



CITY OF ARCADIA

CITY COUNCIL REGULAR MEETING AGENDA

Tuesday, August 18, 2026, 7:00 P.M.

Location: City Council Chambers, 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.

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.

How to Submit Public Comment:

Members of the Public who wish to submit public comment may do so using one of the following methods. 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**.

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.
2. **Remote Participation:** Click on the link or join using the Webinar/Meeting ID. To provide public comment, select the **"Raise Hand"** feature in Zoom during public comment.

Web Link:

<https://us06web.zoom.us/j/82181334548?pwd=sk3icr9kXtsYSLO9y8yLM1FSXqY4Zh.1>

Webinar/Meeting ID: 389875

A conference line has been established for public comment. To provide public comment, press ***9** to **"raise your hand"**.

Conference Line: 1 (669) 444-9171

Meeting ID: 821 8133 4548#

Participant ID: Press the # symbol

Meeting Passcode: 389875#

When it is your turn to speak, your microphone will be unmuted, and you will be asked to state your name for the record before providing your comments.

3. **Electronic Submissions:** 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. Your comments must be received at least 30 minutes prior to the posted meeting time. Please submit your comments electronically in the following manner:

Online public comment form at ArcadiaCA.gov/comment.

Via email to CityClerk@ArcadiaCA.gov.

1. **CALL TO ORDER**

2. **INVOCATION**

Pastor David Park, Arcadia Fire Department Chaplain

3. **PLEDGE OF ALLEGIANCE**

Pastor David Park, Arcadia Fire Department Chaplain

4. **ROLL CALL OF CITY COUNCIL MEMBERS**

Paul P. Cheng, Mayor
David Fu, Mayor Pro Tem
Dr. Michael Cao, Council Member
John Han, 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 may do so using one of the following methods. 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**. Under the Brown Act, the City Council is prohibited from discussing or taking action on any item not listed on the posted agenda.

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.

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8. **CONSENT CALENDAR**

- a. Special and Regular Meeting Minutes of July 21, 2026.
CEQA: Not a Project
Recommended Action: Approve
- b. Resolution No. 7708 determining the amount of revenue to be raised from property taxes for Fiscal Year 2026-27 to pay for the debt service on the 2021 General Obligation Refunding Bonds (Series Bond Measure A and Series Police Station Project).
CEQA: Not a Project
Recommended Action: Adopt
- c. Memorandum of Agreement with San Gabriel Valley Council of Governments to receive Measure A funds for City homeless programs.
CEQA: Not a Project
Recommended Action: Accept
- d. Foothill Air Support Team (“FAST”) annual Joint Powers Authority (“JPA”) cost in the amount of \$87,895 for Fiscal Year 2026-27.
CEQA: Not a Project
Recommended Action: Approve
- e. Professional Services Agreement with PFM Asset Management LLC for investment advisory services in an amount not to exceed \$45,000.
CEQA: Not a Project
Recommended Action: Approve
- f. Contract with DBX Inc. for the Centennial Way Traffic Signal Improvements Project in the amount of \$719,065, with a 10% contingency.
CEQA: Exempt
Recommended Action: Approve

- g. Contract with General Pump Company, Inc. for the inspection and rehabilitation of the Peck Well Project in the amount of \$417,540, with a 10% contingency.
CEQA: Exempt
Recommended Action: Approve
- h. Contract with All Source Company Building Group, formerly known as All Source Coatings, Inc., for the Arcadia Police Department Painting Project in the amount of \$142,631.93, with a 5% contingency.
CEQA: Exempt
Recommended Action: Approve
- i. Contract with Horizons Construction Co. Int'l Inc. for the Debris Removal Project in the amount of \$399,898.
CEQA: Exempt
Recommended Action: Approve
- j. Purchase Order with Calgon Carbon Corporation for carbon exchange services for the Live Oak Granular Activated Carbon ("GAC") Treatment System in the amount of \$202,400.
CEQA: Exempt
Recommended Action: Approve
- k. Accept all work performed by Carrier Corporation for the Library Cooling Tower Replacement Project as complete.
CEQA: Exempt
Recommended Action: Approve
- l. Accept all work performed by KYA Services, LLC for the Fire Station 105 Boiler Replacement Project as complete.
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 in memory of Tony Parrille, long-time Arcadia resident, to Tuesday, September 1, 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. Any person wishing to speak before the City Council may do so using one of the following methods.

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.
2. **Remote Participation:** Click on the link or join using the Webinar/Meeting ID or call the established conference line.

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.

**ARCADIA CITY COUNCIL
SPECIAL MEETING MINUTES
TUESDAY, JULY 21, 2026**

CALL TO ORDER – Mayor Cheng called the Special Meeting to order at 5:30 p.m.

ROLL CALL OF CITY COUNCIL MEMBERS

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

ABSENT: None

PUBLIC COMMENT

April Verlato, former Arcadia Mayor and resident, appeared and expressed appreciation for the availability of remote participation during Study Sessions; she requested that the Study Session be recorded and posted on the City's website to allow the public to view the discussion; she questioned the appointment of Planning Commission members by Mayor Cheng, Mayor Pro Tem Fu, and Council Member Cao; and she urged the City Council to comply with the Brown Act and their Rules of Procedure and Decorum.

Michelle Kim, a cyclist and Executive Director of Shared Streets, participated remotely and commended the City's efforts to address unsafe behavior on e-bikes and motorized scooters; she commented on the City's survey questions on the topic, addressed two specific questions, and encouraged the City Council to avoid using broad generalizations that could lead to policies affecting the rights and safety of cyclists.

MJ Finstrom, Arcadia resident, participated remotely and expressed concern regarding foreign influence in Arcadia; she emphasized the importance of working together to prevent similar situations from occurring in the future; and she offered suggestions for inclusion in the proposed policies and procedures.

STUDY SESSION

- a. Report, discussion, and direction on policies and protocols for engagement with foreign governments, foreign officials, and foreign government-related events.

Deputy City Manager Bruno provided a PowerPoint presentation.

A discussion ensued and City staff responded to questions and comments from the City Council regarding proposed policies and protocols for engagement with foreign governments, foreign officials, and foreign government-related events.

Following discussion, Mayor Pro Tem Fu made a motion to direct staff to establish a policy prohibiting engagement or involvement with foreign governments or foreign officials individually or on behalf of the City without City Council approval. The motion further clarified that incidental or casual encounters would not be prohibited and that no action on behalf of the City may be taken without prior City Council approval.

Council Member Cao seconded the motion and offered a friendly amendment to clarify that approval by majority of the City Council would suffice, rather than a unanimous vote.

Mayor Pro Tem Fu accepted the friendly amendment, and the motion carried on a roll call vote.

AYES: Fu, Cao, Han, and Cheng

NOES: None

ABSTAIN: Kwan

Following the vote, additional discussion ensued. It was the consensus of the City Council to table this item to a future City Council meeting for further discussion.

Regarding the third-party financial auditing portion of this item's discussion, Council Member Cao made the following motions:

Motion No. 1: Direct a third-party legal counsel to prepare a report identifying the City's policies and procedures regarding the authority to request, approve, and sign City checks, and to return with a report of the findings to the City Council within 45 days.

Motion No. 2: Request that the State Controller evaluate whether:

- Any City funds have been misused for foreign influence;
- Any foreign influence activity has occurred within the City as a whole; and
- The State Controller has identified whether the City as a whole has been compromised by foreign influence.

Mayor Pro Tem Fu seconded the motion and offered a friendly amendment to Motion No. 2 to replace the phrase "City as a whole" with "City government." Council Member Cao accepted the amendment.

Council Member Han asked for support to have staff review options for "clawing back" finances spent by the City from any Council Member that commits a crime, as described in the City Charter. Council Member Cao offered an additional friendly amendment to clarify that any review would apply only if an individual had been found guilty of wrongdoing. Mayor Pro Tem Fu accepted the amendment.

Mayor Pro Tem Fu offered a further friendly amendment authorizing the City Attorney and City Manager to determine whether discussions related to the matter should occur in Closed Session. Council Member Cao accepted the amendment.

Council Member Kwan offered a friendly amendment directing a forensic audit of the City's financial records. The makers of the motion did not accept this proposed friendly amendment.

Following discussion, it was moved by Council Member Cao, seconded by Mayor Pro Tem Fu, and carried by roll call vote to approve Motions No. 1 and No. 2, as amended.

AYES: Cao, Fu, Han, and Cheng
NOES: Kwan
ABSTAIN: None

Council Member Kwan made a motion to hire an independent third-party forensic auditor to review the City's financial records.

The motion failed for lack of a second.

- b. Report, discussion, and direction regarding regulations for electric bicycles, motorized scooters, and group cyclists.

It was the consensus of the City Council to table this item to the June 16, 2026, City Council meeting.

The Special Meeting ended at 6:55 p.m.



Linda Rodriguez
City Clerk

**ARCADIA CITY COUNCIL
REGULAR MEETING MINUTES
TUESDAY, JULY 21, 2026**

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

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

ABSENT: None

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

City Attorney Maurer reported that prior to the Regular Meeting, the City Council met in a Special Meeting to discuss the two items listed on the posted agenda. Regarding Study Session Item b, related to regulations for electric bicycles, motorized scooters, and group cyclists, City Attorney Maurer noted that public comment was received; however, no discussion occurred, and the item was continued to a future meeting.

Regarding Study Session Item a, related to policies and protocols for engagement with foreign governments, foreign officials, and foreign government-related events, City Attorney Maurer reported that the City Council directed staff to bring back for discussion at a future meeting a proposed policy to address interactions with foreign governments and officials, to obtain an independent third-party legal review of existing financial policies, and to request a review by the State Controller's Office related to City expenditures.

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

City Manager Lazzaretto announced that Senate Bill 707 went into effect July 1, which requires local agencies to provide an option for remote public comment participation; and noted that the City will now accept both in-person and remote public comments during City Council meetings.

7. **PRESENTATIONS**

- a. Presentation to outgoing Board and Commission Members.
- b. Administer the Oath of Office to newly appointed Board and Commission Members.

