate Projects:** Work performed from 7:00 a.m. until 4:00 p.m. Monday to Friday, except Holidays. The Contractor will perform Tasks during Normal Working Hours for the Unit Price set forth in the CTC multiplied by the Adjustment Factor of: 1.0700.

D. **All Union Wage Projects:** Work performed from 7:00 a.m. until 4:00 p.m. Monday to Friday, except Holidays. The Contractor will perform Tasks during Normal Working Hours for the Unit Price set forth in the CTC multiplied by the Adjustment Factor of: 1.0700.

E. **Non pre-priced Adjustment Factor:** To be applied to Work determined not to be included in the CTC but within the general scope of the work: 1.1500.

VI. AUTHORIZED REPRESENTATIVE

A. Sourcewell's Authorized Representative is its Chief Procurement Officer.

B. The Contractor’s Authorized Representative is Kinan Kotrash. If the Contractor’s Authorized Representative changes at any time during this Contract, Contractor must promptly notify Sourcewell in writing.

Sourcewell

Horizons Construction Company Int'l Inc.

DocuSigned by:
Jeremy Schwartz
C0FD2A139D06489...
By: _____

DocuSigned by:
Kinan Kotrash
2D364587FC59499...
By: _____

Jeremy Schwartz

Kinan Kotrash

Title: Chief Procurement Officer

Title: Vice President

Date: 12/1/2023 | 2:54 PM CST

Date: 12/1/2023 | 10:32 AM PST

**AGREEMENT TO
MODIFY AND EXTEND
SOURCEWELL CONTRACT #CA-R8-GB-101723-HRZ**

THIS AGREEMENT TO MODIFY AND EXTEND, Sourcewell Contract #CA-R8-GB-101723-HRZ, is effective upon the date of the last signature below.

Sourcewell and Horizons Construction Company Int'l Inc. ("Contractor") have entered into an Indefinite Delivery-Indefinite Quantity Construction Contract, Contract Number **CA-R8-GB-101723-HRZ**, with an initial term ending December 5, 2024, and five bilateral options to extend for an additional one-year term ("Contract"). The parties agree to modify and extend the Contract as stated below.

CONTRACT MODIFICATION

The following is adopted as the new CTC for the Contract effective December 6, 2024:

[Sourcewell California - Region 8](#)

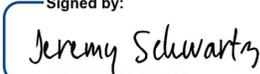
Pursuant to the Contract, Contractor's Adjustment Factors remain fixed for the duration of the contract term and are unaffected by this modification.

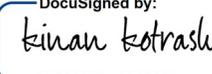
EXERCISE OF OPTION: EXTENSION

Contractor and Sourcewell hereby desire and agree to extend the Contract, with the above modification, for the period of December 6, 2024 through December 5, 2025.

Sourcewell

Horizons Construction Company Int'l Inc.

Signed by:

By: _____
C0ED2A139D06489
Jeremy Schwartz

DocuSigned by:

By: _____
2D364587EC59499
Kinan Kotrash

Title: Chief Procurement Officer

Title: Vice President

Date: 11/15/2024 | 6:11 PM CST

Date: 11/15/2024 | 10:09 AM PST

**AGREEMENT TO
MODIFY AND EXTEND
SOURCEWELL CONTRACT #CA-R8-GB-101723-HRZ**

THIS AGREEMENT TO MODIFY AND EXTEND, Sourcewell Contract #CA-R8-GB-101723-HRZ is effective upon the date of the last signature below.

Sourcewell and Horizons Construction Company Int'l Inc. ("Contractor") have entered into an Indefinite Quantity Construction Contract, Contract Number CA-R8-GB-101723-HRZ with an initial term ending December 5, 2024, and five bilateral options to extend for an additional one-year term ("Contract"). This contract has previously been extended by the parties for the term ending December 5, 2025. The parties agree to modify and extend the Contract as stated below.

CONTRACT MODIFICATION

The updated CTC will appear in the eGordian software upon receipt of the executed extension document.

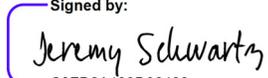
Pursuant to the Contract, Contractor's Adjustment Factors remain fixed for the duration of the contract term and are unaffected by this modification.

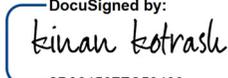
EXERCISE OF OPTION: EXTENSION

Contractor and Sourcewell hereby desire and agree to extend the Contract, with the above modification, for the period of December 6, 2025 through December 5, 2026.

Sourcewell

Horizons Construction Company Int'l Inc.

Signed by:

By: _____
C0FD2A139D06489...

DocuSigned by:

By: _____
2D364587FC59499...

Jeremy Schwartz

Kinan Kotrash

Title: Chief Procurement Officer

Title: Vice President

Date: 10/29/2025 | 2:27 PM CDT

Date: 10/29/2025 | 11:59 AM PDT



PUBLIC WORKS SERVICES DEPARTMENT

DATE: March 3, 2026

TO: Honorable Mayor and City Council

FROM: Paul Cranmer, Public Works Services Director
By: Carlos Aguilar, General Services Superintendent

SUBJECT: CONTRACT WITH KYA SERVICES, LLC FOR THE FIRE STATION 105 BOILER REPLACEMENT PROJECT IN THE AMOUNT OF \$56,920.25
CEQA: Exempt
Recommendation: Approve

SUMMARY

The Fiscal Year 2024-25 Capital Improvement Program provides for the replacement of the Fire Station 105 boiler, which has reached the end of its useful life and requires replacement. After exploring possible purchasing options, it was determined that using the California Multiple Award Schedules (“CMAS”), a cooperative purchasing program, enables the City to streamline the process of procuring and installing a new boiler at Fire Station 105 while receiving the best price possible.

It is recommended that the City Council approve, authorize, and direct the City Manager to execute a contract with KYA Services, LLC for the Fire Station 105 Boiler Replacement Project in the amount of \$56,920.25, with a 10% contingency.

BACKGROUND

The boiler at Fire Station 105 provides heat to the facility and operates continuously under heavy demand. At nearly 20 years old, the boiler has reached the end of its useful life. In recent years, the unit has experienced frequent failures and repairs, including economizer failures, actuator adjustments, repeated reprogramming and calibration of the control board, and repairs to multiple internal leaks. These ongoing problems have resulted in significant downtime, leading to unreliable heating at Fire

Station 105, and requiring frequent service calls that have increased operational costs.

A new energy-efficient boiler will be installed to provide Fire Station 105 with reliable and consistent heating. In addition to improving performance, the upgraded system will lower operating costs by using less fuel to produce the same level of heat and by reducing maintenance needs, repair calls, and unexpected breakdowns.

DISCUSSION

The project scope includes removing and disposing of the existing boiler, installing a new energy-efficient unit, and integrating it with the existing control software. The contractor will also verify the control's sequence of operation to ensure the new boiler safely starts, operates, and shuts down, and will provide training to the Public Works Services staff on the new equipment. The replacement of the boiler is expected to be completed within two weeks. During this time, air conditioning will remain fully operational.

Utilizing CMAS, a cooperative purchasing program, enables the City to streamline the procurement process for these services at a lower cost than the traditional competitive bidding process. The California Government Code authorizes public agencies to participate in cooperative purchasing agreements, such as those established by CMAS, while remaining within the City's adopted rules and procedures for purchasing. CMAS awarded a contract to KYA Services, LLC for a series of specialized HVAC related services, including those needed for the Fire Station 105 Boiler Replacement Project. A copy of the agreement between CMAS and KYA Services, LLC is attached. The bidding process and the contract have been reviewed by the Public Works Services Department and meet the City's procurement requirements. The City has previously contracted with KYA Services, LLC and has been satisfied with their services.

ENVIRONMENTAL ANALYSIS

This Project is considered a Class 1 exemption as defined in Section 15301(a) "Existing Facilities" projects of the California Environmental Quality Act ("CEQA"), which exempts projects consisting of the minor alteration of existing public structures.

FISCAL IMPACT

The Fiscal Year 2024-25 Capital Improvement Program Budget includes \$100,000 for the Fire Station 105 Boiler Replacement Project. The total cost of the Project is \$56,920.25, and with a 10% contingency, the total project cost would be \$62,612.28, which is within the adopted budget.

RECOMMENDATION

It is recommended that the City Council determine that this project is exempt under the California Environmental Quality Act ("CEQA"); and approve, authorize, and direct the City Manager to execute a contract with KYA Services, LLC for the Fire Station 105 Boiler Replacement Project in the amount of \$56,920.25, with a 10% contingency.

Approved:



Dominic Lazzaretto
City Manager

Attachments: Proposed Short Form Contract
CMAS Contract

**CITY OF ARCADIA
CONSTRUCTION CONTRACT
FIRE STAION 105 BOILER REPLACEMENT**

1. PARTIES AND DATE.

This Contract is made and entered into this _____ day of _____, 2026 by and between the City of Arcadia, a public agency of the State of California (“City”) and **KYA Services, LLC**, a California Limited Liability Company, with its principal place of business at **1800 E. McFadden Avenue, Santa Ana, CA 92705** (“Contractor”). City and Contractor are sometimes individually referred to as “Party” and collectively as “Parties” in this Contract.

2. RECITALS.

2.1 City. City is a public agency organized under the laws of the State of California, with power to contract for services necessary to achieve its purpose.

2.2 Contractor. Contractor desires to perform and assume responsibility for the provision of certain construction services required by the City on the terms and conditions set forth in this Contract. Contractor represents that it is duly licensed and experienced in providing **HVAC and Boiler** related construction services to public clients, that it and its employees or subcontractors have all necessary licenses and permits to perform the services in the State of California, and that it is familiar with the plans of City. The following license classifications are required for this Project: **C-10 and C-20**.

2.3 Project. City desires to engage Contractor to render such services for the **Fire Station 105 Boiler Replacement Project** (“Project”) as set forth in this Contract.

2.4 Project Documents & Certifications. Contractor has obtained, and delivers concurrently herewith, a performance bond, a payment bond, and all insurance documentation, as required by the Contract.

3. TERMS

3.1 Incorporation of Documents. This Contract includes and hereby incorporates in full by reference the following documents, including all exhibits, drawings, specifications and documents therein, and attachments and addenda thereto:

- Services/Schedule (Exhibit “A”)
- Plans and Specifications (Exhibit “B”)
- Special Conditions (Exhibit “C”)
- Contractor’s Certificate Regarding Workers’ Compensation (Exhibit “D”)
- Public Works Contractor Registration Certification (Exhibit “E”)
- Payment and Performance Bonds (Exhibit “F”)
- Federal Requirements (Exhibit “G”)
- Addenda
- Change Orders executed by the City

- **Current** Edition of the Standard Specifications for Public Works Construction (The Greenbook), Excluding Sections 1-9
- Notice Inviting Bids, if any
- Instructions to Bidders, if any
- Contractor's Bid

3.2 Contractor's Basic Obligation; Scope of Work. Contractor promises and agrees, at its own cost and expense, to furnish to the City all labor, materials, tools, equipment, services, and incidental and customary work necessary to fully and adequately complete the Project, including all structures and facilities necessary for the Project or described in the Contract (hereinafter sometimes referred to as the "Work"), for a Total Contract Price as specified pursuant to this Contract. All Work shall be subject to, and performed in accordance with the above referenced documents, as well as the exhibits attached hereto and incorporated herein by reference. The plans and specifications for the Work are further described in Exhibit "B" attached hereto and incorporated herein by this reference. Special Conditions, if any, relating to the Work are described in Exhibit "C" attached hereto and incorporated herein by this reference.

3.2.1 Change in Scope of Work. Any change in the scope of the Work, method of performance, nature of materials or price thereof, or any other matter materially affecting the performance or nature of the Work shall not be paid for or accepted unless such change, addition or deletion is approved in writing by a valid change order executed by the City. Should Contractor request a change order due to unforeseen circumstances affecting the performance of the Work, such request shall be made within five (5) business days of the date such circumstances are discovered or shall waive its right to request a change order due to such circumstances. If the Parties cannot agree on any change in price required by such change in the Work, the City may direct the Contractor to proceed with the performance of the change on a time and materials basis.

3.2.2 Substitutions/"Or Equal". Pursuant to Public Contract Code Section 3400(b), the City may make a finding that designates certain products, things, or services by specific brand or trade name. Unless specifically designated in this Contract, whenever any material, process, or article is indicated or specified by grade, patent, or proprietary name or by name of manufacturer, such Specifications shall be deemed to be used for the purpose of facilitating the description of the material, process or article desired and shall be deemed to be followed by the words "or equal."

Contractor may, unless otherwise stated, offer for substitution any material, process or article which shall be substantially equal or better in every respect to that so indicated or specified in this Contract. However, the City may have adopted certain uniform standards for certain materials, processes and articles. Contractor shall submit requests, together with substantiating data, for substitution of any "or equal" material, process or article no later than thirty-five (35) days after award of the Contract. To facilitate the construction schedule and sequencing, some requests may need to be submitted before thirty-five (35) days after award of Contract. Provisions regarding submission of "or equal" requests shall not in any way authorize an extension of time for performance of this Contract. If a proposed "or equal" substitution request is rejected, Contractor shall be responsible for providing the specified material, process or article. The burden of proof as to the equality of any material, process or article shall rest with Contractor.

The City has the complete and sole discretion to determine if a material, process or article is an “or equal” material, process or article that may be substituted. Data required to substantiate requests for substitutions of an “or equal” material, process or article data shall include a signed affidavit from Contractor stating that, and describing how, the substituted “or equal” material, process or article is equivalent to that specified in every way except as listed on the affidavit. Substantiating data shall include any and all illustrations, specifications, and other relevant data including catalog information which describes the requested substituted “or equal” material, process or article, and substantiates that it is an “or equal” to the material, process or article. The substantiating data must also include information regarding the durability and lifecycle cost of the requested substituted “or equal” material, process or article. Failure to submit all the required substantiating data, including the signed affidavit, to the City in a timely fashion will result in the rejection of the proposed substitution.

Contractor shall bear all of the City’s costs associated with the review of substitution requests. Contractor shall be responsible for all costs related to a substituted “or equal” material, process or article. Contractor is directed to the Special Conditions (if any) to review any findings made pursuant to Public Contract Code section 3400.

3.3 Period of Performance and Liquidated Damages. Contractor shall perform and complete all Work under this Contract within **Fifteen CALENDAR** days, beginning the effective date of the Notice to Proceed (“Contract Time”). Contractor shall perform its Work in strict accordance with any completion schedule, construction schedule or project milestones developed by the City. Such schedules or milestones may be included as part of Exhibits “A” or “B” attached hereto, or may be provided separately in writing to Contractor. Contractor agrees that if such Work is not completed within the aforementioned Contract Time and/or pursuant to any such completion schedule, construction schedule or project milestones developed pursuant to provisions of the Contract, it is understood, acknowledged and agreed that the City will suffer damage. Pursuant to Government Code Section 53069.85, Contractor shall pay to the City as fixed and liquidated damages the sum of **Nine Hundred Dollars and No Cents (\$900.00) per day for each and every calendar day** of delay beyond the Contract Time or beyond any completion schedule, construction schedule or Project milestones established pursuant to the Contract.

3.4 Standard of Performance; Performance of Employees. Contractor shall perform all Work under this Contract 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. Contractor represents and maintains that it is skilled in the professional calling necessary to perform the Work. Contractor warrants that all employees and subcontractors shall have sufficient skill and experience to perform the Work 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 Work, including any required business license, and that such licenses and approvals shall be maintained throughout the term of this Contract. As provided for in the indemnification provisions of this Contract, Contractor shall perform, at its own cost and expense and without reimbursement from the City, any work necessary to correct errors or omissions which are caused by Contractor’s failure to comply with the standard of care provided for herein. Any employee who is determined by the City to be uncooperative, incompetent, a threat to the safety of persons or the Work, or any employee who fails or refuses to perform the Work in a manner acceptable to the City, shall be promptly removed from the Project by Contractor and shall not be re-employed on the Work.

3.5 Control and Payment of Subordinates; Contractual Relationship. City retains Contractor on an independent contractor basis and Contractor is not an employee of City. Any additional personnel performing the work governed by this Contract on behalf of Contractor shall at all times be under Contractor's exclusive direction and control. Contractor shall pay all wages, salaries, and other amounts due such personnel in connection with their performance under this Contract and as required by law. Contractor shall be responsible for all reports and obligations respecting such additional personnel, including, but not limited to: social security taxes, income tax withholding, unemployment insurance, and workers' compensation insurance.

3.6 City's Basic Obligation. City agrees to engage and does hereby engage Contractor as an independent contractor to furnish all materials and to perform all Work according to the terms and conditions herein contained for the sum set forth above. Except as otherwise provided in the Contract, the City shall pay to Contractor, as full consideration for the satisfactory performance by Contractor of the services and obligations required by this Contract, the below-referenced compensation in accordance with compensation provisions set forth in the Contract.

3.7 Compensation and Payment.

3.7.1 Amount of Compensation. As consideration for performance of the Work required herein, City agrees to pay Contractor the Total Contract Price of **FIFTY-SIX THOUSAND, NINE HUNDRED TWENTY DOLLARS AND TWENTY-FIVE CENTS (\$56,920.25)** ("Total Contract Price") provided that such amount shall be subject to adjustment pursuant to the applicable terms of this Contract or written change orders approved and signed in advance by the City.

3.7.2 Payment of Compensation. If the Work is scheduled for completion in thirty (30) or less calendar days, City will arrange for payment of the Total Contract Price upon completion and approval by City of the Work. If the Work is scheduled for completion in more than thirty (30) calendar days, City will pay Contractor on a monthly basis as provided for herein. On or before the fifth (5th) day of each month, Contractor shall submit to the City an itemized application for payment in the format supplied by the City indicating the amount of Work completed since commencement of the Work or since the last progress payment. These applications shall be supported by evidence which is required by this Contract and such other documentation as the City may require. The Contractor shall certify that the Work for which payment is requested has been done and that the materials listed are stored where indicated. Contractor may be required to furnish a detailed schedule of values upon request of the City and in such detail and form as the City shall request, showing the quantities, unit prices, overhead, profit, and all other expenses involved in order to provide a basis for determining the amount of progress payments.

3.7.3 Prompt Payment. City shall review and pay all progress payment requests in accordance with the provisions set forth in Section 20104.50 of the California Public Contract Code. However, no progress payments will be made for Work not completed in accordance with this Contract. Contractor shall comply with all applicable laws, rules and regulations relating to the proper payment of its employees, subcontractors, suppliers or others.

3.7.4 Contract Retentions. From each approved progress estimate, five percent (5%) will be deducted and retained by the City, and the remainder will be paid to Contractor. All Contract retention shall be released and paid to Contractor and subcontractors pursuant to California Public Contract Code Section 7107.

3.7.5 Other Retentions. In addition to Contract retentions, the City may deduct from each progress payment an amount necessary to protect City from loss because of: (1) liquidated damages which have accrued as of the date of the application for payment; (2) any sums expended by the City in performing any of Contractor's obligations under the Contract which Contractor has failed to perform or has performed inadequately; (3) defective Work not remedied; (4) stop notices as allowed by state law; (5) reasonable doubt that the Work can be completed for the unpaid balance of the Total Contract Price or within the scheduled completion date; (6) unsatisfactory prosecution of the Work by Contractor; (7) unauthorized deviations from the Contract; (8) failure of Contractor to maintain or submit on a timely basis proper and sufficient documentation as required by the Contract or by City during the prosecution of the Work; (9) erroneous or false estimates by Contractor of the value of the Work performed; (10) any sums representing expenses, losses, or damages as determined by the City, incurred by the City for which Contractor is liable under the Contract; and (11) any other sums which the City is entitled to recover from Contractor under the terms of the Contract or pursuant to state law, including Section 1727 of the California Labor Code. The failure by the City to deduct any of these sums from a progress payment shall not constitute a waiver of the City's right to such sums.

3.7.6 Substitutions for Contract Retentions. In accordance with California Public Contract Code Section 22300, the City will permit the substitution of securities for any monies withheld by the City to ensure performance under the Contract. At the request and expense of Contractor, securities equivalent to the amount withheld shall be deposited with the City, or with a state or federally chartered bank in California as the escrow agent, and thereafter the City shall then pay such monies to Contractor as they come due. Upon satisfactory completion of the Contract, the securities shall be returned to Contractor. For purposes of this Section and Section 22300 of the Public Contract Code, the term "satisfactory completion of the contract" shall mean the time the City has issued written final acceptance of the Work and filed a Notice of Completion as required by law and provisions of this Contract. Contractor shall be the beneficial owner of any securities substituted for monies withheld and shall receive any interest thereon. The escrow agreement used for the purposes of this Section shall be in the form provided by the City.

3.7.7 Title to Work. As security for partial, progress, or other payments, title to Work for which such payments are made shall pass to the City at the time of payment. To the extent that title has not previously been vested in the City by reason of payments, full title shall pass to the City at delivery of the Work at the destination and time specified in this Contract. Such transferred title shall in each case be good, free and clear from any and all security interests, liens, or other encumbrances. Contractor promises and agrees that it will not pledge, hypothecate, or otherwise encumber the items in any manner that would result in any lien, security interest, charge, or claim upon or against said items. Such transfer of title shall not imply acceptance by the City, nor relieve Contractor from the responsibility to strictly comply with the Contract, and shall not relieve Contractor of responsibility for any loss of or damage to items.

3.7.8 Labor and Material Releases. Contractor shall furnish City with labor and material releases from all subcontractors performing work on, or furnishing materials for, the Work governed by this Contract prior to final payment by City.

3.7.9 Prevailing Wages. Contractor is aware of the requirements of California Labor Code Section 1720 et seq., and 1770 et seq., as well as California Code of Regulations, Title 8, Section 16000 et seq., ("Prevailing Wage Laws"), which require the payment of prevailing wage rates and the performance of other requirements on "public works" and "maintenance" projects.

Since the Services are being performed as part of an applicable “public works” or “maintenance” project, as defined by the Prevailing Wage Laws, and if the total compensation is \$25,000 or more, Contractor agrees to fully comply with such Prevailing Wage Laws. City shall provide Contractor with a copy of the prevailing rates of per diem wages in effect at the commencement of this Contract. Contractor shall make copies of the prevailing rates of per diem wages for each craft, classification or type of worker needed to execute the Services available to interested parties upon request, and shall post copies at Contractor’s principal place of business and at the project site. Contractor shall defend, indemnify and hold the City, its officials, officers, employees and agents free and harmless from any claim or liability arising out of any failure or alleged failure to comply with the Prevailing Wage Laws. Contractor and any subcontractor shall forfeit a penalty of up to \$200 per calendar day or portion thereof for each worker paid less than the prevailing wage rates.

3.7.10 Apprenticeable Crafts. If the Total Contract Price exceeds \$35,000 and if Contractor employs workmen in an apprenticeable craft or trade, Contractor shall comply with the provisions of Section 1777.5 of the California Labor Code with respect to the employment of properly registered apprentices upon public works. The primary responsibility for compliance with said section for all apprenticeable occupations shall be with Contractor. The Contractor or any subcontractor that is determined by the Labor Commissioner to have knowingly violated Section 1777.5 shall forfeit as a civil penalty an amount not exceeding \$100 for each full calendar day of noncompliance, or such greater amount as provided by law.

3.7.11 Hours of Work. If the Total Contract Price exceeds \$25,000, Contractor is advised that eight (8) hours labor constitutes a legal day’s work. Pursuant to Section 1813 of the California Labor Code, Contractor shall forfeit a penalty of \$25.00 per worker for each day that each worker is permitted to work more than eight (8) hours in any one calendar day and forty (40) hours in any one calendar week, except when payment for overtime is made at not less than one and one-half (1-1/2) times the basic rate for that worker.

3.7.12 Payroll Records. If the Total Contract Price exceeds \$25,000, Contractor and each subcontractor shall keep an accurate payroll record, showing the name, address, social security number, work classification, straight time and overtime hours worked each day and week, and the actual per diem wages paid to each journeyman, apprentice, worker, or other employee employed by him or her in connection with the public work. The payroll records shall be certified and shall be available for inspection at all reasonable hours at the principal office of Contractor in the manner provided in Labor Code section 1776. In the event of noncompliance with the requirements of this section, Contractor shall have 10 days in which to comply subsequent to receipt of written notice specifying in what respects such Contractor must comply with this section. Should noncompliance still be evident after such 10-day period, Contractor shall, as a penalty to City, forfeit not more than \$100.00 for each calendar day or portion thereof, for each worker, until strict compliance is effectuated. The amount of the forfeiture is to be determined by the Labor Commissioner. A contractor who is found to have violated the provisions of law regarding wages on Public Works with the intent to defraud shall be ineligible to bid on Public Works contracts for a period of one to three years as determined by the Labor Commissioner. Upon the request of the Division of Apprenticeship Standards or the Division of Labor Standards Enforcement, such penalties shall be withheld from progress payments then due. The responsibility for compliance with this section is on Contractor. The requirement to submit certified payroll records directly to the Labor Commissioner under Labor Code section 1771.4 shall not apply to work performed on a public

works project that is exempt pursuant to the small project exemption specified in Labor Code Section 1771.4.

3.7.13 Contractor and Subcontractor Registration. If the Total Contract Price exceeds \$25,000, then pursuant to Labor Code sections 1725.5 and 1771.1, all contractors and subcontractors that wish to bid on, be listed in a bid proposal, or enter into a contract to perform public work must be registered with the Department of Industrial Relations. No bid will be accepted nor any contract entered into without proof of the contractor's and subcontractors' current registration with the Department of Industrial Relations to perform public work. Contractor is directed to review, fill out and execute the Public Works Contractor Registration Certification attached hereto as Exhibit "E" prior to contract execution. Notwithstanding the foregoing, the contractor registration requirements mandated by Labor Code Sections 1725.5 and 1771.1 shall not apply to work performed on a public works project that is exempt pursuant to the small project exemption specified in Labor Code Sections 1725.5 and 1771.1.

3.7.14 Labor Compliance; Stop Orders. If the Total Contract Price exceeds \$25,000, Contractor acknowledges that it is aware that this Project is subject to compliance monitoring and enforcement by the Department of Industrial Relations. It shall be the Contractor's sole responsibility to evaluate and pay the cost of complying with all labor compliance requirements under this Contract and applicable law. Any stop orders issued by the Department of Industrial Relations against Contractor or any subcontractor that affect Contractor's performance of Work, including any delay, shall be Contractor's sole responsibility. Any delay arising out of or resulting from such stop orders shall be considered Contractor caused delay subject to any applicable liquidated damages and shall not be compensable by the City. Contractor shall defend, indemnify and hold the City, its officials, officers, employees and agents free and harmless from any claim or liability arising out of stop orders issued by the Department of Industrial Relations against Contractor or any subcontractor.

3.8 Performance of Work; Jobsite Obligations.

3.8.1 Water Quality Management and Compliance.

3.8.1.1 Water Quality Management and Compliance. Contractor shall keep itself and all subcontractors, staff, and employees fully informed of and in compliance with all local, state and federal laws, rules and regulations that may impact, or be implicated by the performance of the Work including, without limitation, all applicable provisions of the Federal Water Pollution Control Act (33 U.S.C. §§ 1300); the California Porter-Cologne Water Quality Control Act (Cal Water Code §§ 13000-14950); local ordinances regulating discharges of storm water; and any and all regulations, policies, or permits issued pursuant to any such authority regulating the discharge of pollutants, as that term is used in the Porter-Cologne Water Quality Control Act, to any ground or surface water in the State.

3.8.1.2 Compliance with the Statewide Construction General Permit. Contractor shall comply with all conditions of the most recent iteration of the National Pollutant Discharge Elimination System General Permit for Storm Water Discharges Associated with Construction Activity, issued by the California State Water Resources Control Board ("Permit"). It shall be Contractor's sole responsibility to file a Notice of Intent and procure coverage under the Permit for all construction activity which results in the disturbance of more than one acre of total land area or which is part of a larger common area of development or sale. Prior to initiating work,

Contractor shall be solely responsible for preparing and implementing a Storm Water Pollution Prevention Plan (SWPPP) as required by the Permit. Contractor shall be responsible for procuring, implementing and complying with the provisions of the Permit and the SWPPP, including the standard provisions, and monitoring and reporting requirements as required by the Permit. The Permit requires the SWPPP to be a “living document” that changes as necessary to meet the conditions and requirements of the job site as it progresses through different phases of construction and is subject to different weather conditions. It shall be Contractor’s sole responsibility to update the SWPPP as necessary to address conditions at the project site.

3.8.1.3 Other Water Quality Rules Regulations and Policies.

Contractor shall comply with the lawful requirements of any applicable municipality, drainage City, or local agency regarding discharges of storm water to separate storm drain systems or other watercourses under their jurisdiction, including applicable requirements in municipal storm water management programs.

3.8.1.4 Cost of Compliance.

Storm, surface, nuisance, or other waters may be encountered at various times during construction of The Work. Therefore, the Contractor, by submitting a Bid, hereby acknowledges that it has investigated the risk arising from such waters, has prepared its Bid accordingly, and assumes any and all risks and liabilities arising therefrom.

3.8.1.5 Liability for Non-Compliance.

Failure to comply with the Permit is a violation of federal and state law. Pursuant to the indemnification provisions of this Contract, Contractor hereby agrees to defend, indemnify and hold harmless the City and its officials, officers, employees, volunteers and agents for any alleged violations. In addition, City may seek damages from Contractor for any delay in completing the Work in accordance with the Contract, if such delay is caused by or related to Contractor’s failure to comply with the Permit.

3.8.1.6 Reservation of Right to Defend.

City reserves the right to defend any enforcement action brought against the City for Contractor’s failure to comply with the Permit or any other relevant water quality law, regulation, or policy. Pursuant to the indemnification provisions of this Contract, Contractor hereby agrees to be bound by, and to reimburse the City for the costs (including the City’s attorney’s fees) associated with, any settlement reached between the City and the relevant enforcement entity.

3.8.1.7 Training.

In addition to the standard of performance requirements set forth in paragraph 3.4, Contractor warrants that all employees and subcontractors shall have sufficient skill and experience to perform the Work assigned to them without impacting water quality in violation of the laws, regulations and policies described in paragraph 3.8.1. Contractor further warrants that it, its employees and subcontractors will receive adequate training, as determined by City, regarding the requirements of the laws, regulations and policies described in paragraph 3.8.1 as they may relate to the Work provided under this Agreement. Upon request, City will provide the Contractor with a list of training programs that meet the requirements of this paragraph.

3.8.2 Safety.

Contractor shall execute and maintain its work so as to avoid injury or damage to any person or property. Contractor shall comply with the requirements of the specifications relating to safety measures applicable in particular operations or kinds of work. In carrying out its Work, Contractor shall at all times be in compliance with all applicable local, state

and federal laws, rules and regulations, and shall exercise all necessary precautions for the safety of employees appropriate to the nature of the Work and the conditions under which the Work is to be performed. Safety precautions as applicable shall include, but shall not be limited to, adequate life protection and lifesaving equipment; adequate illumination for underground and night operations; instructions in accident prevention for all employees, such as machinery guards, safe walkways, scaffolds, ladders, bridges, gang planks, confined space procedures, trenching and shoring, fall protection and other safety devices, equipment and wearing apparel as are necessary or lawfully required to prevent accidents or injuries; and adequate facilities for the proper inspection and maintenance of all safety measures. Furthermore, Contractor shall prominently display the names and telephone numbers of at least two medical doctors practicing in the vicinity of the Project, as well as the telephone number of the local ambulance service, adjacent to all telephones at the Project site.

3.8.3 Laws and Regulations. Contractor shall keep itself fully informed of and in compliance with all local, state and federal laws, rules and regulations in any manner affecting the performance of the Contract or the Work, including all Cal/OSHA requirements, and shall give all notices required by law. Contractor shall be liable for all violations of such laws and regulations in connection with Work. If Contractor observes that the drawings or specifications are at variance with any law, rule or regulation, it shall promptly notify the City in writing. Any necessary changes shall be made by written change order. If 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. City is a public entity of the State of California subject to certain provisions of the Health & Safety Code, Government Code, Public Contract Code, and Labor Code of the State. It is stipulated and agreed that all provisions of the law applicable to the public contracts of a municipality are a part of this Contract to the same extent as though set forth herein and will be complied with. Contractor shall defend, indemnify and hold City, its officials, officers, employees and agents free and harmless, pursuant to the indemnification provisions of this Contract, from any claim or liability arising out of any failure or alleged failure to comply with such laws, rules or regulations.

3.8.4 Permits and Licenses. Contractor shall be responsible for securing City permits and licenses necessary to perform the Work described herein, including, but not limited to, any required business license. While Contractor will not be charged a fee for any City permits, Contractor shall pay the City's business license fee, if any. Any ineligible contractor or subcontractor pursuant to Labor Code Sections 1777.1 and 1777.7 may not perform work on this Project.

3.8.5 Trenching Work. If the Total Contract Price exceeds \$25,000 and if the Work governed by this Contract entails excavation of any trench or trenches five (5) feet or more in depth, Contractor shall comply with all applicable provisions of the California Labor Code, including Section 6705. To this end, Contractor shall submit for City's review and approval a detailed plan showing the design of shoring, bracing, sloping, or other provisions to be made for worker protection from the hazard of caving ground during the excavation of such trench or trenches. If such plan varies from the shoring system standards, the plan shall be prepared by a registered civil or structural engineer.

3.8.6 Hazardous Materials and Differing Conditions. As required by California Public Contract Code Section 7104, if this Contract involves digging trenches or other excavations that extend deeper than four (4) feet below the surface, Contractor shall promptly, and prior to

disturbance of any conditions, notify City of: (1) any material discovered in excavation that Contractor believes to be a hazardous waste that is required to be removed to a Class I, Class II or Class III disposal site; (2) subsurface or latent physical conditions at the site differing from those indicated by City; and (3) unknown physical conditions of an unusual nature at the site, significantly different from those ordinarily encountered in such contract work. Upon notification, City shall promptly investigate the conditions to determine whether a change order is appropriate. In the event of a dispute, Contractor shall not be excused from any scheduled completion date and shall proceed with all Work to be performed under the Contract, but shall retain all rights provided by the Contract or by law for making protests and resolving the dispute.

3.8.7 Underground Utility Facilities. To the extent required by Section 4215 of the California Government Code, City shall compensate Contractor for the costs of: (1) locating and repairing damage to underground utility facilities not caused by the failure of Contractor to exercise reasonable care; (2) removing or relocating underground utility facilities not indicated in the construction drawings; and (3) equipment necessarily idled during such work. Contractor shall not be assessed liquidated damages for delay caused by failure of City to provide for removal or relocation of such utility facilities.

3.8.8 Air Quality. Contractor must fully comply with all applicable laws, rules and regulations in furnishing or using equipment and/or providing services, including, but not limited to, emissions limits and permitting requirements imposed by the California Air Resources Board (CARB). Although CARB limits and requirements are more broad, Contractor shall specifically be aware of their application to "portable equipment", which definition is considered by CARB to include any item of equipment with a fuel-powered engine. Contractor shall indemnify City against any fines or penalties imposed by CARB, or any other governmental or regulatory agency for violations of applicable laws, rules and/or regulations by Contractor, its subcontractors, or others for whom Contractor is responsible under its indemnity obligations provided for in this Agreement.

3.8.9 State Recycling Mandates. Contractor shall comply with State Recycling Mandates. Any recyclable materials/debris collected by the contractor that can be feasibly diverted via reuse or recycling must be hauled by the appropriate handler for reuse or recycling.

3.9 Completion of Work. When Contractor determines that it has completed the Work required herein, Contractor shall so notify City in writing and shall furnish all labor and material releases required by this Contract. City shall thereupon inspect the Work. If the Work is not acceptable to the City, the City shall indicate to Contractor in writing the specific portions or items of Work which are unsatisfactory or incomplete. Once Contractor determines that it has completed the incomplete or unsatisfactory Work, Contractor may request a reinspection by the City. Once the Work is acceptable to City, City shall pay to Contractor the Total Contract Price remaining to be paid, less any amount which City may be authorized or directed by law to retain. Payment of retention proceeds due to Contractor shall be made in accordance with Section 7107 of the California Public Contract Code.

3.10 Claims; Government Code Claim Compliance.

3.10.1 Intent. Effective January 1, 1991, Section 20104 et seq., of the California Public Contract Code prescribes a process utilizing informal conferences, non-binding judicial supervised mediation, and judicial arbitration to resolve disputes on construction claims of \$375,000 or less. Effective January 1, 2017, Section 9204 of the Public Contract Code prescribes a

process for negotiation and mediation to resolve disputes on construction claims. The intent of this Section is to implement Sections 20104 et seq. and Section 9204 of the California Public Contract Code. This Section shall be construed to be consistent with said statutes.

3.10.2 Claims. For purposes of this Section, “Claim” means a separate demand by the Contractor, after a change order duly requested in accordance with the terms of this Contract has been denied by the City, for (A) a time extension, (B) payment of money or damages arising from Work done by or on behalf of the Contractor pursuant to the Contract, or (C) an amount the payment of which is disputed by the City. Claims governed by this Section may not be filed unless and until the Contractor completes all procedures for giving notice of delay or change and for the requesting of a time extension or change order, including but not necessarily limited to the change order procedures contained herein, and Contractor’s request for a change has been denied in whole or in part. Claims governed by this Section must be filed no later than fourteen (14) days after a request for change has been denied in whole or in part or after any other event giving rise to the Claim. The Claim shall be submitted in writing to the City and shall include on its first page the following in 16 point capital font: “THIS IS A CLAIM.” Furthermore, the claim shall include the documents necessary to substantiate the claim. Nothing in this Section is intended to extend the time limit or supersede notice requirements otherwise provided by contract for the filing of claims, including all requirements pertaining to compensation or payment for extra Work, disputed Work, and/or changed conditions. Failure to follow such contractual requirements shall bar any claims or subsequent lawsuits for compensation or payment thereon.

3.10.3 Supporting Documentation. The Contractor shall submit all claims in the following format:

3.10.3.1 Summary of claim merit and price, reference Contract Document provisions pursuant to which the claim is made

3.10.3.2 List of documents relating to claim:

- (A) Specifications
- (B) Drawings
- (C) Clarifications (Requests for Information)
- (D) Schedules
- (E) Other

3.10.3.3 Chronology of events and correspondence

3.10.3.4 Analysis of claim merit

3.10.3.5 Analysis of claim cost

3.10.3.6 Time impact analysis in CPM format

3.10.3.7 If Contractor’s claim is based in whole or in part on an allegation of errors or omissions in the Drawings or Specifications for the Project, Contractor shall

provide a summary of the percentage of the claim subject to design errors or omissions and shall obtain a certificate of merit in support of the claim of design errors and omissions.

3.10.3.8 Cover letter and certification of validity of the claim, including any claims from subcontractors of any tier, in accordance with Government Code section 12650 et seq.

3.10.4 City's Response. Upon receipt of a claim pursuant to this Section, City shall conduct a reasonable review of the claim and, within a period not to exceed 45 days, shall provide the Contractor a written statement identifying what portion of the claim is disputed and what portion is undisputed. Any payment due on an undisputed portion of the claim will be processed and made within 60 days after the public entity issues its written statement.

3.10.4.1 If City needs approval from its governing body to provide the Contractor a written statement identifying the disputed portion and the undisputed portion of the claim, and the governing body does not meet within the 45 days or within the mutually agreed to extension of time following receipt of a claim sent by registered mail or certified mail, return receipt requested, City shall have up to three days following the next duly publicly noticed meeting of the governing body after the 45-day period, or extension, expires to provide the Contractor a written statement identifying the disputed portion and the undisputed portion.

3.10.4.2 Within 30 days of receipt of a claim, City may request in writing additional documentation supporting the claim or relating to defenses or claims City may have against the Contractor. If additional information is thereafter required, it shall be requested and provided pursuant to this subdivision, upon mutual agreement of City and the Contractor.

3.10.4.3 City's written response to the claim, as further documented, shall be submitted to the Contractor within 30 days (if the claim is less than \$50,000, within 15 days) after receipt of the further documentation, or within a period of time no greater than that taken by the Contractor in producing the additional information or requested documentation, whichever is greater.

3.10.5 Meet and Confer. If the Contractor disputes City's written response, or City fails to respond within the time prescribed, the Contractor may so notify City, in writing, either within 15 days of receipt of City's response or within 15 days of City's failure to respond within the time prescribed, respectively, and demand an informal conference to meet and confer for settlement of the issues in dispute. Upon receipt of a demand, City shall schedule a meet and confer conference within 30 days for settlement of the dispute.

3.10.6 Mediation. Within 10 business days following the conclusion of the meet and confer conference, if the claim or any portion of the claim remains in dispute, City shall provide the Contractor a written statement identifying the portion of the claim that remains in dispute and the portion that is undisputed. Any payment due on an undisputed portion of the claim shall be processed and made within 60 days after City issues its written statement. Any disputed portion of the claim, as identified by the Contractor in writing, shall be submitted to nonbinding mediation, with City and the Contractor sharing the associated costs equally. City and Contractor shall mutually agree to a mediator within 10 business days after the disputed portion of the claim has been identified in writing, unless the parties agree to select a mediator at a later time.

3.10.6.1 If the Parties cannot agree upon a mediator, each Party shall select a mediator and those mediators shall select a qualified neutral third party to mediate with regard to the disputed portion of the claim. Each Party shall bear the fees and costs charged by its respective mediator in connection with the selection of the neutral mediator.

3.10.6.2 For purposes of this section, mediation includes any nonbinding process, including, but not limited to, neutral evaluation or a dispute review board, in which an independent third party or board assists the Parties in dispute resolution through negotiation or by issuance of an evaluation. Any mediation utilized shall conform to the timeframes in this section.

3.10.6.3 Unless otherwise agreed to by City and the Contractor in writing, the mediation conducted pursuant to this section shall excuse any further obligation under Section 20104.4 to mediate after litigation has been commenced.

3.10.6.4 The mediation shall be held no earlier than the date the Contractor completes the Work or the date that the Contractor last performs Work, whichever is earlier. All unresolved claims shall be considered jointly in a single mediation, unless a new unrelated claim arises after mediation is completed.

3.10.7 Procedures After Mediation. If following the mediation, the claim or any portion remains in dispute, the Contractor must file a claim pursuant to Chapter 1 (commencing with Section 900) and Chapter 2 (commencing with Section 910) of Part 3 of Division 3.6 of Title 1 of the Government Code. For purposes of those provisions, the running of the period of time within which a claim must be filed shall be tolled from the time the Contractor submits his or her written claim pursuant to subdivision (a) until the time the claim is denied, including any period of time utilized by the meet and confer conference or mediation.

3.10.8 Civil Actions. The following procedures are established for all civil actions filed to resolve claims subject to this Section:

3.10.8.1 Within 60 days, but no earlier than 30 days, following the filing or responsive pleadings, the court shall submit the matter to non-binding mediation unless waived by mutual stipulation of both parties or unless mediation was held prior to commencement of the action in accordance with Public Contract Code section 9204 and the terms of these procedures.. The mediation process shall provide for the selection within 15 days by both parties of a disinterested third person as mediator, shall be commenced within 30 days of the submittal, and shall be concluded within 15 days from the commencement of the mediation unless a time requirement is extended upon a good cause showing to the court.

3.10.8.2 If the matter remains in dispute, the case shall be submitted to judicial arbitration pursuant to Chapter 2.5 (commencing with Section 1141.10) of Title 3 of Part 3 of the Code of Civil Procedure, notwithstanding Section 1114.11 of that code. The Civil Discovery Act of 1986 (Article 3 (commencing with Section 2016) of Chapter 3 of Title 3 of Part 4 of the Code of Civil Procedure) shall apply to any proceeding brought under this subdivision consistent with the rules pertaining to judicial arbitration.

3.10.8.3 In addition to Chapter 2.5 (commencing with Section 1141.10) of Title 3 of Part 3 of the Code of Civil Procedure, (A) arbitrators shall, when possible, be

experienced in construction law, and (B) any party appealing an arbitration award who does not obtain a more favorable judgment shall, in addition to payment of costs and fees under that chapter, also pay the attorney's fees on appeal of the other party.

