



CITY OF ARCADIA

CITY COUNCIL REGULAR MEETING AGENDA

Tuesday, April 7, 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.

STUDY SESSION

- a. Waste Management Proposed Refuse Rates Schedule for Fiscal Years 2026-27 through 2030-31.

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

1. CALL TO ORDER

2. INVOCATION

Reverend Jolene Cadenbach, Arcadia Congregational Church

3. PLEDGE OF ALLEGIANCE

Reverend Jolene Cadenbach, Arcadia Congregational 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. 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.

8. CONSENT CALENDAR

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

- b. Resolution No. 7678 amending the Fiscal Year 2025-26 Capital Improvement Program Budget, authorizing a supplemental budget appropriation for the SCADA

System Replacement Project in the amount of \$163,195, offset by a reduction in the Water Fund; and approve a Professional Services Agreement with Morrow-Meadows Co., for the SCADA System Replacement Project in the amount of \$1,057,450.

CEQA: Not a Project

Recommended Action: Adopt and Approve

- c. Resolution No. 7679 amending the Fiscal Year 2025-26 Capital Improvement Program Budget, authorizing a supplemental budget appropriation for the City Hall Lawn Fence Installation Project in the amount of \$137,759.78, offset by a reduction in the Capital Outlay Fund; and approve a contract with MDJ Management, LLC for the City Hall Lawn Fence Installation Project in the amount of \$125,236.16.

CEQA: Exempt

Recommended Action: Adopt and Approve

- d. Resolution No. 7681 amending the Fiscal Year 2025-26 General Fund Operating Budget, authorizing a supplemental budget appropriation for plan check services in the amount of \$435,000, offset by an increase in plan check revenue; and amending the Professional Services Agreements with Scott Fazekas & Associates, Inc. and VCA Code Group for additional plan review services in the amount of \$435,000.

CEQA: Not a Project

Recommended Action: Adopt and Approve

- e. Authorize Lease Agreement of 1,200 acre-feet of production rights in the Main San Gabriel Basin from Covina Valley Water Company, in the amount of \$1,173,960.

CEQA: Not a Project

Recommended Action: Approve

- f. Accept all work performed by Gentry Brothers, Inc. for the Second Avenue Arterial Pavement Rehabilitation Project in the amount of \$649,918.64.

CEQA: Exempt

Recommended Action: Approve

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

10. REQUEST FOR FUTURE ITEMS

11. ADJOURNMENT

The City Council will adjourn this meeting to Tuesday, April 21, 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。

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

CALL TO ORDER – Mayor Pro Tem Cheng called the Study Session to order at 6:00 p.m.

ROLL CALL OF CITY COUNCIL MEMBERS

Mayor Pro Tem Cheng moved to excuse Mayor Wang from the meeting. The City Council concurred.

PRESENT: Cao, Fu, Kwan, and Cheng

ABSENT: Wang

PUBLIC COMMENTS - No one appeared.

STUDY SESSION

- a. Report, discussion, and direction regarding establishing a potential Fallen Veterans Month program.

City Manager Lazzaretto introduced the Study Session Item and deferred to Council Member Cao for further discussion, who had requested the topic be placed on a future agenda. Council Member Cao recommended holding an annual ceremonial event and provided ideas for the event.

After discussion, a motion was made by Council Member Cao, seconded by Mayor Pro Tem Cheng, and carried on a roll call vote to establish an annual ceremonial event the Friday before the Memorial Day holiday, with additional direction to incorporate the ideas discussed into the event.

AYES: Cao, Cheng, Fu, and Kwan

NOES: None

ABSENT: Wang

The Study Session ended at 6:13 p.m.

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

1. CALL TO ORDER – Mayor Wang called the Regular Meeting to order at 7:00 p.m.

- 2. **INVOCATION** – Rabbi Sholom Stiefel, Chabad of Arcadia
- 3. **PLEDGE OF ALLEGIANCE** – Rabbi Sholom Stiefel, Chabad of Arcadia
- 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 Study Session to discuss the one item listed on the posted agenda; he noted that he was not present and turned the matter over to City Manager Lazzaretto for a report.

City Manager Lazzaretto reported that the City Council met to consider establishing a Fallen Veterans Month program; he indicated that the City Council voted unanimously to hold an annual ceremonial event, beginning Friday, May 22, to honor fallen service members of the U.S. Armed Forces; and he noted for the record that Mayor Wang was excused from the Study Session.

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

City Manager Lazzaretto noted that the City Council received seven letters from neighbors regarding Public Hearing Item 8.a in support of the proposed 86-unit multi-family condominium project at 201 and 225 Colorado Place.

7. **PRESENTATIONS**

- a. Presentation of Mayor’s Certificate of Commendation to Jamie Shiuan for earning the Girl Scout Gold Award.
- b. Presentation of Education and Sharing Day Proclamation to Rabbi Sholom Stiefel of Chabad of Arcadia.

8. **PUBLIC HEARING**

- a. Resolution No. 7651 approving an 86-unit multi-family condominium project, including 9 affordable units, with a Density Bonus and SB 330, known as the Colorado Collection, at 201 and 225 Colorado Place.

CEQA: Exempt
Recommended Action: Adopt and Approve

Planning Services Manager Graham provided the Staff Report.

In response to Council Member Fu's inquiry, Planning Services Manager Graham stated that the Residential Flex Overlay for 30 to 50 units per acre typically requires a minimum of 30 units; however, due to the unique layout of the site, a reduced density modification would be supported.

Council Member Kwan commented on the number of Moderate Income units proposed; she expressed concern that the project does not include Low or Very Low Income units; and she inquired when the City will meet the Regional Housing Needs Allocation (RHNA) requirements for Very Low and Low Income households.

Planning Services Manager Graham explained that the Residential Flex Overlay requires projects to provide affordable housing at a level sufficient to qualify for a density bonus; she stated that the Applicant meets the minimum 10% requirement by providing nine Moderate Income units; she added that the level of affordability is determined at the applicant's discretion; and noted that other upcoming mixed-use projects are anticipated to include Very Low and Low Income units.

Interim Development Services Director Flores identified some upcoming projects that will include Very Low Income units.

Mayor Wang opened the Public Hearing.

Matt Waken, the Applicant, appeared and thanked City staff for their support; he provided more background on the project, noting his ties to the community; he stated that the project is intended to provide housing opportunities for families; and he encouraged the City Council to approve the proposed project.

Janice Savoie, Vice President of the Santa Anita Church Board, appeared and stated that she discussed potential modifications to the Conditions of Approval with the Applicant; she requested increased tree heights along the north property line, adjacent to the Church and Barnhart School, and that any neighboring trees or facilities damaged during construction be replaced; she expressed support for the project but raised concerns regarding traffic; and she inquired why a traffic study was not conducted.

Council Member Kwan also expressed her concerns over potential increased traffic.

Planning Services Manager Graham indicated that the proposed project meets the Vehicle Miles Traveled threshold under the California Environmental Quality Act; she explained that traffic impacts are evaluated under current standards and that future traffic conditions from the proposed project would be similar or improved compared to the property's existing use.

In response to Ms. Savoie's requests, the Applicant indicated that those additional conditions would be incorporated.

Mayor Wang closed the Public Hearing.

After discussion, a motion was made by Council Member Cao to adopt Resolution No. 7651, finding the Project categorically exempt from the California Environmental Quality Act ("CEQA") pursuant to Section 15332 of the CEQA Guidelines as a Class 32 (Infill) exemption; and approve Multi-Family Architectural Design Review No. MFADR 25-12, Major Administrative Modification No. Major AM 25-10, Vesting Tentative Tract Map No. TTM 25-08 (84968), Healthy Tree Removal Permit No. TRH 25-15, Protected Tree Encroachment Permit No. TRE 25-14, and Certificate of Demolition Nos. COD 25-30 and COD 25-31 for the new Colorado Collection multi-family condominium development, subject to the proposed Conditions of Approval.

Council Member Fu raised a point of order regarding how to incorporate an additional condition discussed during Public Comment.

City Attorney Maurer recommended adding language to Condition No. 3 as a friendly amendment, requiring the developer to replace any neighboring trees or facilities damaged during the construction, and deferred the matter of tree height to staff.

City Manager Lazzaretto recommended adding a condition to address the tree height.

Interim Development Services Director Flores recommended reopening Public Comment to allow discussion with the Applicant regarding the minimum tree height.

Mayor Wang reopened Public Comment to allow the applicant to respond.

Peter Aduarte, the Applicant, stated that additional evergreen screening trees are proposed along the north property line, with an initial minimum height of eight feet and a mature height of at least 18 feet.

City Attorney Maurer requested that staff incorporate this provision into a new Condition No. 34.

Council Member Cao accepted the friendly amendment, Council Member Fu seconded, and the motion carried on a roll call vote.

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

9. PUBLIC COMMENTS

Francine Chiu, a business owner and Arcadia Chamber of Commerce Board Member, appeared and provided an update on the Chamber's efforts to support local businesses, including the following networking events: the 2026 Membership Madness Campaign to welcome new businesses, and the Chamber's Golf Classic on April 30 at Brookside Golf Course; and she thanked the City Council for their continued support.

10. CONSENT CALENDAR

- a. Regular Meeting Minutes of March 3, 2026.
CEQA: Not a Project
Recommended Action: Approve
- b. Resolution No. 7659 amending the Fiscal Year 2025-26 Facility Maintenance Operating Budget, authorizing a supplemental budget appropriation in the amount of \$25,000 for the emergency generator rental at Fire Station 107, offset by a reduction in the General Fund; and approve a Change Order to the Purchase Order with Valley Power Systems, Inc. for the emergency generator rental at Fire Station 107 in the amount of \$25,000.
CEQA: Not a Project
Recommended Action: Adopt and Approve
- c. Approval of the 2025 General Plan and Housing Element Annual Progress Reports.
CEQA: Not a Project
Recommended Action: Receive and File
- d. Professional Services Agreement with Royal Coaches Auto Body & Towing for official police tow services for a three-year term, with the option of three one-year renewals.
CEQA: Not a Project
Recommended Action: Approve
- e. Professional Services Agreement with Heads in the Sky for America's 250th Celebration drone show at Santa Anita Park, in an amount not to exceed \$208,600.
CEQA: Not a Project
Recommended Action: Approve
- f. Professional Services Agreement with Café Fusion to provide the Senior Meals Program for Fiscal Year 2026-27 in an amount not to exceed \$120,000.
CEQA: Not a Project
Recommended Action: Approve

- g. Professional Services Agreement with Southland Sports to provide Basketball Official Services for Fiscal Year 2026-27 in an amount not to exceed \$51,400.
CEQA: Not a Project
Recommended Action: Approve
- h. Amendment to the Professional Services Agreement with Willdan Engineering for Community Development Block Grant ("CDBG") Housing Rehabilitation Program Management and Administrative Services, adding \$10,403 for Fiscal Year 2025-26.
CEQA: Not a Project
Recommended Action: Approve
- i. General Services Agreement renewal with the County of Los Angeles.
CEQA: Not a Project
Recommended Action: Approve
- j. Purchase of portable and mobile radios for the Arcadia Police Department from Motorola Solutions Inc., from the Equipment Replacement Fund, in an amount not to exceed \$444,260.
CEQA: Not a Project
Recommended Action: Approve
- k. Purchase Order with Pacific Lift and Equipment Company Inc. for the purchase of one Rotary tire changer and one Rotary tire balancer in the amount of \$35,723.23.
CEQA: Not a Project
Recommended Action: Approve
- l. Purchase Order with Fairfield Chevrolet & CA Police Cars for the purchase of one 2026 Chevrolet Silverado 1500 Pickup Truck in the amount of \$50,904.95.
CEQA: Not a Project
Recommended Action: Approve
- m. Purchase Order with Westnet, LLC for the purchase and installation of fire station alerting system equipment in the amount of \$379,804.
CEQA: Not a Project
Recommended Action: Approve
- n. Purchase Order for Dell computer workstations and laptops from Granite Data Solution Inc. in the amount of \$75,000 through a Cooperative Purchasing Agreement under the California State eProcurement Program (Contract Number 1-22-70-31A).
CEQA: Not a Project
Recommended Action: Approve

Council Member Kwan pulled Consent Calendar Item 10.e for a separate discussion.