- c. Presentation of the Proclamation for Responsible Journalism and the Protection of Children.
- d. Award City of Arcadia and WM Environmental Scholarships.
- e. Presentation of Mayor's Certificate of Commendation to Colonel Charles "Buck" Stapleton – California State Guard, for his service.
- f. Presentation of Mayors' Certificate of Commendation to Arcadia student Atticus Guo for serving as a FIFA Flag Bearer in the 2026 FIFA World Cup Third Place Play-Off Match.

8. APPOINTMENTS

- a. Appointments to the Arcadia Museum Commission and the Human Resources Commission.

CEQA: Not a Project

Recommended Action: Make Appointments

City Manager Lazzaretto presented the staff report, and Mayor Cheng conducted the nomination process.

Arcadia Museum Commission (1 position)

Regarding the Arcadia Museum Commission, the City Council made the following nominations:

Council Member Kwan nominated Domenico Tallerico.

Council Member Cao nominated Roberta Marquez.

Council Member Han nominated Roberta Marquez.

Mayor Pro Tem Fu nominated Roberta Marquez.

Mayor Cheng noted that there were three votes for Roberta Marquez.

As a result, Roberta Marquez was appointed to the Arcadia Museum Commission for a four (4) year term ending June 30, 2030.

Human Resources Commission (1 position)

Regarding the Human Resources Commission, the City Council made the following nominations:

Council Member Kwan nominated Johnny Tseng.

Council Member Cao nominated Azar Dabiri.

Council Member Han nominated Kenneth Proulx.

Mayor Pro Tem Fu nominated Azar Dabiri.

Mayor Cheng nominated Azar Dabiri.

As a result, Azar Dabiri was appointed to the Human Resources Commission to fill an unexpired term ending June 30, 2028.

9. PUBLIC HEARING

- a. Confirm the County of Los Angeles Department of Agricultural Commissioner/Weights and Measures weed abatement charges and order the County Auditor to enter the amounts of the assessment against the parcels of land as they appear on the current assessment roll.

CEQA: Not a Project

Recommended Action: Approve

City Manager Lazzaretto presented the staff report.

Mayor Cheng opened the public hearing - there were no public comments.

Mayor Cheng closed the public hearing.

A motion was made by Council Member Cao, seconded by Council Member Han, and carried on a roll call vote to confirm the County of Los Angeles Department of Agricultural Commissioner/Weights and Measures weed abatement charges and order the County Auditor to enter the amounts of the assessment against the parcels of land as they appear on the current assessment roll.

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

NOES: None

ABSENT: None

- b. Resolution No. 7693 confirming the Engineer's Report for the levy and collection of the Arcadia Citywide Lighting District No. 1 and the associated Assessment Diagram; and ordering the levy and collection of assessments for Fiscal Year 2026-27.

CEQA: Not a Project

Recommended Action: Adopt

Management Analyst Kim presented the staff report.

Mayor Cheng opened the public hearing - there were no public comments.

Mayor Cheng closed the public hearing.

A motion was made by Mayor Pro Tem Fu, seconded by Council Member Cao, and carried on a roll call vote to adopt Resolution No. 7693 confirming the Engineer's Report for the levy and collection of the Arcadia Citywide Lighting District No. 1 and the associated Assessment Diagram; and ordering the levy and collection of assessments for Fiscal Year 2026-27.

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

NOES: None

ABSENT: None

- c. Resolution No. 7705 approving Architectural Design Review No. ADR 25-11 with a Density Bonus and height waiver, and Tentative Tract Map No. TTM 25-07 (84740) for the North Village Mixed-Use Development Project consisting of 130 residential condominium units, including 20 low-income affordable units, and ground floor commercial space, at 225 N. 2nd Avenue.

CEQA: Statutorily Exempt

Recommended Action: Adopt

Senior Planner Arreola presented the staff report.

Council Member Kwan inquired about the number of housing units approved within the last 5 years.

Development Services Director Flores stated that approximately 1,200 units have been approved through mixed-use developments.

Council Member Kwan asked how many residents the proposed 130-unit project is expected to accommodate.

Development Services Director Flores stated that the proposed project is expected to house approximately 364 people.

Council Member Kwan expressed concerns regarding the project's potential impacts on public safety and emergency response services, including Police and Fire staffing, and requested that future reports include information regarding these impacts.

City Manager Lazzaretto stated that a public safety study conducted several years ago identified the future need for additional Fire Department equipment as the community reaches buildout and that an impact fee was established to address that demand; he added

that the City continues to monitor Police service demands throughout the community and will expand services as necessary to maintain service levels.

Council Member Kwan inquired about the amount of commercial space proposed for the project.

Senior Planner Arreola stated that the site currently contains approximately 10,000 square feet of commercial spaces, with approximately 6,000 square feet proposed to remain as viable commercial space.

Council Member Kwan asked about the project's long-term fiscal benefits and costs to the City.

Senior Planner Arreola explained that staff encouraged the Applicant to maximize and maintain viable commercial space; and stated that the project's primary fiscal benefit would be increased property tax revenue generated by the residential units.

Council Member Kwan expressed the importance of understanding long-term fiscal impacts of residential development, including the City's ability to provide services while maintaining a high quality of life.

City Manager Lazzaretto explained that California law prohibits local agencies from approving or denying development projects based solely on fiscal impacts; he stated that projects must be evaluated based on applicable zoning regulations and state housing laws; he noted that developers are responsible for funding improvements necessary to mitigate project-related impacts; and further stated that the proposed project would generate significantly more property tax revenue than the existing development of the site.

Council Member Kwan commented on the proposed building design, expressing concern that the projecting architectural elements created a boxy appearance; and she recommended a design that would be more compatible with the surrounding development.

Senior Planner Arreola explained the design review process; he stated that the project complies with the City's design guidelines; he noted that the State Density Bonus Law allows the applicant to exceed certain development standards in exchange for providing affordable housing units.

Council Member Cao requested that City Manager Lazzaretto explain the Regional Housing Needs Allocation ("RHNA") requirements.

City Manager Lazzaretto provided an overview of the RHNA program and its purpose.

Council Member Cao asked whether any California cities are exempt from RHNA requirements.

City Manager Lazzaretto confirmed that all California cities are assigned RHNA allocations and are subject to State housing requirements.

Council Member Cao emphasized the importance of informing the public that all California cities are subject to the same State housing laws and RHNA obligations.

Mayor Pro Tem Fu thanked Council Member Kwan for raising important questions regarding the proposed project. He also thanked her for her support of first responders and affordable housing.

Mayor Cheng opened the public hearing.

Diego Alvarez, a member of Creative Housing Options in Arcadia (“CHOA”), participated remotely and expressed support for the proposed project.

Zhiling Sun and Daniel Wu, Applicants for the proposed project, appeared and responded to questions and comments raised by Council Member Kwan during City Council discussion.

Council Member Kwan encouraged the applicants to revise the building design and suggested a design that would be more compatible with the surrounding buildings.

Mayor Cheng closed the public hearing.

A motion was made by Mayor Pro Tem Fu, seconded by Council Member Cao, and carried on a roll call vote to adopt Resolution No. 7705 approving Architectural Design Review No. ADR 25-11 with a Density Bonus and height waiver, and Tentative Tract Map No. TTM 25-07 (84740) for the North Village Mixed-Use Development Project consisting of 130 residential condominium units, including 20 low-income affordable units, and ground floor commercial space, at 225 N. 2nd Avenue, including the proposed Conditions of Approval and findings.

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

NOES: None

ABSENT: None

10. PUBLIC COMMENTS

April Verlato, former Arcadia Mayor and resident, appeared and stated that the City Council should be informed of prior events involving proposed developer-sponsored travel to China by former Council Members as well as the presentation of a certificate by Eileen Wang to a Chinese official; she noted that those events were relevant to the City Council's consideration of future policies regarding interactions with foreign governments and foreign officials; she also commented on an interaction she had with Mayor Pro Tem Fu during the Study Session and the City Council's Rules of Procedure and Decorum.

Angela Hui, an Arcadia resident, appeared and expressed concerns regarding public safety issues associated with e-bikes and their impact on pedestrians; she encouraged the City and the Arcadia Unified School District to provide parents with information regarding local e-bike regulations and legal responsibilities.

In response to Ms. Hui's public comment, City Manager Lazzaretto noted that this topic was on the Study Session agenda for discussion this evening, but due to a lack of time, it will now be heard at the next City Council meeting.

Grace Lee, Arcadia resident, appeared and spoke about a political speech that she wanted to share with the City Council.

An anonymous caller expressed frustration that the City Council had not addressed community concerns related to Eileen Wang; the caller encouraged the City Council to defer consideration of the proposed foreign government engagement policies until after the November 3, 2026, General Municipal Election; and offered suggestions for the proposed policies.

MJ Finstrom, Arcadia resident, participated remotely and expressed confusion over the earlier discussion on potential policies regarding interactions with foreign governments and foreign officials; she stated that the City Council had not adequately addressed community concerns related to Eileen Wang; and she urged the City Council to adopt policies specifically aimed at preventing foreign governments from influencing or supporting candidates for local elected office.