3.10.9 Government Code Claims. In addition to any and all contract requirements pertaining to notices of and requests for compensation or payment for extra work, disputed work, claims and/or changed conditions, Contractor must comply with the claim procedures set forth in Government Code sections 900 et seq. prior to filing any lawsuit against the City. Such Government Code claims and any subsequent lawsuit based upon the Government Code claims shall be limited to those matters that remain unresolved after all procedures pertaining to extra work, disputed work, claims, and/or changed conditions have been followed by Contractor. If no such Government Code claim is submitted, or if any prerequisite contractual requirements are not otherwise satisfied as specified herein, Contractor shall be barred from bringing and maintaining a valid lawsuit against the City. A Government Code claim must be filed no earlier than the date the work is completed or the date the Contractor last performs work on the Project, whichever occurs first. A Government Code claim shall be inclusive of all unresolved claims unless a new unrelated claim arises after the Government Code claim is submitted.

3.10.10 Non-Waiver. City's failure to respond to a claim from the Contractor within the time periods described in this Section or to otherwise meet the time requirements of this Section shall result in the claim being deemed rejected in its entirety. City's failure to respond shall not waive City's rights to any subsequent procedures for the resolution of disputed claims.

3.11 Loss and Damage. Except as may otherwise be limited by law, Contractor shall be responsible for all loss and damage which may arise out of the nature of the Work agreed to herein, or from the action of the elements, or from any unforeseen difficulties which may arise or be encountered in the prosecution of the Work until the same is fully completed and accepted by City. In the event of damage proximately caused by an Act of God, as defined by Section 7105 of the Public Contract Code, the City may terminate this Contract pursuant to Section 3.17.3; provided, however, that the City needs to provide Contractor with only one (1) day advanced written notice.

3.12 Indemnification.

3.12.1 Scope of Indemnity. To the fullest extent permitted by law, Contractor shall defend, indemnify and hold the City, its officials, employees, agents and authorized volunteers free and harmless from any and all claims, demands, causes of action, suits, actions, proceedings, costs, expenses, liability, judgments, awards, decrees, settlements, loss, damage or injury of any kind, in law or equity, to property or persons, including wrongful death, (collectively, "Claims") in any manner arising out of, pertaining to, or incident to any alleged acts, errors or omissions, or willful misconduct of Contractor, its officials, officers, employees, subcontractors, consultants or agents in connection with the performance of the Contractor's services, the Project or this Agreement, including without limitation the payment of all consequential damages, expert witness fees and attorneys' fees and other related costs and expenses. Notwithstanding the foregoing, to the extent required by Civil Code section 2782, Contractor's indemnity obligation shall not apply to liability for damages for death or bodily injury to persons, injury to property, or any other loss, damage or expense arising from the sole or active negligence or willful misconduct of the City or the City's agents, servants, or independent contractors who are directly responsible to the City, or for defects in design furnished by those persons.

3.12.2 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 covered by this section that may be brought or instituted against City or its officials, employees, agents and authorized volunteers. In addition, Contractor shall pay and satisfy any judgment, award or decree that may be rendered against City or its officials, employees, agents and authorized volunteers 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 or its officials, employees, agents and authorized volunteers 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 and its officials, employees, agents and authorized volunteers, for any and all legal expenses and costs incurred by each of them in connection therewith or in enforcing the indemnity herein provided. Contractor's obligation to indemnify shall not be restricted to insurance proceeds, if any, received by the City, its officials, employees, agents and authorized volunteers.

3.13 Insurance.

3.13.1 Time for Compliance. Contractor shall not commence Work under this Contract until it has provided evidence satisfactory to the City that it has secured all insurance required under this section. In addition, Contractor shall not allow any subcontractor to commence work on any subcontract until it has provided evidence satisfactory to the City that the subcontractor has secured all insurance required under this section. Failure to provide and maintain all required insurance shall be grounds for the City to terminate this Contract for cause.

3.13.2 Minimum Requirements. Contractor shall, at its expense, procure and maintain for the duration of the Contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the Work hereunder by Contractor, its agents, representatives, employees or subcontractors. Contractor shall also require all of its subcontractors to procure and maintain the same insurance for the duration of the Contract. Such insurance shall meet at least the following minimum levels of coverage:

3.13.2.1 Minimum Scope of Insurance. Coverage shall be at least as broad as the latest version of the following: (1) General Liability: Insurance Services Office Commercial General Liability coverage (occurrence form CG 00 01) OR Insurance Services Office Owners and Contractors Protective Liability Coverage Form (CG 00 09 11 88) (coverage for operations of designated contractor); (2) Automobile Liability: Insurance Services Office Business Auto Coverage form number CA 00 01, code 1 (any auto); and (3) Workers' Compensation and Employer's Liability: Workers' Compensation insurance as required by the State of California and Employer's Liability Insurance. Policies shall not contain exclusions contrary to this Contract.

3.13.2.2 Minimum Limits of Insurance. Contractor shall maintain limits no less than: (1) **General Liability: \$5,000,000 per occurrence and \$5,000,000 aggregate for bodily injury, personal injury and property damage;** (2) **Automobile Liability: \$5,000,000 per accident for bodily injury and property damage; and** (3) **Workers' Compensation and Employer's Liability: Workers' compensation limits as required by the Labor Code of the State of California. Employer's Liability limits of \$1,000,000 each accident, policy limit bodily injury or disease, and each employee bodily injury or disease.** Defense costs shall be available in addition to the limits. Notwithstanding the minimum limits specified herein, any available coverage

shall be provided to the parties required to be named as additional insureds pursuant to this Contract.

3.13.3 Insurance Endorsements. The insurance policies shall contain the following provisions, or Contractor shall provide endorsements (amendments) on forms supplied or approved by the City to add the following provisions to the insurance policies:

3.13.3.1 General Liability. (1) Such policy shall give the City, its officials, employees, agents and authorized volunteers additional insured status using ISO endorsements CG20 10 10 01 plus CG20 37 10 01, or endorsements providing the exact same coverage, with respect to the Work or operations performed by or on behalf of Contractor, including materials, parts or equipment furnished in connection with such work. **Contractor may provide blanket endorsements to meet the Additional Insured requirement in this written contract. However, all subcontractors' endorsements shall specifically name the City, its elected officials, officers, employees, volunteers, boards, agents, and representatives as additional insureds and blanket endorsements are not acceptable;** (2) all policies shall waive or shall permit Contractor to waive all rights of subrogation which may be obtained by the Contractor or any insurer by virtue of payment of any loss or any coverage provided to any person named as an additional insured pursuant to this Contract, and Contractor agrees to waive all such rights of subrogation; and (3) the insurance coverage shall be primary insurance as respects the City, its officials, employees, agents and authorized volunteers, or if excess, shall stand in an unbroken chain of coverage excess of Contractor's scheduled underlying coverage. Any insurance or self-insurance maintained by the City, its officials, employees, agents and authorized volunteers shall be excess of Contractor's insurance and shall not be called upon to contribute with it.

3.13.3.2 Automobile Liability. (1) Such policy shall give the City, its officials, employees, agents and authorized volunteers additional insured status with respect to the ownership, operation, maintenance, use, loading or unloading of any auto owned, leased, hired or borrowed by Contractor or for which Contractor is responsible. **Contractor may provide blanket endorsements to meet the Additional Insured requirement in this written contract. However, all subcontractors' endorsements shall specifically name the City, its elected officials, officers, employees, volunteers, boards, agents, and representatives as additional insureds and blanket endorsements are not acceptable.;** (2) all policies shall waive or shall permit Contractor to waive all rights of subrogation which may be obtained by the Contractor or any insurer by virtue of payment of any loss or any coverage provided to any person named as an additional insured pursuant to this Contract, and Contractor agrees to waive all such rights of subrogation; and (3) the insurance coverage shall be primary insurance as respects the City, its officials, employees, agents and authorized volunteers, or if excess, shall stand in an unbroken chain of coverage excess of Contractor's scheduled underlying coverage. Any insurance or self-insurance maintained by the City, its officials, employees, agents and authorized volunteers shall be excess of Contractor's insurance and shall not be called upon to contribute with it in any way.

3.13.3.3 Workers' Compensation and Employer's Liability Coverage. The insurer shall agree to waive all rights of subrogation against the City, its officials, employees, agents and authorized volunteers for losses paid under the terms of the insurance policy which arise from work performed by Contractor.

3.13.3.4 All Coverages. Each insurance policy required by this Contract shall be endorsed to state that: (1) coverage shall not be suspended, voided, reduced or

canceled except after thirty (30) days prior written notice by certified mail, return receipt requested, has been given to the City; and (2) any failure to comply with reporting or other provisions of the policies, including breaches of warranties, shall not affect coverage provided to the City, its officials, employees, agents and authorized volunteers.

3.13.4 Separation of Insureds; No Special Limitations. All insurance required by this Section shall contain standard separation of insureds provisions. In addition, such insurance shall not contain any special limitations on the scope of protection afforded to the City, its officials, employees, agents and authorized volunteers.

3.13.5 Deductibles and Self-Insurance Retentions. Any deductibles or self-insured retentions must be declared to and approved by the City. Contractor shall guarantee that, at the option of the City, either: (1) the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the City, its officials, employees, agents and authorized volunteers; or (2) the Contractor shall procure a bond or other financial guarantee acceptable to the City guaranteeing payment of losses and related investigation costs, claims and administrative and defense expenses.

3.13.6 Acceptability of Insurers. Insurance is to be placed with insurers with a current A.M. Best's rating no less than A:VII, licensed to do business in California, and satisfactory to the City. Exception may be made for the State Compensation Insurance Fund when not specifically rated.

3.13.7 Verification of Coverage. Contractor shall furnish City with original certificates of insurance and endorsements effecting coverage required by this Contract on forms satisfactory to the City. The certificates and endorsements for each insurance policy shall be signed by a person authorized by that insurer to bind coverage on its behalf, and shall be on forms supplied or approved by the City. All certificates and endorsements must be received and approved by the City before work commences. The City reserves the right to require complete, certified copies of all required insurance policies, at any time.

3.13.8 Subcontractors. All subcontractors shall meet the requirements of this Section before commencing Work. Contractor shall furnish separate certificates and endorsements for each subcontractor. Subcontractor policies of General Liability insurance shall name the City, its officials, employees, agents and authorized volunteers as additional insureds using form ISO 20 38 04 13 or endorsements providing the exact same coverage. All subcontractors' endorsements shall specifically name the City, its elected officials, officers, employees, volunteers, boards, agents, and representatives as additional insureds and blanket endorsements are not acceptable. All coverages for subcontractors shall be subject to all of the requirements stated herein except as otherwise agreed to by the City in writing.

3.13.9 Reporting of Claims. Contractor shall report to the City, in addition to Contractor's insurer, any and all insurance claims submitted by Contractor in connection with the Work under this Contract.

3.14 Bond Requirements.

3.14.1 Payment Bond. If required by law or otherwise specifically requested by City in Exhibit "C" attached hereto and incorporated herein by reference, Contractor shall execute and

provide to City concurrently with this Contract a Payment Bond in an amount required by the City and in a form provided or approved by the City. If such bond is required, no payment will be made to Contractor until the bond has been received and approved by the City.

3.14.2 Performance Bond. If specifically requested by City in Exhibit “C” attached hereto and incorporated herein by reference, Contractor shall execute and provide to City concurrently with this Contract a Performance Bond in an amount required by the City and in a form provided or approved by the City. If such bond is required, no payment will be made to Contractor until the bond has been received and approved by the City.

3.14.3 Bond Provisions. Should, in City’s sole opinion, any bond become insufficient or any surety be found to be unsatisfactory, Contractor shall renew or replace the effected bond within (ten) 10 days of receiving notice from City. In the event the surety or Contractor intends to reduce or cancel any required bond, at least thirty (30) days prior written notice shall be given to the City, and Contractor shall post acceptable replacement bonds at least ten (10) days prior to expiration of the original bonds. No further payments shall be deemed due or will be made under this Contract until any replacement bonds required by this Section are accepted by the City. To the extent, if any, that the Total Contract Price is increased in accordance with the Contract, Contractor shall, upon request of the City, cause the amount of the bond to be increased accordingly and shall promptly deliver satisfactory evidence of such increase to the City. If Contractor fails to furnish any required bond, the City may terminate the Contract for cause.

3.14.4 Surety Qualifications. Only bonds executed by an admitted surety insurer, as defined in California Code of Civil Procedure Section 995.120, shall be accepted. If a California-admitted surety insurer issuing bonds does not meet these requirements, the insurer will be considered qualified if it is in conformance with Section 995.660 of the California Code of Civil Procedure, and proof of such is provided to the City.

3.15 Warranty. Contractor warrants all Work under the Contract (which for purposes of this Section shall be deemed to include unauthorized work which has not been removed and any non-conforming materials incorporated into the Work) to be of good quality and free from any defective or faulty material and workmanship. Contractor agrees that for a period of one year (or the period of time specified elsewhere in the Contract or in any guarantee or warranty provided by any manufacturer or supplier of equipment or materials incorporated into the Work, whichever is later) after the date of final acceptance, Contractor shall within ten (10) days after being notified in writing by the City of any defect in the Work or non-conformance of the Work to the Contract, commence and prosecute with due diligence all Work necessary to fulfill the terms of the warranty at its sole cost and expense. Contractor shall act sooner as requested by the City in response to an emergency. In addition, Contractor shall, at its sole cost and expense, repair and replace any portions of the Work (or work of other contractors) damaged by its defective Work or which becomes damaged in the course of repairing or replacing defective Work. For any Work so corrected, Contractor’s obligation hereunder to correct defective Work shall be reinstated for an additional one year period, commencing with the date of acceptance of such corrected Work. Contractor shall perform such tests as the City may require to verify that any corrective actions, including, without limitation, redesign, repairs, and replacements comply with the requirements of the Contract. All costs associated with such corrective actions and testing, including the removal, replacement, and reinstatement of equipment and materials necessary to gain access, shall be the sole responsibility of Contractor. All warranties and guarantees of subcontractors, suppliers and manufacturers with respect to any portion of the Work, whether express or implied, are deemed to be obtained by

Contractor for the benefit of the City, regardless of whether or not such warranties and guarantees have been transferred or assigned to the City by separate agreement and Contractor agrees to enforce such warranties and guarantees, if necessary, on behalf of the City. In the event that Contractor fails to perform its obligations under this Section, or under any other warranty or guaranty under this Contract, to the reasonable satisfaction of the City, the City shall have the right to correct and replace any defective or non-conforming Work and any work damaged by such work or the replacement or correction thereof at Contractor's sole expense. Contractor shall be obligated to fully reimburse the City for any expenses incurred hereunder upon demand.

3.16 Employee/Labor Certifications.

3.16.1 Contractor's Labor Certification. By its signature hereunder, Contractor certifies that he is aware of the provisions of Section 3700 of the California Labor Code which require every employer to be insured against liability for Worker's Compensation or to undertake self-insurance in accordance with the provisions of that Code, and agrees to comply with such provisions before commencing the performance of the Work. A certification form for this purpose, which is attached to this Contract as Exhibit "D" and incorporated herein by reference, shall be executed simultaneously with this Contract.

3.16.2 Equal Opportunity Employment. Contractor represents that it is an equal opportunity employer and that it shall not discriminate against any employee or applicant for employment because of race, religion, color, national origin, ancestry, sex, age or other interests protected by the State or Federal Constitutions. Such non-discrimination shall include, but not be limited to, all activities related to initial employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination.

3.16.3 Verification of Employment Eligibility. By executing this Contract, Contractor verifies that it fully complies with all requirements and restrictions of state and federal law respecting the employment of undocumented aliens, including, but not limited to, the Immigration Reform and Control Act of 1986, as may be amended from time to time, and shall require all subcontractors and sub-subcontractors to comply with the same.

3.17 General Provisions.

3.17.1 City's Representative. The City hereby designates the General Manager, or his or her designee, to act as its representative for the performance of this Contract ("City's Representative"). City's Representative shall have the power to act on behalf of the City for all purposes under this Contract. Contractor shall not accept direction or orders from any person other than the City's Representative or his or her designee.

3.17.2 Contractor's Representative. Before starting the Work, Contractor shall submit in writing the name, qualifications and experience of its proposed representative who shall be subject to the review and approval of the City ("Contractor's Representative"). Following approval by the City, Contractor's Representative shall have full authority to represent and act on behalf of Contractor for all purposes under this Contract. Contractor's Representative shall supervise and direct the Work, using his best skill and attention, and shall be responsible for all construction means, methods, techniques, sequences and procedures and for the satisfactory coordination of all portions of the Work under this Contract. Contractor's Representative shall devote full time to the Project and either he or his designee, who shall be acceptable to the City, shall

be present at the Work site at all times that any Work is in progress and at any time that any employee or subcontractor of Contractor is present at the Work site. Arrangements for responsible supervision, acceptable to the City, shall be made for emergency Work which may be required. Should Contractor desire to change its Contractor's Representative, Contractor shall provide the information specified above and obtain the City's written approval.

3.17.3 Termination. This Contract may be terminated by City at any time, either with or without cause, by giving Contractor three (3) days advance written notice. In the event of termination by City for any reason other than the fault of Contractor, City shall pay Contractor for all Work performed up to that time as provided herein. In the event of breach of the Contract by Contractor, City may terminate the Contract immediately without notice, may reduce payment to Contractor in the amount necessary to offset City's resulting damages, and may pursue any other available recourse against Contractor. Contractor may not terminate this Contract except for cause. In the event this Contract is terminated in whole or in part as provided, City may procure, upon such terms and in such manner as it may determine appropriate, services similar to those terminated. Further, if this Contract is terminated as provided, City may require Contractor to provide all finished or unfinished documents, data, diagrams, drawings, materials or other matter prepared or built by Contractor in connection with its performance of this Contract.

3.17.4 Contract Interpretation. Should any question arise regarding the meaning or import of any of the provisions of this Contract or written or oral instructions from City, the matter shall be referred to City's Representative, whose decision shall be binding upon Contractor.

3.17.5 Anti-Trust Claims. This provision shall be operative if this Contract is applicable to California Public Contract Code Section 7103.5. In entering into this Contract to supply goods, services or materials, Contractor hereby offers and agrees to assign to the City all rights, title, and interest in and to all causes of action it may have under Section 4 of the Clayton Act (15 U.S.C. Section 15) or under the Cartwright Act (Chapter 2, commencing with Section 16700, of Part 2 of Division 7 of the Business and Professions Code) arising from purchases of goods, services, or materials pursuant to the Contract. This assignment shall be made and become effective at the time the City tender final payment to Contractor, without further acknowledgment by the Parties.

3.17.6 Notices. All notices hereunder and communications regarding interpretation of the terms of the Contract or changes thereto shall be provided by the mailing thereof by registered or certified mail, return receipt requested, postage prepaid and addressed as follows:

CONTRACTOR:

KYA Services, LLC
1800 E. McFadden Avenue
Santa Ana, CA 92705
Attn: Anthony Acosta, Project Manager

CITY:

City of Arcadia
240 West Huntington Drive
Arcadia, California 91066
Attn: Carlos Aguilar, General Services Superintendent

Any notice so given shall be considered received by the other Party three (3) days after deposit in the U.S. Mail as stated above and addressed to the Party at the above address. Actual notice shall be deemed adequate notice on the date actual notice occurred, regardless of the method of service.

3.17.7 Time of Essence. Time is of the essence in the performance of this Contract.

3.17.8 Assignment Forbidden. Contractor shall not, either voluntarily or by action of law, assign or transfer this Contract or any obligation, right, title or interest assumed by Contractor herein without the prior written consent of City. If Contractor attempts an assignment or transfer of this Contract or any obligation, right, title or interest herein, City may, at its option, terminate and revoke the Contract and shall thereupon be relieved from any and all obligations to Contractor or its assignee or transferee.

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

3.17.10 Laws, Venue, and Attorneys' Fees. This Agreement shall be interpreted in accordance with the laws of the State of California. If any action is brought to interpret or enforce any term of this Agreement, the action shall be brought in a state or federal court situated in the County of Los Angeles, State of California.

3.17.11 Counterparts. This Contract may be executed in counterparts, each of which shall constitute an original.

3.17.12 Successors. The Parties do for themselves, their heirs, executors, administrators, successors, and assigns agree to the full performance of all of the provisions contained in this Contract.

3.17.13 [Reserved]

3.17.14 Solicitation. Contractor maintains and warrants that it has not employed nor retained any company or person, other than a bona fide employee working solely for Contractor, to solicit or secure this Contract. Further, Contractor warrants that it has not paid nor has it agreed to pay any company or person, other than a bona fide employee working solely for Contractor, any fee, commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting from the award or making of this Contract. For breach or violation of this warranty, City shall have the right to terminate this Contract without liability.

3.17.15 Conflict of Interest. Contractor maintains and warrants that it has not employed nor retained any company or person, other than a bona fide employee working solely for Contractor, to solicit or secure this Agreement. Further, Contractor warrants that it has not paid nor has it agreed to pay any company or person, other than a bona fide employee working solely for Contractor, any fee, commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting from the award or making of this Agreement. For breach or violation of this warranty, City shall have the right to rescind this Agreement without liability. For the term of this Contract, no official, officer or employee of City, during the term of his or her service with City, shall have any direct interest in this Contract, or obtain any present or anticipated material benefit arising therefrom. In addition, Contractor agrees to file, or to cause its employees or subcontractors to file,

a Statement of Economic Interest with the City's Filing Officer as required under state law in the performance of the Work.

3.17.16 Certification of License.

3.17.16.1 Contractor certifies that as of the date of execution of this Contract, Contractor has a current contractor's license of the classification indicated below under Contractor's signature.

3.17.16.2 Contractors are required by law to be licensed and regulated by the Contractors' State License Board which has jurisdiction to investigate complaints against contractors if a complaint regarding a patent act or omission is filed within four (4) years of the date of the alleged violation. A complaint regarding a latent act or omission pertaining to structural defects must be filed within ten (10) years of the date of the alleged violation. Any questions concerning a contractor may be referred to the Registrar, Contractors' State License Board, P.O. Box 26000, Sacramento, California 95826.

3.17.17 Authority to Enter Contract. Each Party warrants that the individuals who have signed this Contract have the legal power, right and authority to make this Contract and bind each respective Party.

3.17.18 Entire Contract; Modification. This Contract contains the entire agreement of the Parties with respect to the subject matter hereof, and supersedes all prior negotiations, understandings or agreements. This Contract may only be modified by a writing signed by both Parties.

3.17.19 Non-Waiver. None of the provisions of this Agreement shall be considered waived by either party, unless such waiver is specifically specified in writing.

3.17.20 City's Right to Employ Other Contractors. City reserves right to employ other contractors in connection with this Project or other projects.

[SIGNATURES ON NEXT PAGE]

**SIGNATURE PAGE FOR CONSTRUCTION CONTRACT
BETWEEN THE CITY OF ARCADIA
AND KYA SERVICES, LLC**

IN WITNESS WHEREOF, the Parties have entered into this Agreement as of the _____ day of _____, 2026.

CITY OF ARCADIA

KYA SERVICES, LLC

By: _____
Dominic Lazaretto
City Manager

By: _____
Its: _____
Printed Name: _____

ATTEST:

By: _____
City Clerk

By: _____
Its: _____
Printed Name: _____

APPROVED AS TO FORM:

By: _____
Michael J. Maurer
City Attorney

EXHIBIT "A"

SERVICES / SCHEDULE

The project plan and proposal, **KYA Services, LLC Proposal Number: P-105303**, are incorporated into this Contract. (see Attachment "A").



EMPLOYEE OWNED

PREPARED FOR

Carlos Aguilar
City of Arcadia
+1 626-574-5400
caguilar@arcadiaca.gov

12/10/2025

City of Arcadia - Fire 105 - HVAC
Boiler Replacement

Project Number P-0105303

KYA CMAS 4-20-78-0089C GSA

Contact

Anthony Acosta
1800 E. McFadden Ave.
Santa Ana, CA
anthony.acosta@thekeyagroup.com



EMPLOYEE OWNED

Proposal: P-0105303

To: City of Arcadia
240 West Huntington Drive
Arcadia CA 91066

Date: 12/10/2025

Terms: Net30

RA: Anthony Acosta

RA Phone:

RA Email: anthony.acosta@thekeyagroup.com

Site:

Address: 710 S Santa Anita Ave
Arcadia CA, 91006

Site Qualifications and General Scope of Work

Priced per KYA CMAS 4-20-78-0089C GSA

Notes: Sales tax rate will be based upon the shipping address. Price is good for 30 days from date of quote.

Initials _____



EMPLOYEE OWNED

SCOPE OF WORK - PRICING

	Quantity	U/M	Price	Value	Taxable
City of Arcadia - Fire 105 - HVAC Boiler Replacement					
ELM110AC01 - ELEMENTSAIRE 100-TON COMFORTAIRE SYSTEM (partial - boiler)	1	EA	\$36,418.67	\$36,418.67	
SUNDRIES - SUNDRIES	2	EA	\$735.38	\$1,470.76	
PWSUPPORT AEADD - Professional Services (Hourly Rate)	2	EA	\$3,639.29	\$7,278.58	
Dumpster Service	1	EA	\$906.40	\$906.40	
HVAC Installer	62	HRS	\$165.12	\$10,237.44	
Bonding Fee	1	EA	\$608.40	\$608.40	
			Total Price	\$56,920.25	

Intials _____

*This is a legal agreement - please read carefully
Complete and Intial all pages*

Proposal Number P-0105303



EMPLOYEE OWNED

CONDITIONS AND WARRANTY

1) Proposal:

The above proposal is valid for 30 days from the date first set forth above. After 30 days, we reserve the right to increase prices due to the rise in cost of raw materials, fuel or other cost increases. When applicable, KYA Services, LLC reserves the right to implement a surcharge for significant increases in raw materials, including, but not limited to; fuel, and materials. Due to the duration of time between proposals, contracts and final furnishing, KYA Services, LLC reserves the right to implement this surcharge when applicable. Any job that is accepted prior to December 31st of the current year and scheduled to install after December 31st of the current year is subject to price increase. All project proposals based on a specific set/sets of plans are considered preliminary budgets and may be subject to pricing changes once the plans are approved by the relevant authority

2) Purchase:

By executing this proposal, or submitting a purchase order pursuant to this proposal (which shall incorporate the terms of this agreement specifically by reference) which is accepted by KYA Services, LLC . (the "Company"), the purchaser identified above ("you" or the "Purchaser") agrees to purchase the materials and the services to be provided by the "Company", as detailed in the Pricing and "General Scope of Work" sections in this agreement, above. Any additional costs arising from tariff changes shall be deemed pass-through costs and shall be paid by the Client upon receipt of supporting documentation from the Contractor.

3) Standard Exclusions:

Unless specifically included, this agreement does not include, and Company will not provide services, labor or materials for any of the following work: (a) removal or disposal of any material containing asbestos or any hazardous materials as defined by the EPA; neither we nor our installers are responsible for the handling, removal or abatement of asbestos contained floor material or adhesive. Further, our policy is to request an Asbestos Hazard Emergency Response Act (AHERA) report prior to proceeding with any floor material or floor adhesive removal. We and our installers consider it the owners responsibility to produce this report prior to executing this contract. (b) moving Owner's property around the installation site. (c) repair or replacement of any Purchaser or Owner- supplied materials. (d) repair of concealed underground utilities not located on prints, supplied to Company by Owner during the bidding process, or physically staked out of by the Owner, and which are damaged during construction; or (e) repair of damage to existing surfaces that could occur when construction equipment and vehicles are being used in the normal course of construction.

4) Insurance Requirements:

Company is not required to provide any insurance coverage in excess of Company's standard insurance. A copy of the Company's standard insurance is available for your review prior to acceptance of the Company's proposal.

5) Payment:

Terms of payment are defined in the "Pricing" details section and are specific to this contract. For purposes of this agreement, "Completion" is defined as being the point at which the materials have been furnished. In any event where Completion cannot be effected due to delays or postponements caused by the Purchaser or Owner, final payment (less 5% retainage) is due within 30 days of the date when the Completion was scheduled, had the delay not occurred. All payments must be made to KYA Services, LLC 1800 E. McFadden Ave., Santa Ana, CA 92705 . If the Purchaser or Owner fails or delays in making any scheduled milestone payments , the Company may suspend the fulfilment of its obligations hereunder until such payments are made, or Company may be relieved of its obligations hereunder if payment is more than 60 days past due. Company may use all remedies available to it under current laws, including but not limited to filing of liens against the property and using a collection agency or the courts to secure the collection of the outstanding debt.

6) Lien Releases:

Upon request by Owner, Company will issue appropriate partial lien releases as corresponding payments are received from Purchaser, but prior to receiving final payment from Purchaser or Owner, Company will provide a full release of liens upon receipt of final payment. In accordance with state laws, Company reserves the right to place a lien on the property if final payment has not been received 10 days prior to the filing deadline for liens.

7) Site Plan Approval, Permit/s, Permit Fees, Plans, Engineering Drawings and Surveying:

Site plan approval, permits, permit fees, plans, engineering drawings and surveying are specifically excluded from this agreement and the Services unless specified under the "General Scope of Work". The Company does not in any way warrant or represent that a permit or site plan approval for construction will be obtained. Sealed engineered drawings that are required but not included in the "General Scope of Work" will result in additional cost to Purchaser.

8) Manufacturing and Delivery:

Manufacturing lead-time and delivery varies depending on the product purchased.

9) Returned Product, Deposits and/ or Cancelled Order:

From date of shipment from our facility, all returned product(s) and cancelled orders are subject to a 50% restocking fee. No returns are available following this date. All deposits are non-refundable.

Initials _____



10) Concealed Conditions:

"Concealed conditions" include, without limitation to, water, gas, sprinkler, electrical and sewage lines, post tension cables, and steel rebar. Observations that were able to be made either by visual inspection or by drawings and/or plans submitted by Owner at the time this agreement was approved. If additional Concealed Conditions are discovered once work has commenced which were not visible at the time this proposal was approved, Company will stop work and indicate these unforeseen Concealed Conditions to Purchaser or Owner so that Purchaser and Company can execute a change order for any additional work. In any event, any damage caused by or to unforeseen Concealed Conditions is the sole responsibility of the Purchaser and Company shall not be held liable for any such damage. Soil conditions are assumed to be soil that does not contain any water, hard rock (such as limestone, caliche, etc.), rocks bigger than 4inches in diameter or any other condition that will require additional labor, equipment and/or materials not specified by the purchaser or Owner in the bidding process. Any condition requiring additional labor, equipment, and/or materials to complete the drilling or concrete operations will require a change order before Company will complete the process. Any variation will incur additional charges.

11) Changes in the Work:

During the course of this project, Purchaser may order changes in the work (both additions and deletions). The cost of these changes will be determined by the Company, and a change order must be completed and signed by both the Purchaser and the Company, which will detail the "General Scope of the Change Order". Should any change be essential to the completion of the project, and the Purchaser refuses to authorize such change order, then Company will be deemed to have performed its part of the project, and the project and Services will be terminated. Upon such termination, Company will submit a final billing to Purchaser for payment, less labor allowance for work not performed but including additional charges incurred due to the stoppage. No credit will be allowed for materials sold and supplied, which will remain the property of the Purchaser.

12) Warranty; Limitations of Liability:

Company warrants that all Company-supplied labor and Services will be performed in a good and workmanlike manner. Purchaser shall notify the Company in writing detailing any defects in Service for which a warranty claim is being made. COMPANY SHALL NOT IN ANY EVENT BE LIABLE FOR INDIRECT, SPECIAL, CONSEQUENTIAL, INCIDENTAL, PUNITIVE OR LIQUIDATED DAMAGES IN ANY ACTION ARISING FROM OR RELATED TO THIS AGREEMENT, WHETHER BASED IN CONTRACT, TORT (INCLUDING NEGLIGENCE), INTENDED CONDUCT OR OTHERWISE, INCLUDING WITHOUT LIMITATION, DAMAGES RELATING TO LOSS OF PROFITS, INCOME OR GOODWILL, REGARDLESS OF WHETHER COMPANY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. IN NO EVENT WILL COMPANY'S LIABILITY FOR MONETARY DAMAGES UNDER THIS AGREEMENT EXCEED THE FEES PAID OR DUE AND PAYABLE FOR THE SERVICE UNDER THIS AGREEMENT (OR RELEVANT PURCHASE ORDER). The warranties or the materials are contained in a separate document between Company and the ultimate Owner of the materials, which will be provided to Owner at the time of completion of work.

13) Indemnification:

To the fullest extent permitted by law. Purchaser shall indemnify, defend and hold harmless the Company and its consultants, agents and employees or any of them from and against claims, damages, losses and expenses, including but not limited to attorney's fees, relating to furnishing of the materials or performance of the Services, provided that such claim, damage, loss or expense is attributable to bodily injury to, sickness, disease or death of a person, or injury to or destruction of tangible property, but only to the extent caused by the negligent acts or omissions of the Purchaser or its agents, employees, or subcontractors or anyone directly or indirectly employed by them or anyone for whose acts they may be liable, regardless of whether or not such claim, damage, loss or expense is caused in part by a party indemnified hereunder. Such obligation shall not be construed to negate, abridge or reduce other rights or obligations of indemnity that would otherwise exist as to a party or person described in Section 13.

14) Delegation: Subcontractors:

The Services and furnishing of materials may be performed by subcontractors under appropriate agreements with the Company

15) Force Majeure: Impracticability:

The Company shall not be charged with any loss or damage for failure or delay in delivering or furnishing of materials when such failure or delay is due to any cause beyond the control of the Company, due to compliance with governmental regulations, or orders, or due to any acts of God, lockouts, slowdowns, wars or shortages in transportation, materials or labor.

16) Dispute Resolution:

Any controversy or claim arising out of or related to this agreement must be settled by binding arbitration administered in CA, 92705 by a single arbitrator selected by the parties or by the American Arbitration Association, and conducted in accordance with the construction industry arbitration rules. Judgement upon the award may be entered in any court having jurisdiction thereof.

17) Entire Agreement; No Reliance:

This agreement represents and contains the entire agreement between the parties. Prior discussion or verbal representations by the parties that are not contained in this agreement are not part of this agreement. Purchaser hereby acknowledges that it has not received or relied upon any statements or representations by Company or its agents which are not expressly stipulated herein, including without limitation any statements as to the materials, warranties or services provided hereunder.

Initials _____



EMPLOYEE OWNED

18) No Third-Party Beneficiaries:

This agreements creates no third party rights or obligations between Company and any other person, including any Owner who is not also a Purchaser. It is understood and agreed that the parties do not intend that any third party should be a beneficiary of this agreement.

19) Governing Law:

This agreement will be constructed and enforced in accordance with the laws of the State of California.

20) Assignment:

Purchaser may not assign this agreement, by operation of law or otherwise, without the prior written consent of the Company. The agreements shall be binding upon and ensure to the benefit of the Company and the Purchaser, and their successors and permitted assigns.

Executed to be effective as of the date executed by the company:

KYA Services, LLC

Accepted by:

Signature:

Signature:

By: (Print)

By: (Print)

Title:

Title:

Date:

Date:

Initials _____

EXHIBIT “B”

PLANS AND SPECIFICATIONS

All service and unit specifications are listed in Exhibit “A”.

EXHIBIT "C"

SPECIAL CONDITIONS

ARTICLE 1. BONDS

Within ten (10) calendar days from the date the Contractor is notified of award of the Contract, the Contractor shall deliver to the City four identical counterparts of the Performance Bond and Payment Bond on the forms supplied by the City and included as Exhibit "F" to the Contract. Failure to do so may, in the sole discretion of City, result in the forfeiture of Contractor's bid security. The surety supplying the bond must be an admitted surety insurer, as defined in Code of Civil Procedure Section 995.120, authorized to do business as such in the State of California and satisfactory to the City. The Performance Bond and the Payment Bond shall be for one hundred percent (100%) of the Total Contract Price.

EXHIBIT "D"

**CERTIFICATION
LABOR CODE - SECTION 1861**

I, the undersigned Contractor, am aware of the provisions of Section 3700, et seq., of the California Labor Code which require 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, the undersigned Contractor, agree to and will comply with such provisions before commencing the performance of the Work on this Contract.

KYA SERVICES, LLC.

By: _____
Signature

Name (Print)

Title (Print)

EXHIBIT “E”

PUBLIC WORKS CONTRACTOR REGISTRATION CERTIFICATION

Pursuant to Labor Code sections 1725.5 and 1771.1, all contractors and subcontractors that wish to bid on, be listed in a bid proposal, or enter into a contract to perform public work must be registered with the Department of Industrial Relations. See <http://www.dir.ca.gov/Public-Works/PublicWorks.html> for additional information.

No bid will be accepted nor any contract entered into without proof of the contractor’s and subcontractors’ current registration with the Department of Industrial Relations to perform public work.

Contractor hereby certifies that it is aware of the registration requirements set forth in Labor Code sections 1725.5 and 1771.1 and is currently registered as a contractor with the Department of Industrial Relations.¹

Name of Contractor: _____

DIR Registration Number: _____

DIR Registration Expiration: _____

Small Project Exemption: ____ Yes or ____ No

Unless Contractor is exempt pursuant to the small project exemption, Contractor further acknowledges:

- Contractor shall maintain a current DIR registration for the duration of the project.
- Contractor shall include the requirements of Labor Code sections 1725.5 and 1771.1 in its contract with subcontractors and ensure that all subcontractors are registered at the time of bid opening and maintain registration status for the duration of the project.
- Failure to submit this form or comply with any of the above requirements may result in a finding that the bid is non-responsive.

Name of Contractor _____

Signature _____

Name and Title _____

Dated _____

¹ If the Project is exempt from the contractor registration requirements pursuant to the small project exemption under Labor Code Sections 1725.5 and 1771.1, please mark “Yes” in response to “Small Project Exemption.”

EXHIBIT "F"

PAYMENT AND PERFORMANCE BONDS

PERFORMANCE BOND

KNOW ALL PERSONS BY THESE PRESENTS:

THAT WHEREAS, the City of Arcadia (hereinafter referred to as "City") has awarded to **KYA Services, LLC**, (hereinafter referred to as the "Contractor") an agreement for **Fire Station 105 Boiler Replacement Project, Contract No. _____** (hereinafter referred to as the "Project").

WHEREAS, the work to be performed by the Contractor is more particularly set forth in the Contract Documents for the Project dated _____, (hereinafter referred to as "Contract Documents"), the terms and conditions of which are expressly incorporated herein by reference; and

WHEREAS, the Contractor is required by said Contract Documents to perform the terms thereof and to furnish a bond for the faithful performance of said Contract Documents.

NOW, THEREFORE, we, _____, the undersigned Contractor and _____ as Surety, a corporation organized and duly authorized to transact business under the laws of the State of California, are held and firmly bound unto the City in the sum of **FIFTY-SIX THOUSAND, NINE HUNDRED TWENTY-FOLLARS AND TWENTY-FIVE CENTS (\$56,920.25)**, said sum being not less than one hundred percent (100%) of the total amount of the Contract, for which amount 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 Contractor, his or its heirs, executors, administrators, successors or assigns, shall in all things stand to and abide by, and well and truly keep and perform the covenants, conditions and agreements in the Contract Documents and any alteration thereof made as therein provided, on its part, to be kept and performed at the time and in the manner therein specified, and in all respects according to their intent and meaning; and shall faithfully fulfill all obligations including the one-year guarantee of all materials and workmanship; and shall indemnify and save harmless the City, its officers and agents, as stipulated in said Contract Documents, then this obligation shall become null and void; otherwise it shall be and remain in full force and effect.

As a condition precedent to the satisfactory completion of the Contract Documents, unless otherwise provided for in the Contract Documents, the above obligation shall hold good for a period of one (1) year after the acceptance of the work by City, during which time if Contractor shall fail to make full, complete, and satisfactory repair and replacements and totally protect the City from loss or damage resulting from or caused by defective materials or faulty workmanship, Surety shall undertake and faithfully fulfill all such obligations. The obligations of Surety hereunder shall continue so long as any obligation of Contractor remains. Nothing herein shall limit the City's rights or the Contractor or Surety's obligations under the Contract, law or equity, including, but not limited to, California Code of Civil Procedure section 337.15.

Whenever Contractor shall be, and is declared by the City to be, in default under the Contract Documents, the Surety shall remedy the default pursuant to the Contract Documents, or shall promptly, at the City's option:

- (1) Take over and complete the Project in accordance with all terms and conditions in the Contract Documents; or
- (2) Obtain a bid or bids for completing the Project in accordance with all terms and conditions in the Contract Documents and upon determination by Surety of the lowest responsive and responsible bidder, arrange for a Contract between such bidder, the Surety and the City, and make available as work progresses sufficient funds to pay the cost of completion of the Project, less the balance of the contract price, including other costs and damages for which Surety may be liable. The term "balance of the contract price" as used in this paragraph shall mean the total amount payable to Contractor by the City under the Contract and any modification thereto, less any amount previously paid by the City to the Contractor and any other set offs pursuant to the Contract Documents.
- (3) Permit the City to complete the Project in any manner consistent with local, California and federal law and make available as work progresses sufficient funds to pay the cost of completion of the Project, less the balance of the contract price, including other costs and damages for which Surety may be liable. The term "balance of the contract price" as used in this paragraph shall mean the total amount payable to Contractor by the City under the Contract and any modification thereto, less any amount previously paid by the City to the Contractor and any other set offs pursuant to the Contract Documents.

Surety expressly agrees that the City may reject any contractor or subcontractor which may be proposed by Surety in fulfillment of its obligations in the event of default by the Contractor.

Surety shall not utilize Contractor in completing the Project nor shall Surety accept a bid from Contractor for completion of the Project if the City, when declaring the Contractor in default, notifies Surety of the City's objection to Contractor's further participation in the completion of the Project.

The Surety, for value received, hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of the Contract Documents or to the Project to be performed thereunder 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 Project, including but not limited to the provisions of sections 2819 and 2845 of the California Civil Code.

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

(Corporate Seal)

Contractor/ Principal

By _____

Title _____

(Corporate Seal)

Surety

By _____
Attorney-in-Fact

Signatures of those signing for the Contractor and Surety must be notarized and evidence of corporate authority attached.

(Attach Attorney-in-Fact Certificate)

Title _____

The rate of premium on this bond is _____ per thousand. The total amount of premium charges, \$_____.
(The above must be filled in by corporate attorney.)

THIS IS A REQUIRED FORM

Any claims under this bond may be addressed to:

(Name and Address of Surety) _____

(Name and Address of Agent or Representative for service of process in California, if different from above)

(Telephone number of Surety and Agent or Representative for service of process in California)

NOTE: A copy of the Power-of-Attorney authorizing the person signing on behalf of the Surety to do so must be attached hereto.

PAYMENT BOND

KNOW ALL MEN BY THESE PRESENTS That

WHEREAS, the City of Arcadia (hereinafter designated as the "City"), by action taken or a resolution passed **March 3, 2026**, has awarded to **KYA Services, LLC** hereinafter designated as the "Principal," a contract for the work described as follows: **Fire Station 105 Boiler Replacement Project, Contract Nol:** _____ (the "Project"); and

WHEREAS, the work to be performed by the Principal is more particularly set forth in the Contract Documents for the Project dated _____ ("Contract Documents"), the terms and conditions of which are expressly incorporated by reference; and

WHEREAS, said Principal is required to furnish a bond in connection with said contract; providing that if said Principal or any of its Subcontractors shall fail to pay for any materials, provisions, provender, equipment, or other supplies used in, upon, for or about the performance of the work contracted to be done, or for any work or labor done thereon of any kind, or for amounts due under the Unemployment Insurance Code or for any amounts required to be deducted, withheld, and paid over to the Employment Development Department from the wages of employees of said Principal and its Subcontractors with respect to such work or labor the Surety on this bond will pay for the same to the extent hereinafter set forth.