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

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

NOES: None

ABSENT: None

Council Member Kwan emphasized the importance of celebrating America's 250th Anniversary and inquired whether the proposed amount was solely for the drone show.

City Manager Lazzaretto indicated that the cost includes the drones, music accompaniment, and pyrotechnic drones; and he stated that the City Council approved a budget of up to \$400,000, to be partially offset by sponsorships and ticket sales.

Council Member Kwan referenced the Downtown Arcadia Improvements Association's ("DAIA") Patriotic Festival and inquired about the City's contribution to last year's drone show.

Deputy City Manager Bruno stated that the City did not sponsor the drone show but provided in-kind support, including police, fire, and public works services support, and waived associated fees and permits; and she noted that the historical costs for the City to support the event are approximately \$15,000 annually.

Council Member Kwan expressed concern regarding the cost of the proposed event.

Council Member Cao expressed support for the expenditure, citing the City's strong fiscal position; he referenced the prior Fiscal Year's surplus (over \$4 million) and the mid-year position (approximately \$800,000 surplus); and he noted that the City has historically provided both financial and in-kind support to community organizations.

Council Member Fu stated that the event is within the approved budget; he expressed appreciation for the DAIA, and confidence that they would support and help promote the City's event.

In response to Council Member Fu's inquiry, City Manager Lazzaretto confirmed that the DAIA will not be hosting the Patriotic Festival this year.

Council Member Kwan stated her understanding that the DAIA canceled its event due to the City's event; she reiterated concerns regarding the level of expenditure; and she inquired about comparable costs in other cities.

Recreation and Community Services Director Somogyi stated that the City conducted a formal bid process for the proposed drone show, but did not reach out to other cities; she noted that the vendor's costs are significantly higher due to the 250th Anniversary.

Deputy City Manager Bruno added that costs are further impacted by the event occurring on the holiday and the increased number of drones, approximately double the amount of drones the Downtown Association had at the last Patriotic Festival.

In response to Council Member Kwan's inquiry, Deputy City Manager Bruno stated that the drone show will last approximately 12 to 15 minutes and include custom designs.

Council Member Kwan noted that the DAIA previously hosted a similar drone show at a lower cost and reiterated the need for fiscal caution.

In response to Mayor Wang's inquiries, Recreation and Community Services Director Somogyi clarified that the Downtown's Patriotic Festival is always held the Saturday prior to the July Fourth holiday, which was June 28, 2025, last year.

Mayor Wang expressed her support for the event and indicated that she did not see a conflict between the City's event and a potential DAIA event.

After discussion a motion was made by Council Member Cao, seconded by Council Member Fu, and carried on a roll call vote to approve Consent Calendar Item 10.e - Professional Services Agreement with Heads in the Sky for America's 250th Celebration drone show at Santa Anita Park, in an amount not to exceed \$208,600.

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

11. CITY MANAGER

- a. Resolution No. 7676 opposing the Essential Services Restoration Act, Los Angeles County General Sales Tax Measure, and authorize a letter to oppose Assembly Bill No. 1768.

CEQA: Not a Project

Recommended Action: Adopt and Approve

Deputy City Manager Bruno provided the Staff Report.

City Manager Lazzaretto added that California already has the highest sales tax rates in the nation, and Los Angeles County has the highest sales tax in California, creating concerns for regional competitiveness.

After discussion, a motion was made by Council Member Cao, seconded by Council Member Fu, and carried on a roll call vote to adopt Resolution No. 7676 opposing the Essential Services Restoration Act, Los Angeles County General Sales Tax Measure, and authorize a letter to oppose Assembly Bill No. 1768.

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 had nothing to report.

Council Member Fu announced that he attended a retirement party hosted by the Arcadia Firefighters Association.

Council Member Kwan had nothing to report.

Mayor Pro Tem Cheng had nothing to report.

Mayor Wang had nothing to support.

13. REQUEST FOR FUTURE ITEMS

No items were requested.

14. ADJOURNMENT

The City Council adjourned at 8:35 p.m. to Tuesday, April 7, 2026, at 6:00 p.m., in the City Council Conference Room.



Linda Rodriguez
City Clerk



PUBLIC WORKS SERVICES DEPARTMENT

DATE: April 7, 2026

TO: Honorable Mayor and City Council

FROM: Paul Cranmer, Public Works Services Director
By: John Corona, Utilities Manager

SUBJECT: RESOLUTION NO. 7678 AMENDING THE FISCAL YEAR 2025-26 CAPITAL IMPROVEMENT PROGRAM BUDGET, AUTHORIZING A SUPPLEMENTAL BUDGET APPROPRIATION FOR THE SCADA SYSTEM REPLACEMENT PROJECT IN THE AMOUNT OF \$163,195, OFFSET BY A REDUCTION IN THE WATER FUND; AND APPROVE A PROFESSIONAL SERVICES AGREEMENT WITH MORROW-MEADOWS CO., FOR THE SCADA SYSTEM REPLACEMENT PROJECT IN THE AMOUNT OF \$1,057,450

CEQA: Not a Project

Recommendation: Adopt and Approve

SUMMARY

The Fiscal Year 2025-26 Capital Improvement Program provides for the replacement of the City's Supervisory Control and Data Acquisition ("SCADA") system. The SCADA system electronically controls the City's entire water system and is a critical component for water service delivery. The existing SCADA system is built on a GENESIS32 platform, which has become antiquated and increasingly difficult to maintain. It is no longer widely used in the industry, lacks support from local programmers, and presents operational challenges for staff. The existing SCADA system must be replaced with a modern, widely adopted SCADA solution. To ensure the City is receiving the highest quality service and most competitive pricing for a new SCADA system, the Public Works Services Department ("PWSD") solicited a request for proposals.

It is recommended that the City Council adopt Resolution No. 7678 amending the Fiscal Year 2025-26 Capital Improvement Program Budget, authorizing a supplemental budget appropriation for the SCADA System Replacement Project in

the amount of \$163,195, offset by a reduction in the Water Fund; and approve, authorize, and direct the City Manager to execute a Professional Services Agreement with Morrow-Meadows Co., for the SCADA System Replacement Project in the amount of \$1,057,450, with a 10% contingency.

BACKGROUND

The City of Arcadia operates a complex water production and distribution system that requires continuous monitoring and automated control to ensure safe and reliable service to the community. The SCADA system is essential for real-time monitoring, alarm management, data logging, and automated control of the City's water infrastructure. Maintaining a modern, reliable SCADA platform is critical for protecting public health, ensuring regulatory compliance, and supporting operational staff. As the City's water infrastructure continues to operate and expand, modernization of the SCADA system is necessary to maintain efficient operations and ensure compatibility with modern control technologies.

The City's water production and distribution system includes numerous critical facilities and assets that rely on the SCADA system for monitoring and control. These assets include 10 active groundwater wells, 10 booster stations, 29 booster pumps, 7 pressure zones with 2 additional sub-zones, 15 reservoirs, 2 forebays, 45 million gallons of water storage, 1 granular activated carbon ("GAC") treatment plant, 1 Metropolitan Water District interconnection, and 1 sewer lift station. Each of these facilities depends on the SCADA system to provide real-time data, alarms, operational control, and historical reporting.

The current SCADA system is built on a GENESIS32 platform and has been in operation for over 30 years. The current SCADA system has reached the end of its useful life. The platform is no longer widely adopted across the industry, and the system has become increasingly difficult to maintain. Local programmers with experience supporting the system are now limited and software updates, troubleshooting, and system expansion are challenging. The aging platform introduces risk to system reliability and operational efficiency.

DISCUSSION

The Fiscal Year 2025-26 Capital Improvement Program provides for the replacement of the City of Arcadia’s SCADA system. To ensure the City is receiving the highest quality of service and most competitive pricing, the PWSD solicited a request for proposals. A Notice Inviting Proposals for the SCADA System Replacement Project was published on January 26, 2026, in accordance with City Council Resolution No. 7483, and RFP packages were provided to companies that perform this type of work. On March 5, 2026, the City Clerk received four proposals. The evaluation results and ranking of each company’s proposal are listed below:

Rank	Firm	Location	Cost Proposal
1	Morrow-Meadows Co.	Walnut, CA	\$1,057,450
2	Vertech Industrial Systems	Irvine, CA	\$1,014,355 *
3	KDC Inc.	Los Alamitos, CA	\$1,350,000
4	Sulzer	Colton, CA	\$5,311,338

***Non-responsive proposal**

All proposals were evaluated based on the firm’s experience, qualifications, understanding of City needs, quality of service approach, and cost. During the evaluation period, it was determined that Vertech Industrial Systems did not provide their actual cost for the SCADA System Replacement. Instead, they provided a budgetary quote indicating that they would need to verify hardware design and equipment costs before providing an actual total cost. They also did not include tax. For this reason, Vertech Industrial Systems is considered non-responsive to the request for proposals. It was determined that Morrow-Meadows Co. is the most qualified firm to provide the complete scope of services for the SCADA System Replacement Project. Morrow-Meadows has over 20 years of experience providing successful delivery of SCADA system improvement projects to more than 30 municipalities, and has successfully completed several similar projects for local agencies in the San Gabriel Valley. Morrow-Meadows has the experience required to provide SCADA system upgrades, programming, and technical support. Morrow-Meadows will transition the City’s SCADA system from the antiquated GENESIS32 platform to the new Ignition platform.

The new Ignition platform provides a modern, intuitive user interface that improves visibility of system conditions and simplifies daily operations for staff. Unlike the

existing platform, Ignition is widely used across municipal and industrial sectors. This provides access to a broader pool of qualified programmers and integrators, reducing long-term reliance on limited specialists. Ignition supports modern communication protocols and robust integration with programmable logic controllers, improving reliability and system responsiveness across remote facilities. The platform is designed to grow with system needs, allowing the City to expand monitoring, integrate additional infrastructure, and incorporate future technologies without major system overhauls. The new Ignition platform will reduce operational risk and ensure the SCADA system is maintainable and functional for many years. Upgrading the SCADA platform will also allow the City to modernize system graphics, improve alarm management, enhance historical data collection, and support improved reporting and operational analysis.

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 total cost for the SCADA System Replacement Project is \$1,057,450. In addition, a standard 10% contingency or \$105,745 is recommended to cover potential unforeseen costs or circumstances. The amount budgeted in the Fiscal Year 2025-26 Capital Improvement Program for the SCADA System Replacement Project was \$1,000,000. Therefore, a budget appropriation from the Water Fund in the amount of \$163,195 is requested for the SCADA System Replacement Project to cover the entire project cost, including potential contingencies.