11. CONSENT CALENDAR

- a. Regular Meeting Minutes of June 16, 2026.
CEQA: Not a Project
Recommended Action: Approve
- b. Resolution No. 7627 amending Resolution No. 7594 establishing compensation and related benefits for employees represented by the Arcadia City Employees' Association ("ACEA") for July 1, 2026, through June 30, 2027 (Revenue Collection Supervisor).
CEQA: Not a Project
Recommended Action: Adopt
- c. Resolution No. 7706 approving continued participation in the Los Angeles Urban County Community Development Block Grant Program ("CDBG") and authorizing the City Manager to sign a Cooperation Agreement with the Los Angeles County Development Authority ("LACDA").
CEQA: Not a Project
Recommended Action: Adopt and Approve

- d. Professional Services Agreement for the Radio Communication Repeater Site Project with GrayDS Inc. in an amount not to exceed \$1,321,077.
CEQA: Exempt
Recommended Action: Approve
- e. Professional Services Agreement with the State of California Office of Administrative Hearings in an amount not to exceed \$48,000.
CEQA: Not a Project
Recommended Action: Approve
- f. Professional Services Agreement with Ingram for the purchase of library materials in an amount not to exceed \$169,000.
CEQA: Not a Project
Recommended Action: Approve
- g. Professional Services Agreement with Moss, Levy & Hartzheim, LLP for financial auditing services.
CEQA: Not a Project
Recommended Action: Approve
- h. Amendment No. 1 to the Professional Services Agreement with Range Maintenance Services, LLC for gun range maintenance services for Fiscal Year 2026-27, in an amount not to exceed \$38,869.
CEQA: Not a Project
Recommended Action: Approve
- i. Contract with Kalban, Inc. for the Fiscal Year 2025-26 Pavement Rehabilitation Project in the amount of \$1,274,476.75, with a 10% contingency.
CEQA: Exempt
Recommended Action: Approve
- j. Contract with All Source Coatings, Inc. for the Arcadia Police Department Floor Replacement Project in the amount of \$223,781.08, with a 10% contingency.
CEQA: Exempt
Recommended Action: Approve
- k. Contract with Onyx Paving Company, Inc. for the Americans with Disabilities Act Sidewalk and Curb Ramp Improvements Project in the amount of \$157,000, with a 10% contingency.
CEQA: Exempt
Recommended Action: Approve
- l. Purchase Order with 72 Hour LLC dba National Auto Fleet Group for the purchase of one 2027 Freightliner M2106 Plus Flatbed with National Crane 400B Series, in the amount of \$392,887.17.

CEQA: Not a Project
Recommended Action: Approve

- m. Purchase Order with Inland Lighting Supplies Inc. for the purchase of streetlight poles in the amount of \$70,695.69.

CEQA: Not a Project
Recommended Action: Approve

- n. Purchase Order with 72 Hour LLC dba National Auto Fleet Group for the purchase of three 2027 Ford Police Interceptor Patrol Utility vehicles in the amount of \$192,743.85.

CEQA: Not a Project
Recommended Action: Approve

- o. Purchase Order with HydroPro Solutions for the purchase of data log radio read water meters for the City's water distribution system in the amount of \$150,000.

CEQA: Exempt
Recommended Action: Approve

- p. Purchase Order with Vault Access Solutions for the fabrication and purchase of three large water meter vaults in the amount of \$50,624.57.

CEQA: Exempt
Recommended Action: Approve

- q. Purchase Order and Amendment No. 2 to the Master Software as a Service ("SaaS") and Service Level Agreement with LiveView Technologies Inc., for the lease of three mobile surveillance trailers through the California Governor's Office of Emergency Services 1122 Program, in an amount not to exceed \$106,611 for Fiscal Year 2026-27.

CEQA: Not a Project
Recommended Action: Approve

- r. Change Order to increase the Purchase Order with Phoenix Group Information Systems for parking citation processing and collection services, parking permit, and administrative citation processing, in the amount of \$30,000.

CEQA: Not a Project
Recommended Action: Approve

- s. Accept all work performed by Mackone Development, Inc. for the Par 3 Restroom Remodel Project as complete.

CEQA: Exempt
Recommended Action: Approve

Council Member Kwan pulled Consent Item 11.g. - Professional Services Agreement with Moss, Levy & Hartzheim, LLP for financial auditing services, for separate discussion; and

asked questions regarding auditor independence, partner rotation, the scope of the annual audit, and the services to be provided under the proposed agreement.

In response to Council Member Kwan's inquiries, City Manager Lazzaretto confirmed that Moss, Levy & Hartzheim, LLP has served as the City's independent auditor for approximately 11 years, and if approved, would continue providing auditing services under the proposed agreement.

Administrative Services Director Chen explained that rotating the audit partner, while retaining the same accounting firm, is a standard industry practice and was being done for Arcadia; he stated that partner rotation provides a fresh review while preserving the firm's institutional knowledge of the City's financial operations and complies with applicable auditing standards.

City Attorney Maurer stated that State law requires the lead audit partner to rotate every six years but does not require the City to retain a different auditing firm; and he confirmed that the proposed agreement complies with applicable legal requirements.

Council Member Kwan requested clarification regarding the firm's assistance with preparation of the City's Annual Comprehensive Financial Report and asked what safeguards exist to ensure auditor independence.

Administrative Services Director Chen explained that City staff prepare the financial information, while the auditors assist with converting the information into the required reporting format; and he stated that industry standards prohibit auditors from auditing financial records they have prepared.

Council Member Kwan asked whether the proposed agreement included a forensic financial audit and whether the annual audit encompasses areas such as donations, sponsorships, special event expenditures, travel reimbursements, use of City facilities, payments related to special events, and potential conflicts of interest.

Administrative Services Director Chen clarified that the agreement provides for the City's standard annual financial audit and does not include forensic auditing services. He stated that the annual audit includes procedures to review financial transactions, internal controls, fraud risk, and compliance with applicable accounting standards, but does not constitute a forensic audit.

City Attorney Maurer stated that the proposed agreement is for the City's annual financial audit and does not include forensic auditing services.

City Manager Lazzaretto noted that the City received multiple proposals in response to the Request for Proposals; he stated that all the responding firms are qualified to perform the audit in accordance with applicable professional standards; and he advised that the City

Council may determine whether it seeks to retain the incumbent firm or select another qualified proposer.

It was moved by Mayor Pro Tem Fu, seconded by Council Member Cao, and carried on a roll call vote to approve Consent Calendar Items 11.a through 11.s.

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

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

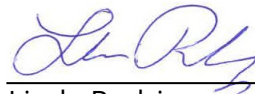
City Council had nothing to report.

13. REQUEST FOR FUTURE ITEMS

Mayor Pro Tem Fu requested City Council support to add an item to a future agenda to discuss winter storm preparedness in the event of heavy rainfall. Council Member Cao and Mayor Cheng concurred.

14. ADJOURNMENT

The City Council adjourned in memory of Gene Platt, long-time Arcadia resident, at 9:30 p.m. to Tuesday, August 18, 2026, at 6:00 p.m., in the City Council Chambers.



Linda Rodriguez
City Clerk



ADMINISTRATIVE SERVICES DEPARTMENT

DATE: August 18, 2026

TO: Honorable Mayor and City Council

FROM: Henry Chen, Administrative Services Director

SUBJECT: RESOLUTION NO. 7708 DETERMINING THE AMOUNT OF REVENUE TO BE RAISED FROM PROPERTY TAXES FOR FISCAL YEAR 2026-27 TO PAY FOR THE DEBT SERVICE ON THE 2021 GENERAL OBLIGATION REFUNDING BONDS (SERIES BOND MEASURE A AND SERIES POLICE STATION PROJECT)

CEQA: Not a Project

Recommendation: Adopt

SUMMARY

The City's two General Obligation Bonds are supported by voter-approved levies. In 2021, these bonds were refinanced as the 2021 General Obligation Refunding Bonds (Series Bond Measure A and Series Police Station Project). Annually, a Resolution is required to be adopted by the City Council to establish the supplemental tax rates needed to make debt service payments on the outstanding General Obligation Bonds.

For Fiscal Year 2026-27, the established rates are estimated to generate tax revenues of \$464,800 and \$364,900 for the 2021 General Obligation Refunding Bonds (Series Bond Measure A and Series Police Station Project), respectively. These taxes will be paid directly by property owners as part of their annual property tax bills. This will be a slight decrease to rate payers from the prior year.

It is recommended that the City Council adopt Resolution No. 7708 determining the amount of revenue to be raised from property taxes for Fiscal Year 2026-27 to pay for the debt service on the 2021 General Obligation Refunding Bonds (Series Bond Measure A and Series Police Station Project).

BACKGROUND

Two General Obligation Bonds were issued by the City, which were supported by voter-approved levies. The Series 2011 issuance was to fund the building of a grade separation at the intersection of Santa Anita Avenue and the Gold Line right-of-way alignment; the Series 2001 General Obligation Bonds were used to finance the construction of the City's police station.

The issuance of Series 2001 General Obligation Bonds were approved in a Special Election held on November 2, 1999; the Series 2011 issuance was approved by the voters in the April 11, 2006, election. More than two-thirds of the votes cast were in favor of the agreed indebtedness with the principal and interest payable from levies upon taxable property within the City. Both Bonds are payable entirely by ad valorem property taxes levied on behalf of the City and collected by Los Angeles County.

In 2012, the bond market provided an opportunity to refinance the Series 2001 General Obligation Bonds. General Obligation Bonds Series 2012 were issued on November 6, 2012, solely for the refunding of the Series 2001, providing savings of approximately \$1 million for taxpayers over the life of the bonds.

In 2021, with the interest rates near historical lows due to the COVID-19 pandemic, conditions provided another opportunity to refinance both Series 2011 and 2012 of the General Obligation Bonds. A private placement with Sterling Bank (subsequently acquired by Webster Financial) was done to refinance both the 2011 and 2012 Series General Obligations Bonds. The transaction closed on November 23, 2021, and the private placement will yield roughly \$840,000 in savings over the life of the bonds.

Each year, a Resolution must be adopted by the City Council to determine the amount of revenue required to be raised from property taxes to pay for the debt service on the General Obligation Bonds. This information is the basis for establishing tax rates, which are forwarded to Los Angeles County and will be applied to properties within the City's boundaries.

DISCUSSION

A separate schedule (Exhibit "A") illustrating the calculation of the tax rates is attached. The schedule provides detailed information regarding debt service payments, assessed valuations, beginning balances, estimated expenditures, and the proposed tax rates for Fiscal Year 2026-27.

For the 2021 General Obligation Refunding Bonds (Series Bond Measure A), a levy rate of 0.001993% is proposed for Fiscal Year 2026-27, compared to 0.002191% in the prior fiscal year. For the 2021 General Obligation Refunding Bonds (Series Police Station Project), a tax rate of 0.001565% is proposed, compared to 0.001586% in the prior fiscal year. The decrease in both rates is primarily attributable to an increase in assessed valuation for Fiscal Year 2026-27.