NOW THEREFORE, we, the Principal and _____ as Surety, are held and firmly bound unto the City in the penal sum of **FIFTY-SIX THOUSAND, NINE HUNDRED TWENTY-FOLLARS AND TWENTY-FIVE CENTS (\$56,920.25)** lawful money of the United States of America, for the payment of which sum well and truly to be made, we bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH that if said Principal, his or its subcontractors, heirs, executors, administrators, successors or assigns, shall fail to pay any of the persons named in Section 9100 of the Civil Code, fail to pay for any materials, provisions or other supplies, used in, upon, for or about the performance of the work contracted to be done, or for any work or labor thereon of any kind, or amounts due under the Unemployment Insurance Code with respect to work or labor performed under the contract, or for any amounts required to be deducted, withheld, and paid over to the Employment Development Department or Franchise Tax Board from the wages of employees of the contractor and his subcontractors pursuant to Section 18663 of the Revenue and Taxation Code, with respect to such work and labor the Surety or Sureties will pay for the same, in an amount not exceeding the sum herein above specified.

This bond shall inure to the benefit of any of the persons named in Section 9100 of the Civil Code so as to give a right of action to such persons or their assigns in any suit brought upon this bond.

It is further stipulated and agreed that the Surety on this bond shall not be exonerated or released from the obligation of this bond by any change, extension of time for performance, addition, alteration or modification in, to, or of any contract, plans, specifications, or agreement pertaining or relating to any scheme or work of improvement herein above described, or pertaining or relating to the furnishing of labor, materials, or equipment therefore, nor by any change or modification of any terms of payment or extension of the time for any payment pertaining or relating to any scheme or work of improvement herein above described, nor by any rescission or attempted rescission of the contract, agreement or bond, nor by any conditions precedent or subsequent in the bond attempting to limit the right of recovery of claimants otherwise entitled to recover under any such contract or agreement or under the bond, nor by any fraud practiced by any person other than the claimant

seeking to recover on the bond and that this bond be construed most strongly against the Surety and in favor of all persons for whose benefit such bond is given, and under no circumstances shall Surety be released from liability to those for whose benefit such bond has been given, by reason of any breach of contract between the owner or City and original contractor or on the part of any obligee named in such bond, but the sole conditions of recovery shall be that claimant is a person described in Section 9100 of the Civil Code, and has not been paid the full amount of his claim and that Surety does hereby waive notice of any such change, extension of time, addition, alteration or modification herein mentioned and the provisions of sections 2819 and 2845 of the California Civil Code.

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

(Corporate Seal)

Contractor/ Principal

By _____

Title _____

(Corporate Seal)

Surety

By _____

Attorney-in-Fact

Title _____

Signatures of those signing for the Contractor and Surety must be notarized and evidence of corporate authority attached. A Power-of-Attorney authorizing the person signing on behalf of the Surety to do so must be attached hereto.

NOTE: A copy of the Power-of-Attorney authorizing the person signing on behalf of the Surety to do so must be attached hereto.

Notary Acknowledgment

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

STATE OF CALIFORNIA
 COUNTY OF _____

On _____, 20___, before me, _____, Notary Public, personally
 appeared _____, who proved to me on the basis of satisfactory

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

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

WITNESS my hand and official seal.

Signature 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.

CAPACITY CLAIMED BY SIGNER

DESCRIPTION OF ATTACHED DOCUMENT

- Individual
- Corporate Officer

_____ Title(s)

_____ Title or Type of Document

- Partner(s)
 - Limited
 - General

_____ Number of Pages

- Attorney-In-Fact
- Trustee(s)
- Guardian/Conservator
- Other:

_____ Date of Document

Signer is representing:
 Name Of Person(s) Or Entity(ies)

_____ Signer(s) Other Than Named Above

EXHIBIT "G"
FEDERAL REQUIREMENTS

Not Applicable.

State of California

MULTIPLE AWARD SCHEDULE

NON-MANDATORY

KYA Services, LLC

CMAS NUMBER:	4-20-78-0089C
SUPPLEMENT NUMBER:	7
CMAS TERM DATES:	02/26/2020 through 02/10/2030
EFFECTIVE DATE:	01/21/2025
CMAS CATEGORY:	Non-IT Commodities General Provisions
APPLICABLE STATE OF CALIFORNIA GENERAL PROVISIONS:	June 21, 2022
APPLICABLE CMAS SPECIAL PROVISIONS:	January 2, 2025
MAXIMUM ORDER LIMIT:	State Agencies: See Purchasing Authority Dollar Threshold provision Local Government Agencies: Unlimited
FOR USE BY:	State & Local Government Agencies
BASE SCHEDULE #:	47QSMA20D08P7
BASE SCHEDULE HOLDER:	KYA Services LLC
PROGRAM ANALYST	Trice Baker Trice.baker@dgs.ca.gov

This California Multiple Award Schedule (CMAS) provides for the purchase, warranty, removal, disposal, preparation, installation, maintenance, and repair of park and playground equipment, commercial flooring, roofing products, pre-engineered and prefabricated buildings and structures for storage solutions, hardware store products, lawn and garden equipment, heating, ventilation, and air conditioning (HVAC), energy-efficient lighting, power distribution equipment, complete daycare, preschool and classroom solutions, signs, and flags. (See pages 4 through 10 for the services, job titles, and restrictions applicable to this CMAS.)

**CALIFORNIA MULTIPLE AWARD SCHEDULE (CMAS)
KYA SERVICES, LLC
CMAS NUMBER 4-20-78-0089C, SUPPLEMENT NUMBER 7**

This supplement is to extend this CMAS through 02/10/2030. In addition, this supplement replaces the existing CMAS. The most current Ordering Instructions, General Provisions, CMAS Special Provisions, and products and/or services are included herein. All purchase orders issued by State agencies shall incorporate these Ordering Instructions, General Provisions, and CMAS Special Provisions. Review these provisions carefully as they have changed.

NOTICE: Products and/or services on this CMAS may be available on a Mandatory State Contract. If this is the case, the use of this CMAS is restricted unless the State agency has an approved exemption as explained in the State Contract User Instructions. Information regarding State Contracts can be obtained at the: [State Contracts Index Listing](#). This requirement is not applicable to local government agencies.

Any reference to a specific manufacturer's or publisher's warranty or terms and conditions as shown in the base schedule are not applicable to this CMAS.

The services provided under this CMAS are only available in support of the products covered by this CMAS.

State agencies cannot use this CMAS to purchase products available through the California Prison Industry Authority (CALPIA) without a one-time exemption from CALPIA. Agencies may request an exemption at the [CALPIA website](#). A copy of the approved exemption must be kept with the purchase order in the procurement file for audit purposes.

CMAS RESTRICTION FOR CARPET PURCHASES

The Department of General Services' Office of Sustainability has determined that all carpet purchased by state agencies be made at the ANSI/NSF-140 Platinum level. The Governor's Executive Order B-18-12 Ordered that the State agencies purchase and use environmentally preferable products that have a lesser or reduced effect on human health and the environment. Carpet that is 3rd party certified to ANSI/NSF-140 Platinum level meets the requirement.

IMPORTANT NOTE TO ALL USERS OF THIS MULTIPLE AWARD SCHEDULE

A contract for the purchase and installation of carpet is a public works contract as defined in Section 1101 of the Public Contract Code and, as such, requires certain special conditions. Prior to placing an order against this multiple award schedule, read pages 27 through 36 entitled "Information Regarding the Purchase and Installation of Carpet and Other Floor Coverings" to ensure your agency understands the special conditions involving public works contracts. If your agency does not have staff with expertise involving public works contracts, it is recommended that you seek interagency assistance or consider not using this multiple award schedule.

**CALIFORNIA MULTIPLE AWARD SCHEDULE (CMAS)
KYA SERVICES, LLC
CMAS NUMBER 4-20-78-0089C, SUPPLEMENT NUMBER 7**

HAZARDOUS SUBSTANCES

State Law (Labor Code (LC) 6360 et seq.) requires employers to have information regarding hazardous or potentially hazardous substances in the workplace on file or readily available to them. In order to assist employers' compliance with this requirement, the Department of Industrial Relations has compiled a list of hazardous substances.

Some or all of the products listed on this CMAS appear on the Hazardous Substances List. CMAS supplier must provide Material Safety Data Sheet for these products when they are delivered to California Public Agencies. A Material Safety Data Sheet is supplied by the manufacturer of a substance and lists the manufacturer's name and address, the chemical name, physical properties of the material, potential hazards, safeguards and procedures to follow in case of accident or overexposure.

Agency non-compliance with the requirements may result in the loss of CMAS program delegated purchasing authority.

CMAS contractor non-compliance with the requirements may result in termination.

**CALIFORNIA MULTIPLE AWARD SCHEDULE (CMAS)
KYA SERVICES, LLC
CMAS NUMBER 4-20-78-0089C, SUPPLEMENT NUMBER 7**

CMAS PRODUCT & SERVICE CODES

Product & Service Codes listed below are for marketing purposes only. Review the base schedule for the products and/or services available.

- Brand-Act Global
- Brand-Bentley
- Brand-Quick Crete
- Brand-Tandus
- Building-Prefab Structure-Medical
- Floor Cov-Broadloom Carpet
- Floor Cov-Hardwood
- Floor Cov-Sport Flooring
- Floor Cov-Synthetic Turf
- Floor Cov-Vinyl Sheeting/Tile
- Playground-Equip
- Sport Surface-Synthetic Track

AVAILABLE PRODUCTS AND/OR SERVICES

This CMAS provides for the purchase, warranty, removal, disposal, preparation, installation, maintenance, and repair of park and playground equipment, commercial flooring, roofing products, pre-engineered and prefabricated buildings and structures for storage solutions, hardware store products, lawn and garden equipment, heating, ventilation, and air conditioning (HVAC), energy-efficient lighting, power distribution equipment, complete daycare, preschool and classroom solutions, signs, and flags.

Only the following services are available within the scope of this CMAS:

- Standard Floor Preparation (So Cal)
- Standard Floor Preparation (Sac)
- Standard Floor Preparation (Bay Area)
- Excessive Floor Preparation (So Cal)
- Excessive Floor Preparation (Sac)
- Excessive Floor Preparation (Bay Area)
- Field Repairs
- Removal of Playground Equipment
- Application of Playground Equipment
- Standard Floor Prep
- Furniture R&R
- Toilet Removal
- Turf Removal
- Turf Application (Standard)
- Turf Application (Non- Standard)
- Concrete Curb
- Natural Sod Removal
- Poured-In-Place Removal
- Poured-In-Place Application

**CALIFORNIA MULTIPLE AWARD SCHEDULE (CMAS)
KYA SERVICES, LLC
CMAS NUMBER 4-20-78-0089C, SUPPLEMENT NUMBER 7**

Natural Sod Application
Poured-In-Place Repair
Aggregate Base Removal
Aggregate Base Application
Logo Application
Track Surface Repair
Track Surface Re-Top
Track Surface Complete Application
Track Surface Refresh
Structural Spray Black
Structural Spray Color
Base Mat w/ Structural Spray Black
Base Mat w/ Structural Spray Color
Polyurethane Sandwich System
Polyurethane Full Pour
Track Maintenance
Substrate Prep
Substrate Compaction
Trenching
Clear, Grub and Haul
Staking
Goal Post Application
Drainage Application
Application of Sports Pad
Application of Playground Pad
Application of Infill
Application of Headerboard
Removal of Existing Surface
Application of Rubber Playground Tiles
Standard Synthetic Turf Maintenance
Premium Synthetic Turf Maintenance
Application of Asphalt
Application of Concrete
Perimeter saw cut
Application of tree wells
Application of mulch
Application of decomposed granite
Application of irrigation
Perimeter pip removal
Asphalt saw cut
Application of sealer
Re-grading base
Application of ramp
Application of grout
Scarification
Application of seeded rock
Demo Glue Down Carpet / Carpet Tile

**CALIFORNIA MULTIPLE AWARD SCHEDULE (CMAS)
KYA SERVICES, LLC
CMAS NUMBER 4-20-78-0089C, SUPPLEMENT NUMBER 7**

Demo Powerbond Carpet/ Vinyl Backed
Demo Carpet over Pad
Demo Sheet Vinyl
Demo VCT/LVT
Demo Rubber
Skim Coat
Grind Floor
Application of Carpet Tile
Application of Powerbond Carpet
Application of Carpet Over Pad
Lift Application of Carpet Tile
Application of Sheet Vinyl
Self Cove
Application of Linoleum
Heat Weld
Application of LVT
Application of VCT
Application of Rubber Tile
4" Rubber Base
6" Rubber Base
Vinyl Transition Strips
Moisture Test
Outside Corner Installation
Removal of Degraded Seal Coats
Application of Moisture Barrier
Demo Ceramic Tile
Application of HVT
Expediting Service
Application of Self- Level Compound
Application of Ceiling Tiles
Surface Preparation for Finish
Application of Lamp Lens
Application of Retrofit LED Kit
Application of Tackboard
Application of Sound Wall
Application of Thermostats
Dumpster Service
Demo Existing Wood Flooring < 5,000sf
Demo Existing Wood Flooring > 5,000sf
Install Wood Flooring < 5,000sf
Install Wood Flooring > 5,000sf
Install Wood Subfloor < 5,000sf
Install Wood Subfloor > 5,000sf
Install Visqueen Vapor Retarder
Shim Flooring < 5,000sf
Shim Flooring > 5,000sf
Water Base Wood Floor Refinishing < 5000sf

**CALIFORNIA MULTIPLE AWARD SCHEDULE (CMAS)
KYA SERVICES, LLC
CMAS NUMBER 4-20-78-0089C, SUPPLEMENT NUMBER 7**

Water Base Wood Floor Refinishing > 5,000sf
Oil Base Wood Floor Refinishing < 5000sf
Oil Base Wood Floor Refinishing > 5,000sf
Sand & Refinish Wood Flooring < 5,000sf
Sand & Refinish Wood Flooring > 5,000sf
Patch Wood Flooring < 5,000sf
Patch Wood Flooring > 5,000sf
Application of Additional Finish Coat
Paint Basketball Court
Paint Volleyball Court
Paint Badminton Court
Paint Pickleball Court
Paint/Stain Floor
Slab infill < 5,000sf
Slab infill > 5,000sf
Install Threshold
Install Floor Lids
Install Vent Cove Base
Paint Custom Graphics/Letters
Re-Paint Existing Game Lines
Court Design Service
GMAX Testing Procedure
Performance Testing Procedure
Air Cooled Chiller Services – Annual Cost per Chiller
Water Cooled Screw and Centrifugal Chiller Services – Annual Cost per Chiller
Water Cooled Magnetic Bearing Chiller Services – Annual Cost per Chiller
Heat Exchanger Services – Annual Cost per Heat Exchanger
Air Compressor Services – Annual Cost per Air Compressor
VFD's and Pump Services – Annual Cost per VFD and Pump
Air – Water Separator Services – Annual Cost per Separator
Application of replica plants
Application of cobble stone
Application of woodchips
Application of boulders
Application of slurry
Striping -asphalt
Natural tree - small
Natural tree - med
Natural - large
Application of natural plants
Application of pavers
Field Surveyor Service
Application of Window Treatment

The ordering agency must verify all products and/or services are currently available on the base General Services Administration (GSA) schedule.

**CALIFORNIA MULTIPLE AWARD SCHEDULE (CMAS)
KYA SERVICES, LLC
CMAS NUMBER 4-20-78-0089C, SUPPLEMENT NUMBER 7**

Only the following job titles are available within the scope of this CMAS:

Floor Covering Journeyman (So Cal)
Floor Covering Level 1 (So Cal)
Floor Covering Level 2 (So Cal)
Floor Covering Level 3 (So Cal)
Floor Covering Level 4 (So Cal)
Floor Covering Level 5 (So Cal)
Floor Covering Level 6 (So Cal)
Floor Covering Level 7 (So Cal)
Floor Covering Level 8 (So Cal)
Floor Covering Journeyman (Bay Area)
Floor Covering Level 1 (Bay Area)
Floor Covering Level 2 (Bay Area)
Floor Covering Level 3 (Bay Area)
Floor Covering Level 4 (Bay Area)
Floor Covering Level 5 (Bay Area)
Floor Covering Level 6 (Bay Area)
Floor Covering Level 7 (Bay Area)
Floor Covering Level 8 (Bay Area)
Floor Covering Journeyman (Sac)
Floor Covering Level 1 (Sac)
Floor Covering Level 2 (Sac)
Floor Covering Level 3 (Sac)
Floor Covering Level 4 (Sac)
Floor Covering Level 5 (Sac)
Floor Covering Level 6 (Sac)
Floor Covering Level 7 (Sac)
Floor Covering Level 8 (Sac)
Flooring Project Manager
Flooring Site Supervisor
Flooring Project Coordinator
Flooring Project Estimator
Turf Project Manager
Turf Site Supervisor
Turf Project Coordinator
Turf Project Estimator
Carpenter Journeyman
HVAC Installer
HVAC Laborer
HVAC Technician
HVAC Project Manager
Site Assessment Coordinator
Tile Layer Journeyman
Quality Control Supervisor
Safety Coordination Manager
Rendering Coordinator

**CALIFORNIA MULTIPLE AWARD SCHEDULE (CMAS)
KYA SERVICES, LLC
CMAS NUMBER 4-20-78-0089C, SUPPLEMENT NUMBER 7**

Plumber/HVAC/Electrician
Plasterer Journeyman
Cement Mason Journeyman
Drywall Lather Journeyman

The ordering agency must verify the following current information about the job titles available in the base schedule at the [General Services Administration \(GSA\) eLibrary](#):

- Description of the functional requirements
- Minimum education and experience requirements
- Maximum pricing allowed (lower pricing acceptable)

FIND BASE SCHEDULE PRICING

Once on the Contractor Information page for a specific GSA schedule, the pricelist can be found either in the Contractor Terms & Conditions (T&Cs)/Pricelist document or at GSA Advantage. The Contractor T&Cs/Pricelist document is provided by the contractor as a requirement of GSA and can be found under the Contractor T&Cs/Pricelist heading by clicking on the page icon.

If the contractor has products/services available for ordering on GSA Advantage, a 'GSA Advantage' icon will be displayed. By clicking this image link, this will execute a search against GSA Advantage. Depending on the category, whether product or service related, will return either:

- 1) If products, a listing of all products available for the contractor under this contract
- 2) If services, the same document provided under the column Contractor T&Cs/Pricelist by clicking View Contractor Information and then View Contractor Catalog.

EXCLUDED PRODUCTS AND/OR SERVICES

The following products and services are not available under this CMAS:

The purchase of Information Technology (IT) hardware
Non-Information Technology consulting services
Public works services for State Agencies (except for resilient flooring, carpet, lighting fixtures, and synthetic turf)
Surveillance Systems
Security and Detection Systems
Physical Access Control Systems
Complete Facilities Maintenance and Management
Smart Building Systems Integration
Specialty Equipment Service
HIC Testing Procedure
Application of Interior Paint
Application of Exterior Paint
Storage Service
Electric Vehicle (EV) Charging Basic - 240 V - Up to 400A
Electric Vehicle (EV) Charging Basic - 480 V - 400 to 2000A
Electric Vehicle (EV) Charging Stations - Level II - 240V

**CALIFORNIA MULTIPLE AWARD SCHEDULE (CMAS)
KYA SERVICES, LLC
CMAS NUMBER 4-20-78-0089C, SUPPLEMENT NUMBER 7**

Electric Vehicle (EV) Charging Stations – Level III - 480V
Energy Efficiency Assessment 1
Energy Efficiency Assessment 2
Energy Efficiency Assessment 3
Roof Mount Solar Option #1
Ground Mount Solar Option #2
Solar Carport Option #3
Procurement Coordinator
Submittals Coordinator
General Laborer Journeyman
General Laborer Material Handler Level 1
Drywall Installer Journeyman
Communications System Installer
Construction Project Supervisor
Project Specification Consultant
Project Design Consultant
Operating Engineer Journeyman
A/V Installer
Installer - Access Systems
Technician - Access Systems
Project Manager - Access Systems
Project Engineer - Access Systems
EV Installer
EV Technician
EV Project Manager
EV Project Engineer
Repair/Construction Laborer - Site Clean Up and Management
Repair/Construction Laborer - Journeyman
Repair/Construction Laborer - Skilled and Trained
Repair/Construction Laborer – Apprentice
Repair/Construction Laborer - Equipment Operator
Order-Level Materials (OLM)

ISSUE PURCHASE ORDER TO

Agency purchase orders must be sent to the following:

**KYA Services, LLC
1800 E McFadden Avenue
Santa Ana, CA 92705-4708
Attn: Lisa Chavez**

E-mail: lisa.chavez@thekeyagroup.com

**CALIFORNIA MULTIPLE AWARD SCHEDULE (CMAS)
KYA SERVICES, LLC
CMAS NUMBER 4-20-78-0089C, SUPPLEMENT NUMBER 7**

Agencies with questions regarding products and/or services may contact the CMAS contractor as follows:

Contact: Lisa Chavez
Phone: (714) 659-6477
E-mail: lisa.chavez@thekeyagroup.com
Website: <https://www.thekeyagroup.com/>

TOP 500 DELINQUENT TAXPAYERS

In accordance with Public Contract Code (PCC) 10295.4, and prior to placing an order for non-IT goods and/or services, **agencies must verify** with the Franchise Tax Board and the California Department of Tax and Fee Administration that this CMAS contractor's name does not appear on either list of the 500 largest tax delinquencies pursuant to Revenue and Taxation Code 7063 or 19195. The Franchise Tax Board's list of Top 500 Delinquent Taxpayers is available at their website. The California Department of Tax and Fee Administration's list of Top 500 Sales & Use Tax Delinquencies in California is available at their website.

CALIFORNIA SELLER'S PERMIT

The CMAS contractor's California Seller's Permit Number is 102-369022. Prior to placing an order with this company, agencies must verify that this permit is still valid at the California Department of Tax and Fee Administration website.

MINIMUM ORDER LIMITATION

The minimum dollar value of an order to be issued under this CMAS is \$100.

CMAS PRICES

The maximum prices allowed for the products and/or services available are those set forth in the base schedule.

The ordering agency is encouraged to seek prices lower than those in the base schedule. When responding to an agency's Request for Offer (RFO), the CMAS contractor can offer lower prices to be competitive.

PRICE DISCOUNTS

This CMAS contains dollar volume and prompt payment discounts. See the base schedule for the specific discount percentage.

DARFUR CONTRACTING ACT

This CMAS contractor has certified compliance with the Darfur Contracting Act, per PCC 10475. It is the agency's responsibility to verify that the contractor has a Darfur Contracting Act Certification on file.

**CALIFORNIA MULTIPLE AWARD SCHEDULE (CMAS)
KYA SERVICES, LLC
CMAS NUMBER 4-20-78-0089C, SUPPLEMENT NUMBER 7**

IRAN CERTIFICATION

This CMAS contractor has certified compliance with the Iran Contracting Act, per PCC 2001-2008. It is the agency's responsibility to verify that the contractor has an Iran Contracting Act Certification on file.

CALIFORNIA CIVIL RIGHTS LAW CERTIFICATION

Pursuant to PCC 2010 applicants must certify their compliance with the California Civil Rights laws and Employer Discriminatory Policies (Civil Code 51, GC 12960). It is the agency's responsibility to verify that the contractor has a California Civil Rights Law Certification on file.

WARRANTY

For warranties, see the base schedule and the CMAS Warranty provision in the CMAS Special Provisions.

CMAS contractor personnel shall have the experience, education, and expertise as defined in the base schedule.

DELIVERY

As negotiated between agency and CMAS contractor and included in the purchase order.

LIQUIDATED DAMAGES FOR LATE DELIVERY

The value of the liquidated damages cannot be a penalty, must be mutually agreed upon by agency and contractor and included in the purchase order to be applicable.

SHIPPING INSTRUCTIONS

F.O.B. (Free On Board) Origin. Buying agency pays the freight charges.

State agencies shall follow the instructions below whenever the weight of the purchase is 100 lbs. or more and F.O.B. Destination, Freight Prepaid is not used. This requirement is not applicable to local government agencies.

All shipments will be made by ground transportation unless otherwise ordered on the purchase order.

Traffic Management Unit (TMU) approval is not required for any Leveraged Procurement Agreement negotiated by DGS; however, it is recommended that state agencies contact TMU for a freight weight comparison using the Freight Analysis Worksheet on the TMU website, under the "Forms" heading to ensure the state is getting the most reasonable shipping cost.

Note: If shipping charges for purchases weighing less than 100 lbs. appear to be excessive (e.g., \$500 for a 5 lb. package where the shipping charge is a percentage of the cost of the item being purchased), departments are encouraged to contact TMU for help to obtain more appropriate pricing. TMU contact information can be found at the TMU website.

**CALIFORNIA MULTIPLE AWARD SCHEDULE (CMAS)
KYA SERVICES, LLC
CMAS NUMBER 4-20-78-0089C, SUPPLEMENT NUMBER 7**

PURCHASING AUTHORITY DOLLAR THRESHOLD

Order limits for the purchase of goods and/or services is determined by the individual agency purchasing authority threshold.

No CMAS order may be executed by a State agency that exceeds that agency's purchasing authority threshold, unless an exemption is granted by the Department of General Services (DGS) Purchasing Authority Unit (PAU). State agencies with approved purchasing authority, along with their dollar thresholds can be obtained at the List of State Departments with Approved Purchasing Authority website.

HOW TO USE CMAS

State agencies must adhere to the requirements in the State Contracting Manual (SCM) Volume 2, Chapter 1600 and CMAS Ordering Instructions and Special Provisions when using CMAS.

- Develop an RFO, which includes a Scope of Work (SOW) and Bidder Declaration form. For information on the Bidder Declaration requirements see SCM, Volume 2, Sections 305 and 1202.
- Clearly defined Tasks (what needs to be done) and Deliverables (outcome of each task, i.e., reports, procedures manual, etc.) must be included in the State's SOW.
- A Work Order Authorization (WOA) may be used to document completion of pre-determined tasks, but only if the tasks are clearly defined in the SOW. The WOA may be used to approve release for the next phase of the agreement but cannot be used to identify any tasks other than the ones called out in the SOW. The WOA will be signed by all parties and may be submitted for progress payments under the award.
- Projects can be performed on a Fixed Price Per Deliverable (FP/D). Fixed Price; FP/D: A defined service, or set of services, performed by Contractor in response to a defined task, or set of tasks, at a specific fixed price, and delivered per a specific schedule. Note: When using FP/D the Statement of Work must describe in detail the particular project and the work that the selected Qualified Contractor will be required to perform.
- For Consulting or Personal services, do not include any labor categories/job titles or number of hours limit in RFO Requirements or the SOW. The CMAS Contractor provides this information in their Attachment B Cost Worksheet. The State does not have the expertise to make this decision (GC 19130(b)).
- Search for potential CMAS contractors on the CMAS website and select "Find a CMAS Contractor."
- Request offers from a minimum of 3 CMAS contractors including one small business (SB) and/or Disabled Veteran Business Enterprise (DVBE), if available, who are authorized to sell the products and/or able to perform the services needed. (Government Code 14846(b)).
- A valid attempt must be made to secure offers from viable CMAS contractors who are able to supply the goods and/or provide the services. Neither a lack of sufficient CMAS contractors nor the use of restrictive requirements meets the intent for obtaining offers (SCM Volume 2, Section 1670.2).

**CALIFORNIA MULTIPLE AWARD SCHEDULE (CMAS)
KYA SERVICES, LLC
CMAS NUMBER 4-20-78-0089C, SUPPLEMENT NUMBER 7**

- If requesting offers from a certified DVBE, include the Disabled Veteran Business Enterprise Declarations form (Standard 843) in the RFO. This declaration must be completed by the DVBE prime contractor and/or any DVBE subcontractors and submitted with the offer (SCM Volume 2, Section 1201).
- This is not a bid transaction, so the small business preference, DVBE incentives, protest language, intent to award, evaluation criteria, advertising, Administrative and Technical Requirements, etc. are not applicable. (SCM Volume 2, Section 1603).
- If less than 3 offers are received, State agencies must document their file with the reasons why the other suppliers did not respond with an offer. The reason must come from the CMAS contractor.
- Assess the offers received using best value criteria including cost as one of the criteria (SCM Volume 2, Section 1603).
- Issue a Purchase Order to the selected CMAS contractor.
- For CMAS transactions under \$10,000, only one offer is required if the State agency can establish and document that the price is fair and reasonable. The fair and reasonable method can only be used for non-customizable purchases. See SCM Volume 2, Section 1510 for Fair and Reason criteria.

Local agencies must follow their own procurement regulations. For more information see the [Local Agency packet](#) available online.

AGENCY RESPONSIBILITY

Each agency is responsible for its own contracting program and purchasing decisions, including use of the CMAS program and associated outcomes. This responsibility includes, but is not limited to, ensuring the necessity of the services, securing appropriate funding, complying with laws and policies, preparing the purchase order in a manner that safeguards the State's best interests, obtaining required approvals, and documenting compliance with GC 19130.b(3) for outsourcing services.

It is the responsibility of each agency to consult with their legal staff and contracting offices for advice depending upon the scope or complexity of the purchase order. If legal services are not available within your agency, DGS Office of Legal Services is available to provide services.

CONFLICT OF INTEREST

Agencies must evaluate the proposed purchase order to determine if there are any potential conflict of interest issues. See the CMAS Special Provisions, Conflict of Interest, for more information.

**CALIFORNIA MULTIPLE AWARD SCHEDULE (CMAS)
KYA SERVICES, LLC
CMAS NUMBER 4-20-78-0089C, SUPPLEMENT NUMBER 7**

SPLITTING ORDERS

Splitting orders to avoid any monetary limitations is prohibited. Do not circumvent normal procurement methods by splitting purchases into a series of delegated purchase orders per PCC 10329. Splitting a project into small projects to avoid either fiscal or procedural controls is prohibited per State Administrative Manual (SAM) 4819.34.

This provision does not apply to local government agencies.

ORDERING PROCEDURES

1. Purchase Orders

All Ordering Agency purchase order documents executed under this CMAS must contain the applicable CMAS number as show on page 1.

a. State Departments:

Standard 65 Purchase Documents – State departments not transacting in FISCal must use the Purchasing Authority Purchase Order (Standard 65) for purchase execution. An electronic version of the Standard 65 is available at the Department of General Services (DGS), Procurement Division (PD) website, select Standard (STD) Forms.

FISCAL Purchase Documents – State departments transacting in FISCal will follow the FISCal procurement and contracting procedures.

b. Local Government Agencies:

Local government agencies may use their own purchase order document for purchase execution.

The agency is required to complete and distribute the purchase order. For services, the agency shall modify the information contained on the order to include the service period (start and end date), the monthly cost (or other intermittent cost), and any other information pertinent to the services. The cost for each line item must be included in the order, not just system totals.

The contractor must immediately reject purchase orders that are not accurate. Discrepancies are to be negotiated and incorporated into the purchase order prior to product delivery and service implementation.

2. Service and Delivery after CMAS Expiration

The purchase order must be issued before the CMAS expires. However, delivery of the products or completion of the services may be after the CMAS expires (unless otherwise specifically stated in the purchase order). Amending the purchase order to add quantity, time, or money is not possible if the CMAS expired.

**CALIFORNIA MULTIPLE AWARD SCHEDULE (CMAS)
KYA SERVICES, LLC
CMAS NUMBER 4-20-78-0089C, SUPPLEMENT NUMBER 7**

3. Multiple CMAS Agreements on a Single Purchase Order

State agencies wishing to include multiple CMAS agreements on a single FISCal purchase order must adhere to the following guidelines:

- All CMAS must be for the same CMAS contractor.
- The purchase order must go to one contractor location.
- Enter the word “CMAS” in the space reserved for the Leveraged Procurement Agreement (LPA) number. The word “CMAS” signifies that the purchase order contains items from multiple CMAS agreements. The purchasing agency may only use one bill code.
- For each individual CMAS, the agency must identify and group together the CMAS number with the line items and subtotal per CMAS number (do not include tax in the subtotal), and sequentially identify each individual CMAS as Sub #1, Sub #2, Sub #3, etc. This facilitates accurate billing of administrative fees by the Procurement Division.
- The total of all items on the purchase order must not exceed the State agency’s purchasing authority dollar threshold granted by DGS PAU.
- Do not combine items from IT and non-IT CMAS agreements. An Information Technology CMAS begins with the number “3” and a non-IT CMAS begins with the number “4.” The purchase order limits are different for these CMAS agreements.

4. Amendments to State Agency's Purchase Orders

Agency purchase orders cannot be amended if the CMAS has expired.

SCM, Volume 2, Section 1605 provides the following directions regarding amendments to all types of LPA purchase orders:

Original orders, which include options for changes (e.g., quantity or time), that were assessed and considered in the selection for award during the RFO process, may be amended consistent with the terms of the original order, provided that the original order allowed for amendments. If the original order did not evaluate options, then amendments are not allowed unless a Non-Competitively Bid is approved for those amendments.

Amendments unique to Non-IT Services:

If the original contract permitted amendments, but did not specify the changes, (e.g., quantity or time), it may be amended. Per PCC 10335 (d)(1), a contract may only be amended once under this exemption. The time shall not exceed one year, or add not more than 30 percent of the original order value and may not exceed \$250,000. If the original contract did not have language permitting amendments, the Non-Competitively Bid process must be followed.

CMAS CONTRACTOR OWNERSHIP INFORMATION

The CMAS contractor is a large business enterprise.

**CALIFORNIA MULTIPLE AWARD SCHEDULE (CMAS)
KYA SERVICES, LLC
CMAS NUMBER 4-20-78-0089C, SUPPLEMENT NUMBER 7**

SMALL BUSINESS MUST BE CONSIDERED

Prior to placing orders under the CMAS program, State agencies must first consider offers from small businesses that have established CMAS agreements (GC 14846(b)). NOTE: DGS auditors will request substantiation of compliance with this requirement when agency files are reviewed.

CMAS Small Business and Disabled Veteran Partners can be found on the CMAS website by selecting "Find a CMAS Contractor".

In response to our commitment to increase participation by small businesses, the Department of General Services waives the administrative fee (charged to customer agencies to support the CMAS program) for orders to California certified small business enterprises.

SMALL BUSINESS/DVBE - TRACKING

State agencies are able to claim subcontracting dollars towards their SB or DVBE goals whenever the CMAS contractor subcontracts a commercially useful function to a certified SB or DVBE. The CMAS contractor will provide the ordering agency with the name of the SB or DVBE used and the dollar amount the ordering agency can apply towards its SB or DVBE goal.

SMALL BUSINESS/DVBE - SUBCONTRACTING

1. The amount an ordering agency can claim towards achieving its SB or DVBE goals is the dollar amount of the subcontract award made by the CMAS contractor to each SB or DVBE.
2. The CMAS contractor will provide an ordering agency with the following information at the time the order is quoted:
 - a. The CMAS contractor will state that, as the prime contractor, it shall be responsible for the overall execution of the fulfillment of the order.
 - b. The CMAS contractor will indicate to the ordering agency how the order meets the SB or DVBE goal, as follows:
 - i. List the name of each company that is certified by the Office of Small Business and DVBE Services that it intends to subcontract a commercially useful function to; and
 - ii. Include the SB or DVBE certification number of each company listed and attach a copy of each certification; and
 - iii. Indicate the dollar amount of each subcontract with a SB or DVBE that may be claimed by the ordering agency towards the SB or DVBE goal; and
 - iv. Indicate what commercially useful function the SB or DVBE subcontractor will be providing towards fulfillment of the order.
3. The ordering agency's purchase order must be addressed to the prime contractor, and the purchase order must reference the information provided by the prime contractor as outlined above.

**CALIFORNIA MULTIPLE AWARD SCHEDULE (CMAS)
KYA SERVICES, LLC
CMAS NUMBER 4-20-78-0089C, SUPPLEMENT NUMBER 7**

CONTRACTORS ACTING AS FISCAL AGENTS ARE PROHIBITED

When a subcontractor ultimately provides all of the products or performs all of the services that a CMAS contractor has agreed to provide, and the prime contractor only handles the invoicing of expenditures, then the prime contractor's role becomes that of a fiscal agent because it is merely administrative in nature and does not provide a Commercially Useful Function. It is unacceptable to use fiscal agents in this manner because the agency is paying unnecessary administrative costs.

WITHHOLD LANGUAGE (SB588)

Upon delivery or completion of ordered goods or services for which the Contractor committed to DVBE subcontractor participation, state departments must require the Contractor to certify all the following:

1. The amount and percentage of work the Contractor committed to provide to one or more DVBEs under the requirements of the contract and the amount each DVBE received from the Contractor.
2. That all payments under the contract have been made to the DVBE. Upon request, the Contractor must provide proof of payment for the work.

In accordance with the Military and Veterans Code 999.7, state departments shall withhold \$10,000 from the final payment, or the full final payment if less than \$10,000, if the Contractor fails to meet the certification requirements identified above. State departments shall notify the Contractor of their failure to meet the certification requirements and give the Contractor an opportunity to comply with the certification requirements. If after 30 calendar days from the date of notice, the Contractor refuses to comply with the certification requirements, the state department shall permanently deduct \$10,000 from the final payment or the full payment if less than \$10,000.

PRODUCT SUBSTITUTIONS

Substitution of Deliverables may not be tendered without advance written consent of the Buyer. The Contractor must offer an equivalent or newer model of the product from the same manufacturer at the same or lower price. Contractor cannot use any specification in lieu of those contained in the Contract without written consent from the Buyer.

NEW EQUIPMENT REQUIRED

The State will procure new equipment. All equipment must be new (or warranted as newly manufactured) and the latest model in current production. Used, shopworn, demonstrator, prototype, or discontinued models are not acceptable.

Where Federal Energy Management Program (FEMP) standards are available, all State agencies shall purchase only those products that meet the recommended standards. All products displaying the Energy Star label meet the FEMP standards.

**CALIFORNIA MULTIPLE AWARD SCHEDULE (CMAS)
KYA SERVICES, LLC
CMAS NUMBER 4-20-78-0089C, SUPPLEMENT NUMBER 7**

SPECIAL MANUFACTURED GOODS

Any CMAS for goods to be manufactured by the CMAS contractor specifically for the State and not suitable for sale to others may require progress payments.

For a Non-IT goods CMAS, see the CMAS Non-IT Commodities Special Provisions, Provision #14, Progress Payments.

TRADE-IN EQUIPMENT

Trade-ins at open market price may be considered. The product description and trade-in allowance must be identified on the purchase order.

Agencies are required to adhere to SAM 3520 through 3520.6, Disposal of Personal Property and Surplus Personal Property, as applicable, when trade-ins are considered. A Property Survey Report, Standard 152, must be submitted for approval prior to disposition of any State owned personal property, including general office furniture regardless of the acquisition value, or if the property was recorded or capitalized for accounting purposes.

STATE AGENCY BUY RECYCLED CAMPAIGN

State ordering agencies are required to report purchases made within the eleven product categories in the California Department of Resources Recycling and Recovery's State Agency Buy Recycled Campaign per PCC 12200 through 12217.

Contractor will be required to complete and return a Recycled-Content Certification form upon request by the state ordering agency.

ACCEPTANCE TESTING CRITERIA

If the agency wants to include acceptance testing for all newly installed technology systems, individual equipment, and machines which are added or field modified (modification of a machine from one model to another) after a successful performance period, the test criteria must be included in the purchase order to be applicable.

PRODUCT INSTALLATION

The CMAS contractor is fully responsible for all installation services performed under the CMAS. Product installations must be performed by manufacturer authorized personnel and meet manufacturer documented specifications.

The prime contractor, as well as any subcontractors, must hold any certifications and/or licenses required for the project.

**CALIFORNIA MULTIPLE AWARD SCHEDULE (CMAS)
KYA SERVICES, LLC
CMAS NUMBER 4-20-78-0089C, SUPPLEMENT NUMBER 7**

**PILOT PROGRAM: ALTERNATIVE CONTRACTING PROCEDURES FOR PUBLIC WORKS
INSTALLATION**

Public Contract Code (PCC) 10298.5 establishes a pilot program for alternative contracting procedures for certain public works installations not including new construction. This program only applies to the installation, or purchase and installation, of resilient flooring, carpet, lighting fixtures, and synthetic turf. The program modifies existing rules which restrict State agencies from using CMAS agreements for public works contracts wherein the cost of the public works services exceeds the cost of the materials being purchased. State and local agencies should refer to PCC Section 10298.5 for additional requirements including the requirement to notify the Department of Industrial Relations in accordance with Section 1773.3 of the Labor Code.

This program expires January 1, 2028.

Suppliers and contracting agencies must comply with all requirements for this program as defined in Public Contract Code 10298.5.

PUBLIC WORKS (INSTALLATION SERVICES ONLY)

A public works contract is defined as an agreement for “the erection, construction, alteration, repair, or improvement of any public structure, building, road, or other public improvement of any kind” in accordance with PCC 1101. State agencies planning these types of projects need to review SCM, Volume 1, Chapters 10 and 11 for applicable guidelines and regulations. Visit the DGS, Real Estate Services Division (RESA) website if you have questions about public works transactions.

Agency CMAS purchase orders may allow for public works installation only when it is in support of the products covered by this CMAS.

Agencies are to ensure that the applicable laws and codes pertaining to the contractor and subcontractor licensing, prevailing wage rates, bonding, labor code requirements, etc. are adhered to by the prime contractor as well as any subcontractor during performance under the CMAS purchase order.

The bond amount for public works is not less than 100% of the purchase order price.

NOTE: In accordance with Labor Code (LC) 1773.2, the ordering agency is responsible for determining the appropriate craft, classification or type of worker needed for any contract for public works. Also, the agency is to specify the applicable prevailing wage rates as determined by the Director of the Department of Industrial Relations (DIR). In lieu of specifying the prevailing wage rates, the agency may include a statement on the order that the prevailing wage rates are on file at the agency’s office and will be made available upon request. The prevailing wage rates are available from DIR at www.dir.ca.gov (select Statistics & Research).

Bonds: For guidelines, see CMAS, Special Provisions, Public Works Requirements.

**CALIFORNIA MULTIPLE AWARD SCHEDULE (CMAS)
KYA SERVICES, LLC
CMAS NUMBER 4-20-78-0089C, SUPPLEMENT NUMBER 7**

State Contractor's License: Public works services can be obtained through CMAS only if incidental to the overall purchase order. If incidental public works services are included in the purchase order, prior to issuing the order agencies should visit the [State Contractor's License Board](#) website to verify that the Contractor's License shown below is still active and in good standing.

The CMAS contractor's California Contractor's License number is 984827. This is a Class C15 - Flooring and Floor Covering, B - General Building, C-61 / D12 - Synthetic Products, A - General Engineering, C20 - Warm-Air Heating, Ventilating and Air-Conditioning, and C10 – Electrical license that is valid through 06/30/2025.

NOT SPECIFICALLY PRICED ITEMS

The only time that open market/incidental, non-schedule items may be included in a CMAS order is when they fall under the parameters of the Not Specifically Priced (NSP) Items provision.

CMAS contractors must be authorized providers of the hardware, software and/or services they offer under the NSP Items provision.

Agency and CMAS contractor use of the NSP provision is subject to the following requirements:

1. Purchase orders containing only NSP items are prohibited.
2. A purchase order containing NSP items may be issued only if it results in the lowest overall alternative to the State.
3. NSP items shall be clearly identified in the order. Any product or service already specifically priced and included in the base schedule may not be identified as an NSP item.
4. NSP Installation Services: The CMAS contractor is fully responsible for all installation services performed under the CMAS. Product installations must be performed by manufacturer authorized personnel and meet manufacturer documented specifications. The prime contractor, as well as any subcontractors, must hold any certifications and/or licenses required for the project. The total dollar value of all installation services included in the purchase order cannot exceed the dollar value of the products included in the purchase order, nor can they exceed the NSP Maximum Order Limitation.
5. Maximum Order Limitation: For orders \$250,000, or less, the total dollar value of all NSP items included in a purchase order shall not exceed \$5,000. For orders exceeding \$250,000, and at the option of the contractor, the total dollar value of all NSP items in a purchase order shall not exceed 5% of the total cost of the order or \$25,000 whichever is lower.

**CALIFORNIA MULTIPLE AWARD SCHEDULE (CMAS)
KYA SERVICES, LLC
CMAS NUMBER 4-20-78-0089C, SUPPLEMENT NUMBER 7**

6. An NSP item included in an order issued against this CMAS is subject to all of the terms and conditions set forth in the CMAS.
7. Trade-ins, upgrades, involving the swapping of boards, are permissible, where the contract makes specific provisions for this action. In those instances, where it is permitted, the purchase order must include the replacement item and a notation that the purchase involves the swapping of a board.