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. 7678 amending the Fiscal Year 2025-26 Capital Improvement Program Budget, authorizing a supplemental budget appropriation for the SCADA System Replacement Project in the amount of \$163,195, offset by a reduction in the Water Fund; and approve, authorize, and direct the City Manager to execute a

SCADA System Replacement Professional Services Agreement

April 7, 2026

Page 5 of 5

Professional Services Agreement with Morrow-Meadows Co., for the SCADA System Replacement Project in the amount of \$1,057,450, with a 10% contingency.

Approved:



Dominic Lazzaretto
City Manager

Attachments: Resolution No. 7678
Proposed Professional Services Agreement

RESOLUTION NO. 7678

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ARCADIA, CALIFORNIA, AMENDING THE FISCAL YEAR 2025-26 CAPITAL IMPROVEMNET PROGRAM BUDGET, AUTHORIZING A SUPPLEMENTAL BUDGET APPROPRIATION FOR THE SCADA SYSTEM REPLACEMENT PROJECT IN THE AMOUNT OF \$163,195, OFFSET BY A REDUCTION IN THE WATER FUND

WHEREAS, the Public Works Services Department (“Department”) operates a complex water production and distribution system that requires continuous monitoring and automated control to ensure safe and reliable service to the community; and

WHEREAS, the Department utilizes the SCADA system for real-time monitoring, alarm management, data logging, and automated control of the City’s water infrastructure; and

WHEREAS, the existing SCADA system is built on an antiquated platform that is increasingly difficult to maintain and is no longer widely used in the industry; and

WHEREAS, the existing SCADA system must be replaced with a modern, widely adopted SCADA solution; and

WHEREAS, the Fiscal Year 2025-26 Capital Improvement Program provides \$1,000,000 for the replacement of the City of Arcadia’s SCADA system.

WHEREAS, the Department solicited proposals for the SCADA System Replacement Project in accordance with City Council Resolution No. 7483, and four proposals were received and evaluated; and

WHEREAS, Morrow-Meadows Co. was determined to be the most qualified firm to provide the complete scope of services for the SCADA System Replacement Project; and

WHEREAS, the total cost for the SCADA System Replacement Project is \$1,057,450, and a standard 10% contingency or \$105,745 is recommended to cover potential unforeseen costs or circumstances; and

WHEREAS, a supplemental budget appropriation in the amount of \$163,195 is necessary, offset by a reduction in the Water Fund.

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

SECTION 1. The sum of one hundred sixty-three thousand one hundred ninety-five (\$163,195) is hereby appropriated, to the Fiscal Year 2025-26 Capital Improvement Program Budget for the SCADA System Replacement Project.

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

[SIGNATURES ON THE NEXT PAGE]


Passed, approved and adopted this 7th day of April, 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
SCADA SYSTEM REPLACEMENT PROJECT**

This Agreement is made and entered into as of _____, 20____ 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 **Morrow-Meadows Corporation**, a California Corporation, with its principal place of business at **231 Benton Court, City of Industry, CA 91789** (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: **SCADA System Replacement Project** (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 **ONE MILLION, FIFTY-SEVEN THOUSAND, FOUR HUNDRED FIFTY DOLLARS, AND NO CENTS (\$1,057,450.00)**. 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 or Time of Performance.

The term of this Agreement shall be from one year from the date of execution, unless earlier terminated as provided herein. The Parties may, by mutual, written consent, extend the term of this Agreement if necessary to complete the Project. Consultant shall perform its services in a prompt and timely manner within the term of this Agreement and shall commence performance upon receipt of written notice from the City to proceed ("Notice to Proceed"). 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. Technology 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	\$2,000,000 per occurrence/ \$4,000,000 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
Technology Professional Liability	\$2,000,000 per claim and aggregate (errors and omissions)

Cyber Liability

\$2,000,000 per claim and annual aggregate

(ii) Defense costs shall be payable in addition to the limits.

(iii) Requirements of specific coverage or limits contained in this section are not intended as a limitation on coverage, limits, or other requirement, or a waiver of any coverage normally provided by any insurance. Any available coverage shall be provided to the parties required to be named as Additional Insured pursuant to this Agreement.

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 **Steve Marlow, 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: John Corona
Utilities Manager

CONSULTANT:

Morrow Meadows
231 Benton Court
City of Industry, CA 91789
Attn: Steve Marlow
Project Manager

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 MORROW-MEADOWS**

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first written above.

CITY OF ARCADIA

MORROW-MEADOWS CORPORATION

By: _____
Dominic Lazzaretto
City Manager

By: _____
Title: _____

Printed Name: _____

ATTEST:

By: _____

By: _____
City Clerk

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 **Supervisory Control and Data Acquisition ("SCADA") System Replacement Project** shall include, but are not limited to the following:

Scope of Services/Work

- Replacement and upgrade of the City's Supervisory Control and Data Acquisition ("SCADA") system. The project will involve the installation of new Programmable Logic Controllers (PLCs), short wave radios, communication antennas, and integration with Ignition SCADA software. The scope also includes full system testing and all necessary data programming.
- A modern, fully supported SCADA solution capable of meeting current operational needs and accommodating future growth.
- Panel shop shall be UL- certified, and within 1 hour drive from the City's yard.
- Radio communication works shall be completed by professional telemetry communication technicians and engineers, trained and certified as GE Channel Partner

Equipment Supply and Installation

- Furnish and install new PLCs at all existing SCADA sites.
- Replace all existing short-wave radios with updated, compatible models.
- Install new communication antennas to support reliable data transmission.

SCADA Software Integration

- Migrate all existing SCADA functions to the Ignition software platform.
- Configure Ignition to communicate with new PLCs and radio network.
- Develop operator interface screens consistent with modern SCADA UI standards.

Programming and Configuration

- Program all RTUs for local and remote-control capabilities.
- Configure communication settings between PLCs, radios, and SCADA master station.
- Import historical data and establish real-time data trends.

Testing and Commissioning

- Perform point-to-point and end-to-end system testing.
- Conduct factory and site acceptance testing.
- Provide comprehensive system validation and operator sign-off.

Documentation and Training

- Provide complete system documentation including wiring diagrams, communication maps, and programming logic.
- Conduct on-site training for operators and maintenance personnel.

Materials Provided by the City:

- All computer hardware and software required for the upgrade will be purchased and provided by the city including:
 - a. Servers
 - b. Workstations
 - c. Switch
 - d. Software including MS Windows Server, Office, RDP licenses, SQL Server etc.
 - e. Firewall
- Ignition software required.
- Schneider PLC programming tool – EcoStruxure control expert software.

Coordination

The contractor shall be responsible for all project coordination activities related to the SCADA system. This includes coordination with City staff, engineers, integrators, vendors, and other contractors to ensure seamless execution. The contractor shall manage schedules, meetings, communications, and interface requirements to ensure the SCADA system is delivered and integrated in accordance with project requirements.

Record Keeping

The contractor shall maintain complete and accurate project records throughout the duration of the project. Record keeping shall include, but not be limited to, meeting minutes, correspondence, submittals, approvals, change orders, configuration files, test results, and as-built documentation. All records shall be organized and made available to the City of Arcadia upon request.

Installation

The contractor shall be responsible for the installation of all SCADA system components. Installation activities shall be properly scheduled and coordinated with appropriate City staff to minimize disruption to operations. The contractor shall ensure installation complies with project specifications, applicable codes, and industry standards, and shall provide qualified personnel to perform all work.

Location Name & Scope

1. Yard / Office - Provide and install a 19" IT cage, min. 12U, the depth 30".
2. Peck Well - Replace PLC/Install New GE Orbit Radio
3. LiveOak - Replace PLC/Install New GE Orbit Radio, LiveOak GAC Plant Add a remote rack in the existing GAC enclosure for 3 Flow meters (3 AI + 3DI) add necessary conduits CAT5E cable back to the control panel
4. Longden Plant - Replace PLC/Install New GE Orbit Radio
5. Longley Well - Replace PLC/Install New GE Orbit Radio

6. Camino Real Plant - Replace PLC/Install New GE Orbit Radio, 24V DC Power supply with PULS, and charger module
7. Baldwin Booster Station - Replace PLC/Install New GE Orbit Radio
8. Colorado Well - Replace PLC/Install New GE Orbit Radio, and 24VC PS with PULS and charger module
9. Orange Grove CP1 - Complete back panel replacement (New PLC/Power/Cable/Terminal/Wiring/Radio etc.)
10. Orange Grove CP2 - Complete back panel replacement (New PLC/Power/Cable/Terminal/Wiring/Radio etc.)
11. St. Joseph Facility - Replace PLC/Install New GE Orbit Radio
12. Santa Anita Reservoir - Complete back panel replacement (New PLC/Power/Cable/Terminal/Wiring/Radio etc.)
13. Whispering Pines Booster Station - Replace PLC/Install New GE Orbit Radio
14. Torry Pines - Replace PLC/Install New GE Orbit Radio, add new UPS on the left-side panel that is empty now
15. Lower Canyon - Replace PLC/Install New GE Orbit Radio
16. Upper Canyon - Add a UPS enclosure on the back of the panel, No PLC on this site.
17. PRV on Colorado with Solar Panel - Replace PLC/Install New GE Orbit Radio
18. Pressure Zone 2A PRV - Complete back panel replacement (New PLC/Power/Cable/Terminal/Wiring/Radio etc.)
19. El Monte PRV 3-4 - Complete back panel replacement (New PLC/Power/Cable/Terminal/Wiring/Radio etc.)
20. Pressure Zone 1A PRV - Complete back panel replacement (New PLC/Power/Cable/Terminal/Wiring/Radio etc.)
21. PRV Eisenhower Park - New High Security enclosure with new PLC/Install New GE Orbit Radio
22. Baldwin Reservoir - Complete back panel replacement (New PLC/Power/Cable/Terminal/Wiring/Radio etc.)
23. Colorado and Michillinda PRV 1-2 Complete back panel replacement (New PLC/Power/Cable/Terminal/Wiring/Radio etc.)

EXHIBIT "B"

Schedule of Charges/Payments

Consultant will invoice City on a monthly cycle. Consultant will include with each invoice a detailed progress report that indicates the amount of budget spent on each task. Consultant will inform City regarding any out-of-scope work being performed by Consultant. This is a time-and-materials contract.

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".

Supervisory Control and Data Acquisition ("SCADA") Replacement Project	-	\$1,057,450.00
Total Compensation	-	\$1,057,450.00

The total compensation shall not exceed the total listed without written authorization in accordance with Section 2 (b) of the agreement.

Attachment "A" to Exhibit "B"

Exhibit A: - Scope of Work

Task A: New SCADA Servers

1. Provide and install a free-standing network rack with UPS in the operations room
2. Install and configure two new rack-mounted servers (provided by the City)
3. Install and configure new router and switch for SCADA (provided by the City)
4. Install and configure two new workstations with 21" monitors (provided by the City)
5. Install and configure NAS backup storage (provided by the City)

Subtotal: \$33,500

Task B: Replacing Genesis32 SCADA with Ignition SCADA Platform

1. Review and reverse engineer the existing Genesis32 scripts and programs.
2. Attend workshops and meetings with Operations Staff.
3. Design and implement new SCADA redundant architecture
4. Install and test new Ignition systems
5. Develop the new SCADA system including graphics, pop-ups, alarms and trends.
6. Complete design and programming of new reports
7. Setup remote access to new Ignition software using tablet or laptop
8. Set up and configure SMS modem and test alarm notification systems
9. Bench test the new Ignition SCADA system
10. Cut *Over* from Genesis32 to the Ignition SCADA platform
11. On-line test entire new ignition system for one (1) week
12. Retire Genesis system.