At the proposed rates, a property with an assessed value of \$1,000,000 would be assessed \$19.93 in taxes for the Series Bond Measure A and \$15.65 for the Series Police Station Project as part of the property owner's annual property tax obligation. In the prior fiscal year, the corresponding amounts were \$21.91 and \$15.86, respectively. Accordingly, the overall impact of the proposed rate adjustments is expected to be modest for most property owners.

For Fiscal Year 2026-27, total debt service payments of \$520,100 are required for the Series Bond Measure A, consisting of \$491,000 in principal and \$29,100 in interest. For the Series Police Station Project, total debt service payments of \$411,100 are required, consisting of \$388,000 in principal and \$23,100 in interest.

ENVIRONMENTAL ANALYSIS

The proposed action does not constitute a project under the California Environmental Quality Act ("CEQA"), as it can be seen with certainty that it will have no impact on the environment.

FISCAL IMPACT

No General Fund costs will be incurred as a result of this action. The rates established for Fiscal Year 2026-27 are estimated to generate tax revenues of \$464,800 and \$364,900 for the 2021 General Obligation Refunding Bonds (Series Bond Measure A and Series Police Station Project), respectively. These taxes will be paid directly by property owners as part of their annual property tax bills. The resulting tax revenues will be deposited into the respective bond funds and added to the existing fund balances to support debt service payments due in Fiscal Year 2026-27.

RECOMMENDATION

It is recommended that the City Council adopt Resolution No. 7708 determining the amount of revenue to be raised from property taxes for Fiscal Year 2026-27 to pay for the debt service on the 2021 General Obligation Refunding Bonds (Series Bond Measure A and Series Police Station Project).

Approved:


Dominic Lazzaretto
City Manager

Attachments: Exhibit "A" – Calculation of Tax Rate
Resolution No. 7708

**Exhibit “A”
Calculation of Tax Rate**

General Obligation Bonds	Balance Available (1) 7-01-26	2026-27 Assessed Valuations	Estimated Tax Revenue	Debt Service (2)	% Tax Rates 2026-27 (3)
2021 Series Measure A	\$568,300	\$23,321,118,949	\$464,800	\$520,100	0.001993%
2021 Series Police Station	\$445,900	\$23,321,118,949	\$364,900	\$411,100	0.001565%

- (1) Excess fund balance is included to ensure that positive cash balance is available for the debt service payments on August 1, 2027.
- (2) Per debt service schedule below.
- (3) For comparison, the levy rate from last year was 0.002191% and 0.001586% for Series 2021 General Obligation Refunding Bonds (Series Bond Measure A and Series Police Station Project), and their first-year levy rates were 0.006621% and 0.009657% in 2011 and 2001, respectively.

DEBT SERVICE PAYMENT SCHEDULE:

	2021 G.O. Bond Series Measure A	2021 G.O. Bond Series Police Station
Principal	\$491,000	\$388,000
Interest	\$29,100	\$23,100
Total	\$520,100	\$411,100

RESOLUTION NO. 7708

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ARCADIA, CALIFORNIA, DETERMINING THE AMOUNT OF REVENUE TO BE RAISED FROM PROPERTY TAXES FOR FISCAL YEAR 2026-27 TO PAY FOR THE DEBT SERVICE ON THE 2021 GENERAL OBLIGATION REFUNDING BONDS (SERIES BOND MEASURE A AND SERIES POLICE STATION PROJECT)

WHEREAS, in a special election held on November 2, 1999, City of Arcadia voters approved the issuance of General Obligation Bonds Series 2001 in the principal of \$8 million for the construction of a police facility; the 2001 Bonds were defeased by the issuance of General Obligation Bonds Series 2012 on November 6, 2012; the 2012 Bonds were defeased by the issuance of General Obligation Refunding Bonds (Series Police Station Project) on November 23, 2021, and property taxes are to be raised for the principal and interest payments of the indebtedness through tax levy; and

WHEREAS, in the general municipal election held on April 11, 2006, City of Arcadia voters approved the issuance of General Obligation Bonds Series 2011 in the principal of \$8 million for the construction of a grade separation, which is located at the intersection of Santa Anita Avenue and the Foothill Extension of the Metropolitan Transit Authority Gold Line; the 2011 Bonds were defeased by the issuance of General Obligation Refunding Bonds (Series Bond Measure A) on November 23, 2021 and property taxes are to be raised for the principal and interest payments of the indebtedness through tax levy.

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

SECTION 1. The following is the amount of revenue necessary during Fiscal
Year 2026-27 to pay for the authorized debt service on the above-described Bonds:

Series 2021 General Obligation Refunding Bonds

(Series Measure A): \$464,800

Series 2021 General Obligation Refunding Bonds

(Series Police Station): \$364,900

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

Passed, approved and adopted this 18th day of August, 2026.

Mayor of the City of Arcadia

ATTEST:

City Clerk

APPROVED AS TO FORM:



Michael J. Maurer
City Attorney



CITY OF ARCADIA

STAFF REPORT

RECREATION & COMMUNITY SERVICES DEPARTMENT

DATE: August 18, 2026

TO: Honorable Mayor and City Council

FROM: Sara Somogyi, Director of Recreation and Community Services
By: Ashley Marston, Senior Management Analyst

SUBJECT: MEMORANDUM OF AGREEMENT WITH SAN GABRIEL VALLEY COUNCIL
OF GOVERNMENTS TO RECEIVE MEASURE A FUNDS FOR CITY
HOMELESS PROGRAMS
CEQA: Not a Project
Recommendation: Accept

SUMMARY

The City of Arcadia is a direct recipient of Measure A funds from the San Gabriel Valley Council of Governments ("SGVCOG") for City homeless programs. Funds can be used for a variety of services, including case management, short-term hotel stays, and relocation expenses. These funds help offset the City's previous allocations to homelessness. Arcadia's allocation for Fiscal Year 2026-27 is \$190,861. When combined with the previous year's allocation, Arcadia's total Measure A funding thus far is \$374,323.

It is recommended the City Council accept Measure A funds in the amount of \$190,861 for the implementation of ongoing City homeless programs; and authorize the City Manager to execute an amendment to the Memorandum of Agreement with the SGVCOG. It is further recommended that the City Council delegate the authority to accept Measure A funds and execute annual extensions for this agreement to the City Manager.

BACKGROUND

In November 2024, Los Angeles County repealed and replaced Measure H with Measure A, a permanent, half-cent sales tax for the primary purpose of addressing homelessness in Los Angeles County. Measure A provides that a portion of funds generated will be allocated to Los Angeles County cities through the Local Solutions Fund. In the San Gabriel Valley, the Local Solutions Fund is administered the SGVCOG.

In November 2025, the City Council accepted Measure A Funds and directed the City Manager execute an agreement with the SGVCOG for FY 2025-26. To continue receiving Measure A funds for FY 2026-27, the City must execute an amendment to the agreement. After deducting the SGVCOG's administrative expenses, Arcadia's allocation for FY 2026-27 is \$190,861.

DISCUSSION

Per the agreement, the City will operate several projects with Measure A funds, all of which are a continuance of existing City homeless programs. Projects can be classified into two broad program categories: Case Management and Emergency Services. Case Management funds support the City's full-time case management contract and Emergency Services funds support those experiencing homelessness with short-term hotel stays, move-in support, and family reunification. Below is a financial distribution summary for these programs:

Program Category	Projects	Funds
Case Management	Case Management & Outreach Services	\$100,000
Emergency Services	Interim Housing & Financial Assistance	\$90,861
		\$190,861

Programs will be implemented in collaboration with the City's case management service provider, Housing Empowerment Recovery & Outreach Community Services ("HERO"), who will work with clients to assess individual needs and eligibility. Unlike the City's other homeless funds, Measure A funds can be allocated to individuals regardless of residency, allowing the City more flexibility in addressing the regional crisis.

Data, reports, and invoices in relation to Measure A funds will be submitted to the SGVCOG monthly. Additionally, the City will submit quarterly and annual reports that include demographics of clients, overview of services provided, outcomes of key performance indicators, and feedback on which implementation strategies have been most effective.

ENVIRONMENTAL ANALYSIS

The proposed action does not constitute a project under the California Environmental Quality Act ("CEQA") per Section 15061(b)(3) of the CEQA Guidelines, and it can be seen with certainty that it will have no impact on the environment.

FISCAL IMPACT

Costs related to City homeless programs under Measure A will be offset by monthly reimbursements from the SGVCOG. There is no impact to the General Fund.

The agreement sets forth a spenddown requirement of 70% to be met by June 15 of each year. If the City fails to meet this expenditure requirement for two consecutive years, unexpended funds equaling 30% or more will be reallocated and transferred to regional programs. Arcadia expects to meet these expenditure requirements and does not anticipate a decrease in future funding.

RECOMMENDATION

It is recommended the City Council determine that this action does not constitute a project under the California Quality Act ("CEQA"); and accept Measure A funds in the amount of \$190,861 for the implementation of City homeless programs; and authorize the City Manager to execute an amendment to the Memorandum of Agreement with San Gabriel Valley Council of Governments. It is further recommended that the City Council delegate the authority to accept future Measure A funds and execute annual extensions for this agreement to the City Manager provided that such extensions are of the same general order of financial magnitude and would address the City's established homelessness response goals.

Measure A Funds for Homeless Programs

August 18, 2026

Page 4 of 4

Approved:



Dominic Lazzaretto

City Manager

Attachment: First Amendment to the Memorandum of Agreement with the SGVCOG

**FIRST AMENDMENT TO
MEMORANDUM OF AGREEMENT BETWEEN
THE SAN GABRIEL VALLEY COUNCIL OF GOVERNMENTS AND THE CITY OF
ARCADIA FOR DISTRIBUTION AND USE OF MEASURE A LOCAL SOLUTIONS
FUNDS**

This First Amendment to Memorandum of Agreement (“First Amendment”) is made and entered into as of July 1, 2026, by and between the City of Arcadia, a municipal corporation (“City”), and the San Gabriel Valley Council of Governments, a California joint powers authority (“SGVCOG”), with reference to the following:

A. SGVCOG and the City entered into that certain Memorandum of Agreement dated as of November 18, 2025, which is incorporated herein by this reference (the “MOA”); and

B. SGVCOG and the City desire to amend the Agreement to modify, amend and supplement certain portions thereof.

NOW, THEREFORE, the Parties hereby agree as follows:

1. Defined Terms. Except as otherwise defined herein, all capitalized terms used herein shall have the meanings set forth for such terms in the MOA.