The following NSP items **are specifically excluded** from any order issued under this CMAS:

1. Items not intended for use in direct support of the priced items included in the same order. An NSP item must be subordinate to the specifically priced item that it is supporting. For example, a cable, which is not otherwise specifically priced in the base schedule, is subordinate to a specifically priced printer and is eligible to be an NSP item subject to that cable meeting the remaining NSP requirements. However, a printer that is not otherwise specifically priced in the base schedule, is not subordinate to a specifically priced cable and is not eligible to be an NSP item.
2. Supply type items, except for the minimum amount necessary to provide initial support to the priced items included in the same order.
3. Items that do not meet the Productive Use Requirements for information technology products, per Statewide Information Management Manual Section 195.
4. Any other item or class of items specifically excluded from the scope of this CMAS.
5. Public Works and other services NOT in support of the products covered by this CMAS.
6. Products or services the CMAS contractor is NOT factory authorized or otherwise certified or trained to provide.
7. Follow-on consultant services that were previously recommended or suggested by the same CMAS contractor.

The CMAS contractor is required to reject purchase orders containing NSP items that do not comply with the above requirements. The CMAS contractor will promptly notify the agency issuing the noncompliant order of its rejection and the reasons for its rejection.

STATE AND LOCAL GOVERNMENTS CAN USE CMAS

State and local government agency use of CMAS is optional. A local government is any city, county, city and county, district, or other local governmental body or corporation, including Universities of California, California State Universities, K-12 schools, and community colleges empowered to expend public funds. While the State makes this CMAS available, each local government agency should make its own determination whether the CMAS program is consistent with its procurement policies and regulations.

**CALIFORNIA MULTIPLE AWARD SCHEDULE (CMAS)
KYA SERVICES, LLC
CMAS NUMBER 4-20-78-0089C, SUPPLEMENT NUMBER 7**

PCC 10298 allows any city, county, city and county, district, or other local governmental body or corporation empowered to expend public funds to contract with suppliers awarded CMAS without further competitive bidding. See complete PCC 10298 language at the California Legislative Information website.

PCC 10299 allows any school district empowered to expend public funds to utilize CMAS without further competitive bidding. See complete PCC 10299 language at the California Legislative Information website.

SELF-DELETING BASE SCHEDULE TERMS AND CONDITIONS

Instructions or terms and conditions that appear in the Special Items or other provisions of the base schedule and apply to the purchase, license, or rental (as applicable) of products or services by the US Government in the United States and/or to any overseas location shall be self-deleting. (Example: "Examinations of Records" provision).

Federal regulations and standards, such as Federal Acquisition Regulation, Federal Information Resources Management Regulation, Federal Information Processing Standards, General Services Administration Regulation, or Federal Installment Payment Agreement shall be self-deleting. Federal blanket orders and small order procedures are not applicable.

ORDER OF PRECEDENCE

The CMAS Special Provisions take precedence if there is a conflict between the terms and conditions of the contractor's base schedule, packaging, invoices, catalogs, brochures, technical data sheets, or other documents (see CMAS Special Provisions, CONFLICT OF TERMS).

APPLICABLE CODES, POLICIES AND GUIDELINES

All California codes, policies, and guidelines are applicable. The use of CMAS does not relieve state agencies of their responsibility to meet statewide requirements regarding contracting or the procurement of goods or services. Most procurement and contract codes, policies, and guidelines are incorporated into CMAS agreements; however, there is no guarantee that every requirement that pertains to all State processes has been included.

PAYMENTS AND INVOICES

This CMAS contains prompt payment discounts. See the base schedule for the specific discount percentage.

1. Payment Terms

Payment terms for this CMAS are net 45 days.

Payment will be made in accordance with the provisions of the California Prompt Payment Act, GC 927. Unless expressly exempted by statute, the Act requires State agencies to pay properly submitted, undisputed invoices not more than 45 days after (1) the date of acceptance of goods or performance of services; or (2) receipt of an undisputed invoice, whichever is later.

**CALIFORNIA MULTIPLE AWARD SCHEDULE (CMAS)
KYA SERVICES, LLC
CMAS NUMBER 4-20-78-0089C, SUPPLEMENT NUMBER 7**

2. Payee Data Record (Standard 204)

State Agencies must obtain a copy of the Payee Data Record (Standard 204) in order to process payments. State Ordering Agencies must forward a copy of the Standard 204 to their accounting offices. Without the Standard 204, payment may be unnecessarily delayed. State Agencies should contact the CMAS contractor for copies of the Payee Data Record.

3. DGS Administrative and Incentive Fees

Orders from State Agencies:

DGS will bill each State agency directly an administrative fee for use of CMAS. The administrative fee should NOT be included in the order total or remitted before an invoice is received from DGS. This administrative fee is waived for CMAS purchase orders issued to California certified small businesses.

Orders from Local Government Agencies:

CMAS contractors, who are not California certified small businesses, are required to remit to DGS an incentive fee equal to a percentage of the total of all local government agency orders (excluding sales tax and shipping) placed against their CMAS.

The incentive fee is waived for CMAS purchase orders issued to California certified small businesses.

For more information on the incentive fees see the CMAS Management Guide.

4. Contractor Invoices

Unless otherwise stipulated, the CMAS contractor must send their invoices to the agency address set forth in the purchase order. Invoices shall be submitted in triplicate and shall include the following:

- CMAS number
- Agency purchase order number
- Agency Bill Code (State Only)
- Line item number
- Unit price
- Extended line item price
- Invoice total

State sales tax and/or use tax shall be itemized separately and added to each invoice as applicable.

The company name on the CMAS, purchase order and invoice must match, or the State Controller's Office will not approve payment.

**CALIFORNIA MULTIPLE AWARD SCHEDULE (CMAS)
KYA SERVICES, LLC
CMAS NUMBER 4-20-78-0089C, SUPPLEMENT NUMBER 7**

5. Advance Payments

Advance payment is allowed for services only under limited, narrowly defined circumstances, i.e., between specific departments and certain types of non-profit organizations, or when paying another government agency (GC 11256 through 11263 and 11019).

It is NOT acceptable to pay in advance, except software maintenance and license fees, which are considered a subscription and may be paid in advance if a provision addressing payment in advance is included in the purchase order.

Software warranty upgrades and extensions may also be paid for in advance, one time.

6. Credit Card

The CMAS contractor does not accept the State of California credit card (VISA CAL-Card).

7. Leasing/Financing

California State Agencies should use the Golden State Financial Marketplace (GS SMart) program for all financing and leasing needs. California Local Government Agencies (counties, cities, K-12 school districts, community colleges, California State Universities, Universities of California, etc.) may utilize the GS SMart program for financing and leasing according to PCC 14937. The minimum dollar amount for Local Government Agency financing and leasing is \$100,000.

8. Lease/Purchase Analysis

California State agencies must complete a Lease/Purchase Analysis (LPA) to determine best value when contemplating a lease/rental and retain a copy for future audit purposes (SAM 3710).

For short-term rental equipment, the lease/purchase analysis must be approved by DGS Office of Legal Services.

The lease/purchase analysis for all other purchases must be approved by the Department of General Services, GS SMart State Financial Marketplace. Buyers may contact the GS SMart Unit via e-mail at SFM@dgs.ca.gov for further information.

9. Leasing

The State reserves the right to select the form of payment for all procurements, whether it is an outright purchase with payment rendered directly by the State, or a financing/lease-purchase or operating lease via the State Financial Marketplace (GS SMart and/or Lease SMart). If payment is via the financial marketplace, the CMAS contractor will invoice the State and the State will approve the invoice. The selected Lender/Lessor for all product listed on the State's procurement document will pay the supplier on behalf of the State. Buyers may contact the GS SMart Unit via e-mail at SFM@dgs.ca.gov for further information.

**CALIFORNIA MULTIPLE AWARD SCHEDULE (CMAS)
KYA SERVICES, LLC
CMAS NUMBER 4-20-78-0089C, SUPPLEMENT NUMBER 7**

10. Maintenance Tax

The California Department of Tax and Fee Administration has ruled that in accordance with Section 1546 of the Sales and Use Tax Regulations of the Business Taxes Law Guide, whenever optional maintenance contracts include consumable supplies, such supplies are subject to sales tax.

Generally, the State has two options:

1. For agreements that provide for only maintenance services (i.e., the furnishing of labor and parts necessary to maintain equipment), the charges for the provision of maintenance services are not taxable.
2. For agreements that provide for both maintenance services and consumable supply items (e.g., toner, developer, staples), the provision of the consumable supplies is considered a taxable sale of tangible personal property. Therefore, State agencies awarding optional maintenance contracts are responsible for paying the applicable sales tax on the consumable supplies used during the performance period of the maintenance contract.

The Contractor will be required to itemize the taxable consumables for State accounting purposes.

OBTAINING COPY OF CMAS

A copy of this CMAS can be obtained at [Cal eProcure](#). Links to the CMAS Special Provisions conditions and base schedule are available on the front page of this CMAS agreement.

It is important for the agency to confirm that the required products, services, and prices are included in the CMAS and are at or below base schedule rates. To streamline verification that the needed items are in the base schedule, the agencies should ask the CMAS contractor to identify the specific location in the base schedule that include the required products, services, and prices. Once verified, agencies should save the information for their file documentation.

FEDERAL DEBARMENT

When federal funds are expended, the agency is required to obtain (retain in file) a signed "Federal Debarment" certification from the CMAS contractor before the purchase order is issued. This certification is required by the regulations implementing Executive Order 12549, Debarment and Suspension, 29 CFR Part 98, Section 98.510, Participants; responsibilities. The regulations were published as Part VII of the May 26, 1988 Federal Register (pages 19160-19211).

CONTRACTOR TRAVEL

The Travel provision is not applicable to this CMAS.

AMERICANS WITH DISABILITY ACT

To view the [DGS Accessibility Policy](#), please visit the DGS website.

**CALIFORNIA MULTIPLE AWARD SCHEDULE (CMAS)
KYA SERVICES, LLC
CMAS NUMBER 4-20-78-0089C, SUPPLEMENT NUMBER 7**

Information Regarding the Purchase and Installation of Floor Coverings

A contract for the purchase and installation of carpet and other floor coverings is a public works contract as defined in Section 1101 of the Public Contract Code and, as such, requires certain special conditions.

A state agency **may not** contract for the installation of carpet in a building (a capital improvement to the building) that is **not owned** by the state. Carpet in leased facilities must be provided by the lessor and is accounted for in the lease agreement and rate. Users should contact the building manager and or the building owner when carpet is required.

A supplier or installer of carpet must be licensed by the State Contractors' Licensing Board with a C-15 Flooring and Floor Covering license which is current and in good standing. The supplier must provide the license number and expiration date for themselves and for all subcontractors providing installation services. This information shall be provided by the supplier on the "Contractors' License Requirements" form (see attached Sample A), which must be attached to each resulting carpet order. A subcontractor is defined as anyone who will perform work, labor, or render services in an amount in excess of one-half of one percent of the total order. Each subcontractor's business address and the portion of work that each will perform shall also be included on this form.

If the contract amount exceeds \$5,000 (labor/installation costs), the supplier must furnish a payment bond (Std. 807 - see attached Sample B) prior to the commencement of performance. The payment bond shall be in a sum not less than one hundred percent (100%) of the contract price. A blank copy of the Std. 807 form shall be provided to the supplier. In addition, the awarding agency must notify the contractor that the contract is subject to state contractor nondiscrimination and compliance requirements (see paragraph 42 of the CMAS Terms and Conditions).

The prevailing wage requirements apply and a list of prevailing wage rates must be available for inspection. It is the ordering agency's responsibility to provide a copy of the prevailing wage rates to the contractor. The prevailing wage rates are available from the Department of Industrial Relations, Prevailing Wage Unit at www.dir.ca.gov (select Statistics & Research) or at (415) 703-4774.

Agencies should be aware that there are certain requirements that pertain to floor coverings included in the Americans with Disabilities Act of 1992 (ADA). Some of these requirements pertain to carpet pile height (not to exceed 1/2" in height), fastening exposed carpet edges to floor, and changes in floor level not to exceed 1/2" beveled. It is the responsibility of the agency to comply with these requirements. Detailed information relative to carpet installation and ADA requirements can be obtained from the State Architect, Access Compliance Unit, at (916) 445-7523.

Agencies should be aware that old flooring material (tiles, glues, cove base, etc.) may contain asbestos and could present significant problems in the removal of old flooring material and in the installation of new carpet. Users should determine the presence or absence of asbestos containing material in their existing flooring materials and act accordingly before placing orders for carpet.

It is strongly recommended that new carpet not be installed over existing carpet due to potential conflicts with the Americans with Disabilities Act, and various fire, health and safety codes.

**CALIFORNIA MULTIPLE AWARD SCHEDULE (CMAS)
KYA SERVICES, LLC
CMAS NUMBER 4-20-78-0089C, SUPPLEMENT NUMBER 7**

The moisture content of the slab over which the carpet is to be installed must be within the limits allowed by the carpet manufacturer and/or glue manufacturer. The testing of slab moisture content can be performed by either the agency ordering the carpet or by the carpet supplier.

The agency should provide for a site inspection prior to issuing an order for the carpet desired and should use a checklist similar to the one attached (see attached Sample C). Additions, changes, modifications to the checklist should be made as necessary. The agency should inspect and monitor the progress of the installation to prevent problems.

The prime responsibility for contract performance rests with the contract holder, who shall be the primary contact point for problem resolution. This contract is structured such that the user may purchase carpet only or carpet installed from the supplier. In no case is the supplier allowed to deny installation of the carpet selected by any user for any location. Installation services may not exceed an amount equal to the cost of the carpet and, when identified, will be paid for in the cost of the CMAS order. Typically, the price schedule will contain pricing for "clean floor" (new) installation only. However, agencies may use the Not Specifically Priced (NSP) provision for "unclean floor" installation services, as well as products. The total dollar value of all installation services, on clean and/or unclean surfaces, using line item and/or NSP pricing, must not exceed 50% of the order's total value.

The cost of installation and any ancillary supplies/services is not included in the base price of the carpet and may be obtained from the price schedule if listed, or can otherwise be included via the NSP provision.

It is incumbent upon the user to identify whether the costs for installation and other requirements are fair and equitable. The following chart is provided to give an approximation of the costs for installation in several typical state locations.

**CALIFORNIA MULTIPLE AWARD SCHEDULE (CMAS)
KYA SERVICES, LLC
CMAS NUMBER 4-20-78-0089C, SUPPLEMENT NUMBER 7
ESTIMATED CARPET INSTALLATION COSTS**

(NOTE: THESE ARE APPROXIMATIONS ONLY, NOT ACTUAL CONTRACT INSTALLATION PRICES. DOES NOT INCLUDE COST OF NEW CARPET.)

BASED ON WEEKDAY INSTALLATION, NORMAL WORKING HOURS, PREVAILING WAGE, NO UNIQUE CONDITIONS

Description Of Installation	Estimated Installation Cost (per square yard)
General Office Space New Construction Clean Floor Install New Carpet Direct Glue Down or Full Spread Release Adhesive Non-Patterned Carpet	Broadloom \$4.00 Modular (Tile) \$4.00
General Office Space No Furniture Moving Remove Old Direct Glue Carpet Install New Carpet Direct Glue Down or Full Spread Release Adhesive Non-Patterned Carpet	Broadloom \$5.00 Modular (Tile) \$5.00
General Office Space Moving of Conventional Furniture Remove Old Direct Glue Carpet Install New Carpet Direct Glue Down or Full Spread Release Adhesive Non-Patterned Carpet	Broadloom \$10.00 Modular (Tile) \$10.00
General Office Space Moving of Modular (Panels And Components) Furniture Remove Old Direct Glue Carpet Install New Broadloom Carpet Direct Glue Down Non-Patterned Carpet	Broadloom \$5.00 Plus \$300.00-\$400.00 <u>Per Workstation</u>
General Office Space Lifting of Modular (Panels And Components) Furniture Remove Old Direct Glue Carpet Install New Modular Carpet Full Spread Release Adhesive	Modular (Tile) \$11.00

**CALIFORNIA MULTIPLE AWARD SCHEDULE (CMAS)
KYA SERVICES, LLC
CMAS NUMBER 4-20-78-0089C, SUPPLEMENT NUMBER 7**

CARPET TYPES FOR GIVEN AREAS (GENERAL GUIDELINE ONLY)

Area To Be Carpeted	Carpet Type
<p>General Office (Example: General State Offices with No Or Light To Medium Public Traffic)</p>	<p>26-28 Ounce Broadloom, Commercial Grade, Loop Pile, Nylon, Dupont Lumina or Legacy Or Basf 2000zx Yarn System. Installation by Direct Glue Down.</p> <p style="text-align: center;">Or</p> <p>26-28 Ounce Modular (Carpet Tile), Commercial Grade, Loop Pile, Nylon, Dupont Lumina or Legacy Or Basf 2000zx Yarn System. Installation With Full Spread Of Release Adhesive.</p>
<p>Executive Offices (Example: Director’s Office, Deputy Directors, Agency Personnel)</p>	<p>28-32 Ounce Broadloom, Commercial Grade, Tufted Graphics Design, Loop Pile, Nylon, Dupont Lumina or Legacy Or Basf 2000zx Yarn System. Installation by Direct Glue Down.</p> <p style="text-align: center;">Or</p> <p>28-32 Ounce Modular (Carpet Tile), Commercial Grade, Tufted Graphics Design, Loop Pile, Nylon, Dupont Lumina or Legacy Or Basf 2000zx Yarn System. Installation With Full Spread Of Release Adhesive.</p>
<p>State Owned Residences</p>	<p>34 Ounce Broadloom, Tufted, Commercial Grade, Cut and Loop Pile. Yarn to Be Branded Nylon, Any Conventional Dye Method. Installation Stretch In Over 3/8 Inch, 100% Synthetic Carpet Cushion, 28 Ounce Per Square Yard Nominal, 6.2 Pound Per Cubic Foot, Meeting Astm E648 Class 1 Radiant Panel Test.</p>
<p>Temporary Buildings Including Mobile And Modular Facilities</p>	<p>20 Ounce Broadloom, Tufted, Commercial Grade, Loop Pile, Branded, Solution Dyed Nylon. Installation By Direct Glue Down.</p>
<p>Very High Traffic Areas (Example: Medium To Heavy Use Public Areas, Airports, College/University Food Service Areas, Dormitories)</p>	<p>20 Ounce Broadloom, Tufted, Structured Back, Commercial Grade, Nylon, Dupont Lumina or Legacy Or Basf 2000zx Yarn System. May Include High Density Urethane or Vinyl Chloride Pad Backing. Seams Should Be Capable of Sealing (Weld Together). Installation By Direct Glue Down</p>

**CALIFORNIA MULTIPLE AWARD SCHEDULE (CMAS)
KYA SERVICES, LLC
CMAS NUMBER 4-20-78-0089C, SUPPLEMENT NUMBER 7**

SAMPLE A

CONTRACTORS' LICENSE REQUIREMENTS

The work described in this order requires a valid California Contractor's License (C-15 Flooring and Floor Covering). If subcontractors are to be used, they must also possess valid State Contractors' Licenses appropriate to their scope of work, and they must be listed below.

Supplier's Contractor's License Number: _____

License Issued to Whom: _____

Class / Type of License: _____

Expiration Date of License: _____

Work to be Performed: _____

Subcontractor's Name and Address: _____

License Number: _____

Class / Type of License: _____

Expiration Date of License: _____

Work to be Performed: _____

WORKMEN'S COMPENSATION CERTIFICATION

The undersigned hereby certifies the following:

I am aware of the provisions of Section 3700 of the Labor Code which requires every employer to be insured against liability for workmen's compensation or to undertake self-insurance in accordance with the provisions of that Code, and I will comply with such provisions before commencing the performance of the work of this order.

Signature of Supplier

Date

**CALIFORNIA MULTIPLE AWARD SCHEDULE (CMAS)
KYA SERVICES, LLC
CMAS NUMBER 4-20-78-0089C, SUPPLEMENT NUMBER 7**

**SAMPLE B
PAYMENT BOND TO ACCOMPANY CONSTRUCTION CONTRACT
(Public Contract Code Sections 7103 and 10221)**

BOND Number: _____

The premium on this bond is _____ for the term _____

Know All Men By These Presents:

That The State of California, acting by and through the _____,
has awarded to _____ whose
address is _____ as Principle, a contract
for the work described as follows:

Project Title: _____

Project Location: _____

WHEREAS, the provisions of Public Contract Code Section 7103 and 10221 require that the Principle file a bond in connection with said contract and this bond is executed and tendered in accordance therewith.

NOW THEREFORE, Principle and _____, a Surety Corporation organized under the laws of _____ and authorized to transact a general surety business in the State of California, as Surety, are held and firmly bound to the People of the State of California in the penal sum of _____ (_____), for which payment we bind ourselves, our heirs, executors, administrators, successors and assigns jointly and severally, firmly by these presents.

**CALIFORNIA MULTIPLE AWARD SCHEDULE (CMAS)
KYA SERVICES, LLC
CMAS NUMBER 4-20-78-0089C, SUPPLEMENT NUMBER 7**

SAMPLE B

THE CONDITION OF THIS OBLIGATION IS SUCH,

1. That if said Principle or its subcontractors shall fail to pay any of the persons named in Civil Code Section 9100, or amounts due under the Unemployment Insurance Code with respect to work or labor performed under the contract, or for any amounts required to be deducted, withheld, and paid over to the Employment Development Department from the wages of employees of the Principle and subcontractors pursuant to Section 13020 of the Unemployment Insurance Code, with respect to such work and labor, that the surety herein will pay for the same, otherwise this obligation is to be void. In case suit is brought upon this bond, the Surety will pay a reasonable attorney's fee to be fixed by the court.
2. This bond shall insure to the benefit of any persons named in Civil Code Section 9100 as to give a right of action to such persons or their assigns in any suit brought upon this bond.
3. The aggregate liability of the Surety hereunder, including costs and attorney fees, on all claims whatsoever shall not exceed the penal sum of the bond in accordance with the provisions of Section 996.470(a) of the Code of Civil Procedure.
4. This bond is executed by the Surety, to comply with the provisions of Public Contract Code Sections 7103, 10221 and 10222, Chapter 5, Title 3, Part 6, Division 4 of the Civil Code and of Chapter 2, Title 14, Part 2 of the Code of Civil Procedure and said bond shall be subject to all of the terms and provisions thereof.
5. This bond may be cancelled by the Surety in accordance with the provisions of Section 996.310 et seq. of the Code of Civil Procedure.
6. This bond to become effective _____

(NAME OF SURETY)

(ADDRESS)

I certify (or declare) under penalty of perjury that I have executed the foregoing bond under an unrevoked power of attorney.

Executed in _____ on _____
(CITY AND STATE) (DATE)

(SIGNATURE OF ATTORNEY IN FACT) (PRINTED OR TYPED NAME OF ATTORNEY IN FACT)

STATE OF CALIFORNIA
STD. 807 (REV 2/14)

**CALIFORNIA MULTIPLE AWARD SCHEDULE (CMAS)
KYA SERVICES, LLC
CMAS NUMBER 4-20-78-0089C, SUPPLEMENT NUMBER 7**

SAMPLE C

CARPET INSTALLATION REQUIREMENTS

Requirement	Items Required Yes	Items Required No	Performed By Vendor	Performed By Agency
Standard office furniture to be removed and replaced (excluding copiers, computers, personal items and plants). Vendor to provide all equipment and labor.				
Remove existing: carpet _____, pad _____, tile _____ Disposition: To State _____ Remove from State Premises _____				
Raise and reset monuments.				
Prepare floor and strip wax and other coatings and debris using commercial stripper. Follow stripper and carpet manufacturer's recommendations.				
Remove trim, rehang doors and replace doorstops (except metal doors to be trimmed by State.				
Inspection of floor preparation by Building Manager.				
Reducer strips (metal _____, plastic _____) to be installed in accordance with the manufacturer's recommendations and in accordance with approved broadloom seaming diagrams.				
Tack strips to be installed.				
Pad to be installed.				

**CALIFORNIA MULTIPLE AWARD SCHEDULE (CMAS)
 KYA SERVICES, LLC
 CMAS NUMBER 4-20-78-0089C, SUPPLEMENT NUMBER 7**

Requirement	Items Required Yes	Items Required No	Performed By Vendor	Performed By Agency
Cove base, rubber _____ or vinyl _____ Furnish and install _____ Color: brown _____, black _____ other _____ Size: 6" _____, 4" _____, 2" _____ other _____ Remove existing base _____ Trim cove on existing base _____ Other (explain) _____ _____ _____				
All spots and smears of floor adhesives and seam cement to be removed.				
Remove all scraps and extraneous items from State premises upon completion of the installation and protect all adjacent areas from damage.				
Leave overage with Building Manager.				
Work to be performed on other than regular working hours. Nights _____ Weekends _____				
Floor duct covers, contact: Building Manager _____ Other _____				

**CALIFORNIA MULTIPLE AWARD SCHEDULE (CMAS)
KYA SERVICES, LLC
CMAS NUMBER 4-20-78-0089C, SUPPLEMENT NUMBER 7**

SAMPLE C (continued)

Carpet Installation Instructions Continued

COORDINATION AND INSPECTION OF WORK

_____ **Site Inspection:**

A job walk-through for the purpose of inspecting the installation site will be conducted on _____ at _____ at _____. The walk-through inspection will be conducted by _____. Failure to inspect the installation site in no way relieves the supplier from obligations as stated in this order.

_____ **Installation Coordination:**

(Name) _____ (Title) _____ at (Agency) _____, telephone (____) _____ will be responsible for coordination of all installation work. Within 10 days after receipt of a purchase order, the supplier shall contact (Name) _____ to coordinate an acceptable installation schedule.

No installation work shall commence without the Building Manager's advance approval of the schedule.

_____ **Inspection of Installation Work:**

Check here if any deficiencies in materials and/or workmanship are noted during inspection of the work in progress. The agency will immediately notify the supplier of these problems.

_____ The supplier shall request an inspection after _____% of the work has been completed.

This inspection will be made jointly by the supplier and a designee of the agency.

_____ (Name) _____, (Title) _____,

will be responsible for performing initial, continuing, and final inspection of the installation work by the supplier.



FIRE DEPARTMENT

DATE: March 3, 2026

TO: Honorable Mayor and City Council

FROM: Chen Suen, Fire Chief
By: Richard Olivarez, Fire Captain

SUBJECT: PURCHASE ORDER WITH OLATHE FORD SALES INC. DBA OLATHE FORD LINCOLN FOR THE PURCHASE OF A NEW 2025 FOUR-WHEEL DRIVE FORD F-150 LIGHTNING PICK-UP TRUCK IN THE AMOUNT OF \$84,363
CEQA: Not a Project
Recommendation: Approve

SUMMARY

The Fiscal Year 2025-26 Equipment Replacement Budget provides for the replacement of the 2012 Chevrolet Tahoe in the Fire Department that meets the criteria outlined in the City's Vehicle Replacement Program. After exploring possible purchasing options, it was determined that using Sourcewell, a national cooperative purchasing program, enables the City to streamline the procurement process and obtain the best available pricing.

It is recommended that the City Council approve a Purchase Order with Olathe Ford Sales Inc. dba Olathe Ford Lincoln for the purchase of a new 2025 four-wheel drive Ford F-150 Lightning pick-up truck in the amount of \$84,363.

BACKGROUND

The Fiscal Year 2025-26 Equipment Replacement Budget provides for the purchase of one heavy-duty vehicle for the Fire Department. The vehicle that will be replaced is the Fire Department's existing arson vehicle, a 2012 Chevrolet Tahoe, which has been in service for approximately 15 years and meets the criteria for the City's Vehicle Replacement Program.

This vehicle no longer meets the operational needs of the Fire Department's Arson Program, as it lacks proper separation between evidence storage and the passenger compartment. Additionally, the Arson Program has expanded in recent years, including support responsibilities for the Police Department's Special Weapons and Tactics ("SWAT") team through Fire's SWAT Paramedics Support Program. This expansion has increased the volume of equipment and investigative materials transported and the vehicle's limited storage capacity and configuration are not suitable to meet these operational demands. The proposed replacement vehicle will provide enclosed and segregated storage space to safely and effectively support these functions.

DISCUSSION

The California Government Code authorizes public agencies to participate in cooperative purchasing agreements such as those established by Sourcewell, while aligning with the City's adopted rules and procedures for purchasing. By utilizing this purchasing program, the City can streamline the procurement process and purchase vehicles and equipment at a lower cost than traditional competitive bidding. Sourcewell awarded a contract to Olathe Ford Sales Inc. dba Olathe Ford Lincoln for a series of specialized heavy-duty vehicles with related equipment and accessories.

The bidding process and the contract with Olathe Ford Sales Inc. dba Olathe Ford Lincoln have been reviewed by the Fire Department, and it was determined that they have met the City's procurement and specification requirements. A copy of the Agreement between Sourcewell and Olathe Ford Lincoln is attached.

The existing 2012 Chevrolet Tahoe will be replaced with a new 2025 model four-wheel drive Ford F-150 Lightning for the Fire Department's Arson Division. This new vehicle will be outfitted with the required Fire Department radios and Code 3 emergency equipment capabilities. Upon replacement, the 2012 Chevrolet Tahoe will be reassigned to the Recreation and Community Services Department for the Department's use. In turn, an aging gas powered SUV in the Recreation and Community Services Department will be removed from the fleet.

ENVIRONMENTAL ANALYSIS

The proposed action does not constitute a project under the California Environmental Quality Act ("CEQA") under Section 15061 (b)(3) of the CEQA

Purchase Order for Fire Arson Vehicle

March 3, 2026

Page 3 of 3

Guidelines, as it can be seen with certainty that it will have no significant effect on the environment.

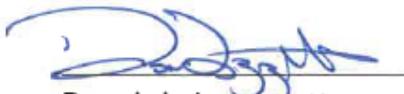
FISCAL IMPACT

The total cost to purchase this replacement vehicle is \$84,363. Sufficient funds in the amount of \$105,000 have been allocated in the FY 2025-26 Equipment Replacement Budget for the purchase and upfitting costs of this vehicle. Funding for the vehicle purchase and upfitting is split between two sources, with \$65,000, or 62%, from the Equipment Replacement Fund, and \$40,000, or 38%, from the Air Quality Management District (“AQMD”) Fund. AQMD funds can only be spent on purchasing clean air vehicles; the all-electric Ford F-150 Lightning meets these program goals.

RECOMMENDATION

It is recommended that the City Council determine that this action does not constitute a project under the California Environmental Quality Act (“CEQA”); and approve a Purchase Order with Olathe Ford Sales Inc. dba Olathe Ford Lincoln for the purchase of a new 2025 four-wheel drive Ford F-150 Lightning pick-up truck in the amount of \$84,363.

Approved:



Dominic Lazzaretto
City Manager

Attachment: Olathe Ford Lincoln and Sourcewell Agreement



MASTER AGREEMENT #081325

CATEGORY: Automobiles, SUVs, Vans, and Light Trucks with Related Equipment and Accessories

SUPPLIER: Olathe Ford Sales, Inc.

This Master Agreement (Agreement) is between Sourcewell, a Minnesota service cooperative located at 202 12th Street Northeast, P.O. Box 219, Staples, MN 56479 (Sourcewell) and Olathe Ford Sales, Inc., 1845 E. Santa Fe, Olathe, KS 66062 (Supplier).

Sourcewell is a local government and service cooperative created under the laws of the State of Minnesota (Minnesota Statutes Section 123A.21) offering a Cooperative Purchasing Program to eligible participating government entities.

Under this Master Agreement entered with Sourcewell, Supplier will provide Included Solutions to Participating Entities through Sourcewell's Cooperative Purchasing Program.

**Article 1:
General Terms**

The General Terms in this Article 1 control the operation of this Master Agreement between Sourcewell and Supplier and apply to all transactions entered by Supplier and Participating Entities. Subsequent Articles to this Master Agreement control the rights and obligations directly between Sourcewell and Supplier (Article 2), and between Supplier and Participating Entity (Article 3), respectively. These Article 1 General Terms control over any conflicting terms. Where this Master Agreement is silent on any subject, Participating Entity and Supplier retain the ability to negotiate mutually acceptable terms.

- 1) **Purpose.** Pursuant to Minnesota law, the Sourcewell Board of Directors has authorized a Cooperative Purchasing Program designed to provide Participating Entities with access to competitively awarded cooperative purchasing agreements. To facilitate the Program, Sourcewell has awarded Supplier this cooperative purchasing Master Agreement following a competitive procurement process intended to meet compliance standards in accordance with Minnesota law and the requirements contained herein.
- 2) **Intent.** The intent of this Master Agreement is to define the roles of Sourcewell, Supplier, and Participating Entity as it relates to Sourcewell's Cooperative Purchasing Program.
- 3) **Participating Entity Access.** Sourcewell's Cooperative Purchasing Program Master Agreements are available to eligible public agencies (Participating Entities). A Participating Entity's authority to access Sourcewell's Cooperative Purchasing Program is determined through the laws of its respective jurisdiction.
- 4) **Supplier Access.** The Included Solutions offered under this Agreement may be made available to any Participating Entity. Supplier understands that a Participating Entity's use of this Agreement is at the Participating Entity's sole convenience. Supplier will educate its sales and service forces about Sourcewell eligibility requirements and required documentation. Supplier will be responsible for

ensuring sales are with Participating Entities.

- 5) **Term.** This Agreement is effective upon the date of the final signature below. The term of this Agreement is four (4) years from the effective date. The Agreement expires at 11:59 P.M. Central Time on November 13, 2029, unless it is cancelled or extended as defined in this Agreement.
- a. **Extensions.** Sourcewell and Supplier may agree to up to three (3) additional one-year extensions beyond the original four-year term. The total possible length of this Agreement will be seven (7) years from the effective date.
- b. **Exceptional Circumstances.** Sourcewell retains the right to consider additional extensions as required under exceptional circumstances.
- 6) **Survival of Terms.** Notwithstanding the termination of this Agreement, the obligations of this Agreement will continue through the performance period of any transaction entered between Supplier and any Participating Entity before the termination date.
- 7) **Scope.** Supplier is awarded a Master Agreement to provide the solutions identified in RFP # 081325 to Participating Entities. In Scope solutions include:
- a. Category 1: ALL engines, fuel, and propulsion type Automobiles, SUVs, Vans, and Light Trucks:
- i. Vehicles of the following types and classifications:
- (1) Automobiles: mini, subcompact, compact, coupe, sedan, and full size;
 - (2) Sport Utility Vehicles: cross-over, light duty, and heavy duty;
 - (3) Vans: passenger and cargo; and
 - (4) Light Trucks: light duty, half-ton, three-quarter ton, and one ton.
- ii. Vehicles of the types and classifications in subsections 7 a. i. (1)-(4). above with upfitting designed for:
- (1) Public safety applications;
 - (2) ADA and paratransit applications;
 - (3) Service bodies and utility bed for light trucks; and
 - (4) Equipment, lighting, technology, accessories, safety products, and upfitting services directly related to turnkey solutions for subsections 7 a. ii. (1)-(3).
- iii. A wide range of vehicles by seating or cargo configurations, drive train options, trim levels, and optional equipment offerings.
- iv. Proposers may include related equipment, accessories, supplies, parts, and services to the extent that the solutions are directly related to turnkey solutions for subsections 7 a. i. and 7 a. ii. above.

Proposers may include related equipment, accessories, and services to the extent that these solutions are ancillary or complementary to the equipment, products, or services being proposed.

- 8) **Included Solutions.** Supplier's Proposal to the above referenced RFP is incorporated into this Master Agreement. Only those Solutions included within Supplier's Proposal and within Scope (Included Solutions) are included within the Agreement and may be offered to Participating Entities.

- 9) **Indefinite Quantity.** This Master Agreement defines an indefinite quantity of sales to eligible Participating Entities.
- 10) **Pricing.** Pricing information (including Pricing and Delivery and Pricing Offered tables) for all Included Solutions within Supplier's Proposal is incorporated into this Master Agreement.
- 11) **Not to Exceed Pricing.** Suppliers may not exceed the prices listed in the current Pricing List on file with Sourcwell when offering Included Solutions to Participating Entities. Participating Entities may request adjustments to pricing directly from Supplier during the negotiation and execution of any transaction.
- 12) **Open Market.** Supplier's open market pricing process is included within its Proposal.
- 13) Supplier Representations:**
- i) **Compliance.** Supplier represents and warrants it will provide all Included Solutions under this Agreement in full compliance with applicable federal, state, and local laws and regulations.
 - ii) **Licenses.** As applicable, Supplier will maintain a valid status on all required federal, state, and local licenses, bonds, and permits required for the operation of Supplier's business with Participating Entities. Participating Entities may request all relevant documentation directly from Supplier.
 - iii) **Supplier Warrants.** Supplier warrants that all Included Solutions furnished under this Agreement are free from liens and encumbrances, and are free from defects in design, materials, and workmanship. In addition, Supplier warrants the Solutions are suitable for and will perform in accordance with the ordinary use for which they are intended.
- 14) **Bankruptcy Notices.** Supplier certifies and warrants it is not currently in a bankruptcy proceeding. Supplier has disclosed all current and completed bankruptcy proceedings within the past seven years within its Proposal. Supplier must provide notice in writing to Sourcwell if it enters a bankruptcy proceeding at any time during the term of this Agreement.
- 15) **Debarment and Suspension.** Supplier certifies and warrants that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from programs operated by the State of Minnesota, the United States federal government, or any Participating Entity. Supplier certifies and warrants that neither it nor its principals have been convicted of a criminal offense related to the subject matter of this Agreement. Supplier further warrants that it will provide immediate written notice to Sourcwell if this certification changes at any time during the term of this Agreement.
- 16) **Provisions for non-United States federal entity procurements under United States federal awards or other awards (Appendix II to 2 C.F.R § 200).** Participating Entities that use United States federal grant or other federal funding to purchase solutions from this Agreement may be subject to additional requirements including the procurement standards of the Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards, 2 C.F.R. § 200. Participating Entities may have additional requirements based on specific funding source terms or

conditions. Within this Section, all references to “federal” should be interpreted to mean the United States federal government. The following list applies when a Participating Entity accesses Supplier’s Included Solutions with United States federal funds.

- i) **EQUAL EMPLOYMENT OPPORTUNITY.** Except as otherwise provided under 41 C.F.R. § 60, all agreements that meet the definition of “federally assisted construction contract” in 41 C.F.R. § 60-1.3 must include the equal opportunity clause provided under 41 C.F.R. § 60-1.4(b), in accordance with Executive Order 11246, “Equal Employment Opportunity” (30 FR 12319, 12935, 3 C.F.R. §, 1964-1965 Comp., p. 339), as amended by Executive Order 11375, “Amending Executive Order 11246 Relating to Equal Employment Opportunity,” and implementing regulations at 41 C.F.R. § 60, “Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor.” The equal opportunity clause is incorporated herein by reference.
- ii) **DAVIS-BACON ACT, AS AMENDED (40 U.S.C. § 3141-3148).** When required by federal program legislation, all prime construction contracts in excess of \$2,000 awarded by non-federal entities must include a provision for compliance with the Davis-Bacon Act (40 U.S.C. § 3141-3144, and 3146-3148) as supplemented by Department of Labor regulations (29 C.F.R. § 5, “Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction”). In accordance with the statute, contractors must be required to pay wages to laborers and mechanics at a rate not less than the prevailing wages specified in a wage determination made by the Secretary of Labor. In addition, contractors must be required to pay wages not less than once a week. The non-federal entity must place a copy of the current prevailing wage determination issued by the Department of Labor in each solicitation. The decision to award a contract or subcontract must be conditioned upon the acceptance of the wage determination. The non-federal entity must report all suspected or reported violations to the federal awarding agency. The contracts must also include a provision for compliance with the Copeland “Anti-Kickback” Act (40 U.S.C. § 3145), as supplemented by Department of Labor regulations (29 C.F.R. § 3, “Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States”). The Act provides that each contractor or subrecipient must be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he or she is otherwise entitled. The non-federal entity must report all suspected or reported violations to the federal awarding agency. Supplier must comply with all applicable Davis-Bacon Act provisions.
- iii) **CONTRACT WORK HOURS AND SAFETY STANDARDS ACT (40 U.S.C. § 3701-3708).** Where applicable, all contracts awarded by the non-federal entity in excess of \$100,000 that involve the employment of mechanics or laborers must include a provision for compliance with 40 U.S.C. §§ 3702 and 3704, as supplemented by Department of Labor regulations (29 C.F.R. § 5). Under 40 U.S.C. § 3702 of the Act, each contractor must be required to compute the wages of every mechanic and laborer on the basis of a standard work week of 40 hours. Work in excess of the standard work week is permissible provided that the worker is compensated at a rate of not less than one and a half times the basic rate of pay for all hours worked in excess of 40 hours in the work week. The requirements of 40 U.S.C. § 3704 are applicable to construction work and provide that no laborer or mechanic must be required to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous. These requirements do not apply to the purchases of supplies, materials, or articles ordinarily available on the open market, or

contracts for transportation or transmission of intelligence. This provision is hereby incorporated by reference into this Agreement. Supplier certifies that during the term of an award for all Agreements by Sourcewell resulting from this procurement process, Supplier must comply with applicable requirements as referenced above.

iv) **RIGHTS TO INVENTIONS MADE UNDER A CONTRACT OR AGREEMENT.** If the federal award meets the definition of “funding agreement” under 37 C.F.R. § 401.2(a) and the recipient or subrecipient wishes to enter into a contract with a small business firm or nonprofit organization regarding the substitution of parties, assignment or performance of experimental, developmental, or research work under that “funding agreement,” the recipient or subrecipient must comply with the requirements of 37 C.F.R. § 401, “Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements,” and any implementing regulations issued by the awarding agency. Supplier certifies that during the term of an award for all Agreements by Sourcewell resulting from this procurement process, Supplier must comply with applicable requirements as referenced above.

v) **CLEAN AIR ACT (42 U.S.C. § 7401-7671Q.) AND THE FEDERAL WATER POLLUTION CONTROL ACT (33 U.S.C. § 1251-1387).** Contracts and subgrants of amounts in excess of \$150,000 require the non-federal award to agree to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. § 7401- 7671q) and the Federal Water Pollution Control Act as amended (33 U.S.C. § 1251- 1387). Violations must be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA). Supplier certifies that during the term of this Agreement it will comply with applicable requirements as referenced above.

vi) **DEBARMENT AND SUSPENSION (EXECUTIVE ORDERS 12549 AND 12689).** A contract award (see 2 C.F.R. § 180.220) must not be made to parties listed on the government wide exclusions in the System for Award Management (SAM), in accordance with the OMB guidelines at 2 C.F.R. § 180 that implement Executive Orders 12549 (3 C.F.R. § 1986 Comp., p. 189) and 12689 (3 C.F.R. § 1989 Comp., p. 235), “Debarment and Suspension.” SAM Exclusions contains the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order 12549. Supplier certifies that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation by any federal department or agency.

vii) **BYRD ANTI-LOBBYING AMENDMENT, AS AMENDED (31 U.S.C. § 1352).** Suppliers must file any required certifications. Suppliers must not have used federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any federal contract, grant, or any other award covered by 31 U.S.C. § 1352. Suppliers must disclose any lobbying with non-federal funds that takes place in connection with obtaining any federal award. Such disclosures are forwarded from tier to tier up to the non-federal award. Suppliers must file all certifications and disclosures required by, and otherwise comply with, the Byrd Anti-Lobbying Amendment (31 U.S.C. § 1352).

viii) **RECORD RETENTION REQUIREMENTS.** To the extent applicable, Supplier must comply with the record retention requirements detailed in 2 C.F.R. § 200.333. The Supplier further

certifies that it will retain all records as required by 2 C.F.R. § 200.333 for a period of 3 years after grantees or subgrantees submit final expenditure reports or quarterly or annual financial reports, as applicable, and all other pending matters are closed.