Subtotal: \$136,100

Task C: Replacing Bristol Babcock RTUs with Schneider M340 PLCs

1. Field wire verifications
2. Engineering design and develop new panel shop drawings.
3. Workshops with the staff and develop control strategies for all new PLCs.
4. Develop programs for all new PLCs
5. Provide and install a new PLC for the sites listed in Exhibit C
6. Provide and install a new back panel including a new PLC for the sites listed in Exhibit C
7. Factory test new back panels.
8. Rewire and loop test field I/Os on all new PLCs
9. Cut *over* to the new Ignition platform.
10. The work above covers 23 sites, see Exhibit C for site information.

Subtotal: \$ 772,680

Task D: Replacing GE MOS radios

1. Provide and install new GE Orbit radios at all sites listed on Exhibit C
2. Reconfigure and test all new radios

Subtotal: \$ 104,700

Total for all Tasks:	\$1,046,980
Performance/Payment Bond:	\$10,470
Total Project Price:	\$1,057,450

Exhibit B: - Assumptions

1. Materials provided by the city:
 - All computer hardware and software required for the upgrades shall be purchased by the City and registered under the City for warranty and renewal purposes. Our team will assist the City with hardware and software selection.
 - a. Servers
 - b. Workstations
 - c. Router and Ethernet Switch
 - d. NAS
 - e. Software including MS Windows Server, Office, RDP licenses, SQL Server, NAS etc.
 - Ignition SCADA software licenses
 - Schneider PLC programming software - EcoStruxure Control Expert licenses
 - SMS modem for alarm notifications

2. Morrow-Meadows Clarifications

- Any additional cost on materials caused by any import tariffs will be passed on _to the city.
- Morrow-Meadows Corporation requests a mobilization payment of 3% of total contract value.
- Morrow-Meadows Corporation provides a one (1) year construction warranty for labor and materials provided under this contract.

EXHIBIT "C"

Activity Schedule

The term of this Agreement shall be for **one (1) year from the date of execution**. All tasks under Exhibit "A" shall be adhered to and executed accordingly.

PERFORMANCE BOND

KNOW ALL PERSONS BY THESE PRESENTS:

THAT WHEREAS, the City of Arcadia, (hereinafter referred to as "City") has awarded to **Morrow-Meadows Corporation**, (hereinafter referred to as the "Contractor") an agreement for **SCADA System 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 **ONE MILLION, FIFTY-SEVEN THOUSAND, FOUR HUNDRED FIFTY DOLLARS, AND NO CENTS (\$1,057,450.00)**, 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 (1) year guarantee of all materials and workmanship; and shall indemnify and save harmless the City, its officials, officers, employees, and authorized volunteers, 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 part of the obligation secured hereby and in addition to the face amount specified therefore, there shall be included costs and reasonable expenses and fees including reasonable attorney's fees, incurred by City in enforcing such obligation.

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. 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:

- i. Take over and complete the Project in accordance with all terms and conditions in the Contract Documents; or
- ii. 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.
- iii. Permit the City to complete the Project in any manner consistent with California 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.

By their signatures hereunder, Surety and Contractor hereby confirm under penalty of perjury that surety is an admitted surety insurer authorized to do business in the State of California.

[REMAINDER OF PAGE LEFT INTENTIONALLY BLANK]

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 _____

(Attach Attorney-in-Fact Certificate)

The rate of premium on this bond is _____ per thousand. The total amount of premium charges is \$_____.
(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 to local representatives of the bonding company must be attached hereto in addition to appropriate Notarial Acknowledgments of Execution by both Contractor and Surety.

PAYMENT BOND (LABOR AND MATERIALS)

KNOW ALL MEN BY THESE PRESENTS That

WHEREAS, the City of Arcadia (hereinafter designated as the "City"), by action taken or a resolution passed April 7, 2026, has awarded to **Morrow-Meadows Corporation** hereinafter designated as the "Principal," a contract for the work described as follows: **SCADA System Replacement Project / Contract No.** _____ (the "Project"); 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 **ONE MILLION, FIFTY-SEVEN THOUSAND, FOUR HUNDRED FIFTY DOLLARS AND NO CENTS (\$1,057,450.00)** 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 Civil Code Section 9100, 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 Revenue and Taxation Code Section 18663, 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, and also, in case suit is brought upon this bond, all litigation expenses incurred by the City in such suit, including reasonable attorneys' fees, court costs, expert witness fees and investigation expenses.

This bond shall inure to the benefit of any of the persons named in Civil Code Section 9100 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 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 Civil Code Section 9100, 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, including but not limited to the provisions of sections 2819 and 2845 of the California Civil Code.

By their signatures hereunder, Surety and Principal hereby confirm under penalty of perjury that surety is an admitted surety insurer authorized to do business in the State of California.

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

(Attach Attorney-in-Fact Certificate)

Title _____

NOTE: A copy of the Power-of-Attorney to local representatives of the bonding company must be attached hereto in addition to appropriate Notarial Acknowledgments of Execution by both Contractor and Surety.



PUBLIC WORKS SERVICES DEPARTMENT

DATE: April 7, 2026

TO: Honorable Mayor and City Council

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

SUBJECT: RESOLUTION NO. 7679 AMENDING THE FISCAL YEAR 2025-26 CAPITAL IMPROVEMENT PROGRAM BUDGET, AUTHORIZING A SUPPLEMENTAL BUDGET APPROPRIATION FOR THE CITY HALL LAWN FENCE INSTALLATION PROJECT IN THE AMOUNT OF \$137,759.78, OFFSET BY A REDUCTION IN THE CAPITAL OUTLAY FUND; AND APPROVE A CONTRACT WITH MDJ MANAGEMENT, LLC FOR THE CITY HALL LAWN FENCE INSTALLATION PROJECT IN THE AMOUNT OF \$125,236.16

CEQA: Exempt

Recommendation: Adopt and Approve

SUMMARY

The City of Arcadia increasingly hosts community events on the City Hall Lawn. Since the City Hall Lawn is located directly along Huntington Drive, a busy high-traffic roadway, additional safety measures to ensure the protection of all attendees are needed. Typically, the Public Works Services Department (“PWSD”) installs temporary K-rail barriers before these special events to create a protective separation between the lawn and the roadway. However, the repeated installation and removal of these barriers have increased operational (rental) costs. To provide a permanent solution, the installation of a perimeter fence is needed to ensure the safety of events held at the City Hall Lawn. After exploring possible purchasing options, it was determined that using Sourcewell, a national cooperative purchasing program, enables the City to streamline the process of installing a new fence for the City Hall Lawn.

It is recommended that the City Council adopt Resolution No. 7679 amending the Fiscal Year 2025-26 Capital Improvement Program Budget, authorizing a supplemental budget appropriation for the City Hall Lawn Fence Installation Project

in the amount of \$137,759.78, offset by a reduction in the Capital Outlay Fund; and approve a contract with MDJ Management, LLC for the City Hall Lawn Fence Installation Project, with a 10% contingency.

BACKGROUND

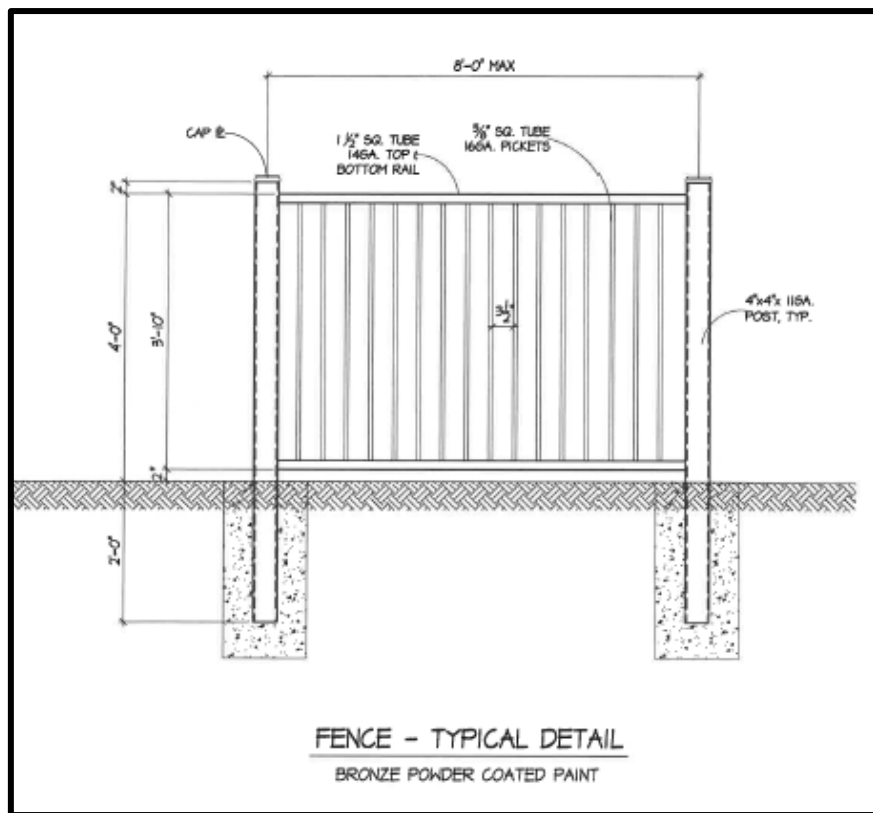
The City of Arcadia frequently hosts events at the City Hall Lawn, including the Community Camp Out, Moon Festival, and Concerts and Movies in the Park. The City Hall Lawn creates a central gathering place where residents can connect, celebrate local culture, and participate in civic life. These events also support local businesses and strengthen community identity by activating a prominent public space along Huntington Drive, making the Civic Center more vibrant and welcoming. In addition, the field areas are informally used for active recreational and dog walking activities.

The City Hall Lawn is located along Huntington Drive, a high-traffic roadway that carries a significant volume of daily drivers. Community events held at the City Hall Lawn regularly attract families, children, and large crowds, making public safety a top priority. As a result, the PWSD installs temporary K-rail barriers along the roadway during events, creating a protective buffer between the lawn and passing vehicles. These barriers help define clear event boundaries and support a safer environment for community gatherings. However, the temporary installation of the K-rail barriers for community events has significantly increased operational costs. The total cost for the installation, removal, and rental of K-rail barriers for events that took place from May 2025 through October 2025, was approximately \$35,000. This cost does not include staff time required to coordinate delivery, placement, and removal of the K-rail barriers. Installing a permanent fence along the Huntington Drive side of the City Hall Lawn would provide a lasting safety barrier for event attendees, while reducing ongoing operational costs. In addition, the permanent fencing would provide a more attractive environment throughout the year and make the space more usable for youth sports and families on a daily basis.

DISCUSSION

The City Hall Lawn Fence Installation Project includes the installation of approximately 660 linear feet of four-foot-tall wrought iron fencing along the Huntington Drive side of the lawn. The custom-designed wrought iron fence will feature a bronze powder-coat finish to complement the appearance of the City Hall Lawn area. To maintain accessibility, the main walkway connecting Huntington Drive

to City Hall will remain unfenced, allowing for controlled public access. The new permanent installation will eliminate the need for repeated setup of temporary K-rail barriers during events, and will enhance long-term public safety for community attendees. Once the wrought iron fencing is installed, PWSD will also install landscaping hedges on the inside of the fence to soften the appearance and increase the visual barrier along the street frontage.



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 MDJ Management, LLC for a series of general building services, including those needed for the City Hall Lawn Fence Installation Project. A copy of the agreement between Sourcewell and MDJ Management, LLC, is attached. The bidding process and the contract have been reviewed by the PWSD and meet the City's procurement requirements.