2. Article I. Term. Article I. of the MOA is hereby deleted in its entirety and replaced with the following:

The term of this MOA shall commence on the date set forth above and shall continue until the City has met all of its reporting obligations and returned to the SGVCOG any portion of the Subrecipient Funding that might be required under this MOA, or August 31, 2027, whichever occurs first, unless terminated earlier as provided in the MOA. The term of the MOA may be further extended by mutual written agreement of the Parties.

3. SGVCOG Reimbursement to City. Paragraph 4 of Section II.A. of the MOA is hereby deleted in its entirety and replaced with the following:

4. Reimburse the City in an amount up to Three Hundred Seventy-Four Thousand Three Hundred Twenty-Three Dollars (\$374,323), in accordance with the Project Budget attached hereto as Exhibit “C” and incorporated herein by reference.

4. City Responsibilities. Paragraphs 7 through 10 of Section IIB of the MOA are hereby deleted in their entirety and replaced with the following:

7. Provide quarterly reports in a form acceptable to the SGVCOG that includes, but is not limited to, information describing the implementation of the Scope of Services and expenditures related to such work and all other information

required by the SGVCOG to meet its reporting obligations under the County LSF Agreement. The City acknowledges that under the County LSF Agreement the SGVCOG is required to submit quarterly reports by the 30th day of October of 2026, and January, April, and July of 2027 and that such quarterly reports must contain information regarding the City's use of the Subrecipient Funding. As a result, the City's quarterly reports shall be due by the 15th of October of 2026, and January, April and July of 2027.

8. Provide an annual report by August 1, 2026, and August 1, 2027 containing all the information required by the SGVCOG to fulfill its annual reporting obligations under the County LSF Agreement, including but not limited to, an accounting evidencing whether the City spent 70% by June 15, 2026, of the Subrecipient Funding during fiscal year 2025-26, and 70% of its fiscal year 2026-27 Subrecipient Funding by June 15, 2027. The City acknowledges that under the County LSF Agreement the SGVCOG is required to submit its annual report on October 1, 2026, and October 1, 2027, respectively, and that such annual report must contain information regarding the City's use of the Subrecipient Funding. As a result, the City's annual report shall be submitted to the SGVCOG by August 1, 2026, and August 1, 2027.
9. Within thirty (30) days of the execution of this MOA, provide the SGVCOG with an annual expenditure plan demonstrating how expend its allocated funds. Monitor progress with that expenditure plan. Should the City not expend funds at the rate anticipated in the expenditure plan, SGVCOG reserves the right to reallocate funds to the SGVCOG regional programs. If funds are reallocated to the SGVCOG regional programs, the City may access the regional programs proportionally to the amount of reallocated funds.
10. Submit final invoice for FY 2026-27 by June 4, 2027. If the City has unexpended funds equaling 30% or more of its allocated amount in FY 2025-26 and/or FY 2026-27 based on all invoices received by June 4, 2027, the excess amount exceeding the 30% threshold shall be reallocated and transferred to the SGVCOG regional programs.
11. Submit requests to amend Exhibit C to the SGVCOG as soon as possible and no later than October 1, 2026. The City acknowledges that under the County LSF Agreement, the SGVCOG is required to submit budget amendment requests to the County for County approval. SGVCOG cannot guarantee that such modifications will be approved by the County.
12. Retain \$30,200 to implement the SGV Home Renter Protection and Homelessness Prevention Program. City will receive case management and financial assistance for an additional 1 slot. It is estimated that 4 households will be served during the year, with an average enrollment of approximately 3 months. SGVCOG will provide monthly reports on the SGV HOME services provided to clients in the City.

5. Invoicing. Paragraphs A and C of Section III.A. of the MOA are hereby deleted in its entirety and replaced with the following:

- a. City must submit invoices on a monthly basis, no later than the fifteenth (15th) day of each month, evidencing all eligible costs and expenses incurred. City must provide all necessary documentation as outlined in Exhibit B, including but not limited to invoices and deliverables, as support for the invoice. The invoice must include all work completed during the previous month. City's final invoice for FY 2026-27 must be submitted by June 4, 2027.

6. Project Management. Article IV.A.1 of the MOA is hereby deleted in its entirety and replaced with the following:

a. Project Managers.

- i. For the purposes of this MOA, SGVCOG designates the following individual as its Project Manager:

Enya Lowe
Management Analyst
(626) 489-4538
elowe@sgvcog.org

7. Other Terms and Conditions. Article IX.A of the MOA is hereby deleted in its entirety and replaced with the following:

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

To SGVCOG: Enya Lowe
Management Analyst
San Gabriel Valley Council of Governments
1333 S. Mayflower, Suite 360
Monrovia, CA 91016
elowe@sgvcog.org

with a copy to: Marisa Creter
Executive Director
San Gabriel Valley Council of Governments
1333 S. Mayflower, Suite 360
Monrovia, CA 91016
mcreter@sgvcog.org

To City: Sara Somogyi

Director of Recreation and Community Services
City of Arcadia
365 Campus Drive
Arcadia, CA 91007
ssomogyi@arcadiaca.gov

with a copy to:

Dominic Lazzaretto
City Manager
City of Arcadia
365 Campus Drive
Arcadia, CA 91007
domlazz@arcadiaca.gov

8. County LSF Agreement. The County LSF Agreement, attached hereto and incorporated by this reference, hereby replaces Exhibit “A” of the MOA in its entirety.

9. Scope of Services. The Scope of Services, attached hereto and incorporated herein by this reference, hereby replaces Exhibit “B” of the MOA in its entirety.

10. Budget. The Budget, attached hereto and incorporated herein by this reference, hereby replaces Exhibit “C” of the MOA in its entirety.

11. Integration. This First Amendment and all attachments hereto (if any) integrate all of the terms and conditions mentioned herein and supersede all negotiations with respect hereto. This First Amendment amends, as set forth herein, the MOA and except as specifically amended hereby, the MOA shall remain in full force and effect. To the extent that there is any conflict or inconsistency between the terms and provisions of this First Amendment and the terms and provisions of the MOA, the terms and provisions of this First Amendment shall control.

IN WITNESS hereof, the Parties enter into this First Amendment on the year and day first above written.

“CITY”

NAME

By: _____

APPROVED AS TO FORM

“SGVCOG”

SAN GABRIEL VALLEY COUNCIL OF
GOVERNMENTS

By: _____

Marisa Creter

Title: Executive Director

APPROVED AS TO FORM

Cassie Trapesonian, General Counsel

Exhibit A

County LSF Agreement

**FUNDING AGREEMENT
BETWEEN COUNTY OF LOS ANGELES AND
SAN GABRIEL VALLEY COUNCIL OF GOVERNMENTS
FOR
LOCAL SOLUTIONS FUND**

CONTRACT NUMBER: HI-25-015

AMENDMENT ONE

THIS AMENDMENT ONE is made and entered into this by and between

COUNTY OF LOS ANGELES
(hereinafter referred to as "County"),

and

**SAN GABRIEL VALLEY
COUNCIL OF GOVERNMENTS**
(hereinafter referred to as "SGVCOG"
or "Local Jurisdiction")

The County and Local Jurisdiction shall collectively be referred to as "Parties".

RECITALS:

WHEREAS, reference is made to that certain document entitled "FUNDING AGREEMENT BETWEEN COUNTY OF LOS ANGELES AND SAN GABRIEL VALLEY COUNCIL OF GOVERNMENTS FOR LOCAL SOLUTIONS FUND," dated August 28, 2025, and identified as County Contract No. HI-25-015, together with any amendments thereto (collectively, the "Contract" or "Agreement"), which was entered into by the Chief Executive Office, on behalf of the County, and Local Jurisdiction;

WHEREAS, on November 4, 2024, the voters of Los Angeles County approved the Affordable Housing, Homelessness Solutions, and Prevention Now Transactions and Use Tax Ordinance ("Measure A" or the "Ordinance"), a one-half cent sales tax countywide, to fund critical programs designed to reduce and prevent homelessness within the County;

WHEREAS, the County has received a portion of the proceeds from the tax imposed by Measure A for Comprehensive Homelessness Services, the Local Solutions Fund, and Homelessness Solutions Innovations which it distributes to eligible programs and services in accordance with Measure A;

WHEREAS, pursuant to Measure A, the County shall allocate funds from the Local Solutions Fund to cities, councils of governments, and/or the County on behalf of its unincorporated areas;

WHEREAS, on March 25, 2025, the County Board of Supervisors ("Board"), in consultation with cities within the County, determined that Formula 4, based on 90% of the multi-year average point-in-time count and 10% of the American Community Survey proxy data, is the appropriate method for distributing Local Solutions Fund to cities, councils of governments, and to the County on behalf of its unincorporated areas;

FUNDING AGREEMENT FOR LOCAL SOLUTIONS FUND
CONTRACT NO. HI-25-015, AMENDMENT ONE

WHEREAS, services and programs funded by the Local Solutions Fund shall support a variety of services and programs aimed at addressing homelessness, including but not limited to physical and mental health care, emergency housing, permanent housing, job counseling, substance use disorder treatment, short-term rental subsidies, and other related services, as well as the collection and analysis of data to assess the effectiveness of such services and programs;

WHEREAS, services and programs funded by Local Solutions Fund shall contribute to achieving the five outcome goals outlined in Measure A by demonstrating measurable progress from baseline metrics toward target metrics ("Metrics") as adopted by the Board on March 25, 2025;

WHEREAS, services and programs funded by the Local Solutions Fund must align with the purposes enumerated in Measure A and the Regional Plan adopted by the Board on March 25, 2025, which sets goals and objectives to reduce homelessness and expand affordable housing in accordance with Measure A;