- ix) **ENERGY POLICY AND CONSERVATION ACT COMPLIANCE.** To the extent applicable, Supplier must comply with the mandatory standards and policies relating to energy efficiency which are contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act.
- x) **BUY AMERICAN PROVISIONS COMPLIANCE.** To the extent applicable, Supplier must comply with all applicable provisions of the Buy American Act. Purchases made in accordance with the Buy American Act must follow the applicable procurement rules calling for free and open competition.
- xi) **ACCESS TO RECORDS (2 C.F.R. § 200.336).** Supplier agrees that duly authorized representatives of a federal agency must have access to any books, documents, papers and records of Supplier that are directly pertinent to Supplier's discharge of its obligations under this Agreement for the purpose of making audits, examinations, excerpts, and transcriptions. The right also includes timely and reasonable access to Supplier's personnel for the purpose of interview and discussion relating to such documents.
- xii) **PROCUREMENT OF RECOVERED MATERIALS (2 C.F.R. § 200.322).** A non-federal entity that is a state agency or agency of a political subdivision of a state and its contractors must comply with Section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act. The requirements of Section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 C.F.R. § 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds \$10,000 or the value of the quantity acquired during the preceding fiscal year exceeded \$10,000; procuring solid waste management services in a manner that maximizes energy and resource recovery; and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.
- xiii) **FEDERAL SEAL(S), LOGOS, AND FLAGS.** The Supplier cannot use the seal(s), logos, crests, or reproductions of flags or likenesses of Federal agency officials without specific pre-approval.
- xiv) **NO OBLIGATION BY FEDERAL GOVERNMENT.** The U.S. federal government is not a party to this Agreement or any purchase by a Participating Entity and is not subject to any obligations or liabilities to the Participating Entity, Supplier, or any other party pertaining to any matter resulting from the Agreement or any purchase by an authorized user.
- xv) **PROGRAM FRAUD AND FALSE OR FRAUDULENT STATEMENTS OR RELATED ACTS.** The Contractor acknowledges that 31 U.S.C. § 38 (Administrative Remedies for False Claims and Statements) applies to the Supplier's actions pertaining to this Agreement or any purchase by a Participating Entity.

xvi) **FEDERAL DEBT.** The Supplier certifies that it is non-delinquent in its repayment of any federal debt. Examples of relevant debt include delinquent payroll and other taxes, audit disallowance, and benefit overpayments.

xvii) **CONFLICTS OF INTEREST.** The Supplier must notify the U.S. Office of General Services, Sourcewell, and Participating Entity as soon as possible if this Agreement or any aspect related to the anticipated work under this Agreement raises an actual or potential conflict of interest (as described in 2 C.F.R. Part 200). The Supplier must explain the actual or potential conflict in writing in sufficient detail so that the U.S. Office of General Services, Sourcewell, and Participating Entity are able to assess the actual or potential conflict; and provide any additional information as necessary or requested.

xviii) **U.S. EXECUTIVE ORDER 13224.** The Supplier, and its subcontractors, must comply with U.S. Executive Order 13224 and U.S. Laws that prohibit transactions with and provision of resources and support to individuals and organizations associated with terrorism.

xix) **PROHIBITION ON CERTAIN TELECOMMUNICATIONS AND VIDEO SURVEILLANCE SERVICES OR EQUIPMENT.** To the extent applicable, Supplier certifies that during the term of this Agreement it will comply with applicable requirements of 2 C.F.R. § 200.216.

xx) **DOMESTIC PREFERENCES FOR PROCUREMENTS.** To the extent applicable, Supplier certifies that during the term of this Agreement, Supplier will comply with applicable requirements of 2 C.F.R. § 200.322.

Article 2: Sourcewell and Supplier Obligations

The Terms in this Article 2 relate specifically to Sourcewell and its administration of this Master Agreement with Supplier and Supplier's obligations thereunder.

- 1) **Authorized Sellers.** Supplier must provide Sourcewell a current means to validate or authenticate Supplier's authorized dealers, distributors, or resellers which may complete transactions of Included Solutions offered under this Agreement. Sourcewell may request updated information in its discretion, and Supplier agrees to provide requested information within a reasonable time.
- 2) **Product and Price Changes Requirements.** Supplier may request Included Solutions changes, additions, or deletions at any time. All requests must be made in writing by submitting a Sourcewell Price and Product Change Request Form to Sourcewell. At a minimum, the request must:
 - Identify the applicable Sourcewell Agreement number;
 - Clearly specify the requested change;
 - Provide sufficient detail to justify the requested change;
 - Individually list all Included Solutions affected by the requested change, along with the requested change (e.g., addition, deletion, price change); and
 - Include a complete restatement of Pricing List with the effective date of the modified pricing, or product addition or deletion. The new pricing restatement must include all Included Solutions offered, even for those items where pricing remains unchanged.

A fully executed Sourcwell Price and Product Change Request Form will become an amendment to this Agreement and will be incorporated by reference.

- 3) **Authorized Representative.** Supplier will assign an Authorized Representative to Sourcwell for this Agreement and must provide prompt notice to Sourcwell if that person is changed. The Authorized Representative will be responsible for:
- Maintenance and management of this Agreement;
 - Timely response to all Sourcwell and Participating Entity inquiries; and
 - Participation in reviews with Sourcwell.

Sourcwell's Authorized Representative is its Chief Procurement Officer.

- 4) **Performance Reviews.** Supplier will perform a minimum of one review with Sourcwell per agreement year. The review will cover transactions to Participating Entities, pricing and terms, administrative fees, sales data reports, performance issues, supply chain issues, customer issues, and any other necessary information.
- 5) **Sales Reporting Required.** Supplier is required as a material element to this Master Agreement to report all completed transactions with Participating Entities utilizing this Agreement. Failure to provide complete and accurate reports as defined herein will be a material breach of the Agreement and Sourcwell reserves the right to pursue all remedies available at law including cancellation of this Agreement.
- 6) **Reporting Requirements.** Supplier must provide Sourcwell an activity report of all transactions completed utilizing this Agreement. Reports are due at least once each calendar quarter (Reporting Period). Reports must be received no later than 45 calendar days after the end of each calendar quarter. Supplier may report on a more frequent basis in its discretion. Reports must be provided regardless of the amount of completed transactions during that quarter (i.e., if there are no sales, Supplier must submit a report indicating no sales were made).

The Report must contain the following fields:

- Participating Entity Name (e.g., City of Staples Highway Department);
- Participating Entity Physical Street Address;
- Participating Entity City;
- Participating Entity State/Province;
- Participating Entity Zip/Postal Code;
- Sourcwell Participating Entity Account Number;
- Transaction Description;
- Transaction Purchased Price;
- Sourcwell Administrative Fee Applied; and
- Date Transaction was invoiced/sale was recognized as revenue by Supplier.

If collected by Supplier, the Report may include the following fields as available:

- Participating Entity Contact Name;
- Participating Entity Contact Email Address;
- Participating Entity Contact Telephone Number;

- 7) **Administrative Fee.** In consideration for the support and services provided by Sourcewell, Supplier will pay an Administrative Fee to Sourcewell on all completed transactions to Participating Entities utilizing this Agreement. Supplier will include its Administrative Fee within its proposed pricing. Supplier may not directly charge Participating Entities to offset the Administrative Fee.
- 8) **Fee Calculation.** Supplier's Administrative Fee payable to Sourcewell will be calculated as a stated percentage (listed in Supplier's Proposal) of all completed transactions utilizing this Master Agreement within the preceding Reporting Period. For certain categories, a flat fee may be proposed. The Administrative Fee will be stated in Supplier's Proposal.
- 9) **Fee Remittance.** Supplier will remit fee to Sourcewell no later than 45 calendar days after the close of the preceding calendar quarter in conjunction with Supplier's Reporting Period obligations defined herein. Payments should note the Supplier's name and Sourcewell-assigned Agreement number in the memo; and must be either mailed to Sourcewell above "Attn: Accounts Receivable" or remitted electronically to Sourcewell's banking institution per Sourcewell's Finance department instructions.
- 10) **Noncompliance.** Sourcewell reserves the right to seek all remedies available at law for unpaid or underpaid Administrative Fees due under this Agreement. Failure to remit payment, delinquent payments, underpayments, or other deviations from the requirements of this Agreement may be deemed a material breach and may result in cancellation of this Agreement and disbarment from future Agreements.
- 11) **Audit Requirements.** Pursuant to Minn. Stat. § 16C.05, subdivision 5, the books, records, documents, and accounting procedures and practices relevant to this Agreement are subject to examination by Sourcewell and the Minnesota State Auditor for a minimum of six years from the end of this Agreement. Supplier agrees to fully cooperate with Sourcewell in auditing transactions under this Agreement to ensure compliance with pricing terms, correct calculation and remittance of Administrative Fees, and verification of transactions as may be requested by a Participating Entity or Sourcewell.
- 12) **Assignment, Transfer, and Administrative Changes.** Supplier may not assign or otherwise transfer its rights or obligations under this Agreement without the prior written consent of Sourcewell. Such consent will not be unreasonably withheld. Sourcewell reserves the right to unilaterally assign all or portions of this Agreement within its sole discretion to address corporate restructurings, mergers, acquisitions, or other changes to the Responsible Party and named in the Agreement. Any prohibited assignment is invalid. Upon request Sourcewell may make administrative changes to agreement documentation such as name changes, address changes, and other non-material updates as determined within its sole discretion.
- 13) **Amendments.** Any material change to this Agreement must be executed in writing through an amendment and will not be effective until it has been duly executed by the parties.
- 14) **Waiver.** Failure by Sourcewell to enforce any right under this Agreement will not be deemed a waiver of such right in the event of the continuation or repetition of the circumstances giving rise to such right.

- 15) **Complete Agreement.** This Agreement represents the complete agreement between the parties for the scope as defined herein. Supplier and Sourcewell may enter into separate written agreements relating specifically to transactions outside of the scope of this Agreement.
- 16) **Relationship of Sourcewell and Supplier.** This Agreement does not create a partnership, joint venture, or any other relationship such as employee, independent contractor, master-servant, or principal-agent.
- 17) **Indemnification.** Supplier must indemnify, defend, save, and hold Sourcewell, including their agents and employees, harmless from any claims or causes of action, including attorneys' fees incurred by Sourcewell, arising out of any act or omission in the performance of this Agreement by the Supplier or its agents or employees; this indemnification includes injury or death to person(s) or property alleged to have been caused by some defect in design, condition, or performance of Included Solutions under this Agreement. Sourcewell's responsibility will be governed by the State of Minnesota's Tort Liability Act (Minnesota Statutes Chapter 466) and other applicable law.
- 18) **Data Practices.** Supplier and Sourcewell acknowledge Sourcewell is subject to the Minnesota Government Data Practices Act, Minnesota Statutes Chapter 13. As it applies to all data created and maintained in performance of this Agreement, Supplier may be subject to the requirements of this chapter.
- 19) **Grant of License.**
- a) **During the term of this Agreement:**
 - i) **Supplier Promotion.** Sourcewell grants to Supplier a royalty-free, worldwide, non-exclusive right and license to use the trademark(s) provided to Supplier by Sourcewell in advertising, promotional materials, and informational sites for the purpose of marketing Sourcewell's Agreement with Supplier.
 - ii) **Sourcewell Promotion.** Supplier grants to Sourcewell a royalty-free, worldwide, non-exclusive right and license to use Supplier's trademarks in advertising, promotional materials, and informational sites for the purpose of marketing Supplier's Agreement with Sourcewell.
 - b) **Limited Right of Sublicense.** The right and license granted herein includes a limited right of each party to grant sublicenses to their respective subsidiaries, distributors, dealers, resellers, marketing representatives, partners, or agents (collectively "Permitted Sublicensees") in advertising, promotional, or informational materials for the purpose of marketing the Parties' relationship. Any sublicense granted will be subject to the terms and conditions of this Article. Each party will be responsible for any breach of this section by any of their respective sublicensees.
 - c) **Use; Quality Control.**
 - i) Neither party may alter the other party's trademarks from the form provided and must comply with removal requests as to specific uses of its trademarks or logos.
 - ii) Each party agrees to use, and to cause its Permitted Sublicensees to use, the other party's trademarks only in good faith and in a dignified manner consistent with such party's use of the trademarks. Each party may make written notice to the other regarding misuse under

this section. The offending party will have 30 days of the date of the written notice to cure the issue or the license/sublicense will be terminated.

- d) **Termination.** Upon the termination of this Agreement for any reason, each party, including Permitted Sublicensees, will have 30 days to remove all Trademarks from signage, websites, and the like bearing the other party's name or logo (excepting Sourcewell's pre-printed catalog of suppliers which may be used until the next printing). Supplier must return all marketing and promotional materials, including signage, provided by Sourcewell, or dispose of it according to Sourcewell's written directions.
- 20) **Venue and Governing law between Sourcewell and Supplier Only.** The substantive and procedural laws of the State of Minnesota will govern this Agreement between Sourcewell and Supplier. Venue for all legal proceedings arising out of this Agreement between Sourcewell and Supplier will be in court of competent jurisdiction within the State of Minnesota. This section does not apply to any dispute between Supplier and Participating Entity. This Agreement reserves the right for Supplier and Participating Entity to negotiate this term to within any transaction documents.
- 21) **Severability.** If any provision of this Agreement is found by a court of competent jurisdiction to be illegal, unenforceable, or void then both parties will be relieved from all obligations arising from that provision. If the remainder of this Agreement is capable of being performed, it will not be affected by such determination or finding and must be fully performed.
- 22) **Insurance Coverage.** At its own expense, Supplier must maintain valid insurance policy(ies) during the performance of this Agreement with insurance company(ies) licensed or authorized to do business in the State of Minnesota having an "AM BEST" rating of A- or better, with coverage and limits of insurance not less than the following:
- a) **Commercial General Liability Insurance.** Supplier will maintain insurance covering its operations, with coverage on an occurrence basis, and must be subject to terms no less broad than the Insurance Services Office ("ISO") Commercial General Liability Form CG0001 (2001 or newer edition), or equivalent. At a minimum, coverage must include liability arising from premises, operations, bodily injury and property damage, independent contractors, products-completed operations including construction defect, contractual liability, blanket contractual liability, and personal injury and advertising injury. All required limits, terms and conditions of coverage must be maintained during the term of this Agreement.
- \$1,500,000 each occurrence Bodily Injury and Property Damage
 - \$1,500,000 Personal and Advertising Injury
 - \$2,000,000 aggregate for products liability-completed operations
 - \$2,000,000 general aggregate
- b) **Certificates of Insurance.** Prior to execution of this Agreement, Supplier must furnish to Sourcewell a certificate of insurance, as evidence of the insurance required under this Agreement. Prior to expiration of the policy(ies), renewal certificates must be mailed to Sourcewell, 202 12th Street Northeast, P.O. Box 219, Staples, MN 56479 or provided to in an alternative manner as directed by Sourcewell. The certificates must be signed by a person authorized by the insurer(s) to bind coverage on their behalf. Failure of Supplier to maintain the required insurance and documentation may constitute a material breach.

- c) **Additional Insured Endorsement and Primary and Non-contributory Insurance Clause.** Supplier agrees to list Sourcewell, including its officers, agents, and employees, as an additional insured under the Supplier's commercial general liability insurance policy with respect to liability arising out of activities, "operations," or "work" performed by or on behalf of Supplier, and products and completed operations of Supplier. The policy provision(s) or endorsement(s) must further provide that coverage is primary and not excess over or contributory with any other valid, applicable, and collectible insurance or self-insurance in force for the additional insureds.
- d) **Waiver of Subrogation.** Supplier waives and must require (by endorsement or otherwise) all its insurers to waive subrogation rights against Sourcewell and other additional insureds for losses paid under the insurance policies required by this Agreement or other insurance applicable to the Supplier or its subcontractors. The waiver must apply to all deductibles and/or self-insured retentions applicable to the required or any other insurance maintained by the Supplier or its subcontractors. Where permitted by law, Supplier must require similar written express waivers of subrogation and insurance clauses from each of its subcontractors.
- e) **Umbrella/Excess Liability/SELF-INSURED RETENTION.** The limits required by this Agreement can be met by either providing a primary policy or in combination with umbrella/excess liability policy(ies), or self-insured retention.
- 23) **Termination for Convenience.** Sourcewell or Supplier may terminate this Agreement upon 60 calendar days' written notice to the other Party. Termination pursuant to this section will not relieve the Supplier's obligations under this Agreement for any transactions entered with Participating Entities through the date of termination, including reporting and payment of applicable Administrative Fees.
- 24) **Termination for Cause.** Sourcewell may terminate this Agreement upon providing written notice of material breach to Supplier. Notice must describe the breach in reasonable detail and state the intent to terminate the Agreement. Upon receipt of Notice, the Supplier will have 30 calendar days in which it must cure the breach. Termination pursuant to this section will not relieve the Supplier's obligations under this Agreement for any transactions entered with Participating Entities through the date of termination, including reporting and payment of applicable Administrative Fees.

Article 3: Supplier Obligations to Participating Entities

The Terms in this Article 3 relate specifically to Supplier and a Participating Entity when entering transactions utilizing the General Terms established in this Master Agreement. Article 1 General Terms control over any conflict with this Article 3. Where this Master Agreement is silent on any subject, Participating Entity and Supplier retain the ability to negotiate mutually acceptable terms.

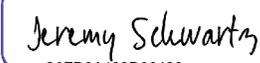
- 1) **Quotes to Participating Entities.** Suppliers are encouraged to provide all pricing information regarding the total cost of acquisition when quoting to a Participating Entity. Suppliers and Participating Entities are encouraged to include all cost specifically associated with or included within the Suppliers proposal and Included Solutions within transaction documents.
- 2) **Shipping, Delivery, Acceptance, Rejection, and Warranty.** Supplier's proposal may include proposed terms relating to shipping, delivery, inspection, and acceptance/rejection and other relevant terms

of tendered Solutions. Supplier and Participating Entity may negotiate final terms appropriate for the specific transaction relating to non-appropriation, shipping, delivery, inspection, acceptance/rejection of tendered Solutions, and warranty coverage for Included Solutions. Such terms may include, but are not limited to, costs, risk of loss, proper packaging, inspection rights and timelines, acceptance or rejection procedures, and remedies as mutually agreed include notice requirements, replacement, return or exchange procedures, and associated costs.

- 3) **Applicable Taxes.** Participating Entity is responsible for notifying supplier of its tax-exempt status and for providing Supplier with any valid tax-exemption certification(s) or related documentation.
- 4) **Ordering Process and Payment.** Supplier's ordering process and acceptable forms of payment are included within its Proposal. Participating Entities will be solely responsible for payment to Supplier and Sourcewell will have no liability for any unpaid invoice of any Participating Entity.
- 5) **Transaction Documents.** Participating Entity may require the use of its own forms to complete transactions directly with Supplier utilizing the terms established in this Agreement. Supplier's standard form agreements may be offered as part of its Proposal. Supplier and Participating Entity may complete and document transactions utilizing any type of transaction documents as mutually agreed. In any transaction document entered utilizing this Agreement, Supplier and Participating Entity must include specific reference to this Master Agreement by number and to Participating Entity's unique Sourcewell account number.
- 6) **Additional Terms and Conditions Permitted.** Participating Entity and Supplier may negotiate and include additional terms and conditions within transaction documentation as mutually agreed. Such terms may supplant or supersede this Master Agreement when necessary and as solely determined by Participating Entity. Sourcewell has expressly reserved the right for Supplier and Participating Entity to address any necessary provisions within transaction documents not expressly included within this Master Agreement, including but not limited to transaction cancellation, dispute resolution, governing law and venue, non-appropriation, insurance, defense and indemnity, force majeure, and other material terms as mutually agreed.
- 7) **Subsequent Agreements and Survival.** Supplier and Participating Entity may enter into a separate agreement to facilitate long-term performance obligations utilizing the terms of this Master Agreement as mutually agreed. Such agreements may provide for a performance period extending beyond the full term of this Master Agreement as determined in the discretion of Participating Entity.
- 8) **Participating Addendums.** Supplier and Participating Entity may enter a Participating Addendum or similar document extending and supplementing the terms of this Master Agreement to facilitate adoption as may be required by a Participating Entity.

Sourcewell

Olathe Ford Sales, Inc.

Signed by:

C0FD2A139D06489...
By: _____
Jeremy Schwartz
Title: Chief Procurement Officer
Date: 11/12/2025 | 1:46 PM CST

DocuSigned by:

78822EAAC9084FB...
By: _____
Marc McEver
Title: Dealer Principal
Date: 11/12/2025 | 11:22 AM PST

RFP 081325 - Automobiles, SUVs, Vans, and Light Trucks with Related Equipment and Accessories

Vendor Details

Company Name: Olathe Ford Sales Inc.
Does your company conduct business under any other name? If yes, please state: Olathe Fleet
Address: 1845 E Santa Fe
Olathe, KS 66062
Contact: Josh Allison
Email: jallison@olathefleet.com
Phone: 913-274-7429
Fax: 913-558-4608
HST#: 48-0720233

Submission Details

Created On: Thursday August 07, 2025 11:31:47
Submitted On: Wednesday August 13, 2025 09:12:34
Submitted By: Sandra Gonzalez
Email: Sgonzalez@olathefleet.com
Transaction #: 0fd3871a-5920-46c5-97e2-488e846f985a
Submitter's IP Address: 147.243.203.208

Specifications

Table 1: Proposer Identity & Authorized Representatives (Not Scored)

General Instructions (applies to all Tables) Sourcewell prefers a brief but thorough response to each question. Do not merely attach additional documents to your response without also providing a substantive response. Do not leave answers blank; respond “N/A” if the question does not apply to you (preferably with an explanation).

Table 1 Specific Instructions. Sourcewell requires identification of all parties responsible for providing Solutions under a resulting master agreement(s) (Responsible Supplier). Proposers are strongly encouraged to include all potential Responsible Suppliers including any corporate affiliates, subsidiaries, D.B.A., and any other authorized entities within a singular proposal. All information required under this RFP must be included for each Responsible Supplier as instructed. Proposers with multiple Responsible Supplier options may choose to respond individually as distinct entities, however each response will be evaluated individually and only those proposals recommended for award may result in a master agreement award. Unawarded entities will not be permitted to later be added to an existing master agreement through operation of Proposer’s corporate organization affiliation.

Line Item	Question	Response *
1	Provide the legal name of the Proposer authorized to submit this Proposal.	Olathe Ford Sales, Inc.
2	In the event of award, is this entity the Responsible Supplier that will execute the master agreement with Sourcewell? Y or N.	Yes - Olathe Ford Sales, inc is the responsible supplier that will execute the agreement with Sourcewell.
3	Identify all subsidiaries, D.B.A., authorized affiliates, and any other entity that will be responsible for offering and performing delivery of Solutions within this Proposal (i.e. Responsible Supplier(s) that will execute a master agreement with Sourcewell).	Olathe Ford Sales, Inc OBO: Olathe Fleet Solutions, Olathe Fleet, Fleet Pool USA, AFI, Tillery Auto Group, Molle Auto Group, McCarthy Auto Group, Airport CDJR, Mercedes of Kansas City, Chapman Auto Group, Ford Pro, Forest River
4	Provide your CAGE code or Unique Entity Identifier (SAM):	UEI - FELSNRYLULN5/ CAGE ID #03TH5
5	Provide your NAICS code applicable to Solutions proposed.	4411 - AUTOMOTIVE DEALERS, 441110; NEW DEALER, 441120; USED DEALER, 4413; AUTO PARTS, ACCESSORIES AND TIRES; 8111 - AUTOMOTIVE REPAIR AND MAINTENANCE; 5321 - AUTOMOTIVE EQUIPMENT RENTAL AND LEASING; 4885 - FREIGHT TRANSPORTATION ARRANGEMENT; 4884 - SUPPORT ACTIVITIES FOR ROAD TRANSPORTATION; 4841 - GENERAL FREIGHT TRUCKING; 561110 - OFFICE ADMINISTRATIVE SERVICE - FLEET MANAGEMENT; 541614 - LOGISTICS CONSULTING SERVICES;
6	Proposer Physical Address:	1845 E SANTA FE, OLATHE, KS 66062
7	Proposer website address (or addresses):	www.olathefleet.com www.olatheford.com www.fleetpoolusa.com www.afi-kc.com www.ofskc.com www.ford.com www.chevrolet.com www.hyundaifleet.com www.gmc.com www.mbusa.com www.toyota.com www.dodge.com www.chrysler.com www.ram.com www.jeep.com www.fordpro.com www.olathelincn.com www.fordparts.com www.nissan.com
8	Proposer's Authorized Representative (name, title, address, email address & phone) (The representative must have authority to sign the "Proposer's Assurance of Compliance" on behalf of the Proposer):	Marc McEver - Dealer Principal marc@olatheford.com 1845 E Santa Fe Olathe, KS 66062 913.269.8340

9	Proposer's primary contact for this proposal (name, title, address, email address & phone):	Sandra Gonzalez Government Manager 1845 E Santa Fe Olathe, KS 66062 913-312-5371	*
10	Proposer's other contacts for this proposal, if any (name, title, address, email address & phone):	Josh Allison - Vice President, Fleet Sales jallison@olathefleet.com 1845 E Santa Fe Olathe, KS 66062 913.558.4608 Mike McGuillicuddy mikem@olathefleet.com 1845 E. Santa Fe Olathe, KS 66062	*

Table 2A: Financial Viability and Marketplace Success (50 Points, applies to Table 2A and 2B)

Line Item	Question	Response *
-----------	----------	------------

<p>11</p>	<p>Provide a brief history of your company, including your company's core values, business philosophy, and industry longevity related to the requested Solutions.</p>	<p>Olathe – Company History, Core Values & Business Philosophy</p> <p>Founded in 1973, Olathe has spent over 50 years building a legacy of excellence in the automotive and fleet industry. What began as a small operation in Kansas with tow trucks has grown into one of the nation's most respected and successful fleet dealerships. Shortly after opening, our dealer principal, Marc McEver, established the Fleet Department, setting the foundation for what would become the largest fleet dealer in the United States.</p> <p>Today, Olathe proudly represents 12 major OEMs—Ford, Chevrolet, GMC, Dodge, Jeep, Chrysler, Lincoln, Hyundai, Toyota, Nissan, RAM, and Mercedes-Benz. We also have the ability to source, through our large partner network almost any OEM a Sourcewell customer could need —allowing us to provide our customers with a wide range of vehicle solutions across every industry segment. Our industry longevity is supported by deep relationships with OEMs, upfitters and body builders, and a forward-thinking approach to emerging technologies like electric vehicles, upfit integration modules, municipal leasing and telematics.</p> <p>In 2023 and 2024, Olathe was recognized as: Ford's Largest Fleet, Commercial and Government Dealer Ford's Largest Overall Dealer by Volume #1 in sales to the Ambulance, Fire, School Bus, Shuttle Bus, and Educational sectors #1 RV Chassis provider Top-volume Chevrolet dealer in public transportation Leading seller of Mercedes Sprinter Chassis</p> <p>These achievements are a reflection of our unwavering commitment to our customers, strong industry relationships, and operational excellence.</p> <p>At the heart of our success are our core values:</p> <p>Integrity – Always doing the right thing, even when no one is watching Customer Service – Prioritizing the needs of our partners through outstanding service Teamwork & Accountability – Promoting internal growth and leadership through collaboration Innovation – Staying ahead of industry shifts to deliver next-generation fleet solutions</p> <p>Our business philosophy is simple: take care of the customer and the business will take care of itself. This mindset has guided us for over 100 years and fuels our plans for continued growth in 2025/2026 and beyond. We constantly reinforce across all teams the importance of providing top-tier service—regardless of the customer, product, or challenge.</p> <p>Olathe is more than just a vehicle provider—we are a trusted, long-term partner. Our goal is always to be a one-stop-shop for government and non-profit buyers - delivering complete, turnkey solutions that include upfits, graphics, alternative-fuel platforms/conversions, and financing. Most importantly, we remain committed to leading the industry by serving with honesty, excellence, and a relentless focus on the customer.</p> <p>On our journey of becoming the #1 Municipal and Commercial Chassis provider in the US, Olathe always focused on exceptional customer service. We are constantly emphasizing across all of our teams that we must provide the highest level of customer service no matter the situation, industry or customer. We've grown our business over 50 years by always taking care of the customer and we know that if we continue to keep that value top of mind we will still be the largest chassis provider in another 50 years!</p>
-----------	---	---

12	<p>What are your company's expectations in the event of an award?</p>	<p>If awarded the Sourcwell contract, Olathe is prepared to hit the ground running by delivering exceptional customer service to Sourcwell and its members across the United States and Canada. This would be our second Sourcwell contract, so we plan to build on our proven record of success and further expanding our reach and impact nationwide.</p> <p>We intend to fully leverage our strong brand reputation and deep industry relationships to gain immediate traction with this light duty contract. As Ford's largest government dealer—and the releasing dealer for most body builders, we bring unmatched insight into your member needs and fleet challenges.</p> <p>We will continue to engage the entire dealer network across North America with our partners, which provides members access to our full range of vehicles—including Battery Electric and Hydrogen Fuel Cell Electric Vehicles, transport services, financing, leasing, maintenance, technological options and repair solutions tailored to specific fleet requirements.</p> <p>Our commitment also extends to our turnkey upfit program, which allows members to work with their preferred local upfitters, our in-house upfitter, AFI, and all other major upfitters, which gives customers the power of choice and flexibility to have more control over lead times by delivering complete, turnkey vehicle solutions. We aim to collaborate directly with members and existing key customers to streamline procurement, reduce costs, and deliver high-quality, fully completed vehicles.</p> <p>This contract represents an exciting opportunity to grow the reach of both Sourcwell and Olathe—offering members a cost-effective, competitive, full-service, one-stop-shop solutions grounded in years of experience, innovation, and outstanding service.</p> <p>We expect to continue to grow and better serve customers with the addition of this light duty contract.</p>
13	<p>Demonstrate your financial strength and stability with meaningful data. This could include such items as financial statements, SEC filings, credit and bond ratings, letters of credit, and detailed reference letters. Upload supporting documents (as applicable) in the document upload section of your response. DO NOT PROVIDE ANY TAX INFORMATION OR PERSONALLY IDENTIFIABLE INFORMATION.</p>	<p>Olathe has a long track record of financial strength, which is best demonstrated by our largest lender Ford Motor Credit. Today, Olathe has a \$225M credit line through Ford Motor Credit. This was/is established by our strong presence in the fleet market and exceptional financial history and payment track record. This substantial credit line is necessary to provide the best service and ability to deliver the high volume of vehicles sold through Sourcwell. With increasing interest costs and flooring vehicles through the upfitting process, it has been necessary to be flexible with the market to efficiently serve our customers without production delays. When Olathe places an order, it gets built at the earliest possible production date without delay. We have never hit a cap on our floorplan, because of our demonstrated payment record and financial strength.</p> <p>In addition to our Ford Motor Credit line, we also have several other lines for other OEMs.</p> <p>At Olathe, we regularly process orders for hundreds of units for government customers and carry thousands of units on our floor plan. Volume and floorplan (credit line) has never been a challenge for us - our meticulous credit history and partnerships allow flexibility that most dealers do not have across multiple OEMs.</p> <p>Please reference the attached Ford credit letter.</p>
14	<p>What is your US market share for the Solutions that you are proposing?</p>	<p>Olathe is the largest government vehicle supplier for Class 1-7 in the United States. Our overall market share across all brands is approximately 65% of the market with the largest share coming in Government. We delivered more than 35,000 chassis and government vehicles annually for the past several years setting records across several OEMs. We currently supply 95% of all ambulance chassis (Transit) and 90% of School Bus/Shuttle Bus chassis across US and Canada.</p>
15	<p>What is your Canadian market share for the Solutions that you are proposing?</p>	<p>Currently, Olathe holds less than 20% market share in Canada, with most of that volume concentrated in the School Bus, Ambulance, and Fire sectors. Due to regulatory limitations across country borders, expanding into light-duty vehicle sales can be challenging. However, we remain open and committed to supporting Sourcwell members in Canada, wherever opportunities align with OEM guidelines and compliance requirements.</p>
16	<p>Disclose all current and completed bankruptcy proceedings for Proposer and any included possible Responsible Party within the past seven years. Proposer must provide notice in writing to Sourcwell if it enters a bankruptcy proceeding at any time during the pendency of this RFP evaluation.</p>	<p>Olathe and all Responsible parties have never filed for bankruptcy.</p>

17	<p>How is your organization best described: is it a manufacturer, a distributor/dealer/reseller, or a service provider? Answer the question that best applies to your organization, either a) or b).</p> <p>a) If your company is best described as a distributor/dealer/reseller (or similar entity), provide your written authorization to act as a distributor/dealer/reseller for the manufacturer of the products proposed in this RFP. If applicable, is your dealer network independent or company owned?</p> <p>b) If your company is best described as a manufacturer or service provider, describe your relationship with your sales and service force and with your dealer network in delivering the products and services proposed in this RFP. Are these individuals your employees, or the employees of a third party?</p>	<p>Olathe is best described as "A" a Distributor/Dealer/Reseller/Dealer Partner for the brands and affiliates we've outlined. The primary brands are Ford, Dodge, Chevrolet, RAM, Jeep, GMC, Hyundai, Lincoln, Nissan, Toyota, Chrysler, Mercedes and applicable dealer partner upfits. All new orders would be placed through a franchised dealer and ultimately titled to the end member based on their specific needs. Olathe would/could also sell used equipment/vehicles from time to time that would be sold and ultimately titled to the end member. We have all applicable licenses, dealer documents etc. on file. Our dealer network is independently owned.</p>
18	<p>If applicable, provide a detailed explanation outlining the licenses and certifications that are both required to be held, and actually held, by your organization (including third parties and subcontractors that you use) in pursuit of the business contemplated by this RFP.</p>	<p>Olathe holds a number of licenses directly and many more indirectly through our partners. We've listed a number of them here below and attached a dealer license file to include our applicable licenses.</p> <p>Kansas Department of Revenue New/Used Dealer license – Dealer number D-0349 Kansas Department of Revenue Tax Registration – 004-48072233F-02 Dunn & Bradstreet - 031350010 SAM.GOV - FELSNRYLULN5/ CAGE ID - 03TH5 Federal E-Verify MOU - Company ID 1215852 Ford Minority Owned Dealer Certification Fleet Pool USA, LLC (FEIN 82-0638591) AFI (FEIN - 37-1792689) State Sales & Use Tax ID – Kansas 004-0638591F-01 State Sales & Use Tax ID – Colorado 34436193-0001 State Sales & Use Tax ID – North Carolina 601238124 State Sales & Use Tax ID – Alabama RNT-R011342291 State Sales, Franchise & Use Tax ID – Texas 3-20820-0245-5/ 32096903169 State of New Jersey Tax Compliance State of Missouri - Certificate of Compliance Missouri DMV Dealer License - D501 Kansas DMV Dealer License - D-0170 Missouri DMV Dealer License - D385 New Mexico DMV Dealer License - 868 Missouri DMV Dealer License - D528 Pennsylvania Dealer License - VD018362L Pennsylvania Dealer License - VD029085 Pennsylvania Dealer License - VD027646 Johnson County Core Tax Clearance Jackson County Core Tax Clearance Kansas City, Missouri Core Tax Clearance Kansas City, Kansas Core Tax Clearance</p> <p>All contracted dealers and upfitters/modifiers maintain all required dealer licenses and certifications as required by state and local laws.</p>
19	<p>Disclose all current and past debarments or suspensions for Proposer and any included possible Responsible Party within the past seven years. Proposer must provide notice in writing to Sourcwell if it enters a debarment or suspension status any time during the pendency of this RFP evaluation.</p>	<p>Olathe has never been debarred or suspended.</p>
20	<p>Describe any relevant industry awards or recognition that your company has received in the past five years.</p>	<p>Over the past 5 years Olathe has won numerous industry awards. We've outlined a few of those here.</p> <p>#1 Top Volume Fleet Dealer – Ford Motor Company – 2024 #1 Top Volume Overall Ford Dealer - 2024 #1 Top Volume Commercial Dealer – Ford Motor Company – 2024 #1 Top Volume Government Dealer – Ford Motor Company – 2024 Ford Presidents Award – 2024 Top 10 Warranty and Finance Dealership – Ford Motor Company – 2024 Top Tier Sprinter Volume – Mercedes Benz – 2024 Top performing Government Dealers – General Motors – 2024</p> <p>Many of the awards Olathe has listed above we've won multiple times in the past 5 years.</p>

21	What percentage of your sales are to the governmental sector in the past three years?	As an organization we have sales focused in different areas such as Retail, Commercial, Fleet, and Service. When looking at our Fleet segment and sales, approximately 80%-90% of our sales are directly/indirectly into the Government sector.	*
22	What percentage of your sales are to the education sector in the past three years?	We estimate that nearly 45% of our sales directly/indirectly go to School Districts, Universities, or private educational institutions.	*
23	List all state, cooperative purchasing agreements that you hold. What is the annual sales volume for each of these agreement over the past three years?	<p>Olathe currently holds a Class 4 thru 8 Sourcewell contract. This is the primary contract Olathe markets and provides quotes off of. Current estimated volume, in our first year of holding/marketing this contract, is approximately 300 units by EOY. Class 4 thru 8 is generally a lower volume category, so we anticipate Class 1 thru 3 will yield a substantially higher volume.</p> <p>Olathe State Contracts include, but are not limited to: Arizona, Connecticut, Georgia, Indiana, Kentucky, Massachusetts, Maryland, Maine, Missouri, North Carolina, New Jersey, Ohio, Oregon, Utah, Pennsylvania & South Carolina. There are also several County & Municipal Contracts in addition to the above mentioned state contracts. Estimated annual volume across all State contracts is about 2,300 units.</p> <p>Olathe holds contracts with CES NM, TXBuy, MKCPP, Goodbuy and TIPS - overall volume annually is approx. 150 units.</p> <p>As you can see we have a vast reach across the government sector so we are confident we can further service Sourcewell members anywhere across the US. Sourcewell will help us to streamline our customer purchases and better educate our customers about Cooperative purchasing and it's ease. We have already shifted numerous medium duty customers over to Sourcewell, as it is our primary cooperative contract we utilize.</p>	*
24	List any GSA contracts or Standing Offers and Supply Arrangements (SOSA) that you hold. What is the annual sales volume for each of these contracts over the past three years?	Currently, Olathe's key partners hold GSA Contract - GSO75. Each year we estimate that about 500 chassis come through Olathe and are upfitted to support this contact. However, our plan is to utilize Sourcewell as our main avenue for government vehicle sales.	*

Table 2B: References/Testimonials

Line Item 25. Supply reference information from three customers who are eligible to be Sourcewell participating entities.

Entity Name *	Contact Name *	Phone Number *	
Harris County Health District	Peka Owens	346-578-5601	*
Santa Fe Sheriffs Office	Ray Romero	505-670-8986	*
Garden Grove, CA	Steve Sudduth	714-741-5390	*
Unified Government of Wyandotte County - Kansas City, KS PD	Greg Dorsett	913-749-9309	
Kansas City, Missouri	Blakeley Butler	816-513-6925	

Table 3: Ability to Sell and Deliver Solutions (150 Points)

Describe your company's capability to meet the needs of Sourcewell participating entities across the US and Canada, as applicable. Your response should address in detail at least the following areas: locations of your network of sales and service providers, the number of workers (full-time equivalents) involved in each sector, whether these workers are your direct employees (or employees of a third party), and any overlap between the sales and service functions.