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 City Hall Lawn Fence Installation Project is \$125,236.16. In addition, a standard 10% contingency or \$12,523.62, 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 \$137,759.78 is being requested. Over time, the City will save significantly on the rental of K-rails. Given the previous year's costs of approximately \$35,000, the project will pay for itself in four years.

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. 7679 amending the Fiscal Year 2025-26 Capital Improvement Program Budget, authorizing a supplemental budget appropriation for the City Hall Lawn Fence Installation Project in the amount of \$137,759.78, offset by a reduction in the Capital Outlay Fund; and approve a contract with MDJ Management, LLC for the City Hall Lawn Fence Installation Project in the amount of \$125,236.16, with a 10% contingency.

Approved:



Dominic Lazzaretto
City Manager

Attachments: Resolution No. 7679
Proposed Short Form Contract
Sourcewell Contract

RESOLUTION NO. 7679

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 CITY HALL LAWN FENCE INSTALLATION PROJECT IN THE AMOUNT OF \$137,759.78, OFFSET BY A REDUCTION IN THE CAPITAL OUTLAY FUND

WHEREAS, the City of Arcadia frequently hosts community events at the City Hall Lawn, including the Community Center Camp Out, Moon Festival, and Concerts and Movies in the Park; and

WHEREAS, the City Hall Lawn is located directly along Huntington Drive, a busy high-traffic roadway, and, therefore, public safety is a top priority; and

WHEREAS, the Public Works Services Department installs temporary K-rail barriers to create a protective separation between the lawn and roadway for each event; and

WHEREAS, the repeated installation and removal of these temporary barriers increases operational costs for the City and the installation of a permanent perimeter fence along the Huntington Drive side of the lawn is a more cost-effective long-term solution; and

WHEREAS, the total cost for the City Hall Lawn Fence Installation Project is \$125,236.16, plus a 10% contingency in the amount of \$12,523.62, would total \$137,759.78; and

WHEREAS, the need for this Project was not anticipated and therefore, no funds were included in the 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 appropriation in the amount of \$137,759.78 is needed for the City Hall Lawn Fence Installation 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 One Hundred Thirty-Seven Thousand, Seven Hundred Fifty-Nine Dollars and Seventy-Eight Cents (\$137,759.78) 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.

[SIGNATUES ON THE NEXT PAGE]


Passed, approved and adopted this 7th day of April, 2026.

Mayor of the City of Arcadia

ATTEST:

City Clerk

APPROVED AS TO FORM:



Michael J. Maurer
City Attorney

**CITY OF ARCADIA
CONSTRUCTION CONTRACT
CITY HALL LAWN FENCE INSTALLATION 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 **MDJ Management, LLC**, a California Partnership, with its principal place of business at **531 Main Street, #611, El Segundo, CA 90245** (“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 **fence installation 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-13**.

2.3 Project. City desires to engage Contractor to render such services for the **City Hall Lawn Fence Installation 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 **THIRTY (30) WORKING 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 Thousand, Eight Hundred Dollars and No Cents (\$2,800.00) 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 **One Hundred Twenty-Five Thousand, Two Hundred Thirty-Six Dollars and Sixteen Cents Only (\$125,236.16)** ("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:

MDJ Management, LLC
531 Main Street, #611
El Segundo, CA 90245
Attn: Matt McMillon, 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 MDJ MANAGEMENT, LLC**

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

CITY OF ARCADIA

MDJ MANAGEMENT, LLC

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, **MDJ Management, LLC EZIQC Contract No. CA-R8-GB-101723-MDJ and Work Order No. 153228.00**, are incorporated into this Contract. (see Attachment "A").

EXHIBIT "B"

PLANS AND SPECIFICATIONS

All service and unit specifications are listed in Attachment "A".



Work Order Signature Document

EZIQC Contract No.: CA-R8-GB-101723-MDJ	
<input checked="" type="checkbox"/> New Work Order	<input type="checkbox"/> Modify an Existing Work Order
Work Order Number.: 153228.00	Work Order Date: 03/03/2026
Work Order Title: Arcadia - City Hall Fence	
Owner Name: <u>City of Arcadia Public Service Department</u>	Contractor Name: <u>MDJ Management</u>
Contact: <u>Leonel Martin</u>	Contact: <u>Matt McMillon</u>
Phone: <u>(626) 254-2707</u>	Phone: <u>310-490-1521</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-MDJ.	
<u>Brief Work Order Description:</u>	
City Hall fence installation.	
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: \$125,236.16	
Owner Purchase Order Number:	

Approvals

City of Arcadia Public Works Service Department Date

MDJ Management Date

Contractor's Price Proposal - Summary

Date: March 03, 2026

Re: IQC Master Contract #: CA-R8-GB-101723-MDJ
Work Order #: 153228.00
Owner PO #:
Title: Arcadia - City Hall Fence
Contractor: MDJ Management
Proposal Value: \$125,236.16

Section - 01	\$4,606.09
Section - 09	\$12,933.36
Section - 32	\$107,696.71
Proposal Total	\$125,236.16

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: March 03, 2026

Re: IQC Master Contract #: CA-R8-GB-101723-MDJ
 Work Order #: 153228.00
 Owner PO #:
 Title: Arcadia - City Hall Fence
 Contractor: MDJ Management
 Proposal Value: \$125,236.16

Sect.	Item	Mod.	UOM	Description	Line Total
Labor					
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.	\$2,695.00
			Installation	Quantity 2,450.00 x Unit Price 1.00 x Factor 1.1000 = Total 2,695.00	
				Bond = \$122,542 x 2%	
2	01 74 19 00 0016		EA	40 CY Dumpster (5 Ton) "Construction Debris" Includes delivery of dumpster, rental cost, pick-up cost, hauling, and disposal fee. Non-hazardous material.	\$976.47
			Installation	Quantity 1.00 x Unit Price 849.10 x Factor 1.1500 = Total 976.47	
				for construction debris	
3	01 74 19 00 0018		EA	15 CY Low-Boy Dumpster Clean Recyclable For clean dirt, rock, concrete brick or asphalt with no trash or organics. Includes service to deliver and pick-up dumpster, hauling, rental and disposal fee.	\$934.62
			Installation	Quantity 1.00 x Unit Price 812.71 x Factor 1.1500 = Total 934.62	
				for dirt removal from post holes	
Subtotal for Section - 01					\$4,606.09
Section - 09					
4	09 91 13 00 0418		SF	1 Coat Primer, Brush/Roller, Paint Wrought Iron Fence	\$4,979.04
			Installation	Quantity 5,280.00 x Unit Price 0.82 x Factor 1.1500 = Total 4,979.04	
				closest LI to powder coating fence	
5	09 91 13 00 0419		SF	1 Coat Paint, Brush/Roller, Paint Wrought Iron Fence	\$4,614.72
			Installation	Quantity 5,280.00 x Unit Price 0.76 x Factor 1.1500 = Total 4,614.72	
				closest LI to powder coating fence	
6	09 91 13 00 0420		SF	Each Additional Coat, Brush/Roller, Paint Wrought Iron Fence	\$3,339.60
			Installation	Quantity 5,280.00 x Unit Price 0.55 x Factor 1.1500 = Total 3,339.60	
				closest LI to powder coating fence	
Subtotal for Section - 09					\$12,933.36
Section - 32					
7	32 31 13 13 0010		VLF	12" Diameter Hole, Auger By Machine Fence Post Hole In Soil	\$5,010.50
			Installation	Quantity 174.00 x Unit Price 25.04 x Factor 1.1500 = Total 5,010.50	
				87 post holes @ 2' deep each.	

Contractor's Price Proposal - Detail Continues..

Work Order Number: 153228.00
Work Order Title: Arcadia - City Hall Fence

Section - 32

8	32 31 13 13 0027	VLF	12" Diameter, Concrete Fill For Post Hole						\$5,890.94	
		Installation	Quantity	Unit Price	Factor	=	Total			
			174.00	29.44	1.1500		5,890.94			
			87 post holes @ 2' deep each.							
9	32 31 19 00 0036	LF	4' Steel Tube Fence, 3/4" Square, 16 GA, Verticals At >2-1/2" To 3" On Center With 2-1/2" Square Posts						\$71,983.56	
		Installation	Quantity	Unit Price	Factor	=	Total			
			660.00	94.84	1.1500		71,983.56			
			custom wrought iron fence. See DSOW for shop drawings and exact fence to be installed							
10	32 31 19 00 0036 0138	MOD	For 1" Square x 14 Gauge Pickets, Add						\$12,409.65	
		Installation	Quantity	Unit Price	Factor	=	Total			
			660.00	16.35	1.1500		12,409.65			
			for the 1.5" x 1.5" top and bottom rails							
11	32 31 19 00 0036 0139	MOD	For 3" Square Posts, Add						\$12,402.06	
		Installation	Quantity	Unit Price	Factor	=	Total			
			1,320.00	8.17	1.1500		12,402.06			
			Client requested 4" x 4" posts. doubled the QTY to get to the additional 2" to meet request							

Subtotal for Section - 32 **\$107,696.71**

Proposal Total **\$125,236.16**

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: March 03, 2026

Re: IQC Master Contract #: CA-R8-GB-101723-MDJ
Work Order #: 153228.00
Owner PO #:
Title: Arcadia - City Hall Fence
Contractor: MDJ Management
Proposal Value: \$125,236.16

Name of Contractor	Duties	Amount	%
Refined Construction		\$98,000.00	78.25



MDJ Management, LLC
License # 1044711
DIR # 1000061313
531 Main St. #611 El Segundo CA 90245
310-490-1521

Job Name: City Hall Wrought Iron Fencing
Location: 5240 W Huntington Dr, Arcadia, CA 91007
Customer: City of Arcadia

Submission Date: 3/3/26

Detailed Scope of Work

Wrought Iron Fencing

- Roughly 660 Linear feet
- 4' tall wrought iron fence
- 4" x 4" fence posts spaced every 8' apart
- Posts will be embedded in concrete post holes
 - Post holes to be 2' deep by 12" wide
- 1.5" x 1.5" single top & bottom rails 14 gauge steel
- 3/4" pickets 16 gauge steel
- Bronze powder coat finish
 - Sample to be provided

Notes:

- Any additional add on items will be at the request of Customer. Any adjustment shall be an additional cost.
- Price includes all labor (**Normal Working Hours - Prevailing Wage**), materials, equipment to complete this scope of work.
- Construction Exclusions:
 - No gates included in price
 - All vegetation to be removed by client

CLARIFICATIONS AND EXCLUSIONS:

- Warranty
 - One year warranty against workmanship
 - Manufacturer's warranty varies
- Plans, permits, permit fees, related fees, testing and/or testing fees, inspection fees, survey or survey fees, and engineering fees unless specified above to be paid for by client
- MDJ reserves the right to review, change, and/or delete any provisions of any prime contract or subcontract, which results from this quotation

- Any such change and/or delete to be submitted in writing to be approved by the city engineer
- All terms to be net 30 days in full upon receipt of invoice. Interest will be charged at the rate of 2% monthly on the unpaid balance.


PRICE: See Price Proposal

All work to be completed in a substantial and workmanlike manner according to standard practices for the sum of **See Price Proposal**. Any additional add on items will be at the request of Customer. Any adjustment shall be an additional cost.

Bid price is good for thirty (30) days only.