WHEREAS, services and programs funded by the Local Solutions Fund shall adhere to best practices for the standardization of care, including but not limited to facilitating connections to behavioral and mental health services, medical care, and other services, and create connections to mainstream safety net programs supported by County, State, and federal funds, including connections to medical and mental health care and other entitlement programs;

WHEREAS, the Local Jurisdiction agrees to perform its obligations under this Agreement in a manner consistent with and supportive of the goals and purposes outlined in Measure A, and the Metrics, Regional Plan, and best practices for the standardization of care;

WHEREAS, the Parties entered into this Agreement to formalize the allocation of Measure A funds, which is approved by the Board annually, establish accountability measures, and ensure the effective use of Measure A funds to achieve the stated goals in Measure A to prevent and reduce homelessness and increase access to affordable housing, subject to all the conditions required by Measure A;

WHEREAS, on April 1, 2025, the Board directed the implementation of a new department, the Department of Homeless Services and Housing (HSH), dedicated to serving people who are experiencing or at risk of homelessness; effective January 1, 2026;

WHEREAS, on November 18, 2025 the Board authorized the Director of HSH, or designee, in consultation with County Counsel, to enter into, execute, amend, or terminate any and all agreements and documents including new or existing agreements, required or deemed necessary or appropriate for the administration, allocation, and distribution of the County's portion of the Measure A funds, including the allocation of Local Solutions Funds to cities, councils of governments, and the County on behalf of its unincorporated areas, with such authority effective January 1, 2026; and

WHEREAS, the County and Local Jurisdiction mutually agree that it is to both of their benefit to amend the Agreement to: (1) reflect the transfer of administrative responsibility from CEO to HSH including revising Section XV(A). Notices, Reports, Invoices, and Approvals; (2) increase the maximum amount of the Agreement by \$3,708,951 for a new total contract amount not to exceed \$7,571,422; (3) revise the date specified in Section VII(B). Recruitment and Retention of Homelessness Service And Prevention Workers; and (4) replace Exhibit A, Project Description and Budget, in its entirety with Exhibit A-1, Project Description and Budget, which sets forth revised program descriptions, key performance indicators, and budget allocations under the Agreement.

FUNDING AGREEMENT FOR LOCAL SOLUTIONS FUND
CONTRACT NO. HI-25-015, AMENDMENT ONE

NOW THEREFORE, in consideration of the mutual benefits derived therefrom, it is agreed between the parties that County Contract No. HI-25-015 shall be amended as follows:

1. This Amendment One will become effective on the later of July 1, 2026, or the date it is executed by the Director of the Department of Homeless Services and Housing ("HSH") or designee.
2. Effective January 1, 2026, this Agreement is administered by HSH. All references in the Agreement to Chief Executive Officer ("CEO") shall henceforth be deemed to refer to HSH.
3. Section III(A). Funding Allocation, shall be deleted in its entirety and replaced as follows:
 - A. Amount of Funds: Local Jurisdiction shall receive a portion of County's Measure A allocation in an amount not to exceed the total budget listed in Exhibit A-1, Project Description and Budget, as adjusted by the County contingent upon the County's receipt of allocated Measure A funds and annual approval by the Board. Funds are to implement programs and services aimed at preventing and reducing homelessness and increasing access to affordable housing (the "Project"), subject to Measure A, and as further described in this Agreement and Exhibit A-1, Project Description and Budget, which is attached and incorporated herein by reference. Local Jurisdiction agrees to use Funds as described in Exhibit A-1, Project Description and Budget. The County reserves the right, in its sole discretion, to adjust the Local Solutions Fund allocation based on actual Measure A tax revenues received by the County. The Local Jurisdiction shall have no claim against the County for payment of any money or reimbursement, of any kind whatsoever, for any Project approved by the Local Jurisdiction after the expiration or other termination of this Agreement. Should the Local Jurisdiction receive any payment of Funds for such Projects, it shall immediately notify the County and shall immediately repay all such Funds to the County. Payment by the County for Project rendered after the expiration and/or termination of this Agreement shall not constitute a waiver of the County's right to recover such payment from the Local Jurisdiction. This provision shall survive the expiration or other termination of this Agreement.
4. Section VII(B). Recruitment and Retention of Homelessness Service And Prevention Workers, shall be deleted in its entirety and replaced with:
 - B. The requirements under Section VII.A. shall be fully implemented and enforced by July 1, 2027, to allow for necessary administrative, budgetary, and contractual adjustments while ensuring compliance with Measure A. During the transition period, Local Jurisdiction shall coordinate with the County to align all Measure A-funded social services positions with the requirements set forth in this Section to the maximum extent feasible.
5. Section XV(A). Notices, Reports, Invoices, and Approvals, is updated to reflect new email addresses for County Representative as follows:

Name: Marco Santana, County Project Manager

Email: MSantana@hsh.lacounty.gov

And copy

HSHAdmin@hsh.lacounty.gov

FUNDING AGREEMENT FOR LOCAL SOLUTIONS FUND
CONTRACT NO. HI-25-015, AMENDMENT ONE

6. Exhibit A, Project Description and Budget, shall be replaced in its entirety by Exhibit A-1, Project Description and Budget, attached hereto and incorporated herein by reference. All references to Exhibit A shall hereafter be replaced by Exhibit A-1.

Except for the changes set forth herein above, the Agreement shall not be changed in any respect by the Amendment One.

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FUNDING AGREEMENT FOR LOCAL SOLUTIONS FUND
CONTRACT NO. HI-25-015, AMENDMENT ONE

IN WITNESS WHEREOF, the parties hereto have executed this Amendment One:

COUNTY OF LOS ANGELES

By *Ruth Guerrero*
Ruth Guerrero (Jun 24, 2026 13:54:53 PDT)
SARAH MAHIN Date
Director, Department of Homeless Services and Housing

APPROVED AS TO FORM FOR THE COUNTY:

DAWYN R. HARRISON
County Counsel

By *AL*
Ana Lai
Senior Deputy County Counsel

SAN GABRIEL VALLEY
COUNCIL OF GOVERNMENTS

By *Marisa Creter*
Print Name Marisa Creter
Title Executive Director

**PROJECT DESCRIPTION AND BUDGET
SAN GABRIEL VALLEY COUNCIL OF GOVERNMENTS
HI-25-015**

I. OVERVIEW

This Agreement between the County of Los Angeles ("County") and the San Gabriel Valley Council of Governments ("SGVCOG" or "Local Jurisdiction") allocates funds from the County's Local Solutions Fund ("LSF"), which are authorized under Measure A to support local homelessness solutions, including prevention efforts, services, and affordable housing. The funds will support the Local Jurisdiction projects and associated administrative oversight as outlined herein.

II. PROJECT DESCRIPTION

a. Project Statuses

The following reflects all projects/programs ("Projects") under the Agreement. Each Project, including any Project added through this Amendment, is designated as one of the following:

- i. Ongoing – Eligible for continued expenditures
- ii. New – Eligible for new expenditures
- iii. Terminated – No longer eligible for any expenditures
- iv. Close-Out – Not eligible for additional funding allocations but may continue to expend previously allocated funds

b. Eligible Use Grouping 1

The following project(s) falls under the eligible uses of LSF, specifically, Eligible Use, Group 1, as outlined in the County's Measure A Local Solutions Fund Eligible Uses, Section 1.2. Activities under Eligible Use, Group 1 must directly contribute to achieving Measure A Goal 1 (reducing unsheltered homelessness) or Goal 3 (increasing permanent housing placements) and may include the following: homeless prevention; permanent housing for PEH; interim housing for PEH; expedited placements in permanent housing for PEH; employment services for PEH; or enhanced services for Transition-Age Youth and children experiencing or at-risk of homelessness.

<i>Amendment One: Ongoing - Updates the Target Outcomes and Budget</i>	
1A: Eligible Use	Permanent Housing for People Experiencing Homelessness (PEH)
Project	Housing Acquisition and Operation
Project Description	These funds will support SGVCOG in subcontracting with qualified service providers to operate a hybrid model of scattered site interim/permanent housing throughout the San Gabriel Valley. This project involves a mix of providing housing as a service and acquiring permanent housing units for long-term use. Service providers will identify and secure immediately available interim housing units for People Experiencing Homelessness (PEH), including shared housing, rental market units, and subsidizing units in regional partnership cities, and will work to house clients in those

	units. Once units are identified, service providers will house referred clients. Each regional partnership city will be able to refer clients to available sites. Once clients are placed in housing, each service provider will be responsible for working with housed clients for the duration of their stay in interim housing at an adequate case management ratio of 20:1 - to help connect to services and permanent housing. The SGVCOG will contract with multiple service providers experienced in serving diverse groups, including transition age youth, families, and individuals.
Project Specific Key Performance Indicators (PS-KPI) and Target Outcomes (PS-TO)	PS-KPI: Number of PEH provided services in interim housing • Year One PS-TO: 72 unduplicated PEH • Year Two PS-TO: N/A Total PS-TO: 72 unduplicated PEH
	PS-KPI: Number of units secured for PEH • Year One PS-TO: N/A • Year Two PS-TO: 68 unduplicated PEH Total PS-TO: 68 unduplicated PEH
	PS-KPI: Number of PEH placed in permanent housing • Year One PS-TO: 5 unduplicated PEH • Year Two PS-TO: 5 unduplicated PEH Total PS-TO: 10 unduplicated PEH
Measure A Goals and Target Metric	Alignment with Measure A Goal #1: Increase the number of people moving from encampments into permanent housing to reduce unsheltered homelessness.
	Target Metric 1a: Decrease by 30 percent the number of people experiencing unsheltered homelessness from a baseline of 52,365 in 2024 to a target of 36,656 in 2030.