Line Item	Question	Response *
-----------	----------	------------

26	Sales force.	<p>Our sales force is a combination of direct and indirect personnel designed to support all customer needs effectively. The direct sales force consists of dealership employees and partners, totaling over 125 employees and growing, with an additional 199 employees dedicated to direct service support at our dealerships and partner locations. This direct team is primarily based in key regions, including: Kansas, Pennsylvania, New Mexico and Missouri, and works directly with customers to offer tailored vehicle solutions. These locations are vital, because they give us presence in every region in the US. This is great for customers, because we always have someone that can market to their specific regions and visit with customers in their market area.</p> <p>The indirect sales force includes approximately 400 personnel, including partner suppliers and upfitter partners, ensuring that we can support a wide range of customer requirements. These teams work together to provide expertise, guidance, and top-tier service. In terms of parts and service, we have partners in all 50 states that can provide assistance to members. We also have some partners located in Canada on the modification side.</p> <p>We continue to expand both our direct and indirect workforce to accommodate future growth and ensure that we can meet and exceed the expectations of our customers across all regions. Our dedicated personnel remain committed to providing the highest level of responsiveness and customer satisfaction.</p>
27	Describe the network of Authorized Sellers who will deliver Solutions, including dealers, distributors, resellers, and other distribution methods.	<p>Olathe's authorized sellers include major dealers of fleet brands such as Ford, Chevrolet, Dodge, RAM, Nissan, Toyota, Lincoln, Hyundai, GMC, and Mercedes that represent each OEM. All maintain strong networks with hundreds of service points across the continent. Our network of authorized sellers spans a vast geography on the west, central and east coasts, ensuring robust support across the United States. These locations are strategically placed to offer sales, upfitting, service and warranty repairs, ensuring that all member needs are met promptly.</p> <p>Our primary authorized sales dealers are located in Kansas, Missouri, Pennsylvania and New Mexico. Our upfit partners and dropship locations are located in all 50 states. We are able to ship anywhere in the United States within a couple hundred miles of the majority of Sourcewell customers. This allows for easy distribution and continued service in all states while also minimizing shipping and transport costs thus lowering costs to the end-user.</p> <p>We ensure that every member has access to comprehensive service and sales, no matter where they are. This extensive distribution and dealer framework provides unparalleled confidence to members, knowing they are fully supported by an efficient and widespread network that can handle any issue, regardless of brand or location.</p>
28	Service force.	<p>Olathe is a key member of OEM committees focused on service support for the fleet and commercial customer segments. Our brand networks have thousands of locations across the country to service your members warranty and service repair needs simply, effectively and quickly. Olathe works diligently with service locations on a daily basis, whether for routine service, warranty repairs, recalls, or shipping finished products to our end members.</p> <p>As a testament to our commitment to our government and commercial customers Olathe recently invested in a Ford pro facility at our Kansas store. There is a very select group of dealers that have been chosen to be a Ford Pro service center and it takes a very large investment to be selected. However, the benefits to our customers are worth noting. A Ford Pro facility offers priority service (away from the retail service lane), extended hours, specialized staff and equipment for commercial applications. It allows us access to faster acquisition of parts to get vehicles back on the road faster than other service facilities. It also provides us with increased vehicle stocking allocation, so we can offer Sourcewell customers more off the lot options than other dealers. We also have direct access to Ford Pro Commercial Experts to keep fleets up and running. As a part of our network, we are connected to several other Ford Pro facilities around the US to provide further resources in different markets.</p> <p>In terms of upfitting service, we have upfit partners in all 50 states, including Hawaii and Alaska. These partners, many times, will provide mobile service and/or expedited service to keep fleets running. We utilize many of the larger upfitter locations for service as well. This provides a convenient option for end-users.</p> <p>We also partner with local service facilities that are preferred by our customers for their upfit service as often as we can to ensure customers are comfortable.</p> <p>Through our Fleet Management program, associated with vehicle purchases, we also help customers manage their fleets, locate service facilities, schedule service for them and verify that they are getting fair pricing on their service needs. This is a benefit that most dealers are unable to offer in house and typically rely on the OEM for some of these services. This service really sets our Olathe Solutions team apart.</p>

<p>29</p>	<p>Describe the ordering process. If orders will be handled by distributors, dealers or others, explain the respective roles of the Proposer and others.</p>	<p>All quotes, ordering, delivery, and training will be managed through Olathe's Kansas location, ensuring full support and coordination of all vehicle orders. Olathe will oversee the quoting and pricing process based on contract requirements, and manage the ordering of vehicles, truck bodies, upfitting and any additional equipment to provide a complete vehicle solution. Orders are placed via e-mail or phone through the assigned account manager that will put together the turnkey vehicle quote. We believe that a single point of contact through the order process is easier for the customer and their procurement team.</p> <p>Our intent is to simplify the process by having all orders handled in one place and be all inclusive. This turnkey solution allows Olathe to manage and coordinate all necessary add-ons, whether through our partners or vendors, selected by the member and coordinated by Olathe, ensuring a streamlined and compliant procurement experience.</p> <p>The account management team will quote, place orders and manage upfitting coordination and our administrative team will handle weekly order updates to the customer and invoicing. Service and parts orders will be handled through their respective departments at Olathe.</p>
<p>30</p>	<p>Demonstrate your ability and experience handling large order volumes for autos through light trucks.</p>	<p>Olathe Fleet Solutions is the largest government vehicle dealer in the United States, consistently processing vehicle order volumes that far exceed those of most other dealers nationwide. Our monthly volume surpasses what many dealers fulfill in an entire year of government business. We routinely manage orders involving hundreds of vehicles at a time through established processes for coordinating deliveries to ensure timely upfitting and to prevent chassis from sitting idle for extended periods.</p> <p>Our extensive experience spans the full range of vehicles and upfits—from passenger automobiles to light-duty trucks—delivered to federal, state, and local government agencies across the country. We specialize in providing reliable, high-volume fleet ordering solutions tailored to the unique demands of public sector procurement.</p> <p>Olathe's infrastructure is specifically designed to support large-scale order volume. We maintain a dedicated and experienced team supported by robust internal systems to manage quoting, order entry, vehicle tracking, and delivery coordination. We have implemented secondary verification protocols to ensure order accuracy and alignment with customer delivery schedules. Our operational model is scalable and flexible, allowing us to process thousands of vehicles annually without compromising service quality or compliance.</p> <p>We work closely with a broad range of OEM partners, including Ford, RAM, Chevrolet, GMC, Dodge, Chrysler, Hyundai, Jeep, Mercedes-Benz, and Toyota, to deliver fully contract-compliant vehicles configured to meet each agency's specific operational requirements.</p> <p>Whether fulfilling a one-time, bulk vehicle purchase or supporting multi-year fleet replacement programs, Olathe delivers consistent results—on time, within budget, and in full compliance with all applicable government procurement standards.</p>

<p>31</p>	<p>Describe in detail the process and procedure of your customer service program, if applicable. Include your response-time capabilities and commitments, as well as any incentives that help your providers meet your stated service goals or promises.</p>	<p>To secure a quote today, members can submit orders through various channels such as phone calls, website or emails. Our plan is to have an e-procurement platform, which will act as yet another channel for orders to be submitted. Today, Olathe Fleet has over 30 experienced full-time Account Managers dedicated to assist with their quote requests.</p> <p>Please see attached organization chart and Customer Service Program Overview for more details.</p> <p>When a customer inquires, our team will verify that each requestor/agency has an active Sourcewell membership to ensure non-members will not receive the special Sourcewell pricing or, if they are eligible, we will guide the non-member through the process of joining Sourcewell.</p> <p>Each quote will provide the member with a full list of standard equipment and options including MSRP and the Sourcewell price. Sourcewell members will have the opportunity to add additional items such as factory options, aftermarket options, and upfits before any order is submitted. At this point, we will share our knowledge and use our expertise to ask good questions and provide suggestions to ensure the recipient orders the unit(s) best fit for their application. Once completed our team will send the recipient a final quote.</p> <p>For the final step of the ordering process, Olathe Fleet will send an order confirmation back for the Sourcewell member to confirm all selected options before we submit the order to the manufacturer. Not only does this allow for the line of communication to stay open, this also allows our team one more opportunity to ensure accuracy between both parties. In addition, we will request the final end-user information for billing and titling the chassis. Doing so will allow for a smooth process at the time of delivery.</p> <p>To maintain accountability and transparency, the member will receive a weekly update from Olathe Fleet regarding their order. This update will display the purchase order, factory order number, body type, engine type, color, wheelbase and most importantly the production date of when the unit is scheduled for production. Once the unit has been produced, we will be able to provide an estimated time of arrival and track the shipping status until it has been delivered to its final destination. We also include in the weekly updated production timing with order bank open and closing dates along with current scheduling and last day to order. This ensures both the customers and us are on the same page from start to finish.</p> <p>Utilizing our CRM within SalesForce and communication with our Fleet Management team, we can rely on the internal communication within our team stays up to date.</p> <p>We understand that the ordering process can get overwhelming and, together with Sourcewell, our intention will be to make the process efficient and hassle-free for the customer. The importance of customer service is prioritized in our program. Response time commitments are crucial for maintaining customer satisfaction and continual growth. Immediate responses are the norm. We make a point to acknowledge every incoming inquiry with either a response or acknowledgment that a response is in process and additional information is needed.</p> <p>We commit to responding to inquiries immediately and will set clear expectations for response times. A successful fleet vehicle ordering, and management customer service program requires a combination of efficient processes, clear communication channels, sales and service performance incentives, and technology integration to meet and exceed customer expectations while driving continuous improvement in service quality. Our account management staff is incentivized based on our goals, deliveries and service provided to our customers.</p>
-----------	--	---

<p>32</p>	<p>Demonstrate in detail your ability to sell, deliver, and support vehicles sold on a master agreement throughout the contiguous United States; as well as sell, deliver, and support vehicles sold on contract in Alaska, Hawaii, US Territories, and Canada.</p>	<p>Olathe Fleet has the proven capacity and infrastructure to sell, deliver, and support vehicles under a master agreement across the contiguous United States, as well as in Alaska, Hawaii, U.S. Territories, and some in Canada. As the largest government vehicle dealer in the United States, Olathe manages thousands of vehicle transactions annually for public sector agencies at all levels. Our national reach, experienced logistics team, and strong manufacturer partnerships ensure seamless vehicle fulfillment and post-sale support regardless of customer location.</p> <p>Sales Capabilities Olathe's government sales team is highly experienced in managing large-scale fleet procurement and contract compliance across jurisdictions. We are fully equipped to work under a single master agreement while meeting the unique administrative, regulatory, and logistical requirements of each state, territory, or province. Our team is trained on the nuances of cooperative purchasing contracts and is adept at handling high-volume quoting, order customization, and specification assistance. Our team is fully trained on Sourcewell contract compliance and reporting.</p> <p>Our national reach is made possible through strong OEM partnerships with Ford, RAM, Chevrolet, GMC, Dodge, Chrysler, Hyundai, Jeep, Mercedes-Benz, Toyota, and others, allowing us to offer a full range of vehicles—autos through light-duty trucks—under compliant contract terms to government buyers anywhere in North America.</p> <p>Delivery Capabilities Olathe has extensive experience coordinating nationwide and international vehicle deliveries, including to remote and logistically complex locations such as Alaska, Hawaii, U.S. Territories (e.g., Puerto Rico, Guam), and Canada. We partner with reliable freight and logistics providers who specialize in government fleet deliveries, enabling us to provide:</p> <ul style="list-style-type: none"> Port-to-port and door-to-door vehicle delivery Coordination with third-party upfitters near delivery locations Real-time tracking and communication throughout the transport process Accurate documentation for cross-border and international shipments <p>Our delivery strategy is designed to minimize downtime, ensure chassis do not sit idle, and align with each customer's operational schedule.</p> <p>Support Capabilities Post-sale support is a critical component of our service offering. Olathe provides full lifecycle support for vehicles sold under the contract, including:</p> <ul style="list-style-type: none"> Coordination of upfitting and custom builds through our vendor network Assistance with warranty registration and service Title and registration services as required by jurisdiction Customer service and technical support provided by a dedicated team Coordination with OEM service networks for local maintenance and repairs <p>For deliveries outside the contiguous U.S., including Alaska, Hawaii, U.S. Territories, and Canada, Olathe ensures full support through a combination of OEM-authorized service centers and trusted third-party vendors, maintaining compliance with OEM policies, warranty terms and customer expectations.</p>
-----------	---	--

33	Describe your ability and willingness to provide your products and services to Sourcewell participating entities.	<p>Olathe Fleet is fully committed to providing vehicles and related services to all Sourcewell participating entities, regardless of size, location, or purchasing needs. As the largest government vehicle dealer in the United States, Olathe has both the operational capacity and the organizational commitment to serve Sourcewell members nationwide with excellence, efficiency, and compliance.</p> <p>Today, Olathe supplies over 30,000 chassis annually across the United States, serving dozens of industries and thousands of public sector customers, including municipalities, counties, state agencies, utilities, educational institutions, and non-profits. This extensive experience uniquely positions us to meet the diverse requirements of Sourcewell members.</p> <p>Nationwide Reach, Inventory Capacity and Scalability Olathe's infrastructure is built to scale. We are equipped to handle everything from single-unit orders for small municipalities to multi-hundred-vehicle fleet purchases for large state or regional agencies. Our reach spans all 50 states and includes the capability to deliver and support vehicles in Alaska, Hawaii, U.S. Territories, and Canada. Importantly, Olathe maintains the ability to floor thousands of vehicles at any given time, enabling us to meet urgent needs, support rapid deployment schedules, and ensure vehicle availability even during times of high demand or supply chain disruption. This also means that our customer's orders are not delayed due to financial constraints.</p> <p>Dedicated Contract Support We maintain a team of specialists trained in cooperative purchasing and contract compliance, including the specific requirements of Sourcewell. All orders placed under the Sourcewell contract are handled in accordance with contract terms, including:</p> <p>Accurate pricing Electronic order processing and tracking Inclusion of Sourcewell-specific identifiers for contract compliance Coordination of vehicle upfitting through approved vendors or member-preferred upfitters</p> <p>Commitment to Service Olathe is not only capable but fully committed to servicing Sourcewell members at every level. Our model is centered on offering turnkey solutions that include vehicle procurement, delivery coordination, customization, and post-sale support. Regardless of an agency's location or fleet size, we ensure every Sourcewell member receives prompt, knowledgeable, and responsive service.</p> <p>Olathe's track record, scale, and deep experience in public sector fleet operations make us an ideal supplier for Sourcewell participating entities. We are fully aligned with Sourcewell's mission of simplifying procurement and delivering the highest value to its members—and we are prepared to support every member's unique needs with the highest level of professionalism and care.</p> <p>Please see attached Executive Summary document under additional document uploads for more details.</p>
34	Describe your ability and willingness to provide your products and services to Sourcewell participating entities in Canada.	<p>Olathe services many large customers in Canada in the Ambulance/Fire, School Bus, Shuttle Bus, Mobility Vehicles and Recreational Vehicles Markets. We are willing to serve Canadian customers within the parameters set by the OEMs.</p>
35	Identify any geographic areas of the United States or Canada that you will NOT be fully serving through the proposed agreement.	<p>We have customers spanning coast to coast in both the US and Canada so we don't see any area's that we won't be able to offer at this time. We have the largest network in the US and are confident regardless of the geographical area we'll be able to help meet your member's needs. Having said that, each OEM geographical coverage is slightly different so we encourage members to reach out to our team and discuss their specific geographic location and usage so we can help them make the best OEM decision.</p>
36	Define any specific requirements or restrictions that would apply to our participating entities in Hawaii and Alaska and in US Territories.	<p>There are no specific restrictions or requirements for these areas. The only caveat is that deliveries may take an extended amount of time depending on location due to port transfer complexities and ship availability. Occasionally, the OEMs have a fee to ship directly to Hawaii, but that would already be included in the OEM destination & delivery charges. We will remind customers in these areas that shipments may take extra time depending on current logistics/freight market conditions.</p>

37	Describe in detail your history and experience selling vehicles to state and local government agencies, public and private K-12 and higher education, and non-profits.	<p>Olathe Fleet has a well-established track record of serving public sector and non-profit organizations across the U.S. As the nation's largest government vehicle dealer, we've spent over 50 years addressing the unique needs of state and local governments, educational institutions, and non-profits with compliant, cost-effective, and scalable vehicle solutions. Serving this market is not something we do, it is WHAT we do.</p> <p>**State and Local Government** Olathe has provided vehicles to thousands of government agencies in all 50 states, supporting departments like transportation, public works, law enforcement, fire and rescue, parks, utilities, and municipal operations. We are well-versed in government procurement processes, budget cycles, and the importance of transparency and compliance. We are also very familiar with the ways to market to these customers and the uniqueness that comes with connecting with fleet managers and sometimes being the educator.</p> <p>Our strong partnerships with major OEMs—including Ford, Chevrolet, RAM, GMC, Dodge, Toyota, and Jeep—allow us to supply contract-compliant vehicles tailored to specific agency requirements. We also collaborate with upfit vendors to deliver fully equipped vehicles with toolboxes, lighting, emergency equipment, or technology packages, ready for immediate use.</p> <p>**K-12 and Higher Education** Olathe supports K-12 school districts, colleges, and universities nationwide, supplying maintenance trucks, administrative sedans, campus security vehicles, and transportation vans. We understand the budgetary and operational challenges faced by educational institutions and offer tailored solutions.</p> <p>Our dedicated account managers guide schools through how to use Sourcewell to ensure compliance and maximize value. We spend a lot of time doing educational seminars, educational marketing and exhibiting at trade shows to explain how cooperative procurement works. We also streamline vehicle registration, delivery, and warranty support to reduce administrative burdens for district and campus staff.</p> <p>**Non-Profit Organizations** Olathe serves a wide range of non-profits and 501(c)(3) organizations, including healthcare providers, social service agencies, community programs, and faith-based groups. Recognizing their funding constraints, we provide functional, cost-effective vehicle solutions tailored to their mission and operational needs.</p> <p>Our team offers flexible delivery, customization, and expertise in leveraging Sourcewell to simplify procurement and enhance value for non-profits.</p> <p>Serving thousands of government agencies, educational institutions, and non-profits, Olathe delivers unmatched expertise, scale, and dedication to the public sector. Our commitment to reliability, compliance, and customer-focused service has earned us trust across all regions and sectors. We continue to provide turnkey vehicle solutions designed to meet the specific needs of these organizations.</p>	*
38	Will Proposer extend terms of any awarded master agreement to nonprofit entities?	Absolutely! Sometimes, there are restrictions regarding discounts available to non-profits vs. government entities, however, we will offer the largest discount available for the non-profit in compliance with manufacturer guidelines.	*

Table 4: Marketing Plan (100 Points)

Line Item	Question	Response *
-----------	----------	------------

<p>39</p>	<p>Describe your marketing strategy for promoting this opportunity. Upload representative samples of your marketing materials (if applicable) in the document upload section of your response.</p>	<p>At its core, this contract opportunity is designed to assist government agencies in meeting their fleet vehicle needs. This requires a comprehensive marketing strategy tailored to reach key decision-makers within the public sector.</p> <p>First, we will continue to learn and understand our audience. We will identify the specific government agencies that will benefit from this program such as law enforcement agencies, public utilities, municipal governments, and more. Once we have an audience targeted, we will market to their specific fleet requirements, budget constraints, and procurement processes. Currently, we use social media channels such as LinkedIn, YouTube, Instagram and Facebook, because that is where we know our audience spends their time keeping up with the industry and communicating with others in the industry.</p> <p>While maintaining our current strategy, we will conquest new customers by way of monthly tradeshow, word-of-mouth - shared testimonials and reference letters, customer tailored presentations, direct customer visits and social media. If we were to get this contract, we will clearly articulate the benefits of the program to our customers. This would include cost savings, access to specialized vehicles, and streamlined procurement processes. Part of this process will include creating educational content that we will present to all of our current and prospective customers. In order for this to be successful, we understand the importance of communication and transparency. Compliance with regulatory requirements will instill confidence in the program and help build long-term relationships with our clients. By providing our customers with all of the relevant, clear, and precise information, they will be able to see how beneficial this program is to their businesses. Once we have the educational content created, we will share these with the decision-makers using direct mail, email campaigns, social media, and, ideally, in-person meetings – tailoring the information to fit the needs of each entity.</p> <p>We already have a strong foundation of partnerships and alliances; however, we will continue to collaborate with industry associations, government agencies, and other stakeholders to build credibility and expand our reach. All these efforts will be led with the universal goal of getting clients to our website, which attracts more than 25,000 new visitors each month. Our website is where we will have a wealth of knowledge, an FAQ page, and the finer details of the program. We at Olathe understand the power of the Advertising Dollar and will continue to fund efforts to reach new clientele.</p> <p>We also utilize data platforms that we are able to research agency spend, contacts and information, locate fleet managers and identify purchasing cycles. Our team uses this platform to research council meetings and upcoming spend, so we can reach out to agencies directly and offer the ability to make their purchase through Sourcwell. This has proven to be an extremely successful method of educating customers and obtaining new business.</p> <p>We also plan to integrate a municipal blog and utilize Sourcwell's marketing tools for podcasts and video blogs to promote our agreement. We are extremely excited to utilize these tools going forward.</p> <p>Please see attached sample marketing materials and plan, as well as References from current Sourcwell Customers in the additional uploads.</p>
-----------	--	--

<p>40</p>	<p>Describe your use of technology and digital data (e.g., social media, metadata usage) to enhance marketing effectiveness.</p>	<p>By integrating technology and digital data utilization into the marketing strategy, organizations can gain valuable insights, optimize campaign performance, and effectively engage with public sector agencies to promote the contract with Sourcewell. We currently find that our audience is most receptive in the world of LinkedIn and YouTube. However, we will continue to monitor all social media platforms to understand conversations and trends related to fleet management and government procurement. This can provide valuable insight into the pain points and preferences of target agencies which, in turn, will help us tailor messaging and outreach efforts accordingly.</p> <p>Additionally, we use targeted online advertising. We have used platforms like Google Ads and social media advertising plans to target decision-makers within government agencies. By segmenting the audience based on job titles, organizational roles, and interests relevant to fleet management and purchasing, we are able to precisely target our audience at higher conversion rates.</p> <p>As we know, Electric Vehicles is a current hot topic. Knowing that our clientele is staying in the know about the EV products, we are putting our name in front of them each time they use a search engine.</p> <p>This leads to associating Olathe with their fleet and chassis needs. Once we have these digital campaigns rolled out, we use data and metadata analytics to measure the performance of the content marketing efforts. We currently and will continue to analyze metrics like engagement rates, click-through rates, and conversion to identify high-performing content and optimize future campaigns. Leveraging our metadata analysis tools to extract valuable insights helps us identify patterns, trends, and key themes related to our services.</p> <p>Email marketing plays an important role in the advertising efforts. We have implemented email marketing automation platforms to streamline outreach campaigns and to nurture leads. Together with the knowledge we gain of our prospective customers, we will put together curated, personalized emails that lean into the different sectors we serve.</p> <p>Finally, we utilize a platform that allows us to connect with the most current purchasing agents and fleet managers across the US directly through e-mail and via phone. We are able to pinpoint their typical methods of purchasing, whether through bid, coop or state contract and reach out about our services with historical knowledge allowing us to better meet their needs and identify potential pain points before even reaching out.</p>
<p>41</p>	<p>In your view, what is Sourcewell's role in promoting agreements arising out of this RFP? How will you integrate a Sourcewell-awarded agreement into your sales process?</p>	<p>The recognizable Sourcewell brand holds a lot of weight and trust in the industry. Having the Sourcewell name in our arsenal of tools will help in our efforts to prove our honesty, loyalty, and legitimacy to our prospective and current customers. Collaborating with a trusted brand serves as a form of validation and endorsement for our business. In the government sector of this industry, Sourcewell is synonymous with the elimination of the need to bid. Creating an avenue of ease and convenience for our customers holds an exponential amount of value. It is well-known that Sourcewell's documentation review is in-depth and detailed further proving that their acceptance goes a long way. Sourcewell has done such a great job making the process of procuring vehicles efficient, flexible, and user-friendly. Sourcewell's role in promoting contracts would be to continue to meet the standards they have set throughout the years and throughout the industry.</p> <p>Sourcewell provides regular training for those selling through a Sourcewell contract and we know that is very helpful. Everyone at Sourcewell has been very easy to get in contact with regarding our other contracts and they are doing everything they can to be supportive.</p> <p>We would love if Sourcewell would be able to provide specific marketing materials to give to customers with the Sourcewell name on it. The more than name is seen, the easier it is for dealers to sell on the contract. However, Sourcewell has done a tremendous job getting the name out here and we are excited for this opportunity for light duty vehicles.</p> <p>The Sourcewell logo currently goes on all of our government marketing materials, as well as on the tops of all quotes, website and our e-mail signatures. We are excited to hopefully be able to add the light duty logo, next to our medium duty contract logo.</p>

42	<p>Are your Solutions available through an e-procurement ordering process? If so, describe your e-procurement system and how governmental and educational customers have used it.</p>	<p>As of today, we do not have a formal e-procurement ordering system. If awarded this Sourcwell contract, our plan is to continue our development of our extensive online platform for all 11 of our OEMs, EV upfitters, commercial truck builders, police upfitters and other key partners to be available for our customers every minute of every day of every year.</p> <p>From quote to requisition to payment, we want to streamline the procurement process through Sourcwell.</p> <p>The vision we have for our e-procurement system is to have a secure, password-protected portal for each user, ensuring that only authorized personnel can access the platform. From there, the user would be served a catalog of approved products and services available for purchase. Ideally, authorized users will be able to create purchase requisitions within the portal, specifying details like quantity, specifications, and budgets. Once a customer has input their custom build, they will then have the option to process the order transaction by submitting a purchase order. This would give the customer the autonomy of building and specifying on their own time, however it also allows a communication line to be open at all times between the member and our team should there be any issues or questions. The goal we have in mind for our future e-procurement system is to provide transparency and compliance, enhance vendor relationships, and achieve cost savings. By leveraging this technology, these customers can achieve greater efficiency and effectiveness.</p> <p>Currently, the customers can visit our website olathefleet.com to get more information about us and how to get in contact with us or reach out directly. We have account managers available 7 days a week from 8am - 6pm. Additionally, customers can get on any OEM website, build the vehicle they are looking for and send it to us to quote. This is very common and works great for customers! At Olathe, we believe that it is important, regardless of having an e-procurement system, to speak directly with the customer about their needs. The fleet industry has many nuances, so it is important that we verify that what they would like is feasible and that the configuration and the upfit will ultimately work. While e-procurement is coming, due to the ever changing industry, most orders require at least a quick conversation. For now, calls and e-mails work great and we have exceptional turnaround time.</p>
----	---	---

Table 5A: Value-Added Attributes (100 Points, applies to Table 5A and 5B)

Line Item	Question	Response *
43	<p>Describe any product, equipment, maintenance, or operator training programs that you offer to Sourcwell participating entities. Include details, such as whether training is standard or optional, who provides training, and any costs that apply.</p>	<p>Olathe through its partnerships with Ford, Chevrolet, GMC, Dodge and Mercedes will extend all training and service related programs. These OEM's offer a variety of training both online and in person. Any programs which have a cost, Olathe will be transparent and pass those cost through with no additional charge to your members.</p> <p>Olathe also is willing to provide training to members via online meeting or in some instances, in person for specific needs. Training is optional, but always available.</p> <p>For very involved upfitting, we will coordinate with the upfitter to send a video training or do a conference call with the customer at delivery if they are not local.</p>
44	<p>Describe any technological advances that your proposed Solutions offer.</p>	<p>Each of our OEM partners are making significant improvements in technology in all of these models. By partnering with Olathe your members are going to continue to have the most up to date technology in their chassis purchases. Some of the most significant improvements are around safety, such as the 360 degree camera systems, upfit integration systems or fleet telematics allowing members to better manage their fleets' service needs, preventative maintenance and overall cost of ownership. The OEM websites also provide more information today than they ever have. These are a great reference tool!</p> <p>Software Solution addition to vehicle purchases: Olathe Fleet Solutions has been offering Fleet Management Software and Telematics since the major inception of these technologies. We believe that offering these solutions to fleets at the time of vehicle sale helps them to prolong their fleets, develop replacement cycles and helps to manage drivers to increase safety and adherence to what fleets value in their drivers. By integrating technological solutions, we bring additional value to our fleet customers.</p> <p>We believe that providing the highest level of customer service is imperative, which is why we complete all onboarding, integration and assist with setting drivers up with their new technology. Most companies out there leave you on your own to setup your software and we believe that for a customer to get the most out of the technology they are investing in, that we must provide training and integration, along with regular check-ins to ensure the customer is happy and the technology is working for them while their fleet evolves over time. We ensure that when needs change, we evolve with the end-user. Fleet Techology goes hand in hand with all of the other services and products we provide at Olathe Fleet Solutions.</p> <p>In the EV space, we also offer solutions for hybrid vehicle conversions (for models that do not yet have OEM solutions in the hybrid model), as well as EV conversions.</p>

45	Describe any service contract options or extended warranties being offered with your proposal.	<p>Olathe offers all OEM extended warranties and maintenance plans on Sourcewell at Fleet pricing established by the OEMs. We also have another program called Brightline that is part of a cross-brand extended warranty program that can be great for multibrand fleets. Pricing varies by model, but will be offered from 5-20% off MSRP to Sourcewell customers. These are offered based on mileage and timeframe and include extended warranty and maintenance options ranging from basic plans to comprehensive plans.</p> <p>Many of our upfit partners offer extended warranty options as well. These would be available based on specific upfit and manufacturer.</p> <p>See attached information flyers that break down options in detail.</p>
46	Describe in detail warranties offered and how they will be administered, including if they cover all products, parts, labor, technician travel, and geographic regions covered.	<p>Each of our manufacturers provides warranties, and for your convenience, we have attached all OEM warranties for reference. Additionally, our add-on partners offer warranties specific to their modifications, tailored to each specification, request, and usage scenario. We work closely with each member to ensure they receive the most suitable warranties available in the market to meet their unique needs.</p> <p>It is important to note that many manufacturers have specific usage restrictions that may impact warranty coverage. Olathe serves as a knowledgeable resource to assist members in understanding and navigating these restrictions before the chassis is put into service.</p> <p>In many cases, warranty coverage includes expenses related to technician labor, travel time, mileage, and towing. We recommend that members take their vehicles to the nearest authorized dealership or service center for warranty support.</p> <p>We are proud to have the largest service network in the United States and Canada and are confident in our ability to meet the needs of members regardless of their geographic location. Since OEM geographic coverage varies, we encourage members to contact our team to discuss their specific location and usage requirements to help make the best OEM selection.</p> <p>Warranty policies vary across our OEM partners and body modifiers. When warranty claims arise, we coordinate directly with the OEM or body modifier. If claims are approved, Olathe often assists with repairs and resolution to ensure a smooth process for our members.</p>
47	Describe any "green" initiatives that relate to your company or to your Solutions, and include a list of the certifying agency for each.	<p>Olathe stays on the forefront of Green initiatives with all of our OEM partners. Today, we are offering fully electric products such as F150 Lighting, Mach E, E-Transit, and a fully electric E-series through our partner Optimal EV. We have EV Chevrolet Silverado, Blazers, and Equinox's as well. Though Mercedes we have the E-Sprinter and later this year we will have an EV Dodge Promaster. Hyundai offers to IONIQ line. There are even more EV's currently in the design process that Olathe will bring to market with our OEM partners through the term of this engagement.</p> <p>Olathe is able to offer hybrid conversions for F-250/F-350 models through our partners, as well as CNG conversions and propane conversions. Through the same Partner, Greentech, we are able to offer refurbished EV batteries and EV battery recycling. Our Partner, SP is able to offer financing and leasing solutions specifically for EV and hybrid forward agencies giving the ability to expand and manage their fleets with efficiency.</p> <p>Through the use of our telematics solutions, customers can get feedback about their driving, battery usage, charging state and cost of ownership - the whole purpose of EVs is to be green and the more information we have, the better we can leverage Green Initiatives.</p> <p>In terms of the OEM's - they are very involved with Green initiatives - Vehicle OEM manufacturers are increasingly committed to reducing environmental impact through a range of sustainability-focused initiatives integrated into their products, operations, and partnerships. These efforts are often verified by third-party certifying agencies to ensure transparency and accountability.</p> <p>1. Electric Vehicle (EV) Development and Transition OEMs are making substantial investments in the development and production of Battery Electric Vehicles (BEVs) and Plug-in Hybrid Electric Vehicles (PHEVs) to reduce reliance on fossil fuels and lower greenhouse gas emissions.</p> <p>Key Focus Areas: Advancements in battery technology, energy storage systems, and collaboration with utility providers to expand EV charging infrastructure and manage grid demand.</p> <p>Certifying Agencies: EPA SmartWay – for high fuel-efficiency, low-emission vehicles. California Air Resources Board (CARB) – for compliance with ZEV (Zero-Emission Vehicle) mandates. SAE International – for EV performance and safety standards.</p> <p>2. Sustainable Materials and Circular Economy Practices OEMs are transitioning toward more sustainable materials such as recycled plastics, bio-</p>

based polymers, and natural fibers in vehicle components and interiors.

Examples: Use of recycled plastic bottles for underbody shields or interior components.

Closed-loop recycling systems are being implemented to reduce dependence on virgin materials and minimize waste.

Certifying Agencies:

Global Recycled Standard (GRS) – for products containing verified recycled content.

UL Environment – for third-party validation of sustainable product claims.

ISO 14001 – for certified environmental management systems.

3. Sustainable Manufacturing Processes

Many OEMs are developing "green factories" powered by renewable energy sources such as wind, solar, and hydroelectric power to reduce carbon emissions from manufacturing operations.

Lean manufacturing practices are used to optimize resource efficiency and reduce waste.

Advanced technologies such as 3D printing help lower material usage and enable the use of more sustainable inputs.

Certifying Agencies:

LEED (Leadership in Energy and Environmental Design) – for green building certification.

ISO 50001 – for energy management systems.

RE100 (The Climate Group) – for companies committed to 100% renewable electricity.

4. Carbon Neutrality and Lifecycle Emissions Reduction

OEMs are working toward climate neutrality by reducing carbon emissions throughout the entire vehicle lifecycle—from material sourcing and manufacturing to use-phase and end-of-life processes.

Lifecycle assessments (LCAs) are used to identify emissions hotspots and guide reductions across the value chain.

Certifying Agencies:

Science Based Targets initiative (SBTi) – for validating emissions reduction targets aligned with climate science.

Carbon Disclosure Project (CDP) – for environmental impact reporting.

PAS 2060 – for certifying carbon neutrality claims.

5. Reducing Local Pollution and Non-Exhaust Emissions

To address local air quality concerns, OEMs are targeting both exhaust and non-exhaust emissions.

Technologies such as diesel particulate filters and selective catalytic reduction systems help reduce emissions from internal combustion engine (ICE) vehicles.

Efforts are also underway to reduce particulate matter and microplastics from tire and brake wear through new materials and design improvements.

Certifying Agencies:

CARB – for emissions compliance and vehicle standards.

EURO Emission Standards – for tailpipe emissions in European markets.

6. Partnerships and Industry Collaboration

OEMs are forming strategic partnerships with recyclers, suppliers, and sustainability initiatives to support circular economy practices and reduce emissions across the supply chain.

Collaborations with recycling partners enable recovery of critical materials (e.g., lithium, cobalt, plastics) from end-of-life vehicles.

Suppliers are increasingly required to meet environmental performance criteria and disclose emissions data.

Certifying Agencies:

Responsible Business Alliance (RBA) – for ethical and sustainable supply chain practices.

EcoVadis – for supplier sustainability ratings and transparency.

These initiatives illustrate how vehicle OEM manufacturers are taking a comprehensive, lifecycle-based approach to sustainability. From sourcing and production to vehicle use and disposal, OEMs are aligning their strategies with global environmental standards and verified by leading certifying agencies to ensure meaningful progress toward a more sustainable future.

<p>48</p>	<p>Identify any third-party issued eco-labels, ratings or certifications that your company has received for the Solutions included in your Proposal related to energy efficiency or conservation, life-cycle design (cradle-to-cradle), or other green/sustainability factors.</p>	<p>Through our many OEM Partners and Optimal EV Sourcewell members can take full advantage of vehicles with the highest levels of ratings and certifications such as CARB. (California Air Resource Board) In addition, many of our Partners are continuing to work on new products, offerings and processes to continuously improve energy conservation and efficiency. At the dealership level we continue to invest in many sustainability initiatives such as solar panels, recycling programs, and electric vehicle charging stations. Olathe consistency reviews and audits our carbon footprint and looks at any and all opportunities to continue to reduce it.</p> <p>We have several partners that are focused on financing EVs and infrastructure, as well as helping agencies to understand life-cycle and efficiency. We have partners that include Sustainability Partners, Evergy Electric and Greentec.</p> <p>Additionally, our proposed solutions incorporate vehicles and technologies from leading OEMs that have received a range of third-party environmental certifications, ratings, and recognitions. These credentials demonstrate compliance with internationally recognized standards for energy efficiency, emissions reduction, and sustainable manufacturing practices.</p> <p>Ford / Ford Pro ENERGY STAR Partner of the Year (U.S. EPA) – Recognized for energy-efficient operations. ISO 14001 Certified – Environmental management systems across multiple facilities. CDP A-List Recognition – Acknowledged for climate transparency and emissions reduction. SmartWay Certified Vehicles – F-150 Lightning, Transit, and select hybrid models. LEED Certified Buildings – Several manufacturing and operational sites.</p> <p>General Motors (GMC / Chevrolet) ENERGY STAR Partner of the Year – Sustained Excellence ISO 14001 Certified Facilities – Implementing environmental management systems. UL 2799 Zero Waste to Landfill Certification – Earned at several North American plants. SmartWay Certified Vehicles – Including Chevrolet Bolt, Silverado (select models), and GMC Sierra. LEED-Certified Facilities – Offices and plants designed with green building principles. CDP Climate Leadership Score</p> <p>Stellantis (Jeep / RAM / Dodge / Chrysler) ISO 14001 Certification – Environmental stewardship in manufacturing processes. SmartWay Certified Vehicles – Select Chrysler, Dodge, and Jeep models. Stellantis EcoDesign Program – Life-cycle assessment methodology applied in vehicle development. CDP Reporting Participant – Committed to transparent environmental disclosures.</p> <p>Hyundai Green NCAP Ratings – High scores for Ioniq, Kona EV, and other hybrids/EVs. ISO 50001 Certified Plants – Energy management systems in place. SmartWay Certified Vehicles – Ioniq Hybrid, Sonata Hybrid, and others. Carbon Trust Certification – Hyundai UK recognized for carbon footprint reduction.</p> <p>Mercedes-Benz ISO 14001 and ISO 50001 Certified Facilities – Comprehensive environmental and energy systems. Carbon-Neutral Manufacturing – All European car plants operating on 100% renewable energy. Green NCAP Ratings – EQS and EQE models score highly on efficiency and emissions. CDP A-List Member SmartWay Certified Models – Where applicable in North America.</p> <p>Toyota ENERGY STAR Partner of the Year – Recognized for energy performance in facilities. ISO 14001 Certified – All major production facilities. SmartWay Certified Vehicles – Prius, RAV4 Hybrid, Corolla Hybrid, and more. LEED-Certified Headquarters & Facilities Toyota Environmental Challenge 2050 – Strategic alignment with cradle-to-cradle principles. CDP A-List – For environmental leadership and transparency.</p>
-----------	--	---

<p>49</p>	<p>What unique attributes does your company, your products, or your services offer to Sourcewell participating entities? What makes your proposed solutions unique in your industry as it applies to Sourcewell participating entities?</p>	<p>Our team is like none other in the government fleet industry. We come with a full service of offerings across 11 OEM's. Our management team has over 150 years of service combined, supporting our fleet customers. We started with a 1 person operation and through hard work, experience and incredible customer service we've grown it into the largest municipal vehicle supplier in the US. Our partnership and connections give us a leg up when it comes to finding solutions for customers in unique situations.</p> <p>We provide a consult for every one of our clients as a courtesy to ensure that they are getting what they actually need. Many times customers call in and they are sure of what they need and it turns out that they are overspec'd or underspec'd, because that is the ""way they have always done it."" At Olathe, we get away from assuming that the customer knows exactly what they need and we ask more questions than most dealers. Most often, customers are surprised at the questions and extremely grateful we asked. Our experience is what sets us apart. We have seen it all and experienced the highs and lows in the industry. This gives us a very unique perspective when it comes to serving customers.</p> <p>We offer creative financing, municipal leasing, short-term leasing, lease buyouts/restructuring of negatively structure fleet management company leases and traditional leasing. We have more than 20 banks that we work with to provide financing options. There are many customers that are struggling to keep their fleets going due to budget constraints and administration changes and we have several solutions for them, as well as training on life cycle optimization and software.</p> <p>By offering 11 OEMs, all in one place, at a dealer that KNOWS fleet, we ARE different. We are not just some fleet store, we are a FLEET first store... that happens to have a retail store. About 80% of our sales are fleet sales, that is extremely unique. Most dealers focus on retail and commercial, but we eat, sleep and live FLEET.</p> <p>We are a true one-stop-shop - we offer everything from orders to upfitting to graphics to service and parts. Fleet management to financing and tax, title and licensing - We do it all and we do it well. We have systems that allows for tracking all of the information. Most dealers have one or two ""government people,"" and they call themselves and fleet department - we have numerous teams with over 150 people. Volume is our middle name.</p> <p>In 2021, Olathe Ford requested with Ford Motor Company to be recognized as a Minority Dealer. We were accepted and became a part of Ford's Minority Dealer Network on November 19, 2021. This is helpful for government agencies that have parameters set for purchasing from miniority owned businesses. Olathe has attached a copy of its letter confirmation from Ford Motor Company. (Minority Dealer Network Acceptance Letter)</p>
-----------	---	--

Table 5B: Value-Added Attributes

Line Item	Question	Certification	Offered	Comment
50	Select any Women or Minority Business Entity (WMBE), Small Business Entity (SBE), or veteran owned business certifications that your company or hub partners have obtained. Upload documentation and a listing of dealerships, HUB partners or resellers if available. Select all that apply.		<input checked="" type="radio"/> Yes <input type="radio"/> No	In 2021, Olathe Ford requested with Ford Motor Company to be recognized as a Minority Dealer. We were accepted and became a part of Ford's Minority Dealer Network on November 19, 2021. This is helpful for government agencies that have parameters set for purchasing from minority owned businesses.
51		Minority Business Enterprise (MBE)	<input checked="" type="radio"/> Yes <input type="radio"/> No	In 2021, Olathe Ford requested with Ford Motor Company to be recognized as a Minority Dealer. We were accepted and became a part of Ford's Minority Dealer Network on November 19, 2021. This is helpful for government agencies that have parameters set for purchasing from minority owned businesses.
52		Women Business Enterprise (WBE)	<input type="radio"/> Yes <input checked="" type="radio"/> No	NA
53		Disabled-Owned Business Enterprise (DOBE)	<input type="radio"/> Yes <input checked="" type="radio"/> No	NA
54		Veteran-Owned Business Enterprise (VBE)	<input type="radio"/> Yes <input checked="" type="radio"/> No	NA
55		Service-Disabled Veteran-Owned Business (SDVOB)	<input type="radio"/> Yes <input checked="" type="radio"/> No	NA
56		Small Business Enterprise (SBE)	<input type="radio"/> Yes <input checked="" type="radio"/> No	NA
57		Small Disadvantaged Business (SDB)	<input type="radio"/> Yes <input checked="" type="radio"/> No	NA
58		Women-Owned Small Business (WOSB)	<input type="radio"/> Yes <input checked="" type="radio"/> No	NA

Table 6A: Pricing (400 Points, applies to Table 6A and 6B)

Provide detailed pricing information in the questions that follow below.

Line Item	Question	Response *
59	Describe your payment terms and accepted payment methods.	Olathe's payment terms are Net 30 with acceptable payment methods being ACH, Wire, or a Check.
60	Describe any leasing or financing options available for use by educational or governmental entities.	Olathe has a broad offering of leasing and financing options. We have short-term and long-term financing options through Ford Motor Credit as well as additional 3rd party partners. We also offer a variety of leasing options, both in house leasing options as well as through 3rd party partners. We have full service lease options as well. We are confident Olathe can offer the best in market leasing solutions to your customers no matter their need or situation. We have partners including: Sustainability Partners, Bancorp, Ford Fin Simple, Bank of Kansas and numerous others that offer solutions specifically for government and educational entities.