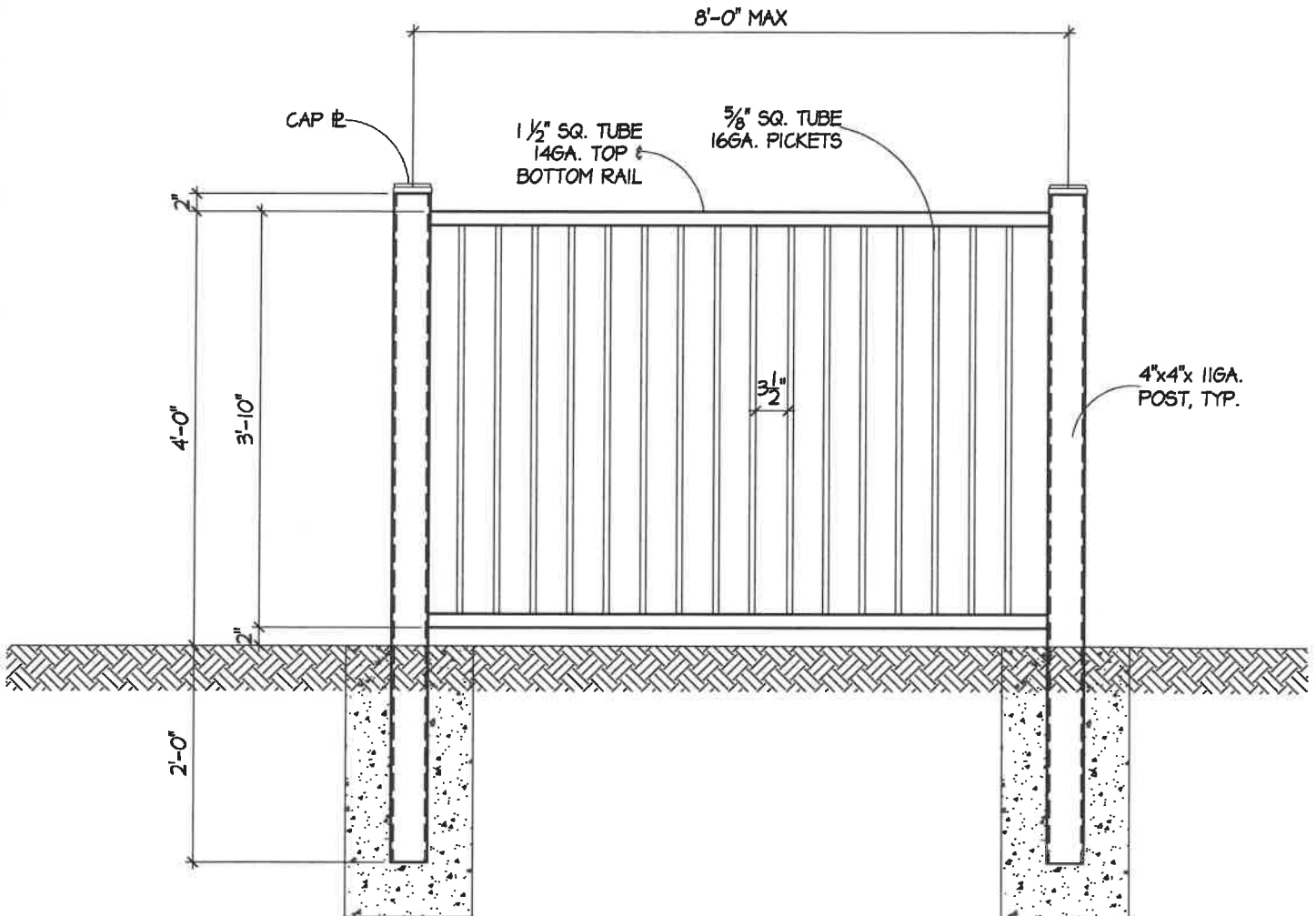
Any controversy or claim based on, arising out of, or relating to this agreement, or breach thereof, including any claim based on the work performed pursuant to this agreement, shall be submitted to the American Arbitration Association for binding arbitration in accordance with its rules. If any arbitration, legal action is brought to enforce this agreement, or arising out of or relating to the agreement, the prevailing party shall be entitled to recover from the non-prevailing party reasonable attorney fees and costs incurred, in addition to any and all other relief to which that party may be entitled.

Submitted by:



Matthew McMillon
President MDJ
310.490.1521
matt@buildwithmdj.com

ARCADIA CITY HALL
WROUGHT IRON FENCE



FENCE - TYPICAL DETAIL

BRONZE POWDER COATED PAINT

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.

MDJ MANAGEMENT, 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 **MDJ Management, LLC**, (hereinafter referred to as the "Contractor") an agreement for **City Hall Lawn Fence Installation 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 **One Hundred Twenty-Five Thousand, Two Hundred Thirty-Six Dollars and Sixteen Cents Only (\$125,236.16)**, 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 **April 7, 2026**, has awarded to **MDJ Management, LLC** hereinafter designated as the "Principal," a contract for the work described as follows: **City Hall Lawn Fence Installation Project / Contract No.:** _____ (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 **One Hundred Twenty-Five Thousand, Two Hundred Thirty-Six Dollars and Sixteen Cents Only (\$125,236.16)** 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)

Partner(s) Limited
 General

- Attorney-In-Fact
- Trustee(s)
- Guardian/Conservator
- Other:

Signer is representing:
Name Of Person(s) Or Entity(ies)

Title or Type of Document

Number of Pages

Date of Document

Signer(s) Other Than Named Above

EXHIBIT "G"

FEDERAL REQUIREMENTS

Not Applicable.



Indefinite Delivery-Indefinite Quantity Construction Contract

Contract Number: CA-R8-GB-101723-MDJ

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 **MDJ Management, LLC, 531 Main St, Suite 611, El Segundo, CA 90245** (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: 1.1500.

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: 1.2000.

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: 1.1500.

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: 1.1500.

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: 1.2800.

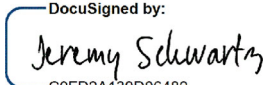
VI. AUTHORIZED REPRESENTATIVE

A. Sourcewell's Authorized Representative is its Chief Procurement Officer.

B. The Contractor’s Authorized Representative is Matthew McMillon. If the Contractor’s Authorized Representative changes at any time during this Contract, Contractor must promptly notify Sourcewell in writing.

Sourcewell

MDJ Management, LLC

DocuSigned by:

C0FD2A139D06489...

DocuSigned by:

524C8C2D808444C...

By: _____
Jeremy Schwartz

By: _____
Matthew McMillon

Title: Chief Procurement Officer

Title: President

Date: 12/1/2023 | 2:56 PM CST

Date: 12/1/2023 | 11:49 AM CST

**AGREEMENT TO
MODIFY AND EXTEND
SOURCEWELL CONTRACT #CA-R8-GB-101723-MDJ**

THIS AGREEMENT TO MODIFY AND EXTEND, Sourcewell Contract #CA-R8-GB-101723-MDJ is effective upon the date of the last signature below.

Sourcewell and MDJ Management, LLC (“Contractor”) have entered into an Indefinite Quantity Construction Contract, Contract Number CA-R8-GB-101723-MDJ 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.

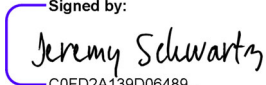
Pursuant to the Contract, Contractor’s Adjustment Factors remain fixed for the duration of the contract term and are unaffected by this modification.

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

MDJ Management, LLC

Signed by:

C0FD2A139D06489...
By: _____
Jeremy Schwartz

Signed by:

524C8C2D808444C...
By: _____
Matthew McMillon

Title: Chief Procurement Officer

Title: President

Date: 10/29/2025 | 3:16 PM CDT

Date: 10/30/2025 | 6:21 PM CDT



DEVELOPMENT SERVICES DEPARTMENT

DATE: April 7, 2026

TO: Honorable Mayor and City Council

FROM: Lisa Flores, Interim Development Services Director
By: Ken Fields, Building Official

SUBJECT: RESOLUTION NO. 7681 AMENDING THE FISCAL YEAR 2025-26 GENERAL FUND OPERATING BUDGET, AUTHORIZING A SUPPLEMENTAL BUDGET APPROPRIATION FOR PLAN CHECK SERVICES IN THE AMOUNT OF \$435,000, OFFSET BY AN INCREASE IN PLAN CHECK REVENUE; AND AMENDING THE PROFESSIONAL SERVICES AGREEMENTS WITH SCOTT FAZEKAS & ASSOCIATES, INC. AND VCA CODE GROUP FOR ADDITIONAL PLAN REVIEW SERVICES IN THE AMOUNT OF \$435,000

CEQA: Not a Project

Recommendation: Adopt and Approve

SUMMARY

On June 21, 2022, the City Council approved Professional Services Agreements (“Agreements”) with Scott Fazekas & Associates, Inc. (“SFA”) and VCA Code Group (“VCA”) to provide professional plan review services for the City’s Building Division, within the Development Services Department. Due to increased development activity in Fiscal Year 2025-26, the budget for plan check services in the Building Services Division was fully expended in January 2026. The Agreements for these services require an increase to the Agreements in the amount of \$140,000 for SFA and \$295,000 for VCA, for the remainder of Fiscal Year 2025-26. The additional costs will be fully offset by the corresponding revenue generated through applicant-paid plan-check fees.

It is recommended that the City Council adopt Resolution No. 7681 amending the Fiscal Year 2025-26 General Fund Operating Budget, authorizing a supplemental budget appropriation for plan check services in the amount of \$435,000, offset by increased plan check revenue; and authorize the City Manager to execute

amendments to the Professional Services Agreements with Scott Fazekas & Associates, Inc. and VCA Code Group, in the amounts of \$140,000 and \$295,000, respectively, for a total increase of \$435,000, for additional plan review services.

BACKGROUND

Since 2022, Arcadia's Building Services Division has contracted with SFA and VCA to provide plan review services. These services involve reviewing construction plans and supporting documentation before a building permit is issued. The consultants evaluate proposed projects to ensure compliance with California Building and Fire Codes, fire safety requirements, accessibility standards, and other applicable regulations. The review covers structural, mechanical, electrical, and plumbing systems, as well as overall code compliance.

For Fiscal Year 2025–26, a \$385,000 purchase order was opened with SFA, and a \$200,000 purchase order was opened with VCA. The purchase order amounts reflected a modest increase in development activity compared to the prior year, as well as the anticipated submittal of a large mixed-use project, the Arcadia Town Center, located at 25–75 N. Santa Anita Avenue. In November 2025, the City approved a \$115,000 increase to the VCA purchase order to support ongoing plan check services. However, the budgeted funds remain insufficient to cover these services, as several projects that had been on-hold were unexpectedly submitted for plan check by the property owners.

DISCUSSION

As of December 2025, \$248,091 has been expended on contract plan review services. January invoices total \$434,337, which will exceed the remaining budget for Fiscal Year 2025-26. The requested additional contract limits of \$435,000 will cover the outstanding invoices and provide sufficient funding to maintain plan review services through the end of the Fiscal Year.

The plan review services are funded on a pass-through basis. Applicants pay plan check fees at the time of submittal, and consultants are paid after services are rendered. The City retains approximately 40% of plan check fees for projects valued under \$2 million and 50% for projects valued over \$2 million. Arcadia collects these fees to cover the administrative costs of providing this service, with the remaining

balance paid to the consultants. The fees are collected when a building permit is issued and the revenue received fully offsets the additional expense. Approval of the additional contract limitations will ensure timely review of construction plans for compliance with the California Building Codes and other applicable regulations and will not negatively impact the General Fund.