*NOTE: *Amendment One corrects KPIs to align with funded item(s)*

Amendment One: Ongoing - Updates the Project Description, Target Outcomes, and Budget	
1B: Eligible Use	Interim Housing for PEH
Project	Interim Housing – Motel Vouchers Program
Project Description	The funds will support SGVCOG's Motel Vouchers Program provided for the cities of Arcadia and Glendora that will administer a motel voucher program to temporarily house individuals and families experiencing homelessness. The Program will offer interim housing stays to address urgent situations, including the bridge time period before moving into a permanent housing, extreme weather conditions, fleeing domestic violence, and other emergencies. Case managers will work with each client to connect them to supportive services. City case managers will support the Motel Voucher Program in Arcadia. Arcadia may subcontract with a service provider to administer the program. Case managers in each participating city will have access to motel voucher resources and related Program resources.
Project Specific Key Performance Indicators (PS-KPI) and Target Outcomes (PS-TO)	PS-KPI: Number of PEH/Households housed in interim housing with motel vouchers • Year One PS-TO: 40 unduplicated PEH • Year Two PS-TO: 40 unduplicated PEH Total PS-TO: 80 unduplicated PEH

	PS-KPI: Number of PEH/Households placed into permanent housing within three months of receiving a motel voucher • Year One PS-TO: At least 20 unduplicated Household • Year Two PS-TO: At least 20 unduplicated Households Total PS-TO: 40 unduplicated Households
Measure A Goals and Target Metric	Alignment with Measure A Goal #1: Increase the number of people moving from encampments into permanent housing to reduce unsheltered homelessness.
	Target Metric 1a: Decrease by 30 percent the number of people experiencing unsheltered homelessness from a baseline of 52,365 in 2024 to a target of 36,656 in 2030.

<i>Amendment One: Ongoing - Updates the Target Outcomes and Budget</i>	
1C: Eligible Use	Interim Housing for PEH
Project	Interim Housing - LA CADA Beds
Project Description	The funds will support SGVCOG's sub agreement with the City of West Covina to provide eight (8) interim housing beds operated by LA CADA. This project is designed to serve as a direct pathway to permanent housing for people moving from encampments to interim housing. The beds, located at sites located throughout the San Gabriel Valley and Los Angeles County. Through its agreement with West Covina, LA CADA guarantees permanent access to these eight beds within the LA CADA continuum of care. LA CADA will assess clients prior to the interim housing stay, and, once a client is housed in a LA CADA interim bed, LA CADA staff will link clients to other supportive services and case management with an emphasis on housing focused case management. LA CADA will communicate program operational standards and will utilize the beds in alignment with those standards.
Project Specific Key Performance Indicators (PS-KPI) and Target Outcomes (PS-TO)	PS-KPI: Number of PEH provided interim housing • Year One PS-TO: 10 unduplicated PEH • Year Two PS-TO: 32 unduplicated PEH Total PS-TO: 42 unduplicated PEH
	PS-KPI: Number of PEH placed into permanent housing • Year One PS-TO: 2 unduplicated PEH • Year Two PS-TO: 8 unduplicated PEH Total PS-TO: 10 unduplicated PEH
Measure A Goals and Target Metric	Alignment with Measure A Goal #1: Increase the number of people moving from encampments into permanent housing to reduce unsheltered homelessness.
	Target Metric 1a: Decrease by 30 percent the number of people experiencing unsheltered homelessness from a baseline of 52,365 in 2024 to a target of 36,656 in 2030.

<i>Amendment One: Ongoing - Updates the Target Outcomes and Budget</i>	
1D: Eligible Use	Interim Housing for PEH
Project	Non-Congregate Interim Housing Site

Project Description	The funds will support operation of an existing 25-bed non-congregate interim housing site at the Azusa Resource Center (ARC). LA CADA, selected through a competitive process, will serve as the site operator, providing case management and supportive services to stabilize participants and transition them into permanent housing. This effort includes intake and assessment of participants to develop individualized housing and services plans to help participants work toward housing and health goals. Case management includes linkage to services such as health care, behavioral or mental health services, substance use treatment, employment services. The operator provides clients with daily meals and 24/7 trauma-informed staffing, security, and property management.
Project Specific Key Performance Indicators (PS-KPI) and Target Outcomes (PS-TO)	PS-KPI: Number of PEH provided interim housing - Year One PS-TO: 25 unduplicated PEH - Year Two PS-TO: 25 unduplicated PEH Total PS-TO: 50 unduplicated PEH
	PS-KPI: Number of PEH placed in permanent housing - Year One PS-TO: 10 unduplicated PEH - Year Two PS-TO: 10 unduplicated PEH Total PS-TO: 20 unduplicated PEH
Measure A Goals and Target Metric	Alignment with Measure A Goal #1: Increase the number of people moving from encampments into permanent housing to reduce unsheltered homelessness.
	Target Metric 1a: Decrease by 30 percent the number of people experiencing unsheltered homelessness from a baseline of 52,365 in 2024 to a target of 36,656 in 2030.

<i>Amendment One: Ongoing - Updates the Target Outcomes and Budget</i>	
1E: Eligible Use	Expedited Placements in Permanent Housing for PEH
Project	Financial Assistance
Project Description	The funds support the city of Arcadia and the SGVCOG's move-in assistance programs, which focus on expedited placement of individuals and families experiencing homelessness into permanent housing. These client-driven programs focuses on addressing barriers to permanent housing, engaging landlords to secure additional units, and supporting staff's efforts to engage with family/friends of unsheltered individuals and families to determine if temporary or permanent housing may be provided to them, including providing incentives to family/friends to host clients. Funds will also support move-in costs such as security deposits, mitigation funds, and host home support.
Project Specific Key Performance Indicators (PS-KPI) and Target Outcomes (PS-TO)	PS-KPI: Number of households permanently housed with move-in assistance programs - Year One PS-TO: 23 unduplicated households - Year Two PS-TO: 11 unduplicated households Total PS-TO: 34 unduplicated households
Measure A Goals and Target Metric	Alignment with Measure A Goal #3: Increase the number of people permanently leaving homelessness.
	Target Metric 3a: Increase by 57 percent the number of service participants who exit homelessness to permanent housing from a baseline of 19,127 in FY 2023-24 to a target of 30,000 in 2030.

<i>Amendment One: Terminated</i>	
1F: Eligible Use	Expedited Placements in Permanent Housing for PEH
Project	Landlord Incentives
Project Description	The funds will support SGVCOG and member cities in operating their Landlord Incentive program, which aims to secure additional permanent housing units for people experiencing homelessness (PEH). The program provides direct financial incentives to landlords and offers dedicated support, including mediation and direct engagement to address questions or concerns and to encourage participation in rental/assistance programs for PEH.
Project Specific Key Performance Indicators (PS-KPI) and Target Outcomes (PS-TO)	PS-KPI: Number of new units secured via direct landlord incentives PS-TO: 1 unduplicated unit
Measure A Goals and Target Metric	Alignment with Measure A Goal #3: Increase the number of people permanently leaving homelessness.
	Target Metric 3a: Increase by 57 percent the number of service participants who exit homelessness to permanent housing from a baseline of 19,127 in FY 2023-24 to a target of 30,000 in 2030.

<i>Amendment One: Ongoing - Updates the Project Description, Target Outcomes, and Budget</i>	
1G: Eligible Use	Permanent Housing for PEH
Project	Flexible Rental Subsidies
Project Description	The funds will support SGVCOG and the cities of Rosemead and San Dimas in providing rental assistance for participants experiencing homelessness, including time-limited subsidies, rapid rehousing, shallow subsidies, and other flexible rent subsidies. In San Dimas, City staff will be responsible for administering the programs, which will pair appropriate levels of financial assistance with case management and resources to increase income, reduce expenses, and develop financial management skills to help prevent a return to homelessness. In Rosemead, Family Promise of SGV (FPSGV) will administer the program and provide six (6) months of case management for the enrolled clients. Case managers in each respective city will have access to these resources. Each City will establish and manage its respective program policies and procedures that defines the requirements for rental assistance, guidelines on the number of months for which clients can receive rental assistance, and the tracking approach to ensure that the intervention is helping clients to remain housed after the intervention ends.
Project Specific Key Performance Indicators (PS-KPI) and Target Outcomes (PS-TO)	PS-KPI: Total number of households permanently housed with subsidy assistance: - Year One PS-TO: 11 unduplicated households - Year Two PS-TO: 21 unduplicated households

	Total PS-TO: 32 unduplicated households
Measure A Goals and Target Metric	Alignment with Measure A Goal #1: Increase the number of people moving from encampments into permanent housing to reduce unsheltered homelessness:
	Target Metric 1a: Decrease by 30 percent the number of people experiencing unsheltered homelessness from a baseline of 52,365 in 2024 to a target of 36,656 in 2030.

<i>Amendment One: Terminated</i>	
1H: Eligible Use	Expedited Placements in Permanent Housing for PEH
Project	Problem Solving
Project Description	The funds will support SGVCOG's Problem Solving Program, which assists individuals secure or maintain immediate, sustainable housing through mediation, resource navigation, negotiation, and targeted financial assistance.
Project Specific Key Performance Indicators (PS-KPI) and Target Outcomes (PS-TO)	PS-KPI: Number of individuals that secure housing PS-TO: 1 unduplicated individual
Measure A Goals and Target Metric	Alignment with Measure A Goal #3: Increase the number of people permanently leaving homelessness
	Target Metric 3a: Increase by 57 percent the number of service participants who exit homelessness to permanent housing from a baseline of 19,127 in fiscal year 2023-24 to a target of 30,000 in 2030.

<i>Amendment One: New Project</i>	
1I: Eligible Use	Interim Housing for PEH
Project	Bell Shelter Beds
Project Description	The funds will support Salvation Army in providing homeless shelter operations for City of West Covina. The program will provide five (5) shelter beds annually for single adults (18 yo+) referred by the City, at a rate of \$90 per bed per night . The assistance serves as a step to move PEH into permanent housing.
Project Specific Key Performance Indicators (PS-KPI) and Target Outcomes (PS-TO)	PS-KPI: Total number of shelter beds funded - Year One PS-TO: 16 unduplicated PEH - Year Two PS-TO: N/A Total PS-TO: 16 unduplicated PEH
	PS-KPI: Total number of PEH placed in IH beds - Year One PS-TO: 20 unduplicated PEH - Year Two PS-TO: N/A Total PS-TO: 20 unduplicated PEH
Measure A Goals and Target Metric	Alignment with Measure A Goal #1: Increase the number of people moving from encampments into permanent housing to reduce unsheltered homelessness.