61	Describe any standard transaction documents that you propose to use in connection with an awarded agreement (order forms, terms and conditions, service level agreements, etc.). Upload all template agreements or transaction documents which may be proposed to Participating Entities.	The main documents in the process would be the overall quote, member specific specs, buyers order, odometer statement, Manufacturer Statement of Origin, potentially titling paperwork (location dependent), return labels, service agreement documents, and purchase order/signed quote form. See attached sample forms.	*
62	Do you accept the P-card procurement and payment process? If so, is there any additional cost to Sourcwell participating entities for using this process?	Yes, we accept up to \$2,500 per vehicle, upfit or service. If a member would like to put more than \$2,500 on a P-Card we will accept that form of payment however a transaction fee will be added to the total cost. This fee will be a direct pass through to the member.	*
63	Describe your pricing model (e.g., line-item discounts or product-category discounts). Provide detailed pricing data (including standard or list pricing and the Sourcwell discounted price) on all of the items that you want Sourcwell to consider as part of your RFP response. If applicable, provide a SKU for each item in your proposal. Upload your pricing materials (if applicable) in the document upload section of your response.	Olathe is offering discounts off of MSRP for all 12 of our OEM partners and for any model within those OEMs that meet the specifications of this contract. This applies to any future products that OEMs could bring to market during the term of this agreement. Additionally, Olathe is allowing all upfits to be added to any vehicle through either Olathe's partners or through the member's partner of choice. All current MSRP price lists that are available to dealers are included in the zip file, as well as discount pricing structure. All pricing can also be referenced on OEM websites listed in the website section.	*
64	Quantify the pricing discount represented by the pricing proposal in this response. For example, if the pricing in your response represents a percentage discount from MSRP or list, state the percentage or percentage range.	Olathe's pricing discount range by OEM Manufacturer. Ford Motor Company/Lincoln – from 3.47% - 20.67% Stellantis – from 4.96% - 15.55% Hyundai - from 3.15% - 18.56% Toyota - -1%-9.24% Nissan – from -1% - 9.9% General Motors (Chevrolet / GMC) – 5.25% - 16.87% Mercedes – from 4.44% - 12.38% Other pricing details are outlined in our pricing attachment and MSRP for all currently available models for ordering are attached.	*
65	Describe any quantity or volume discounts or rebate programs that you offer.	We encourage any member ordering 25 vehicles or more at a time to reach out to Olathe directly so we can review additional discounts and supply the member with an exact quote. Some of the OEMs offer the dealer greater discounts for quantities of 25 or more, so it is in the favor of the customer to reach out to a dealer that is familiar with handling those unique requests. Those additional discounts can range from 3-15% in our experience.	*
66	Propose a method of facilitating "sourced" products or related services, which may be referred to as "open market" items or "non-contracted items". For example, you may supply such items "at cost" or "at cost plus a percentage," or you may supply a quote for each such request.	Any open market items that need to be sourced will be source with a mark-up at or below 10% depending on the item and current open market conditions.	*
67	Identify any element of the total cost of acquisition that is NOT included in the pricing submitted with your response. This includes all additional charges associated with a purchase that are not directly identified as freight or shipping charges. For example, list costs for items like pre-delivery inspection, installation, set up, mandatory training, or initial inspection. Identify any parties that impose such costs and their relationship to the Proposer.	Olathe is well versed and experienced in this industry segment, therefore we've considered all cost and taken all cost into account with our proposal. If a member has a unique or unforeseen request for their particular situation Olathe will work to offer them the very best solution at the lowest market price. In the event a member has a vehicle upfitted and therefore needs special consideration, those costs would be included in the cost of the upfit at the time the request is made and Olathe will provide that to the member in the quoting process. The only fee that varies, but is a frequent additional cost that we see is a Courtesy Delivery Fee - those range generally from \$300-\$900 depending on the dealership. Olathe will consider if Courtesy Delivery is the best avenue for delivery at the time of quote. The customer will always be provided with the best possible cost option.	*

68	If freight, delivery, or shipping is an additional cost to the Sourcewell participating entity, describe in detail the complete freight, shipping, and delivery program.	<p>All OEM manufactures charges a "delivery and destination fee" these charges are displayed on every window sticker regardless of the model. This does not include vehicles that are being moved to an upfitter and/or then delivered to the end member. At the time of quoting Olathe will outline and include all additional delivery charges for those instances. Most often the delivery cost is based on the number of miles from point A to point B, but will consider quantity for discounts. Pricing for deliveries is based on current market rates that fluctuate daily based on "lane" volume, availability of drivers and fuel pricing.</p> <p>We will do everything we can to utilize methods that result in the greatest logistics cost savings like ship-thru and courtesy deliveries.</p>	*
69	Specifically describe freight, shipping, and delivery terms or programs available for Alaska, Hawaii, Canada, or any offshore delivery.	<p>These area's or regions carry some of the most difficult and time consuming freight movements. In many cases there are numerous additional cost such as port entry, agent fees, driver cost, ferries, and other logistical specialties. In any of these instances Olathe will work to provide the lowest cost to your members based on their specific needs as well as provide all of those cost upfront during the quote process.</p> <p>Freight is generally handled the same way through our logistics partners regardless of location. These locations generally take extra shipping time, so we ask for patience, but we can give a general estimate of the arrival date. Arrivals and shipping time vary based on port to port time and market conditions. In general, most of these locations require various transport methods (truck, train, ship, driven, etc...) for one transaction, all of which Olathe will assist to coordinate. Most of the time for Hawaii and Alaska, we can order and have the vehicle shipped directly to a dropship location in those states, so the OEM would coordinate shipping in that instance. We typically have general visibility based on location in our OEM shipping systems, but that is not 100% always the case. We will provide whatever information we have with regular updates to the customer.</p> <p>In terms of Canada and some shipping to Alaska, dependent on location, we may have border crossing fees, import or export fees and those would be passed through to the customer at cost within the OEM parameters set for dealers.</p> <p>In very rare instances, outside the normal process, if the customer has an extended transport time to a very remote location, and they do not plan to pay for the vehicle until the vehicle is delivered - any vehicle that takes over 75 days to deliver after factory production would be subject to floorplan cost for the number of days beyond 75 days. This is a very rare occurrence, but it has happened. We would discuss this with the customer at the time of quote.</p>	*
70	Describe any unique distribution and/or delivery methods or options offered in your proposal.	<p>Due to Olathe's size and scope we have key partnerships with many freight and automotive carriers which we constantly review in order to ensure we are receiving at or below market rates which we will pass along to your members.</p> <p>In addition, some of our partners including but not limited to AFI have a OEM ship-thru which allows Olathe to upfit certain vehicles and then put them back into the OEMs transportation platform and have them delivered to the member at minimal additional cost.</p> <p>We also utilize a platform for logistics scheduling that gives members direct access to see when their vehicle is picked up, where it is in transit and when it will be delivered. This ensures that customers are informed the whole way.</p>	*

71	Specifically describe any self-audit process or program that you plan to employ to verify compliance with your proposed agreement with Sourcewell. This process includes ensuring that Sourcewell participating entities obtain the proper pricing.	<p>Currently we have numerous internal audit processes to ensure we are compliant with all of our customers across our 12 OEMs, multiple industries and 35,000 plus chassis. In addition, our vision for the Sourcewell contract would be expand on our current processes while implementing a customer inquiry, chassis building, quoting, and ordering tool via portal or online tool. We believe that this transparency will help drive adoption of the contract while also creating a great customer experience for your members. Once all of this data is collected then mining it for trends, successes and failure will ensure we continue to improve the service to your members.</p> <p>We track all vehicle orders and cooperative fees in a database that allows us to verify that all cooperative fees are paid in a timely manner and sales are reported correctly. We have dedicated team members that specifically oversee this process.</p> <p>By keeping sales internal at Olathe Fleet, we are able to ensure that all new employees are trained on Sourcewell compliance and all necessary processes are followed.</p>	*
72	If you are awarded an agreement, provide a few examples of internal metrics that will be tracked to measure whether you are having success with the agreement.	<p>Several internal metrics can be tracked and recorded to ensure our efforts with Sourcewell are proving to be successful. First, we'll track the overall volume of calls, emails, and general inquiries to ensure we are gaining notoriety for our new award. From there, we'll begin to measure the number of quotes and opportunities that Olathe provides and the corresponding conversion of those quotes into OEM orders. In addition, we will track the overall order processing time. Measuring the time it takes from receiving a vehicle acquisition request to processing the order and confirming it in the system will ensure we are using our time and our clients' time efficiently. On top of that, we will tracking the accuracy of our inventory data on a regular basis to confirm that the system reflects actual availability and status of vehicles, minimizing errors in procurement and allocation. Fulfillment rate will be monitored to verify that our system effectively matches demand with available inventory and processes are streamlined. Most importantly, we will actively engage with and track user satisfaction with the program and our services.</p>	*
73	Provide a proposed Administration Fee payable to Sourcewell. The Fee is in consideration for the support and services provided by Sourcewell. The propose an Administrative Fee will be payable to Sourcewell on all completed transactions to Participating Entities utilizing this Agreement. The Administrative Fee will be calculated as a stated percentage, or flat fee as may be applicable, of all completed transactions utilizing this Master Agreement within the preceding Reporting Period defined in the agreement.	<p>We believe in a simple and transparent administrate fee that allows the contract to grow in volume and member adoption. Olathe agrees to pay Sourcewell \$500 per unit. This includes all brands and all models that fall under this contract terms.</p>	*

Table 6B: Pricing Offered

Line Item	The Pricing Offered in this Proposal is: *	Comments
74	The pricing offered is as good as or better than pricing typically offered through existing cooperative contracts, state contracts, or agencies.	<p>All of the pricing and discounts provided are higher than other cooperative agreements that Olathe is awarded. We would like to encourage our customers to utilize Sourcewell as often as possible.</p>

Table 7A: Depth and Breadth of Offered Equipment Products and Services (200 Points, applies to Table 7A, 7B, and 7C or 7D)

Sourcewell is seeking proposals for Automobiles, SUVs, Vans, and Light Trucks with Related Equipment and Accessories. Awards under this solicitation for Automobiles, SUVs, Vans, and Light Trucks will be in two (2) categories.

Proposers submitting a proposal in Category 1 as defined herein will be submitting in the broad category that includes all types of engines, fuel, and propulsion systems. For example, if a proposer offers vehicle solutions with Internal Combustions Engines (ICE) as well as vehicles with electric propulsion systems the Proposer should designate it is seeking an award in Category 1 ONLY.

Proposers seeking an award in Category 2, as defined herein, must include at least one solution offered within the scope of Category 2 for electric propulsion systems ONLY.

Line Item	Category Selection *
75	Category 1: ALL engines, fuel, and propulsion type Automobiles, SUVs, Vans, and Light Trucks

Table 7B: Depth and Breadth of Offered Solutions

Line Item	Question	Response *
76	Provide a detailed description of all the Solutions offered, including used Solutions if applicable, offered in the proposal.	<p>Olathe is offering 12 OEMs with numerous models in the class 1-3 range. This includes Trucks, Vans, Cutaway, Cab Chassis, suv, sedan, crossovers and hundreds of potential upfit add-ons. We can offer anything from a police upfit, command center, crane trucks, truck bodies, shelving, accessories, graphics, etc. Additionally, we have countless ways to help support your members from special financing, customizable warranties, fleet management, and prepaid service plans. Olathe believes we truly are the one stop shop for all your members needs regardless of location or specific use case.</p> <p>Some of the models we offer include:</p> <p>Ford</p> <ul style="list-style-type: none"> • Sedans/Coupes: Mustang (coupe & convertible), Mustang Mach E (EV) • SUVs/Crossovers: Bronco, Bronco Sport, Escape, Explorer, Expedition, Expedition Max, Police Interceptor • Pickups: Ranger (incl. Raptor), Maverick, F 150 (incl. Lightning, Raptor), Super Duty (F 250, F 350, F 450), F-150 Police Responder • Vans: Transit Cargo Van, Transit Passenger Wagon, E Transit Cargo Van <p>Chevrolet (and GMC where applicable)</p> <ul style="list-style-type: none"> • Sedans/Coupes: Malibu (discontinued late 2024) • Hatchbacks/Wagons: Bolt EV, Bolt EUV • SUVs/Crossovers: Trax, Trailblazer, Equinox, Equinox EV, Blazer, Blazer EV, Traverse, Tahoe, Suburban, Tahoe PPV and SSV, Blazer PPV • Trucks: Colorado, Silverado 1500 (incl. ZR2 trim), Silverado PPV, Silverado 2500 HD, 3500 HD, Silverado EV (including LT trim) Car and Drivergolfmillchevrolet.com • Vans: Express, BrightDrop EV van <p>Ram/Dodge</p> <ul style="list-style-type: none"> • Pickups: Ram 1500 (including Ramcharger PHEV, REV EV), 2500, 3500, with various trims (Rebel, Warlock, Power Wagon, etc.) • Chassis Cabs/SUVs - Durango PPV <p>Jeep</p> <ul style="list-style-type: none"> • SUVs/Crossovers: Wrangler (incl. 4xe), Gladiator (pickup), Grand Cherokee (incl. 4xe), Grand Cherokee L, Wagoneer, Grand Wagoneer (incl. 4xe), Wagoneer S (EV), Recon (EV) • Upcoming Models: New electric Recon, electric or PHEV Compass (future), Cherokees and others being revived <p>Mercedes-Benz</p> <ul style="list-style-type: none"> • Sedans: A Class, C Class, CLA, E Class, S Class • EV Sedans: EQE, EQS • Wagons: C Class, CLA, E Class • SUVs/Crossovers: GLA, GLB, GLC, GLE, GLS, G Class; EV variants: EQA, EQB, EQE SUV, EQS SUV <p>Hyundai</p> <ul style="list-style-type: none"> • EVs: Ioniq 5, Ioniq 5 N, Ioniq 6, Ioniq 9

		<ul style="list-style-type: none"> • SUVs/Crossovers: Tucson (ICE/HEV/PHEV), Santa Fe, Palisade, Kona (ICE/Electric), Venue • Sedans: Elantra (ICE/HEV), Elantra N, Sonata (ICE/HEV/N Line) • Other: NEXO (hydrogen fuel cell SUV), Santa Cruz (pickup crossover) <hr/> <p>Chrysler</p> <ul style="list-style-type: none"> • Minivans: Pacifica, Voyager • Upcoming: Halcyon-inspired electric sedan (concept/future), refreshed Pacifica (2026), new crossover (future) <hr/> <p>Please see attached Vehicle Model Offering List and Fleet OEM Warranties attachments.</p> <p>Software Solution addition to vehicle purchases: Olathe Fleet Solutions has been offering Fleet Management Software and Telematics since the major inception of these technologies. We believe that offering these solutions to fleets at the time of vehicle sale helps them to prolong their fleets, develop replacement cycles and helps to manage drivers to increase safety and adherence to what fleets value in their drivers. By integrating technological solutions, we bring additional value to our fleet customers. We believe that providing the highest level of customer service is imperative, which is why we complete all onboarding, integration and assist with setting drivers up with their new technology. Most companies out there leave you on your own to setup your software and we believe that for a customer to get the most out of the technology they are investing in, that we must provide training and integration, along with regular check-ins to ensure the customer is happy and the technology is working for them while their fleet evolves over time. We ensure that when needs change, we evolve with the end-user. Fleet Techology goes hand in hand with all of the other services and products we provide at Olathe Fleet Solutions.</p> <p>In addition to vehicle sales and support, Olathe proudly offers a comprehensive suite of value-added services tailored to meet the needs of fleet customers. These include extended warranty options, customized maintenance plans, used vehicles, certified used vehicles, trade-in assistance and logistics coordination services designed to simplify vehicle delivery and upfitting scheduling. Olathe also places a strong emphasis on customer education by providing guidance on fleet management best practices, procurement strategies, and compliance with regulatory requirements.</p> <p>Our team is committed to helping agencies and organizations make informed decisions that align with their operational goals and budget constraints, ensuring long-term value and dependable performance from their fleets.</p>
77	<p>Within this RFP category there may be subcategories of solutions. List subcategory titles that best describe your products and services.</p>	<p>We are confident we can meet any of your members needs through our overall suite of vehicle offerings. We aren't considering any of our offerings subcategories, as they are all interconnected with the vehicle purchasing process. We want your member to know that regardless of the offerings they choose Olathe is committed to serving their needs with the highest level of customer service and customer experience. Through the term of the contract we may find additional needs for your members that we haven't determined yet and subcategories could organically occur. If Sourcewell prefers for us to breakup the products and services into subcategories, we are happy to collaborate on that for the ease of customer use.</p>

Table 7C: Depth and Breadth - Category 1 - All Engine Types

Indicate below if the listed types or classes of Solutions are offered within your proposal. Provide additional comments in the text box provided, as necessary.

We will not be submitting for Table 7C: Depth and Breadth - Category 1 - All Engine Types

Line Item	Category or Type	Offered *	Comments
78	Automobiles	<input checked="" type="radio"/> Yes <input type="radio"/> No	All 12 OEMs detailed information are in the attachments for pricing zip folder
79	Sport Utility Vehicles	<input checked="" type="radio"/> Yes <input type="radio"/> No	All 12 OEMs detailed information are in the attachments for pricing zip folder
80	Vans	<input checked="" type="radio"/> Yes <input type="radio"/> No	All 12 OEMs detailed information are in the attachments for pricing zip folder
81	Light Trucks (half ton, three quarter ton, and one ton)	<input checked="" type="radio"/> Yes <input type="radio"/> No	All 12 OEMs detailed information are in the attachments for pricing zip folder
82	Vehicles of the types and classifications in 78-81 above with upfitting designed for Public Safety Applications	<input checked="" type="radio"/> Yes <input type="radio"/> No	Ford, Chevrolet and Dodge have Police Pursuit and Special Service vehicles.
83	Vehicles of the types and classifications in 78-81 above with upfitting designed for ADA and Paratransit Applications	<input checked="" type="radio"/> Yes <input type="radio"/> No	All upfits for ADA and Paratransit vehicles are included in our proposal with their compatible vehicles.
84	Vehicles of the types and classifications in 78-81 above with upfitting designed for Service Body and Utility Bed for Light Truck	<input checked="" type="radio"/> Yes <input type="radio"/> No	All service bodies and utility beds are included and paired with the customers chassis of choice
85	Conventional Internal Combustion models	<input checked="" type="radio"/> Yes <input type="radio"/> No	All 12 OEMs detailed information are in the attachments for pricing zip folder
86	Natural gas, propane autogas, hybrid, or alternative fuel models	<input checked="" type="radio"/> Yes <input type="radio"/> No	All available OEM models are included, along with conversion packages
87	Electric powered models	<input checked="" type="radio"/> Yes <input type="radio"/> No	All available EV models for all 12 OEMs are included.

Table 7D: Depth and Breadth - Category 2 - Electric Propulsion Systems Only

Indicate below if the listed types or classes of Solutions are offered within your proposal. Provide additional comments in the text box provided, as necessary.

We will not be submitting for Table 7D: Depth and Breadth - Category 2 - Electric Propulsion Systems Only

Line Item	Category or Type	Offered *	Comments
88	Automobiles	<input checked="" type="radio"/> Yes <input type="radio"/> No	All available 12 OEM models are included
89	Sport Utility Vehicles	<input checked="" type="radio"/> Yes <input type="radio"/> No	All available 12 OEM models are included
90	Vans	<input checked="" type="radio"/> Yes <input type="radio"/> No	All available 12 OEM models are included
91	Light Trucks (half ton, three quarter ton, and one ton)	<input checked="" type="radio"/> Yes <input type="radio"/> No	All available 12 OEM models are included
92	Vehicles of the types and classifications in 88-91 above with upfitting designed for Public Safety Applications	<input checked="" type="radio"/> Yes <input type="radio"/> No	Hybrid and EV options are available from Ford and Chevrolet for Public Safety, along with upfitting
93	Vehicles of the types and classifications in 88-91 above with upfitting designed for ADA and Paratransit Applications	<input checked="" type="radio"/> Yes <input type="radio"/> No	Hybrid and EV models are available for ADA and Paratransit through Ford, RAM and Chrysler. More may come as models are released.
94	Vehicles of the types and classifications in 88-91 above with upfitting designed for Service Body and Utility Bed for Light Truck	<input checked="" type="radio"/> Yes <input type="radio"/> No	Hybrid and EV conversions are available on some OEM platforms - primarily F-250/F-350 and E-350 with service bodies. There are limitations when it comes to mounting with EVs. There are some small service body upfits that can be customized on EV truck chassis and those would be done on a case by case basis based on customer needs and availability.

Table 8: Exceptions to Terms, Conditions, or Specifications Form

Line Item 95. NOTICE: To identify any exception, or to request any modification, to Sourcwell standard Master Agreement terms, conditions, or specifications, a Proposer must submit the proposed exception(s) or requested modification(s) via redline in the Master Agreement Template provided in the “Bid Documents” section. Proposer must upload the redline in the “Requested Exceptions” upload field. All exceptions and/or proposed modifications are subject to review and approval by Sourcwell and will not automatically be included in the Master Agreement.

Do you have exceptions or modifications to propose?	Acknowledgement *
	<input type="radio"/> Yes <input checked="" type="radio"/> No

Documents

Ensure your submission document(s) conforms to the following:

1. Documents in PDF format are preferred. Documents in Word, Excel, or compatible formats may also be provided.
2. Documents should NOT have a security password, as Sourcwell may not be able to open the file. It is your sole responsibility to ensure that the uploaded document(s) are not either defective, corrupted or blank and that the documents can be opened and viewed by Sourcwell.
3. Sourcwell may reject any response where any document(s) cannot be opened and viewed by Sourcwell.
4. If you need to upload more than one (1) document for a single item, you should combine the documents into one zipped file. If the zipped file contains more than one (1) document, ensure each document is named, in relation to the submission format item responding to. For example, if responding to the Marketing Plan category save the document as “Marketing Plan.”

- [Pricing](#) - Price Files.zip - Tuesday August 12, 2025 13:28:08
- [Financial Strength and Stability](#) - CONFIDENTIAL - AVAILABLE CREDIT LINE.pdf - Tuesday August 12, 2025 13:28:44
- [Marketing Plan/Samples](#) - Marketing.zip - Tuesday August 12, 2025 13:20:10
- [WMBE/MBE/SBE or Related Certificates](#) - Minority Dealer Letter.pdf - Tuesday August 12, 2025 13:28:36
- [Standard Transaction Document Samples](#) - Transaction Documents.zip - Tuesday August 12, 2025 13:29:53
- Requested Exceptions (optional)
- [Upload Additional Document](#) - Additional Document Uploads.zip - Tuesday August 12, 2025 15:57:00

Addenda, Terms and Conditions

PROPOSER AFFIDAVIT OF COMPLIANCE

I certify that I am an authorized representative of Proposer and have authority to submit the foregoing Proposal:

1. The Proposer is submitting this Proposal under its full and complete legal name, and the Proposer legally exists in good standing in the jurisdiction of its residence.

2. The Proposer warrants that the information provided in this Proposal is true, correct, and reliable for purposes of evaluation for award.

3. The Proposer certifies that:

(1) The prices in this Proposal have been arrived at independently, without, for the purpose of restricting competition, any consultation, communication, or agreement with any other Proposer or competitor relating to-

(i) Those prices;

(ii) The intention to submit an offer; or

(iii) The methods or factors used to calculate the prices offered.

(2) The prices in this Proposal have not been and will not be knowingly disclosed by the Proposer, directly or indirectly, to any other Proposer or competitor before award unless otherwise required by law; and

(3) No attempt has been made or will be made by Proposer to induce any other concern to submit or not to submit a Proposal for the purpose of restricting competition.

4. To the best of its knowledge and belief, and except as otherwise disclosed in the Proposal, there are no relevant facts or circumstances which could give rise to an organizational conflict of interest. An organizational conflict of interest is created when a current or prospective supplier is unable to render impartial service to Sourcewell due to the supplier's: a. creation of evaluation criteria during performance of a prior agreement which potentially influences future competitive opportunities to its favor; b. access to nonpublic and material information that may provide for a competitive advantage in a later procurement competition; c. impaired objectivity in providing advice to Sourcewell.

5. Proposer will provide to Sourcewell Participating Entities Solutions in accordance with the terms, conditions, and scope of a resulting master agreement.

6. The Proposer possesses, or will possess all applicable licenses or certifications necessary to deliver Solutions under any resulting master agreement.

7. The Proposer will comply with all applicable provisions of federal, state, and local laws, regulations, rules, and orders.

8. Proposer its employees, agents, and subcontractors are not:

1. Included on the "Specially Designated Nationals and Blocked Persons" list maintained by the Office of Foreign Assets Control of the United States Department of the Treasury found at: <https://www.treasury.gov/ofac/downloads/sdnlist.pdf>;

2. Included on the government-wide exclusions lists in the United States System for Award Management found at: <https://sam.gov/SAM/>; or

3. Presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from programs operated by the State of Minnesota; the United States federal government, as applicable; or any Participating Entity. Vendor certifies and warrants that neither it nor its principals have been convicted of a criminal offense related to the subject matter of this solicitation.

By checking this box I acknowledge that I am bound by the terms of the Proposer's Affidavit, have the legal authority to submit this Proposal on behalf of the Proposer, and that this electronic acknowledgment has the same legal effect, validity, and enforceability as if I had hand signed the Proposal. This signature will not be denied such legal effect, validity, or enforceability solely because an electronic signature or electronic record was used in its formation. - Sandra Gonzalez, Government Manager, Olathe Ford Sales, Inc.

The Proposer declares that there is an actual or potential Conflict of Interest relating to the preparation of its submission, and/or the Proposer foresees an actual or potential Conflict of Interest in performing the obligations contemplated in the solicitation proposal.

Yes No

The Bidder acknowledges and agrees that the addendum/addenda below form part of the Bid Document.

Check the box in the column "I have reviewed this addendum" below to acknowledge each of the addenda.

File Name	I have reviewed the below addendum and attachments (if applicable)	Pages
Addendum_6_Automobiles_SUVs_Vans_Light_Trucks_RFP_081325 Tue August 5 2025 09:12 AM	<input checked="" type="checkbox"/>	1
Addendum_5_Automobiles_SUVs_Vans_Light_Trucks_RFP_081325 Mon August 4 2025 08:59 AM	<input checked="" type="checkbox"/>	2
Addendum_4_Automobiles_SUVs_Vans_Light_Trucks_RFP_081325 Wed July 30 2025 08:06 AM	<input checked="" type="checkbox"/>	2
Addendum_3_Automobiles_SUVs_Vans_Light_Trucks_RFP_081325 Mon July 28 2025 07:50 AM	<input checked="" type="checkbox"/>	1
Addendum_2_Automobiles_SUVs_Vans_Light_Trucks_RFP_081325 Fri July 25 2025 08:11 AM	<input checked="" type="checkbox"/>	2
Addendum_1_Automobiles_SUVs_Vans_Light_Trucks_RFP_081325 Wed July 23 2025 04:15 PM	<input checked="" type="checkbox"/>	2



ADMINISTRATIVE SERVICES DEPARTMENT

DATE: March 3, 2026

TO: Honorable Mayor and City Council

FROM: Henry Chen, Administrative Services Director

SUBJECT: CHANGE ORDER TO INCREASE THE PURCHASE ORDER WITH WITTMAN ENTERPRISES, LLC FOR AMBULANCE BILLING AND COLLECTION SERVICES IN THE AMOUNT OF \$88,000
CEQA: Not a Project
Recommendation: Approve

SUMMARY

On June 5, 2018, the City Council approved a purchase order with Wittman Enterprises, LLC (“Wittman”), for billing and collection services for the City of Arcadia’s emergency medical transport services, in an amount not to exceed \$83,400 (\$66,000 collection fee plus \$17,400 for electronic Patient Care Report [“ePCR”] license) annually, based on estimated annual collections of \$1.55 million. The agreement between Arcadia and Wittman calls for Wittman to receive a 4.25% fee on the amounts they collect. Due to higher transport volumes, the collections in the current fiscal year have increased to an estimated \$3.5 million. The original Purchase Order amount is not sufficient to cover the extra fee on their increased collections. As a result, an increase in the Purchase Order to cover the increased collection fees is requested.

It is recommended the City Council approve an \$88,000 increase to the Purchase Order with Wittman for the ambulance billing and collection services for the remainder of Fiscal Year 2025-26. These costs will be offset by additional revenues received in the billings for ambulance care.

DISCUSSION

Annually, the Arcadia Fire Department receives over 6,000 incident calls, with 70% of calls requiring rescue and emergency medical service. Ambulance charges, also called Emergency Medical Services (“EMS”) fees, are the single largest revenue source for the Fire Department. The revenues collected for these purposes depend primarily on the quantity of transported patients by the Fire Department and the type of emergency medical services rendered to each patient. The Fire Department only bills for EMS calls that involve medical transport.

The original Purchase Order amount of \$83,400 in FY 2018-19 was determined by prior years’ total call volume, billable EMS transports, and projected revenue of \$1.55 million. The collection fees remitted to Wittman are a flat rate of 4.25% of net collections, which equates to \$66,000 in fees. The City also reimburses Wittman for their continued payment of the City’s annual ePCR licensing and storage fees to Digital EMS Solutions. At the time of the contract award, the total ePCR fees totaled \$17,400 annually.

Due to an increase in overall transport volume as well as the addition of a basic life support ambulance program, the collection fees the City is required to pay to Wittman have increased beyond the original amount the contract was approved for. For FY 2025-26, projected revenue should total \$3.5 million with an estimated 3,500 billable EMS transports. Under these projections, the 4.25% collection fee to Wittman will also increase to \$148,800. The current annual ePCR licensing and storage fee is \$22,600. The table below summarizes the increase in fees from FY 2018-19 compared to FY 2025-26:

	FY 2018-19	FY 2025-26	Increase
Ambulance Collections	\$ 1,550,000	\$ 3,500,000	\$ 1,950,000
Collection Fee @ 4.25%	\$ 66,000	\$ 148,800	\$ 82,800
ePCR License Fee	\$ 17,400	\$ 22,600	\$ 5,200
Total Fees:	\$ 83,400	\$ 171,400	\$ 88,000

The original Purchase Order amount is not sufficient to cover the collection fee to Wittman for the increased collections. An increase of \$88,000 to the Purchase Order

will cover the additional collection fees and is requested for the remainder of FY 2025-26.

ENVIRONMENTAL ANALYSIS

The proposed action does not constitute a project under the California Environmental Quality Act ("CEQA"), and it is deemed to have no impact on the environment. Thus, this matter is exempt from CEQA.

FISCAL IMPACT

In FY 2025-26, it is estimated that Wittman will collect \$3.5 million in billing receipts, resulting in a collection fee of \$171,400. The current Purchase Order for \$83,400 needs to be increased by \$88,000 to cover the remaining estimated collection fees. The payments to Wittman are recorded as an offset to revenues, so no additional appropriation is required.

RECOMMENDATION

It is recommended the City Council determine this action does not constitute a project under the California Environmental Quality Act ("CEQA"); and approve a Change Order to increase the Purchase Order with Wittman Enterprises, LLC for ambulance billing and collection services in the amount of \$88,000.

Approved:


Dominic Lazzaretto
City Manager



PUBLIC WORKS SERVICES DEPARTMENT

DATE: March 3, 2026

TO: Honorable Mayor and City Council

FROM: Paul Cranmer, Public Works Services Director
By: Carlos Aguilar, General Services Superintendent

SUBJECT: ACCEPT ALL WORK PERFORMED BY CARRIER CORPORATION FOR THE UPPER CITY HALL HVAC SPLIT SYSTEMS PROJECT AS COMPLETE
CEQA: Exempt
Recommendation: Approve

SUMMARY

On July 15, 2025, the City Council approved a contract with Carrier Corporation in the amount of \$126,085 for the Upper City Hall HVAC Split Systems Project. The terms and conditions of this project have been complied with, and the work has been performed to the satisfaction of the Project Manager for a total project cost of \$125,185. This amount reflects the approved contract amount of \$126,085, less minor cost savings resulting from unused labor hours totaling \$900, or 0.71% less than the approved contract amount.

It is recommended that the City Council accept all work performed by Carrier Corporation for the Upper City Hall HVAC Split Systems Project as complete and authorize the final payment to be made in accordance with the contract documents, subject to the retention of \$12,518.50.

BACKGROUND

The Public Works Services Department (“PWSD”) is responsible for the maintenance and repair of all City facilities, which include the Heating, Ventilation, and Air Conditioning (“HVAC”) units. Although there are HVAC units that serve the upper level of City Hall, these units are only located on the west side of the building and there are no HVAC units dedicated to cooling the north side of Upper City Hall. When City

Hall was expanded many years ago, the ductwork was extended to supply air to the north side of the building; however, the airflow has never been sufficient to properly cool the area. The installation of three new split-system HVAC units in the north part of Upper City Hall was needed to ensure adequate cooling.

DISCUSSION

On July 15, 2025, the City Council approved a contract with Carrier Corporation for the Upper City Hall HVAC Split Systems Project. As part of this project, three new HVAC split systems in the north portion of Upper City Hall were installed. Each system consists of a three-ton heat pump condenser, paired with two separate 1.5-ton wall-mounted air handling units, totaling six condensers installed at ground level in the planter area. The new air-handlers were placed in six locations to ensure adequate cooling throughout all areas of the north portion of Upper City Hall. In addition, new refrigerant line sets, electrical connections to the new units, and thermostats were included for a complete installation.

It was anticipated that approximately 40 hours of labor would be required for two HVAC technicians to complete installation work on Saturdays, in order to minimize disruptions during regular work hours. However, it was later determined that the work could be completed at alternate times with minimal interruptions to operations. As a result, a portion of the labor needed to complete this project was eliminated, resulting in a cost savings of \$900.

All terms and conditions of the contract have been complied with, and the work has been performed to the satisfaction of the Project Manager. Carrier Corporation completed the work as defined in the project plans and specifications in an efficient and timely manner.

ENVIRONMENTAL ANALYSIS

This Project was considered a Class 1 exemption as defined in Section 15301(a) "Existing Facilities" projects of the California Environmental Quality Act ("CEQA"), which exempts projects consisting of the minor alteration of existing public structures.

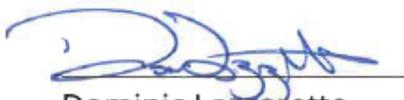
FISCAL IMPACT

Funds in the amount of \$138,639.35 were available in the combined Capital Improvement Program budgets for this work: Fiscal Year 2022-23 Annual Replacement of HVAC Units Project; Fiscal Year 2023-24 Annual Replacement of HVAC Units Project; Fiscal Year 2023-24 Council Chamber Chiller Replacement Project; and Fiscal Year 2024-25 Library Cooling Tower Replacement Project. The total project cost for the HVAC split systems for upper City Hall was \$125,185, which reflects the approved contract amount of \$126,085, minus cost savings of \$900, or 0.71%.

RECOMMENDATION

It is recommended that the City Council determine that this project is exempt under the California Environmental Quality Act ("CEQA"); and accept all work performed by Carrier Corporation for the Upper City Hall HVAC Split Systems Project as complete and authorize the final payment to be made in accordance with the contract documents, subject to the retention of \$12,518.50.

Approved:



Dominic Lazzaretto

City Manager



DEVELOPMENT SERVICES DEPARTMENT

DATE: March 3, 2026

TO: Honorable Mayor and City Council

FROM: Lisa Flores, Interim Development Services Director
Sara Somogyi, Director of Recreation and Community Services
Justine Bruno, Deputy City Manager

SUBJECT: RESOLUTION NO. 7677 REAFFIRMING THE AUTHORITY GRANTED UNDER SECTION 807 (GENERAL PLAN) OF THE ARCADIA CITY CHARTER; AND INFORMATIONAL UPDATE ON A POTENTIAL SUBSTANCE AND ALCOHOL USE TREATMENT FACILITY WITH RESIDENTIAL CARE AT 401 E. SANTA CLARA STREET

CEQA: Not a Project
Recommendation: Adopt

SUMMARY

Since 1998, the Extended Stay America, located at 401 E. Santa Clara Street, has operated as a licensed hotel use in Arcadia. In May 2025, Bricks Behavioral Health Foundation (“Bricks”) and CRI-Help, both providers in the substance use disorder treatment field, were awarded \$54 million by the California Department of Health Care Services to convert the same Extended Stay America into a facility for substance and alcohol use treatment services with residential care.

At the February 3, 2026, City Council Meeting, Council Member Cao received support from Council Members Fu and Kwan to place on a future agenda a discussion of the potential development of a substance and alcohol facility in Arcadia. While no application has yet been received, such a facility in the Downtown Mixed Use Zone could conflict with Arcadia’s zoning and land use regulations. Therefore, a resolution that would reaffirm Arcadia’s ability to make land use, zoning, and development determinations based on the authorities granted under the Arcadia City Charter has been prepared for consideration.

It is recommended that the City Council adopt Resolution No. 7677, reaffirming the authority granted under Section 807 of the Arcadia City Charter, and the City Council's right to establish land use policies, and regulate zoning and development standards in the City of Arcadia.

BACKGROUND

In March 2024, California voters passed Proposition 1, aimed at expanding and supporting the state's behavioral health system. With the approval of Proposition 1, \$6.4 billion in bond funding was authorized to grow and support behavioral health treatment facilities, supportive housing, and behavioral health services for veterans.

In May 2025, the California Department of Health Care Services announced the first round of funding of Proposition 1 bonds, which consisted of a \$3.3 billion grant award to create or expand 214 behavioral health facilities across California. Included in the Round 1 funding was a \$54 million award to Bricks and CRI-Help, who announced their intent to acquire the Extended Stay America hotel in Arcadia and convert the property into an alcohol and substance use rehabilitation facility. On the California Department of Health Care Services website, the recipient reporting dashboard shows an award for:

- Adult Residential Substance Use Disorder ("SUD") Treatment – 100 beds/slots
- Chemical Dependency Recovery Hospital – 16 beds/slots
- Outpatient Treatment for SUD – 185 slots

Bricks Behavioral Health Foundation is expected to be the property owner and developer, and CRI-Help would be the operator and lessee.

At the time of funding award, CRI-Help released some images on Facebook of the proposed facility, with an expected opening date in 2027 (refer to Figure 1 below).



Figure 1: Conceptual rendering of proposed conversion of Extended Stay America into a residential treatment facility for substance abuse disorders, posted on Facebook.

Shortly after the public announcement, City staff met with Bricks and CRI-Help to gain a better understanding of the proposed facility. After that meeting, the City Manager informed the City Council of the proposal, including the additional details gathered by staff (see Attachment No. 2 – May 15, 2025, City Manager Weekly Report).

Over the past several years, California legislators have passed laws that attempt to override or provide exemptions to local land use policies. Examples of recent California laws that seek to usurp local authority include Senate Bill 79 (2025), Senate Bill 450 (2025), Senate Bill 9 (2021), and Senate Bill 330 (2019). While these bills address different areas of land use and development, a central theme is the state protections embedded into each, which serve to override the home rule authority over land use, zoning, and development policies of charter cities like Arcadia.

At the February 3, 2026, City Council meeting, Council Member Cao requested that the City Council place an item on a future agenda to receive more information on this

potential development, and to consider a resolution opposing the removal of local control regarding land use, zoning, and development decisions. Council Members Kwan and Fu concurred.

DISCUSSION

Since the public announcement in May 2025, and as of the preparation of this report, CRI-Help has not submitted a formal application to the City for this project. However, the organization has indicated its intent to operate the facility as an adult residential and outpatient substance use disorder (“SUD”) treatment center, including a Chemical Dependency Recovery Hospital (“CDRH”) that provides residential care.

According to CRI-Help, the facility would operate as a short-term residential treatment center with an average length of stay of 30 days or less. All programs would be licensed and/or certified by the State of California and accredited by the Commission on Accreditation of Rehabilitation Facilities (“CARF”). Participation in the program would be voluntary, and patients would be required to verify compliance with treatment requirements. The residential component would be structured and supervised, and residents would not be permitted to leave the premises without supervision or prior approval. There is no proposed long-term residential living.

Because no formal application has been submitted, the precise land use classification of the proposed facility has not been determined. The property is located within the Downtown Mixed Use (“DMU”) Zone, and the permissibility of the proposed use depends on how the primary use is classified under the Arcadia Development Code.

- If the use is considered supportive housing, it would be allowed by-right in this Zone. Supportive housing generally does not impose limits on the length of tenancy and is designed for residents rather than patients or clients. While supportive housing may provide access to voluntary supportive or treatment services, participation in such services is typically not a condition of residency.
- If the use is considered a residential care facility or recovery treatment facility with seven or more patients, providing 24-hour supervision and supportive services, such use would be prohibited in this Zone. Recovery treatment facilities operate structured, time-limited programs. Lengths of stay commonly range from approximately one week to 90 days, depending on the program

and individual treatment needs. These facilities provide 24-hour supervision and structured services, including behavioral interventions and substance use disorder treatment, and are more comparable to residential care facilities than to long-term housing.

- If the primary use was classified as a Medical Clinic (Outpatient), defined by the Arcadia Development Code as a facility providing medical or substance abuse for an outpatient basis without overnight lodging, such use would be prohibited in this Zone.

Accordingly, the final determination will depend on how the facility is operated and how the Applicant characterizes its primary use, including whether it is considered supportive housing, a residential care facility, or an outpatient medical clinic.

Nevertheless, the proposed use as described in the grant documents and by the potential operators does not appear to be permitted in the DMU Zone under the relevant classifications discussed above.

Moreover, the City home rule authority over its municipal affairs, including its land use policies. The City Charter specifically states:

Section 807.c. General Plan – Land Use Policies. Land use policies and regulation of zoning and development standards, including but not limited to policies contained within the General Plan, are municipal affairs and this Charter shall prevail over state statutes regulating land use within the City. The Council shall have plenary authority over land use policies and regulation of zoning and development standards.

The Downtown Mixed Use (“DMU”) Zone is intended to promote an active, pedestrian-oriented, and commercially vibrant environment that supports retail, dining, entertainment, office, and residential uses that contribute to street activity and economic vitality. While residential care and recovery treatment facilities may be permitted in other zoning districts within the City, such uses are not permitted in the DMU Zone due to the distinct planning objectives established for the downtown area.

The attached resolution is not intended to specifically oppose the potential use at 401 E. Santa Clara St., described above, nor to prohibit CRI-Help or Bricks from

establishing a treatment facility elsewhere in Arcadia. Rather, it reaffirms that the City Council, acting under its authority as a Charter City, has deliberately established land use regulations for the properties in the DMU Zone as well as Citywide. As such, uses should not be permitted to be established in any Zone where such use is expressly prohibited.

ENVIRONMENTAL ANALYSIS

A resolution to reaffirm the land use, zoning, and development authority granted under the Arcadia City Charter does not constitute a project under the California Environmental Quality Act ("CEQA"). If the project progresses and formal applications are submitted for this work, any environmental impacts will be evaluated at that time, including potential mitigation.

FISCAL IMPACT

The Extended Stay America operates as a hotel use in Arcadia. Hotels in Arcadia are subject to City's Transient Occupancy Tax ("TOT") rate of 12%. A review of City tax revenue over the past three fiscal years shows that this Extended Stay America generated an average of \$273,000 per year in TOT collections.

With a potential conversion from a hotel to a substance abuse disorder treatment facility, the City's General Fund will lose approximately \$273,000 in TOT revenue annually. Additionally, non-profit operators are usually exempt from Property Tax collections under the state's Welfare Exemption, which would result in further reductions in tax collections to Arcadia.

With the information provided by CRI-Help thus far, it is not anticipated that this facility will generate a greater level of service calls for police, fire/medical, code violations, or other enforcement activities than the current use; however, Arcadia does not have a comparable facility in its boundaries and to help validate that assumption.

RECOMMENDATION

It is recommended that the City Council determine that this action does not constitute a project under the California Environmental Quality Act ("CEQA"); and

adopt Resolution No. 7677 reaffirming the authority granted under Section 807 (General Plan) of the Arcadia City Charter.

Approved:



Dominic Lazzaretto
City Manager

Attachment No. 1: Resolution No. 7677

Attachment No. 2: May 15, 2025, City Manager's Weekly Report

Attachment No. 1

RESOLUTION NO. 7677

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ARCADIA, CALIFORNIA, REAFFIRMING THE AUTHORITY GRANTED UNDER SECTION 807 (GENERAL PLAN) OF THE ARCADIA CITY CHARTER

WHEREAS, the Arcadia City Charter, first adopted by a vote of the people on April 24, 1951, sets out the organic law of the city under the Constitution of California; and

WHEREAS, the State of California recognizes charter cities as municipalities with constitutional authority over their own municipal affairs, including land use, zoning, and development regulations; and

WHEREAS, amendments to the Arcadia City Charter were last approved by voters in November 2022, with the addition of Section 807 (c) – Land Use Policies, which affirms local authority over land use, zoning, and development in Arcadia; and

WHEREAS, the City of Arcadia maintains a valid City Charter and General Plan that should prevail over any state statute that seeks to regulate land use within the City; and

WHEREAS, local control enables municipalities to respond effectively to community needs, infrastructure capacity, environmental constraints, wildfire risk, water availability, historic preservation, and neighborhood character; and

WHEREAS, decisions regarding land use, density, and the built environment are best suited for local elected officials who are accountable to their constituents; and

WHEREAS, California law has increasingly attempted to undermine local authority by providing waivers, exemptions, and by-right approvals that bypass local policies and regulations; and

WHEREAS, under the guise of “statewide concern”, numerous one-size-fits-all mandates have been imposed on local governments that fail to account for impacts to the built environment, city revenues, and community needs; and

WHEREAS, many municipalities and organizations like the League of California Cities have advocated for the protection of local decision-making and the preservation of home rule authority; and

WHEREAS, Arcadia calls upon the Governor and the California State Legislature to respect the constitutional rights of charter cities and to pursue collaborative approaches to matters of local concern.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF ARCADIA, CALIFORNIA DOES HEREBY FIND, DETERMINE AND RESOLVE AS FOLLOWS:

SECTION 1. The City Council of Arcadia reaffirms its constitutional authority, as a charter city under the State of California, to govern its own land use policies and regulations.

SECTION 2. The City Council reaffirms its authority under Section 807 (c) of the Arcadia City Charter to establish and determine land use policies, zoning regulations, and development standards.

SECTION 3. The City of Arcadia opposes legislative actions that attempt to preempt the constitutionally-protected authority of charter cities to exercise home rule over its municipal affairs, including discretionary land use decisions.

SECTION 4. The City of Arcadia supports dialogue between state legislators and local governments to create solutions that balance statewide needs with local interests, while respecting the home rule authority that is embedded in the California Constitution.

SECTION 5. The City Clerk shall certify to the adoption of this Resolution.

[SIGNATURES ON NEXT PAGE]

Passed, approved and adopted this 3rd day of March, 2026.

Mayor of the City of Arcadia

ATTEST:

City Clerk

APPROVED AS TO FORM:



Michael J. Maurer
City Attorney



Office of the City Manager
Dominic Lazzaretto

May 15, 2025

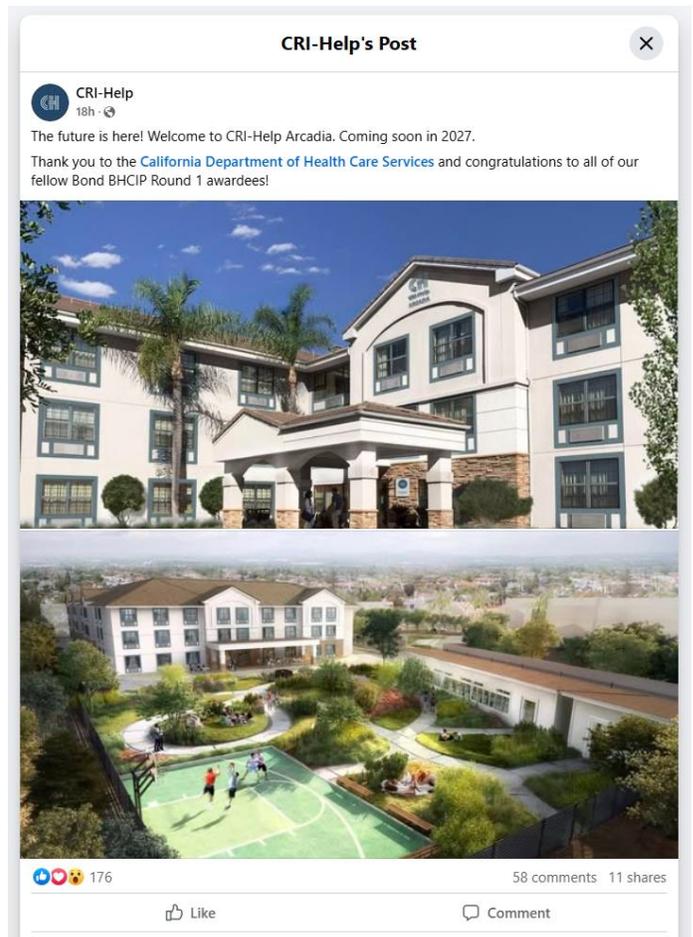
DRUG/MENTAL HEALTH COUNSELING CENTER MAY BE COMING TO ARCADIA

This week, the California Department of Health Care Services released \$3.3 billion dollars in bonds toward expanding the State's "Behavioral Health Infrastructure". Included in that funding is a line item of \$54 million for converting the existing Extended Stay America Hotel in Arcadia into a substance abuse disorder facility known as CRI-Help Arcadia. See right for a copy of a Facebook post made by Cri-Help celebrating the funding and announcing an expected opening "in 2027".