As a result, approval of additional professional service agreement limitations in the amount of \$140,000 for SFA and \$295,000 for VCA is necessary to cover plan-check services for the remainder of Fiscal Year 2025–26, for total amended agreement amounts of \$525,000 for SFA and \$610,000 for VCA.

ENVIRONMENTAL ANALYSIS

This proposed action is exempt from review under the California Environmental Quality Act (“CEQA”) pursuant to CEQA Guidelines Section 15061(b)(3), as it can be seen with certainty that there is no possibility that the approval of the amended agreements for administrative services will have a significant effect on the environment.

FISCAL IMPACT

The increase to the budget for plan check services will have a positive impact on General Fund revenue in Fiscal Year 2025-26. Plan check services are funded on a pass-through basis, where applicants pay consultants for their project work, and the remaining revenue is remitted to the City. For each plan check referred to a consultant, the City retains 40% of the fee for projects valued at less than \$2 million and 50% for projects valued greater than \$2 million, to cover administrative costs. The original FY 2025-26 revenue projection was \$1.48 million. With the proposed adjustments, plan check revenue is expected to increase by approximately \$725,000, resulting in a revised total projected revenue budget of \$2.2 million.

RECOMMENDATION

It is recommended that the City Council determine that this action is not a project under the California Environmental Quality Act (“CEQA”); and adopt Resolution No. 7681 amending the Fiscal Year 2025-26 General Fund Operating Budget, authorizing a supplemental budget appropriation for plan check services in the amount of

Resolution No. 7681 for Building Plan Check Services

April 7, 2026

Page 4 of 4

\$435,000, offset by an increase in plan check revenue; and authorize the City Manager to execute amendments to the Professional Services Agreements with Scott Fazekas & Associates, Inc. and VCA Code Group, in the amounts of \$140,000 and \$295,000, respectively, for a total increase of \$435,000, for additional plan review services.

Approved:



Dominic Lazzaretto
City Manager

Attachments: Resolution No. 7681

Proposed Amendment No. 2 to Professional Services Agreement with
Scott Fazekas & Associates

Proposed Amendment No. 2 to Professional Services Agreement with
VCA Code Group

RESOLUTION NO. 7681

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ARCADIA, CALIFORNIA AMENDING THE FISCAL YEAR 2025-26 GENERAL FUND OPERATING BUDGET, AUTHORIZING A SUPPLEMENTAL BUDGET APPROPRIATION FOR PLAN CHECK SERVICES IN THE AMOUNT OF \$435,000, OFFSET BY AN INCREASE IN PLAN CHECK REVENUE

WHEREAS, the Development Services Department has relied on outside plan review consultants for many years to review construction plans for compliance with City codes and standards; and

WHEREAS, plan check services are funded on a pass-through basis, where applicants pay consultants for their project work, and the remaining revenue is remitted to the City; and

WHEREAS, increased development activity in Fiscal Year 2025-26, has resulted in the budget for plan check services in the Building Services Division being fully expended in January 2026; and

WHEREAS, an amendment to the Fiscal Year 2025-26 General Fund Operating Budget authorizing a supplemental budget appropriation in the amount of \$435,000 is needed to maintain plan review services through the end of the Fiscal Year; and

WHEREAS, the supplemental budget appropriation will be offset by an increase in the General Fund Revenue in the amount of \$725,000.

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

SECTION 1. The sum of Four Hundred Thirty-Five Thousand Dollars (\$435,000) is hereby appropriated in the Development Services Department Budget for the forgoing purposes, offset with an increase in General Fund Revenue in the amount of Seven Hundred Twenty-Five Thousand Dollars (\$725,000).

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

[SIGNATURES ON THE NEXT PAGE]

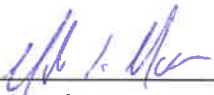
Passed, approved and adopted this 7th day of April, 2026.

Mayor of the City of Arcadia

ATTEST:

City Clerk

APPROVED AS TO FORM:



Michael J. Maurer
City Attorney

**AMENDMENT NO. 2 TO AGREEMENT REGARDING PROFESSIONAL
BUILDING PLAN REVIEW AND RELATED SERVICES WITH
SCOTT FAZEKAS & ASSOCIATES, INC.**

This Amendment No. 2 (“Amendment No. 2”) is hereby entered into by and between the City of Arcadia, a charter city organized under the Constitution and laws of the State of California, and Scott Fazekas and Associates, Inc., a California corporation, with respect to that certain Professional Services Agreement between the parties dated June 29, 2022 as amended by Amendment No. 1 dated July 9, 2025, and Amendment No. 2 dated _____, 2026 (“Agreement”).

The parties agree as follows:

1. Pursuant to Section 2(b) of the “Agreement”, the Compensation is hereby amended such that in no event shall the total amount paid for services rendered by the Consultant under this Agreement exceed the sum of five hundred twenty-five thousand dollars (\$525,000) annually without written approval of the City Manager.
2. All of the remaining terms and provisions of the Agreement are hereby reaffirmed.

In witness whereof the parties have executed this Amendment No. 2 on the date set forth below.

CITY OF ARCADIA

SCOTT FAZEKAS & ASSOCIATES INC

By _____
Dominic Lazzaretto
City Manager

By _____
Signature

Date: _____

Print Name and Title

ATTEST:

Date: _____

City Clerk

By _____
Signature

APPROVED AS TO FORM:

Print Name and Title

Michael J. Maurer
City Attorney

Date: _____

CONCUR:

Lisa Flores
Interim Development Services Director

**AMENDMENT NO. 2 TO AGREEMENT REGARDING PROFESSIONAL
BUILDING PLAN REVIEW AND RELATED SERVICES WITH
THE CODE GROUP, INC.**

This Amendment No. 2 (“Amendment No. 2”) is hereby entered into by and between the City of Arcadia, a charter city organized under the Constitution and laws of the State of California, and The Code Group, Inc. dba VCA Code, a California corporation, with respect to that certain Professional Services Agreement between the parties dated June 22, 2022 as amended by Amendment No. 1 dated July 9, 2025, and Amendment No. 2 dated _____, 2026 (“Agreement”).

The parties agree as follows:

1. Pursuant to Section 2(b) of the “Agreement”, the Compensation is hereby amended such that in no event shall the total amount paid for services rendered by the Consultant under this Agreement exceed the sum of six hundred ten thousand dollars (\$610,000) annually without written approval of the City Manager.
2. All of the remaining terms and provisions of the Agreement are hereby reaffirmed.

In witness whereof the parties have executed this Amendment No. 2 on the date set forth below.

CITY OF ARCADIA

THE CODE GROUP, INC.

By _____
Dominic Lazzaretto
City Manager

By _____
Signature

Date: _____

Print Name and Title

ATTEST:

Date: _____

City Clerk

By _____
Signature

APPROVED AS TO FORM:

Print Name and Title

Michael J. Maurer
City Attorney

Date: _____

CONCUR:

Lisa Flores
Interim Development Services Director



PUBLIC WORKS SERVICES DEPARTMENT

DATE: April 7, 2026

TO: Honorable Mayor and City Council

FROM: Paul Cranmer, Public Works Services Director
By: John Corona, Utilities Manager

SUBJECT: AUTHORIZE LEASE AGREEMENT OF 1,200 ACRE-FEET OF PRODUCTION RIGHTS IN THE MAIN SAN GABRIEL BASIN FROM COVINA VALLEY WATER COMPANY, IN THE AMOUNT OF \$1,173,960
CEQA: Not a Project
Recommendation: Approve

SUMMARY

The City of Arcadia gets a major portion of its drinking water supply from the Main San Gabriel Groundwater Basin (“Main Basin”). The remaining demand is met by City wells that pump groundwater from the Raymond Basin. The City of Arcadia has the opportunity to lease 1,200 acre-feet of Production Rights from the Main San Gabriel Groundwater Basin via the Covina Valley Water Company (“CVWC”). These water rights will be leased at a reduced cost of \$978.30 per acre-foot. The leased production rights will be applied to Arcadia’s replacement water obligation for Fiscal Year 2025-26 and will reduce the City’s total obligation to purchase replacement water, resulting in a savings of \$130,440.

It is recommended that the City Council authorize the Lease Agreement for 1,200 acre-feet of production rights in the Main San Gabriel Basin from Covina Valley Water Company, in the amount of \$1,173,960.

BACKGROUND

In 1973, an overproduction of water from the Main Basin resulted in a stipulated judgment that created the Main San Gabriel Basin Watermaster. The Main San Gabriel Basin Watermaster is a nine-person board appointed by the Los Angeles

County Superior Court that administers and enforces the provisions of the Main San Gabriel Basin Judgment. This Judgment established water rights and responsibilities for efficient management of the Main Basin.

The Main San Gabriel Basin Watermaster determines the total amount of water that can be pumped from the Main Basin each year, free from a Replacement Water assessment; this amount is referred to as the Operating Safe Yield. The Operating Safe Yield for Fiscal Year 2025-26 was set at 160,000 acre-feet. The City's annual share of the Operating Safe Yield is 4.23%, or 6,768 acre-feet. Pumping more water than the amount established for a given year is allowed; however, the City must then purchase Replacement Water to recharge the groundwater basin. Although Governor Newsom eased drought restrictions through Executive Order N-5-23 on March 24, 2023, Southern California groundwater basins continue to recover from the previous multi-year drought. Consequently, pumping rights in the Raymond Basin remain at reduced levels. This has placed a greater demand on water pumped from the Main Basin.

DISCUSSION

The Public Works Services Department ("PWSD") continues to proactively secure reliable water resources whenever possible to meet current and future demands. Recently, CVWC announced that 1,200 acre-feet of its Main San Gabriel Basin production rights would be available for lease. Essentially, the CVWC will not be using its entire allocation and is offering other agencies the opportunity to purchase those water rights at a reduced rate. Staff has negotiated favorable terms for this water lease to supplement the City's water portfolio. The leased water rights will be applied to the replacement water obligation for Fiscal Year 2025-26 and will reduce the City's total obligation to purchase Replacement Water.

Under the terms of the proposed agreement, the City will lease 1,200 acre-feet of production rights from CVWC at 90% of the 2026 Upper District Cyclic Water Rate ("UD Rate"), which has been set at \$1,087 per acre-foot. This means the City will be able to purchase each acre-foot for \$978.30, thereby saving \$130,440. This lease ensures the City's continued access to supplemental water supplies at a competitive rate, supporting long-term water reliability and fiscal responsibility.

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 Guidelines, as it can be seen with certainty that it will have no impact on the environment.

FISCAL IMPACT

The total cost of the Lease Agreement with CVWC is \$1,173,960. Sufficient funds have been budgeted in the Fiscal Year 2025-26 Water Operations Budget for this purchase. The purchase of water under this Lease Agreement will reduce the City’s total obligation to buy replacement water and will save the City \$130,440.

RECOMMENDATION

It is recommended the City Council determine that this action does not constitute a project under the California Environmental Quality Act (“CEQA”); and authorize the Lease Agreement for 1,200 acre-feet of production rights in the Main San Gabriel Basin from Covina Valley Water Company, in the amount of \$1,173,960.