We had received a call in early January inquiring about the site as a potential conversion, but had strongly discouraged them, citing the community response to the Elara Project on Live Oak. From January until now, we had not heard anything further, so we expected that the idea may have died (CRI-Help had stated that they do not like going into communities where they will not be welcomed). Unfortunately, it seems that they were simply awaiting funding from the State. Here are some details that we can glean at this time on their proposal:

Bricks/Cri-Help Arcadia:

- Address: Extended Stay America Arcadia, 401 E Santa Clara St, Arcadia, CA
- Proposed Usage: Substance Abuse Disorder Facility
- Project Scope: Conversion of existing Extended Stay America hotel into Substance Abuse Disorder recovery facility
- Number of Beds: 140 (124 residential, 16 detox)
- The company is Bricks Behavior Health Foundation: <https://www.bricksfoundation.org/>



As we told these folks back in January, I would expect that this will create a lot of concern in the community when the proposal is known. Be aware that these types of conversions and uses are generally considered a "use-by-right" under state regulations these days; therefore, it is not likely that they would need a full entitlement review and City staff would likely be compelled approve the conversion ministerially. Meaning, there probably isn't much we could do to stop the project, if we wanted to. We could only ensure that it met all health and safety codes and operated in a manner that didn't negatively impact the area. The rendering shown in the post seems to be generic and not representative of the Arcadia site specifically, but it is similar to what they told us in January would be the layout of

the site. They seem to anticipate the construction of a large perimeter fence and to convert most of the parking lot into a recreation area. These items would require a review and permitting of some kind. Keep in mind, though, that while we might be able to maintain the number of parking spaces, we shouldn't expect to be able to outlaw the use altogether, if this is ultimately determined to be a use-by-right. We have not received any applications or seen anything formal from this group yet, so I can't tell you for sure that this will not need any use entitlements or public review, but I did want to ensure that you know this is potentially coming our way and that a more likely outcome is that this could be approved without the public processes we typically require.

We reached out to our contacts from January expressing frustration and surprise and were told the following in response:

Our intention is to work collaboratively with your team, Arcadia residents, and other stakeholders so that we do not disrupt the neighborhood and that our presence is a value added to an established community...At this time, we would very much appreciate the opportunity to reconnect with you and your team and discuss our vision and proposed plan for the site.

We will be setting up meetings with their team as quickly as possible to review their plans in detail and to see whether it meets state requirements for a use-by-right or if it would be a more robust review process. Regardless, we would also work to ensure that they have a communications plan in place so the public can be aware of this transition well in advance of its opening.

On a financial note, the current hotel generates about \$260,000 of transient occupancy taxes each year, which would go away if this conversion happened. It could also possibly be exempted from property taxes as a non-profit use serving charitable purposes.

MOTEL 6 MAY BE SOLD FOR NEW HOUSING PROJECT

On a related note, we have heard that the Motel 6 is in escrow with a local developer, who would want to raze the site and build new multifamily housing there. The developer has successfully built low density, market rate, multifamily projects in Arcadia over the years, so it might be a lower impact use than the current motel use. We are also hearing that the same developer may acquire the nearby CA Thoroughbred Association site for a similar development; if that happened, these two sites could be a nice transitional buffer to the new hotels coming to the immediate area. Motel 6 brings in \$290,000 annually in hotel taxes, so we'd also have to plan for that loss in future years; however, that amount would be partially offset by an increase in property values. But all of this is highly speculative at this point. For now, just keep in mind that you will likely be hearing chatter about this motel going away (and people possibly confusing this site with the one mentioned above).

GOVERNOR RELEASES MODEL ORDINANCE ON HOMELESSNESS

Earlier this week, Governor Newsom released a model ordinance to address homelessness locally. He did this at the same time as he encouraged cities to clear all encampments in their communities, so many assumed that the ordinance would be aggressive in encouraging enforcement. While we agree with the sentiment that encampments should be prevented and addressed when they arise, the model ordinance sends some mixed messages on that front. We have an established "care first" approach here, where we always offer services before going to enforcement



PUBLIC WORKS SERVICES DEPARTMENT

DATE: March 3, 2026

TO: Honorable Mayor and City Council

FROM: Paul Cranmer, Public Works Services Director
By: Briget Arndell, Environmental Services Manager

SUBJECT: RESOLUTION NO. 7675 AMENDING THE FISCAL YEAR 2025-26 SOLID WASTE OPERATING BUDGET, AUTHORIZING A SUPPLEMENTAL BUDGET APPROPRIATION FOR THE HOUSEHOLD HAZARDOUS WASTE COLLECTION AND REMOVAL SERVICES ONE-TIME DROP-OFF EVENT IN THE AMOUNT OF \$44,420, OFFSET BY A REDUCTION IN THE SOLID WASTE FUND; AND APPROVE A PROFESSIONAL SERVICES AGREEMENT WITH VEOLIA ES TECHNICAL SOLUTIONS, LLC. FOR HOUSEHOLD HAZARDOUS WASTE COLLECTION AND REMOVAL SERVICES FOR A ONE-TIME DROP-OFF EVENT IN THE AMOUNT OF \$44,420

CEQA: Not a Project
Recommendation: Adopt and Approve

SUMMARY

The Public Works Services Department (“PWSD”) was recently awarded grant funding from CalRecycle to plan and operate the City’s first-ever Household Hazardous Waste (“HHW”) drop-off collection event for Arcadia residents. HHW items include chemical cleaning products, used motor oil, paint, and pharmaceutical medications. Electronic Waste will also be accepted as part of this event. Items such as computers, cell phones, and televisions can be dropped off and will be properly disposed. To ensure the City is receiving the highest quality of service and most competitive pricing for Household Hazardous Waste Collection and Removal Services, the PWSD solicited a request for proposals.

It is recommended that the City Council adopt Resolution No. 7675 amending the Fiscal Year 2025-26 Solid Waste Operating Budget, authorizing a supplemental budget appropriation for the Household Hazardous Waste Collection and Removal Services one-time drop-off event in the amount of \$44,420, offset by a reduction in

the Solid Waste Fund; and approve, authorize, and direct the City Manager to execute a Professional Services Agreement with Veolia ES Technical Solutions, LLC. for Household Hazardous Waste Collection and Removal Services for a one-time drop-off event in the amount of \$44,420, to be reimbursed by a CalRecycle grant.

BACKGROUND

On September 6, 2023, the PWSD applied for the HHW HD41 grant, a CalRecycle program designed to help local governments safely manage HHW. The City of Arcadia was awarded \$50,000 to support public education efforts and for the implementation of a HHW take-back or mobile collection event.

HHW disposal is a frequently asked about topic from Arcadia residents. Historically, the City of Arcadia residents have relied on scheduled curbside HHW pickups provided by Waste Management for HHW disposal. Additionally, Los Angeles County ("LAC") operates a "CLEANLA" HHW program year-round across the county, which operates at Santa Anita Park annually as a one-time collection event for LAC residents every fiscal year. Arcadia has not hosted a citywide residents-only HHW collection event in recent history, and residents would benefit from having more options for safe HHW disposal. The HHW HD41 Grant provides the resources for the City to plan and operate an additional one-day drop-off collection event for Arcadia residents to properly dispose of their HHW.

This one-time drop-off event is expected to take place on a Saturday morning in the Spring of 2026 at the Arcadia Public Library parking lot, with a three-hour window for drop-offs. The event will be open to Arcadia residents only. Accepted household hazardous waste items will be limited to four categories: electronic waste, paint, pharmaceutical medications, and lightbulbs. Event set-up and break-down will take place two hours before and after the event. Residents will drive up to the drop-off location and have their HHW items retrieved, organized, and then transported for proper disposal.

DISCUSSION

To ensure the City is receiving the highest quality of service and most competitive pricing for this work, PWSD solicited a request for proposals. A Notice Inviting Proposals for Household Hazardous Waste Collection and Removal Services was published on October 27, 2025, in accordance with City Council Resolution No. 7483,

and RFP packages were provided to companies that perform this type of work. On December 3, 2025, the City Clerk received two proposals. All proposals were evaluated based on the firm’s experience, qualifications, understanding of the needs of the City, quality of service approach, and cost. The evaluation results and ranking of each company’s proposal are listed below:

Rank	Firm	Location	Cost Proposal
1	Veolia ES Technical Solutions, LLC.	Azusa	\$44,420
2	CleanEarth Environmental Solutions, Inc.	Inglewood	\$51,322

After careful review and consideration, it was determined that Veolia ES Technical Solutions (“Veolia”) is the most qualified firm to provide household hazardous waste collection and removal services. Veolia has over 30 years of experience providing safe and compliant hazardous waste collection and disposal services. Veolia’s experience in providing HHW collection and removal services is closely aligned with the scope and scale of the planned collection event, and their proposal thoroughly addressed the City’s needs. Veolia also has a partnership with PaintCare, a CalRecycle approved paint collection and disposal partner of the City of Arcadia, which reduces the potential cost of paint disposal from the event.

PWSD staff will coordinate with Veolia to manage the event set-up and break-down, and the collection and disposal of all hazardous materials before, during, and after the event. The event location will be set up prior to the start time of the HHW Collection and Removal Event, and traffic cones and hazardous waste collection areas will be pre-determined and organized. Veolia staff will remove HHW items from each vehicle and categorize the items for transportation and disposal. Veolia staff will arrange for the proper disposal of the collected items and invoice the City based on the volume of HHW collected. PWSD staff will coordinate with PaintCare for the pick-up and disposal of any paint collected from Arcadia residents. PWSD staff will ensure the event area is clean and safe for public use before, during, and after the event.

ENVIRONMENTAL ANALYSIS

The proposed contract does not constitute a project under the California Environmental Quality Act (“CEQA”), under Section 15061(b)(3) of the CEQA Guidelines, as it can be seen with certainty it will have no impact on the environment.

FISCAL IMPACT

The City of Arcadia was awarded \$50,000 from CalRecycle’s HHW HD41 Grant. Grant funding will be reimbursed to the City after completion of the event. The total cost for the HHW Collection and Removal Services event is \$44,420, and was not a budgeted expense in the Fiscal Year 2025-26 Operating Budget. As a result, an appropriation of \$44,420 from the Solid Waste Fund is being requested to pay for this event. Sufficient funds are available in the Solid Waste Fund to cover this request. Any grant funds received will be deposited into the Solid Waste Fund.

RECOMMENDATION

It is recommended the City Council determine this action does not constitute a project under the California Environmental Quality Act (“CEQA”); adopt Resolution No. 7675 amending the Fiscal Year 2025-26 Solid Waste Operating Budget, authorizing a supplemental budget appropriation for the Household Hazardous Waste Collection and Removal Services one-time drop-off event in the amount of \$44,420, offset by a reduction in the Solid Waste Fund; and approve, authorize, and direct the City Manager to execute a Professional Services Agreement with Veolia ES Technical Solutions, LLC. for Household Hazardous Waste Collection and Removal Services for a one-time drop-off event in the amount of \$44,420.

Approved:



Dominic Lazzaretto
City Manager

Attachments: Resolution No. 7675
Proposed Professional Services Agreement

RESOLUTION NO. 7675

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ARCADIA, CALIFORNIA, AMENDING THE FISCAL YEAR 2025-26 SOLID WASTE OPERATING BUDGET, AUTHORIZING A SUPPLEMENTAL BUDGET APPROPRIATION FOR THE HOUSEHOLD HAZARDOUS WASTE COLLECTION AND REMOVAL SERVICES ONE-TIME DROP OFF EVENT IN THE AMOUNT OF \$44,420, OFFSET BY A REDUCTION IN THE SOLID WASTE FUND

WHEREAS, the Public Works Services Department (“Department”) applied for and was awarded CalRecycle Household Hazardous Waste HD41 grant funding in the amount of \$50,000 to support public education efforts and implementation of a household hazardous waste collection event; and

WHEREAS, the City of Arcadia (“City”) desires to host its first citywide, residents-only Household Hazardous Waste (“HHW”) drop-off collection event to provide additional opportunities for residents to safely dispose of HHW, including electronic waste, paint, pharmaceutical medications, and lightbulbs; and

WHEREAS, the Department solicited proposals for Household Hazardous Waste Collection and Removal Services in accordance with City Council Resolution No. 7843, and two proposals were received and evaluated; and

WHEREAS, Veolia ES Technical Solutions, LLC. was determined to be the most qualified firm to provide Household Hazardous Waste Collection and Removal Services for the one-time drop-off event; and

WHEREAS, the CalRecycle Household Hazardous Waste HD41 grant is reimbursement-based and requires the City to incur eligible project costs prior to receiving grant reimbursement; and

WHEREAS, the total cost for the Household Hazardous Waste Collection and Removal Services event is \$44,420, and a supplemental budget appropriation in this amount is necessary to fund this event, offset by a reduction in the Solid Waste Fund.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF ARCADIA, CALIFORNIA, DOES FIND, DETERMINE AND RESOLVE AS FOLLOWS:

SECTION 1. The sum of forty-four thousand four hundred twenty (\$44,420) is hereby appropriated, to the Fiscal Year 2025-26 Solid Waste Operating Budget for the purposes of funding the Household Hazardous Waste Collection and Removal Services event.

SECTION 2. The City Clerk shall certify to the adoption of this Resolution.

[SIGNATURES ON THE NEXT PAGE]

Passed, approved and adopted this 3rd day of March, 2026.

Mayor of the City of Arcadia

ATTEST:

City Clerk

APPROVED AS TO FORM:



Michael J. Maurer
City Attorney

**CITY OF ARCADIA
PROFESSIONAL SERVICES AGREEMENT REGARDING
HOUSEHOLD HAZARDOUS WASTE COLLECTION AND REMOVAL
SERVICES FOR A ONE-TIME DROP-OFF EVENT**

This Agreement is made and entered into as of _____, 2026 by and between the City of Arcadia, a municipal corporation organized and operating under the laws of the State of California with its principal place of business at 240 West Huntington Drive, Arcadia, California 91066 ("City"), and **Veolia ES Technical Solutions, LLC**, a Delaware Corporation, with its principal place of business at **107 S. Motor Avenue, Azusa, CA 91702** (hereinafter referred to as "Consultant"). City and Consultant are sometimes individually referred to as "Party" and collectively as "Parties" in this Agreement.

RECITALS

- A. City is a public agency of the State of California and is in need of professional services for the following project: **Household Hazardous Waste Collection and Removal Services for a One-Time Drop-Off Event** (hereinafter referred to as "the Project").
- B. Consultant is duly licensed and has the necessary qualifications to provide such services.
- C. The Parties desire by this Agreement to establish the terms for City to retain Consultant to provide the services described herein.

AGREEMENT

NOW, THEREFORE, IT IS AGREED AS FOLLOWS:

1. Services.

Consultant shall provide the City with the services described in the Scope of Services attached hereto as Exhibit "A."

2. Compensation.

a. Subject to paragraph 2(b) below, the City shall pay for such services in accordance with the Schedule of Charges set forth in Exhibit "B."

b. In no event shall the total amount paid for services rendered by Consultant under this Agreement exceed the sum of **FORTY-FOUR THOUSAND, FOUR HUNDRED TWENTY DOLLARS, AND NO CENTS (\$44,420.00)**. This amount is to cover all printing and related costs, and the City will not pay any additional fees for printing expenses. Periodic payments shall be made within 30 days of receipt of an invoice which includes a

detailed description of the work performed. Payments to Consultant for work performed will be made on a monthly billing basis.

3. Additional Work.

If changes in the work seem merited by Consultant or the City, and informal consultations with the other party indicate that a change is warranted, it shall be processed in the following manner: a letter outlining the changes shall be forwarded to the City by Consultant with a statement of estimated changes in fee or time schedule. An amendment to this Agreement shall be prepared by the City and executed by both Parties before performance of such services, or the City will not be required to pay for the changes in the scope of work. Such amendment shall not render ineffective or invalidate unaffected portions of this Agreement.

4. Maintenance of Records.

Books, documents, papers, accounting records, and other evidence pertaining to costs incurred shall be maintained by Consultant and made available at all reasonable times during the contract period and for four (4) years from the date of final payment under the contract for inspection by City.

5. Term

Consultant shall perform its services in a prompt and timely manner and shall commence performance upon receipt of written notice from the City to proceed ("Notice to Proceed"). Consultant shall complete the services required hereunder within the **agreed upon scheduled date for the one-time drop-off event (see Exhibit C for more details)**. The Notice to Proceed shall set forth the date of commencement of work.

6. Delays in Performance.

a. Neither City nor Consultant shall be considered in default of this Agreement for delays in performance caused by circumstances beyond the reasonable control of the non-performing party. For purposes of this Agreement, such circumstances include but are not limited to, abnormal weather conditions; floods; earthquakes; fire; epidemics; war; riots and other civil disturbances; strikes, lockouts, work slowdowns, and other labor disturbances; sabotage or judicial restraint.

b. Should such circumstances occur, the non-performing party shall, within a reasonable time of being prevented from performing, give written notice to the other party describing the circumstances preventing continued performance and the efforts being made to resume performance of this Agreement.

7. Compliance with Law.

a. Consultant shall comply with all applicable laws, ordinances, codes and regulations of the federal, state and local government, including Cal/OSHA requirements.

b. If required, Consultant shall assist the City, as requested, in obtaining and maintaining all permits required of Consultant by federal, state and local regulatory agencies.

c. If applicable, Consultant is responsible for all costs of clean up and/ or removal of hazardous and toxic substances spilled as a result of his or her services or operations performed under this Agreement.

8. Standard of Care

Consultant's services will be performed in accordance with generally accepted professional practices and principles and in a manner consistent with the level of care and skill ordinarily exercised by members of the profession currently practicing under similar conditions.

9. Assignment and Subconsultant

Consultant shall not assign, sublet, or transfer this Agreement or any rights under or interest in this Agreement without the written consent of the City, which may be withheld for any reason. Any attempt to so assign or so transfer without such consent shall be void and without legal effect and shall constitute grounds for termination. Subcontracts, if any, shall contain a provision making them subject to all provisions stipulated in this Agreement. Nothing contained herein shall prevent Consultant from employing independent associates, and subconsultants as Consultant may deem appropriate to assist in the performance of services hereunder.

10. Independent Contractor

Consultant is retained as an independent contractor and is not an employee of City. No employee or agent of Consultant shall become an employee of City. The work to be performed shall be in accordance with the work described in this Agreement, subject to such directions and amendments from City as herein provided.

11. Insurance. Consultant shall not commence work for the City until it has provided evidence satisfactory to the City it has secured all insurance required under this section. In addition, Consultant shall not allow any subcontractor to commence work on any subcontract until it has secured all insurance required under this section.

a. Commercial General Liability

(i) The Consultant shall take out and maintain, during the performance of all work under this Agreement, in amounts not less than specified herein, Commercial General Liability Insurance, in a form and with insurance companies acceptable to the City.

(ii) Coverage for Commercial General Liability insurance shall be at least as broad as the following:

(1) Insurance Services Office Commercial General Liability coverage (Occurrence Form CG 00 01) or exact equivalent.

(iii) Commercial General Liability Insurance must include coverage for the following:

- (1) Bodily Injury and Property Damage
- (2) Personal Injury/Advertising Injury
- (3) Premises/Operations Liability
- (4) Products/Completed Operations Liability **Consultant shall procure and submit evidence of insurance for at least five (5) years from the time that all work under this Agreement is completed.**
- (5) Aggregate Limits that Apply per Project
- (6) Explosion, Collapse and Underground (UCX) exclusion deleted
- (7) Contractual Liability with respect to this Agreement
- (8) Property Damage
- (9) Independent Consultants Coverage

(iv) The policy shall contain no endorsements or provisions limiting coverage for (1) contractual liability; (2) cross liability exclusion for claims or suits by one insured against another; (3) products/completed operations liability; or (4) contain any other exclusion contrary to the Agreement.

(v) The policy shall give City, its officials, officers, employees, agents and City designated volunteers additional insured status using ISO endorsement forms CG 20 10 10 01 and 20 37 10 01, or endorsements providing the exact same coverage. **Consultant may provide blanket endorsements to meet the Additional Insured requirement in this written contract. However, all subcontractors' endorsements shall specifically name the City, its elected officials, officers, employees, volunteers, boards, agents, and representatives as additional insureds and blanket endorsements are not acceptable.**

(vi) The general liability program may utilize either deductibles or provide coverage excess of a self-insured retention, subject to written approval by the City, and provided that such deductibles shall not apply to the City as an additional insured.

b. Automobile Liability

(i) At all times during the performance of the work under this Agreement, the Consultant shall maintain Automobile Liability Insurance for bodily injury and property damage including coverage for owned, non-owned and hired vehicles, in a form and with insurance companies acceptable to the City.

(ii) Coverage for automobile liability insurance shall be at least as broad as Insurance Services Office Form Number CA 00 01 covering automobile liability (Coverage Symbol 1, any auto).

(iii) The policy shall give City, its officials, officers, employees, agents and City designated volunteers additional insured status. **Consultant may provide blanket endorsements to meet the Additional Insured requirement in this written contract. However, all subcontractors' endorsements shall specifically name the City, its elected officials, officers, employees, volunteers, boards, agents, and representatives as additional insureds and blanket endorsements are not acceptable.**

(iv) Subject to written approval by the City, the automobile liability program may utilize deductibles, provided that such deductibles shall not apply to the City as an additional insured, but not a self-insured retention.

c. Workers' Compensation/Employer's Liability

(i) Consultant certifies that he/she is aware of the provisions of Section 3700 of the California Labor Code which requires every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and he/she will comply with such provisions before commencing work under this Agreement.

(ii) To the extent Consultant has employees at any time during the term of this Agreement, at all times during the performance of the work under this Agreement, the Consultant shall maintain full compensation insurance for all persons employed directly by him/her to carry out the work contemplated under this Agreement, all in accordance with the "Workers' Compensation and Insurance Act," Division IV of the Labor Code of the State of California and any acts amendatory thereof, and Employer's Liability Coverage in amounts indicated herein. Consultant shall require all subconsultants to obtain and maintain, for the period required by this Agreement, workers' compensation coverage of the same type and limits as specified in this section.

d. Professional Liability (Errors and Omissions)

At all times during the performance of the work under this Agreement the Consultant shall maintain professional liability or Errors and Omissions insurance appropriate to its profession, in a form and with insurance companies acceptable to the City and in an amount indicated herein. This insurance shall be endorsed to include contractual liability applicable to this Agreement and shall be written on a policy form coverage specifically designed to protect against acts, errors or omissions of the Consultant. "Covered Professional Services" as designated in the policy must specifically include work performed under this Agreement. The policy must "pay on behalf of" the insured and must include a provision establishing the insurer's duty to defend.

e. Cyber Liability Insurance.

Cyber Liability Insurance covering (1) all acts, errors, omissions, negligence, infringement of intellectual property; (2) network security and privacy risks, including but not limited to unauthorized access, failure of security, breach of privacy perils, wrongful disclosure, collection, or negligence in the handling of confidential information, privacy perils, including coverage for related regulatory defense and penalties; (3) system failure, damage to or destruction of electronic information, data recovery, business interruption, cyber extortion, and information theft; (4) data breach expenses payable whether incurred by City or Consultant, including but not limited to consumer notification, whether or not required by law, computer forensic investigations, public relations and crisis management firm fees, credit file or identity monitoring or remediation services in the performance of services for City or on behalf of City hereunder. If a sub-limit applies to any elements of coverage, the certificate of insurance evidencing the coverage above must specify the coverage section and the amount of the sub-limit.

f. Minimum Policy Limits Required

(i) The following insurance limits are required for the Agreement:

Combined Single Limit

Commercial General Liability	\$1,000,000 per occurrence/ \$2,000,000 aggregate for bodily injury, personal injury, and property damage
Automobile Liability	\$1,000,000 per occurrence for bodily injury and property damage
Employer's Liability	\$1,000,000 per occurrence
Professional Liability	\$1,000,000 per claim and aggregate (errors and omissions)

g. Evidence Required

Prior to execution of the Agreement, the Consultant shall file with the City evidence of insurance from an insurer or insurers certifying to the coverage of all insurance required herein. Such evidence shall include original copies of the ISO CG 00 01 (or insurer's equivalent) signed by the insurer's representative and Certificate of Insurance (Acord Form 25-S or equivalent), together with required endorsements. All evidence of insurance shall be signed by a properly authorized officer, agent, or qualified representative of the insurer and shall certify the names of the insured, any additional insureds, where appropriate, the type and amount of the insurance, the location and operations to which the insurance applies, and the expiration date of such insurance.

h. Policy Provisions Required

(i) Consultant shall provide the City at least thirty (30) days prior written notice of cancellation of any policy required by this Agreement, except that the Consultant shall provide at least ten (10) days prior written notice of cancellation of any such policy due to non-payment of premium. If any of the required coverage is cancelled or expires during the term of this Agreement, the Consultant shall deliver renewal certificate(s) including the General Liability Additional Insured Endorsement to the City at least ten (10) days prior to the effective date of cancellation or expiration. Consultant may provide blanket endorsements to meet the Additional Insured requirement in this written contract. However, all subcontractors' endorsements shall specifically name the City, its elected officials, officers, employees, volunteers, boards, agents, and representatives as additional insureds and blanket endorsements are not acceptable.

(ii) The Commercial General Liability Policy and Automobile Policy shall each contain a provision stating that Consultant's policy is primary insurance and that any insurance, self-insurance or other coverage maintained by the City or any named insureds shall not be called upon to contribute to any loss.

(iii) The retroactive date (if any) of each policy is to be no later than the effective date of this Agreement. Consultant shall maintain such coverage continuously for a period of at least three years after the completion of the work under this Agreement. Consultant shall purchase a one (1) year extended reporting period A) if the retroactive date is advanced past the effective date of this Agreement; B) if the policy is cancelled or not renewed; or C) if the policy is replaced by another claims-made policy with a retroactive date subsequent to the effective date of this Agreement.

(iv) All required insurance coverages, except for the professional liability coverage, shall contain or be endorsed to waiver of subrogation in favor of the City, its officials, officers, employees, agents, and volunteers or shall specifically allow Consultant or others providing insurance evidence in compliance with these specifications to waive their right of recovery prior to a loss. Consultant hereby waives its own right of recovery

against City, and shall require similar written express waivers and insurance clauses from each of its subconsultants.

(v) The limits set forth herein shall apply separately to each insured against whom claims are made or suits are brought, except with respect to the limits of liability. Further the limits set forth herein shall not be construed to relieve the Consultant from liability in excess of such coverage, nor shall it limit the Consultant's indemnification obligations to the City and shall not preclude the City from taking such other actions available to the City under other provisions of the Agreement or law.

i. Qualifying Insurers

(i) All policies required shall be issued by acceptable insurance companies, as determined by the City, which satisfy the following minimum requirements:

(1) Each such policy shall be from a company or companies with a current A.M. Best's rating of no less than A:VII and admitted to transact in the business of insurance in the State of California, or otherwise allowed to place insurance through surplus line brokers under applicable provisions of the California Insurance Code or any federal law.

j. Additional Insurance Provisions

(i) The foregoing requirements as to the types and limits of insurance coverage to be maintained by Consultant, and any approval of said insurance by the City, is not intended to and shall not in any manner limit or qualify the liabilities and obligations otherwise assumed by the Consultant pursuant to this Agreement, including but not limited to, the provisions concerning indemnification.

(ii) If at any time during the life of the Agreement, any policy of insurance required under this Agreement does not comply with these specifications or is canceled and not replaced, City has the right but not the duty to obtain the insurance it deems necessary and any premium paid by City will be promptly reimbursed by Consultant or City will withhold amounts sufficient to pay premium from Consultant payments. In the alternative, City may cancel this Agreement.

(iii) The City may require the Consultant to provide complete copies of all insurance policies in effect for the duration of the Project.

(iv) Neither the City nor any of its officials, officers, employees, agents or volunteers shall be personally responsible for any liability arising under or by virtue of this Agreement.

k. Subconsultant Insurance Requirements. Consultant shall not allow any subcontractors or subconsultants to commence work on any subcontract until they have

provided evidence satisfactory to the City that they have secured all insurance required under this section. Policies of commercial general liability insurance provided by such subcontractors or subconsultants shall be endorsed to name the City as an additional insured using ISO form CG 20 38 04 13 or an endorsement providing the exact same coverage. All subcontractors' endorsements shall specifically name the City, its elected officials, officers, employees, volunteers, boards, agents, and representatives as additional insureds and blanket endorsements are not acceptable. If requested by Consultant, City may approve different scopes or minimum limits of insurance for particular subcontractors or subconsultants.

12. Indemnification.

a. To the fullest extent permitted by law, Consultant shall defend (with counsel of City's choosing), indemnify and hold the City, its officials, officers, employees, volunteers, and agents free and harmless from any and all claims, demands, causes of action, costs, expenses, liability, loss, damage or injury of any kind, in law or equity, to property or persons, including wrongful death, in any manner arising out of, pertaining to, or incident to any acts, errors or omissions, or willful misconduct of Consultant, its officials, officers, employees, subcontractors, consultants or agents in connection with the performance of the Consultant's services, the Project or this Agreement, including without limitation the payment of all damages, expert witness fees and attorney's fees and other related costs and expenses. Consultant's obligation to indemnify shall not be restricted to insurance proceeds, if any, received by Consultant, the City, its officials, officers, employees, agents, or volunteers.

b. To the extent required by Civil Code section 2782.8, which is fully incorporated herein, Consultant's obligations under the above indemnity shall be limited to claims that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of the Consultant, but shall not otherwise be reduced. If Consultant's obligations to defend, indemnify, and/or hold harmless arise out of Consultant's performance of "design professional services" (as that term is defined under Civil Code section 2782.8), then upon Consultant obtaining a final adjudication that liability under a claim is caused by the comparative active negligence or willful misconduct of the City, Consultant's obligations shall be reduced in proportion to the established comparative liability of the City and shall not exceed the Consultant's proportionate percentage of fault.

13. California Labor Code Requirements.

a. Consultant is aware of the requirements of California Labor Code Sections 1720 et seq. and 1770 et seq., which require the payment of prevailing wage rates and the performance of other requirements on certain "public works" and "maintenance" projects ("Prevailing Wage Laws"). If the services are being performed as part of an applicable "public works" or "maintenance" project, as defined by the Prevailing Wage Laws, and if the total compensation is \$15,000 or more for maintenance or \$25,000 or more for construction, alteration, demolition, installation, or repair, Consultant agrees to fully comply with such

Prevailing Wage Laws. Consultant shall defend, indemnify and hold the City, its officials, officers, employees and agents free and harmless from any claims, liabilities, costs, penalties or interest arising out of any failure or alleged failure to comply with the Prevailing Wage Laws. It shall be mandatory upon the Consultant and all subconsultants to comply with all California Labor Code provisions, which include but are not limited to prevailing wages (Labor Code Sections 1771, 1774 and 1775), employment of apprentices (Labor Code Section 1777.5), certified payroll records (Labor Code Sections 1771.4 and 1776), hours of labor (Labor Code Sections 1813 and 1815) and debarment of contractors and subcontractors (Labor Code Section 1777.1).

b. If the services are being performed as part of an applicable “public works” or “maintenance” project and if the total compensation is \$15,000 or more for maintenance or \$25,000 or more for construction, alteration, demolition, installation, or repair, then pursuant to Labor Code Sections 1725.5 and 1771.1, the Consultant and all subconsultants performing such services must be registered with the Department of Industrial Relations. Consultant shall maintain registration for the duration of the Project and require the same of any subconsultants, as applicable. This Project may also be subject to compliance monitoring and enforcement by the Department of Industrial Relations. It shall be Consultant’s sole responsibility to comply with all applicable registration and labor compliance requirements.

c. This Agreement may also be subject to compliance monitoring and enforcement by the Department of Industrial Relations. It shall be Consultant’s sole responsibility to comply with all applicable registration and labor compliance requirements. Any stop orders issued by the Department of Industrial Relations against Consultant or any subcontractor that affect Consultant’s performance of services, including any delay, shall be Consultant’s sole responsibility. Any delay arising out of or resulting from such stop orders shall be considered Consultant caused delay and shall not be compensable by the City. Consultant shall defend, indemnify and hold the City, its officials, officers, employees and agents free and harmless from any claim or liability arising out of stop orders issued by the Department of Industrial Relations against Consultant or any subcontractor.

14. Verification of Employment Eligibility.

By executing this Agreement, Consultant verifies that it fully complies with all requirements and restrictions of state and federal law respecting the employment of undocumented aliens, including, but not limited to, the Immigration Reform and Control Act of 1986, as may be amended from time to time, and shall require all subconsultants and sub-subconsultants to comply with the same.

15. City Material Requirements.

Consultant is hereby made aware of the City’s requirements regarding materials, as set forth in **Request for Proposals**, which are deemed to be a part of this Agreement.

16. Laws and Venue.

This Agreement shall be interpreted in accordance with the laws of the State of California. If any action is brought to interpret or enforce any term of this Agreement, the action shall be brought in a state or federal court situated in the County of Los Angeles, State of California.

17 Termination or Abandonment

a. City has the right to terminate or abandon any portion or all of the work under this Agreement by giving ten (10) calendar days written notice to Consultant. In such event, City shall be immediately given title and possession to all original field notes, drawings and specifications, written reports and other documents produced or developed for that portion of the work completed and/or being abandoned. City shall pay Consultant the reasonable value of services rendered for any portion of the work completed prior to termination. If said termination occurs prior to completion of any task for the Project for which a payment request has not been received, the charge for services performed during such task shall be the reasonable value of such services, based on an amount mutually agreed to by City and Consultant of the portion of such task completed but not paid prior to said termination. City shall not be liable for any costs other than the charges or portions thereof which are specified herein. Consultant shall not be entitled to payment for unperformed services, and shall not be entitled to damages or compensation for termination of work.

b. Consultant may terminate its obligation to provide further services under this Agreement upon thirty (30) calendar days' written notice to City only in the event of substantial failure by City to perform in accordance with the terms of this Agreement through no fault of Consultant.

18 Documents. Except as otherwise provided in "Termination or Abandonment," above, all original field notes, written reports, Drawings and Specifications and other documents, produced or developed for the Project shall, upon payment in full for the services described in this Agreement, be furnished to and become the property of the City.

19. Organization

Consultant shall assign **Ted Yoon**, as Project Manager. The Project Manager shall not be removed from the Project or reassigned without the prior written consent of the City.

20. Limitation of Agreement.

This Agreement is limited to and includes only the work included in the Project described above.

21. Notice

Any notice or instrument required to be given or delivered by this Agreement may be given or delivered by depositing the same in any United States Post Office, certified mail, return receipt requested, postage prepaid, addressed to:

CITY:

City of Arcadia
240 West Huntington Drive
Arcadia, CA 91066
Attn: Briget Arndell
Environmental Services Manager

CONSULTANT:

Veolia ES Technical Solutions, LLC
107 S. Motor Avenue
Temecula, CA 95291
Attn: Jade English, Vice-President

and shall be effective upon receipt thereof.

22. Third Party Rights

Nothing in this Agreement shall be construed to give any rights or benefits to anyone other than the City and the Consultant.

23. Equal Opportunity Employment.

Consultant represents that it is an equal opportunity employer and that it shall not discriminate against any employee or applicant for employment because of race, religion, color, national origin, ancestry, sex, age or other interests protected by the State or Federal Constitutions. Such non-discrimination shall include, but not be limited to, all activities related to initial employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination.

24. Entire Agreement

This Agreement, with its exhibits, represents the entire understanding of City and Consultant as to those matters contained herein, and supersedes and cancels any prior or contemporaneous oral or written understanding, promises or representations with respect to those matters covered hereunder. Each party acknowledges that no representations, inducements, promises or agreements have been made by any person which are not incorporated herein, and that any other agreements shall be void. This Agreement may not be modified or altered except in writing signed by both Parties hereto. This is an integrated Agreement.

25. Severability

The unenforceability, invalidity or illegality of any provision(s) of this Agreement shall not render the provisions unenforceable, invalid or illegal.

26. Successors and Assigns

This Agreement shall be binding upon and shall inure to the benefit of the successors in interest, executors, administrators and assigns of each party to this Agreement. However, Consultant shall not assign or transfer by operation of law or otherwise any or all of its rights, burdens, duties or obligations without the prior written consent of City. Any attempted assignment without such consent shall be invalid and void.

27. Non-Waiver

None of the provisions of this Agreement shall be considered waived by either party, unless such waiver is specifically specified in writing.

28. Time of Essence

Time is of the essence for each and every provision of this Agreement.

29. City's Right to Employ Other Consultants

City reserves its right to employ other consultants, including engineers, in connection with this Project or other projects.

30. Prohibited Interests

Consultant maintains and warrants that it has not employed nor retained any company or person, other than a bona fide employee working solely for Consultant, to solicit or secure this Agreement. Further, Consultant warrants that it has not paid nor has it agreed to pay any company or person, other than a bona fide employee working solely for Consultant, any fee, commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting from the award or making of this Agreement. For breach or violation of this warranty, City shall have the right to rescind this Agreement without liability. For the term of this Agreement, no director, official, officer or employee of City, during the term of his or her service with City, shall have any direct interest in this Agreement, or obtain any present or anticipated material benefit arising therefrom.

[SIGNATURES ON FOLLOWING PAGE]

**SIGNATURE PAGE FOR PROFESSIONAL SERVICES AGREEMENT
BETWEEN THE CITY OF ARCADIA
AND VEOLIA ES TECHNICAL SOLUTIONS, LLC**

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first written above.

CITY OF ARCADIA

VEOLIA ES TECHNICAL SOLUTIONS, LLC

By: _____
Dominic Lazzaretto
City Manager

By: _____
Title: _____
Printed Name: _____

ATTEST:

By: _____
City Clerk

By: _____
Title: _____
Printed Name: _____

APPROVED AS TO FORM:

CONCUR:

By: _____
Michael J. Maurer
City Attorney

Paul Cranmer
Public Works Services Director

EXHIBIT "A"

Scope of Services

The Scope of Services for the for the **Household Hazardous Waste ("HHW") Collection and Disposal Services** shall include, but not limited to the following:

The firm shall set up for the collection of, collect, and properly dispose of the HHW from the specified City event. Collection and disposal of HHW include, but are not limited to, electronic waste, lightbulbs, paint chemicals, and pharmaceutical medications. Items collected at the event are subject to change. The event is expected to serve no more than 500 residents.

Event Description – The HHW collection event will be a drive-up event held in a City facility parking lot. Residents will remain in their vehicles and will only be expected to open their trunks. The firm shall be responsible for organizing personnel and staff to safely remove materials from each vehicle and properly separate and handle the waste in accordance with regulations.

The firm shall work in coordination with the City of Arcadia to set up the day prior, including but not limited to drive-up lanes, placing cones and safety barriers, setting up collection bins, and preparing the site for safe public access.

The event scheduled date will be agreed upon by the firm and the City of Arcadia. The set up on the day of the event will take place before 8am. The collection period will take place from 8am to 11am, followed by firm-led breakdown and cleanup from 11:00am to 1:00pm.

Accepted materials for this event include paint chemicals, pharmaceutical medications, lightbulbs, and electronic waste.

The firm shall be responsible for:

- Providing all staffing, equipment, and materials necessary to operate the event.
- Managing traffic control throughout the duration of the event.
- Ensuring the safe collection, transport, and disposal of all collected materials.
- Providing post-event documentation and reported as required by the City.

The City of Arcadia shall be responsible for:

- Promoting the event to residents.
- Providing on-site staff support during the event.
- Obtaining the required permits and approvals required for the event.
- Coordinating Paint Care for onsite collection of accepted paint materials at the event.

Payment – The firm will be paid for the completed setup, collection, and disposal of household hazardous waste according to the unit price established in the bid schedule.

Identification – All representatives of the firm working at site shall wear identifiable clothing that clearly identifies the firm. All vehicles shall be marked to clearly identify the firm.

Conduct – Workers are to conduct themselves in a friendly and professional manner and use only appropriate language.

Work Hours – The firm shall be required to work between 7:00am and 2:00pm on the day of the event.

Safety

Illness and Injury Prevention Plan (“IIP”) – Prior to commencing any work the firm is required to submit to the Environmental Services manager their IIP and identify their lead safety contact.

Safety Procedures – The firm is required to submit to the Environmental Services Manager their documented safety procedures.

Coordination

City Representative – The Environmental Services Manager will identify and assign one contact who will coordinate the scheduling of the event. This contact will be the primary contact with the City for the firm.

Firm Representative – The firm will identify and assign a contact who will coordinate and oversee the execution of the event. This contact will be the primary contact with the firm for the City.

Record Keeping

Work Orders – A city representative will sign off on completed work orders after the event is complete.

Receipts – The firm will provide proof of service to the city representative after the event is complete.

Invoices – The firm will provide an invoice to the Environmental Services Manager 7-10 days after the event is complete.

EXHIBIT "B"

Schedule of Charges/Payments

The firm will provide an invoice to the Environmental Services Manager 7-10 days after the scheduled event is complete.

Compensation shall be based on time and materials spent in accordance with the following tasks, not to exceed the total compensation listed below:

The schedule of prices is attached as attachment "A" to this Exhibit "B".

Household Hazardous Waste Collection and Disposal Services - \$44,420.00

Total Compensation - \$44,420.00

The total compensation shall not exceed the total listed without written authorization in accordance with Section 2 (b) of the agreement.

DRAFT

Attachment "A" to Exhibit "B"

**HOUSEHOLD HAZARDOUS WASTE ("HHW") COLLECTION AND DISPOSAL SERVICES
FEE & RATE SCHEDULE**

Item No.	Item	Unit	Cost per Unit	Quantity	Total Cost
1	Staffing	Per hour	\$105.00 / person/ hour	25 people x 10 hours	\$ 26,250.0
2	Security (if applicable)	Per hour	95.00 per person	2 days x 8 hours	\$ 1,520.00
3	Electronic Waste Collection and Removal	per 1b	0.60 / 1b	7,500	\$ 4,500.00
4	Paints Collection and Removal	Per 1b	0.00*		0.00
5	Lightbulbs Collection and Removal	per 1b	0.60 / 1b	2,500	\$ 1,500.00
6	Pharmaceutical Medication Collection and Removal	per 1b	2.05 / 1b	3,000	\$ 6,150.00
7	Supplies "set-up costs"		4,500.00	per event (includes materials)	\$ 4,500.00

TOTAL AMOUNT OF PROPOSAL (ITEMS 1-4) \$ 44,420. 00

Fourty-four thousand, four hundred and twenty

(Dollar amount in written form)

Additional Comments:

** Paint related materials not accepted by PaintCare will be quoted at \$300.00/55 gal disposal rate.

EXHIBIT "C"

Activity Schedule

All work shall be completed in accordance with the following schedule:

The term of this Agreement shall be for **one (1) time scheduled event for the Household Hazardous Waste Collection and Removal Services in the City of Arcadia**. All tasks under Exhibit "A" shall be adhered to and executed accordingly.

DRAFT