Approved:



Dominic Lazzaretto
City Manager

Attachment: Covina Valley Water Company Lease Agreement



Andrew McIntyre, Chairman
Michael Quinn, Vice-Chairman
Rafael Fajardo, Treasurer
Lynda Noriega, Secretary
Sergio Islas, Director
Diane McIntyre, Director
Richard Rich, Director
Kevin Stapleton, Director
Michael Touhey, Director

P. David Michalko, President
Gloria Galindo, Administrative & Finance Manager

March 16, 2026

City of Arcadia
Mr. Paul Cranmer, Public Works Services Director
11800 Goldring Road
Arcadia, CA 91006

RE: 2025-2026 MSGB Water Rights

Dear Mr. Cranmer,

This letter constitutes an offer and an agreement by Covina Valley Water Company (“CVWC”) to lease to you **1200** acre-feet of Production Rights in the Main San Gabriel Basin, as adjudicated in the case of “Upper San Gabriel Valley Municipal Water District v. City of Alhambra, et al.,” Los Angeles County Superior Court Case No. 92418, for the water year commencing July 1, 2025 and ending June 30, 2026.

The amount of consideration is to be UD RATE = \$1087 FOR 2026, 90% = \$978.30 for each acre-foot of Production Right transferred hereunder and approved by the Main San Gabriel Basin Watermaster (“Watermaster”). Payment for this lease in the amount of **\$1,173,960.00** must be made to CVWC within 10 days of this lease being acknowledged in the meeting minutes of the Watermaster.

I represent and warrant that CVWC is the owner of the aforementioned production rights and that those production rights are not encumbered by any liens or other encumbrances that would interfere with your ability to produce groundwater pursuant to those rights. You shall be responsible for payment of all assessments or other charges imposed by the Watermaster or any other governmental entity on the production rights leased hereunder, and for the preparation of any reports concerning the production of those rights.

If you are in agreement with the terms of this offer, please sign where indicated below and return the signed letter as your acknowledgment of this lease transaction. Also, please sign and notarize the signature on the attached “Temporary Assignment or Lease of Water Right” form. When signed, please return the original copies of the agreement and notarized lease form to our office. Upon receipt of the forms, I will execute and forward the lease documents to the Watermaster for official recording. CVWC appreciates the opportunity to work with you, and we look forward to the successful completion of this transaction.

Sincerely,

COVINA VALLEY WATER COMPANY

P. David Michalko
President

ACCEPTED BY:

CITY OF ARCADIA

BY: _____
Mr. Paul Cranmer

DATE: _____

Enc.

3009 East Virginia Avenue – West Covina, CA 91791-2252
Phone (626) 332-8935 – Email info@covinavalleywater.org

TEMPORARY ASSIGNMENT OR LEASE OF WATER RIGHT

For a valuable consideration, receipt of which is hereby acknowledged, Covina Valley Water Company
("Assignor") does hereby assign and transfer to City of Arcadia, ("Assignee")
commencing on July 1, 2025 and terminating June 30, 2026, on the following water right(s):

(Check following appropriate category)

- Production Right 1200 AF
- Prescriptive Pumping Right _____ AF
- Base Annual Diversion Right _____ AF

- Integrated Production Right (consisting of _____ AF of "Prescriptive Pumping Component" and _____ AF of "Diversion Component")
- Carryover Right _____ AF

adjudicated to Assignor or his predecessor in the Judgment in the case of "Upper San Gabriel Valley Municipal Water District, v. City of Alhambra, et al." Los Angeles Superior Court No. 924128.

Said assignment is made upon condition that:

- (1) Assignee shall exercise said right on behalf of Assignor for the period described hereinabove and the first water produced by Assignee from the Relevant Watershed of the Main San Gabriel Basin after the date hereof shall be that produced hereunder;
- (2) Assignee shall put all waters utilized pursuant to said transfer to reasonable beneficial use; and
- (3) Assignee shall pay all Watermaster assessments on account of the water production hereby assigned or leased.

DATED: _____

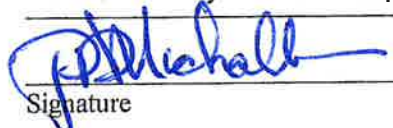
ASSIGNEE

ASSIGNOR

City of Arcadia

Covina Valley Water Company

Signature


Signature

Name of Designee (of Assignee) to receive service of Processes and Notices:

Paul Cranmer

Name of Designee (of Assignor) to receive service of Processes and Notices:

P. David Michalko

11800 Goldring Rd.

3009 E. Virginia Avenue

Arcadia, CA 91006

West Covina, CA 91791

Address

Address

Tel. No.: 626-660-6137

Tel. No.: 626-332-8935

E-mail Address: pcranmer@arcadiaca.gov

E-mail Address: dmichalko@covinavalleywa

To be executed by both Assignee and Assignor and, if separately requested by Watermaster, be accompanied by a map of the service area where the water was used by Assignor and a map of the service area where the water is intended to be used by the Assignee.

(Have the appropriate individual(s) or corporate attached acknowledgments completed as part of the temporary transfer.)

A TRUE COPY HEREOF MUST BE FILED WITH WATERMASTER WITHIN 15 DAYS OF EXECUTION

(To be accompanied by completed "Stipulation Re Intervention After Judgment" if Assignee is not a party to the Judgment)

CALIFORNIA ACKNOWLEDGMENT

CIVIL CODE § 1189

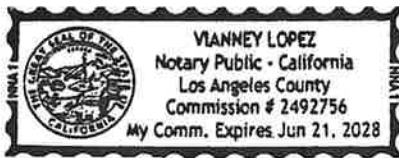
A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California }
County of Los Angeles }
On 3-16-2026 before me, Vianney Lopez, Notary Public
Date Here Insert Name and Title of the Officer
personally appeared Paul David Michalko
Name(s) of Signer(s)

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

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

WITNESS my hand and official seal.



Place Notary Seal and/or Stamp Above

Signature [Handwritten Signature]
Signature of Notary Public

OPTIONAL

Completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____ Signer's Name: _____

Corporate Officer – Title(s): _____ Corporate Officer – Title(s): _____

Partner – Limited General Partner – Limited General

Individual Attorney in Fact Individual Attorney in Fact

Trustee Guardian or Conservator Trustee Guardian or Conservator

Other: _____ Other: _____

Signer is Representing: _____ Signer is Representing: _____



DEVELOPMENT SERVICES DEPARTMENT

DATE: April 7, 2026

TO: Honorable Mayor and City Council

FROM: Lisa Flores, Interim Development Services Director
Kevin Merrill, City Engineer
By: Ryan Huey, Associate Civil Engineer

SUBJECT: ACCEPT ALL WORK PERFORMED BY GENTRY BROTHERS, INC. FOR THE SECOND AVENUE ARTERIAL PAVEMENT REHABILITATION PROJECT IN THE AMOUNT OF \$649,918.64
CEQA: Exempt
Recommendation: Approve

SUMMARY

On May 6, 2025, the City Council awarded a contract to Gentry Brothers, Inc. in the amount of \$616,826 for the Second Avenue Arterial Pavement Rehabilitation, with a 10% contingency. To complete the project, there were four (4) change orders totaling \$33,092.64, or approximately 6% of the original contract amount. Gentry Brothers, Inc. has completed the project work to the City's satisfaction, resulting in a final cost of \$649,918.64.

It is recommended that the City Council accept all work performed by Gentry Brothers, Inc. for the Second Avenue Arterial Pavement Rehabilitation Project as complete; and authorize the final payment to be made in accordance with the contract documents.

BACKGROUND

As part of the City's ongoing Pavement Management Program, Proposition C funding is appropriated annually for arterial street rehabilitation projects. For this effort, \$2,000,000 was allocated for the rehabilitation of First Avenue from Huntington Drive to Duarte Road, and for Second Avenue from Huntington Drive to Duarte Road.

The First Avenue and Second Avenue Arterial Pavement Rehabilitation was originally planned to be bid and constructed as a single project. However, to enhance safety, improve traffic flow, and better manage parking in key commercial areas along First Avenue, additional traffic and parking studies were initiated. As a result, the project was divided into two. The First Avenue Arterial Pavement Rehabilitation project will be bid and constructed at a later date, following implementation of the study recommendations.

The Second Avenue Arterial Pavement Rehabilitation project was advertised for bids in February 2025, and Gentry Brothers, Inc. was determined to be the lowest responsive bidder. On May 6, 2025, the City Council awarded a construction contract to Gentry Brothers, Inc. in the amount of \$616,826, plus a 10% contingency.

DISCUSSION

Construction began in June 2025 and was completed in October 2025, with final survey monuments re-established in March 2026. A total of four (4) change orders were issued during construction. Change order work included modifications to signing and striping, water service and water meter repairs, traffic signal and fence related work, and final quantity adjustments, resulting in a net increase of \$33,092.64.

The uncontrolled crosswalk at the intersection of Second Avenue and Bonita Street was originally planned for removal as part of the project. Following public outreach, the City received several requests to retain the crosswalk. In response, the crosswalk was relocated slightly to the north and enhanced with additional safety measures. Yellow ladder crosswalk markings and all-way stop signs were added at the intersection to create a controlled crossing, improving pedestrian safety.

During demolition of the concrete sidewalk, the contractor encountered private utilities, causing damage to a water service pipe and water meter. The contractor repaired the water service pipe and water meter to prevent future conflicts.

Traffic signal loop detector work was included in the project at the intersection of Huntington Drive and Second Avenue. During construction, additional traffic signal loop detector modifications were made to improve traffic operations at the intersection of Duarte Road and Second Avenue.

Second Avenue Arterial Pavement Rehabilitation

April 7, 2026

Page 3 of 4

Additional vinyl fence work at Bonita Park was required along with a crosswalk and new curb ramp at the new all-way stop intersection of Bonita Ave and Second Avenue. The existing fence was modified to accommodate the walkway transition from public right-of-way to private property.

Quantity adjustments included the increase and decrease of asphalt, concrete, water meter, and traffic loop detection equipment.

As a result of the adjustments, the final amount is a net increase of \$33,092.64, or approximately 6% of the original contract amount. A summary of the construction contract, including the change orders, are as follows:

Original Contract:	\$616,826.00
Change Order #1 (Signing and Striping)	\$3,878.40
Change Order #2 (Water Meter and Water Service)	\$4,295.26
Change Order #3 (Traffic Signal Loops and Fence)	\$41,383.98
Change Order #4 (Quantity Adjustments)	(\$16,465.00)
Final Total Contract:	\$649,918.64

ENVIRONMENTAL ANALYSIS

This project is Categorically Exempt per Section 15301(c) of the California Environmental Quality Act ("CEQA"), which applies to the repair and maintenance of existing highways, streets, sidewalks, and similar facilities. The First and Second Avenue Arterial Pavement Rehabilitation project qualifies for this exemption because it involves maintenance, upgrades, and minor modifications to existing infrastructure with no expansion of use.

FISCAL IMPACT

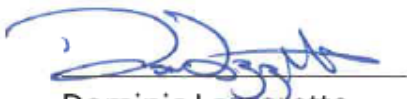
The First Avenue and Second Avenue Arterial Pavement Rehabilitation project was budgeted in the Fiscal Year 2022-23 Capital Improvement Program, for a total of \$2,000,000 in Proposition C funds. The design contract with HR Green Pacific, Inc. expended \$136,790.20. The total construction cost of the Second Avenue Arterial Pavement Rehabilitation is \$649,918.64.

Sufficient funds remain within the project budget to cover the final construction cost, with the remaining balance to be used for the First Avenue Arterial Pavement Rehabilitation.

RECOMMENDATION

It is recommended that the City Council determine this project is categorically exempt under the California Environmental Quality Act ("CEQA"); and accept all work performed by Gentry Brothers, Inc. for the Second Avenue Arterial Pavement Rehabilitation Project as complete; and authorize the final payment to be made in accordance with the contract documents.

Approved:



Dominic Lazzaretto
City Manager