	Target Metric 1a: Decrease by 30 percent the number of people experiencing unsheltered homelessness from a baseline of 52,365 in 2024 to a target of 36,656 in 2030.
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<i>Amendment One: New Project</i>	
1J: Eligible Use	Employment Services for PEH
Project	Workforce Development Program
Project Description	Funds will support SGVCOG's workforce development program, which will provide wraparound services and paid job training opportunities for persons experiencing homelessness (PEH). SGVCOG will partner with service provider(s) to recruit and enroll participants, including individuals currently engaged in other homelessness programs. Participating service providers will provide supportive services designed to promote employment readiness and retention, including, but not limited to, soft skills training, resume development, and interview training. Service providers will also connect participants to paid transitional jobs, with a focus on connecting clients to jobs in high-growth pathways, including but not limited to municipal jobs and green energy jobs. This program would provide up to 360 hours of work experience for 50 participants, along with wraparound supportive services.
Project Specific Key Performance Indicators (PS-KPI) and Target Outcomes (PS-TO)	PS-KPI: Total number of participants enrolled • Year One PS-TO: N/A • Year Two PS-TO: 50 unduplicated PEH Total PS-TO: 50 unduplicated PEH
	PS-KPI: Total number of participants connected to post-program opportunities (including jobs; training; schooling) • Year One PS-TO: N/A • Year Two PS-TO: 20 unduplicated PEH Total PS-TO: 20 unduplicated PEH
Measure A Goals and Target Metric	Alignment with Measure A Goal #1: Increase the number of people moving from encampments into permanent housing to reduce unsheltered homelessness:
	Target Metric 1a: Decrease by 30 percent the number of people experiencing unsheltered homelessness from a baseline of 52,365 in 2024 to a target of 36,656 in 2030.

c. Eligible Use Grouping 2

The following project(s) falls under eligible uses of Measure A LSF, specifically, Eligible Use, Group 2. Activities under Eligible Use, Group 2, must demonstrate a maximized partnership with organization that create connections to mainstream safety net programs supported by other funds from the County, State, and Federal Governments, including connections to medical and mental health care supported by state and federal programs as well as other entitlements programs.

<i>Amendment One: Ongoing – Updates the Target Outcomes and Budget</i>	
2A: Eligible Use	Case Management and Outreach Services
Project	Case Management & Outreach Services for Clients with Substance Use Disorder (SUD) and/or Severe Mental Illness (SMI) – Alhambra
Project Description	The funds will support SGVCOG sub agreement with the city of Alhambra, which will subcontract with LA CADA to provide case management and outreach services for PEH, with a focus on individuals with SUD or SMI. The LA CADA team, partially funded by this program, will consist of a Program Director, Outreach Coordinator, and three Outreach Navigators, and will have access to various housing resources, including those funded by Measure A, other resources in LA CADA's continuum of care, and LA CADA's partner agencies. The LA CADA team will also have access to Alhambra-contracted interim housing beds that are part of LA CADA's continuum of care, and which are funded by other sources of funding. Services will consist of outreach, medication, therapy, peer-to-peer support, case management, health screening, group counseling, dual diagnosis treatment groups, and housing placement for PEH not yet enrolled in specialty mental health services that are Medi-Cal billable.
Group 2 Connection	The project will be connected with the following investments/programs funded by other entities, governmental or nongovernmental, including local agencies such as: This project will be an avenue for PEH to connect to other Measure A-funded housing resources (such as Projects 1B, 1E, 1F, 1G, and 1H herein). LA CADA teams will be able to place clients into those housing resources as part of their case management and outreach services. In addition, LA CADA has a robust continuum of housing resources to which clients can be referred, and relationships and connections managed by other Local, County, State, and Federal programs, including those executed by Los Angeles Homeless Services Authority (LAHSA), Department of Mental Health (DMH), Department of Health Services (DHS), Department of Children and Family Services (DCFS), Veterans Affairs (VA), and Adult Protective Services (APS). In addition, the respective LA CADA teams will work in collaboration with SPA 3 CES lead agencies to help connect PEH to shelter (interim housing, recuperative care), permanent housing (Section 8 vouchers), mental health services (DMH), health services (DHS), and substance use treatment services (Medi-Cal funded).
Project Specific Key Performance Indicators (PS-KPI) and Target Outcomes (PS-TO)	PS-KPI: Number of PEH connected to outpatient/inpatient services • Year One PS-TO: 8 unduplicated PEH • Year Two PS-TO: 10 unduplicated PEH Total PS-TO: 18 unduplicated PEH
	PS-KPI: Number of PEH placed in interim or permanent Substance Use Disorder (SUD)/Serious Mental Illness (SMI) housing • Year One PS-TO: 1 unduplicated PEH placements • Year Two PS-TO: 2 unduplicated PEH placements Total PS-TO: 3 unduplicated PEH placements
Measure A Goals and Target Metric	Alignment with Measure A Goal # 2: Reduce the number of people with mental illness and/or substance use disorders who experience homelessness.

	Target Metric 2c: Reduce by 10 percent the number of people with co-occurring SMI and SUD experiencing homelessness from a baseline of 20,446 in FY 2023-24 to a target of 18,401 in 2030.
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<i>Amendment One: Ongoing – Updates the Target Outcomes and Budget</i>	
2B: Eligible Use	Case Management and Outreach Services
Project	Case Management & Outreach Services for Clients with Substance Use Disorder (SUD) and/or Severe Mental Illness (SMI) – West Covina
Project Description	The funds will support SGVCOG sub-agreement with the city of West Covina, which will enter into its own subcontract and provide partial funding to LA CADA to deliver case management and outreach services for PEH, with a focus on individuals with SUD or SMI. The LA CADA team, partially funded by this program, will consist of a Program Manager, Program Coordinator, Navigator/Case Manager, and Housing Specialist, and will have access to various housing resources, including those funded by Measure A and other sources. Services will consist of outreach, medication, therapy, peer-to-peer support, case management, health screening, group counseling, dual diagnosis treatment groups, and housing placement for PEH not yet enrolled in specialty mental health services that are Medi-Cal billable.
Group 2 Connection	The project will be connected with the following investments/programs funded by other entities, governmental or nongovernmental, including local agencies such as: This project will be an avenue for PEH to connect to other Measure A-funded housing resources (such as Projects 1B, 1E, 1F, 1G, and 1H herein). LA CADA teams will be able to place clients into those housing resources as part of their case management and outreach services. In addition, LA CADA has a robust continuum of housing resources to which clients can be referred, and relationships and connections managed by other Local, County, State, and Federal programs, including those executed by LAHSA, DMH, DHS, DCFS, VA, and APS. In addition, the respective LA CADA teams will work in collaboration with SPA 3 CES lead agencies to help connect PEH to shelter (interim housing, recuperative care), permanent housing (Section 8 vouchers), mental health services (DMH), health services (DHS), and substance use treatment services (Medi-Cal funded).
Project Specific Key Performance Indicators (PS-KPI) and Target Outcomes (PS-TO)	PS-KPI: Number of PEH connected to outpatient/inpatient services • Year One PS-TO: 2 unduplicated PEH • Year Two PS-TO: 10 unduplicated PEH Total PS-TO: 12 unduplicated PEH
	PS-KPI: Number of PEH placed in interim or permanent SUD/SMI housing • Year One PS-TO: 1 unduplicated PEH placement • Year Two PS-TO: 1 unduplicated PEH placement Total PS-TO: 2 unduplicated PEH
Measure A Goals and Target Metric	Alignment with Measure A Goal #2: Reduce the number of people with mental illness and or substance use disorders who experience homelessness.

	Target Metric 2c: Reduce by 10 percent the number of people with co-occurring SMI and SUD experiencing homelessness from a baseline of 20,446 in fiscal year 2023-24 to a target of 18,401 in 2030.
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<i>Amendment One: Ongoing - Updates the Target Outcomes and Budget</i>	
2C: Eligible Use	Case Management and Outreach Services
Project	Case Management & Outreach Services – San Dimas
Project Description	The funds will support SGVCOG in subcontracting with the city of San Dimas, which will enter into its own sub-agreement to provide partial funding to LA CADA to deliver case management and outreach services for PEH via a team consisting of a project lead and outreach navigator. The teams will have access to housing resources (such as Projects 1B, 1E, 1F, 1G, and 1H herein) that will allow team members to place clients in interim and permanent housing. LA CADA teams will engage initially with clients and will continue to provide follow-up case management to help clients connect to services, secure housing, and maintain stable housing.
Group 2 Connection	The project will be connected with the following investments/programs funded by other entities, governmental or nongovernmental including local agencies such as: This project will be an avenue for PEH to connect to other Measure A-funded housing resources (such as Projects 1B, 1E, 1F, 1G, and 1H herein). LA CADA teams will be able to place clients into those housing resources as part of their case management and outreach services. In addition, LA CADA has a robust continuum of housing resources to which clients can be referred, and relationships and connections managed by other Local, County, State, and Federal programs, including those executed by LAHSA, DMH, DHS, DCFS, VA, and APS. In addition, the respective LA CADA teams will work in collaboration with SPA 3 CES lead agencies to help connect PEH to shelter (interim housing, recuperative care), permanent housing (Section 8 vouchers), mental health services (DMH), health services (DHS), and substance use treatment services (Medi-Cal funded).
Project Specific Key Performance Indicators (PS-KPI) and Target Outcomes (PS-TO)	PS-KPI: Number of PEH engaged through outreach services • Year One PS-TO: 7 unduplicated engagements with PEH* • Year Two PS-TO: 14 unduplicated engagements with PEH Total PS-TO: 21 unduplicated PEH
	PS-KPI: Number of total PEH engaged through outreach services • Year One PS-TO: 42 engagements with PEH** • Year Two PS-TO: 84 engagements with PEH Total PS-TO: 126 engagements with PEH
	PS-KPI: Number of PEH placed in interim or permanent housing • Year One PS-TO: 5 unduplicated PEH placements* • Year Two PS-TO: 10 unduplicated PEH placements Total PS-TO: 15 unduplicated PEH placements
Measure A Goals and Target Metric	Alignment with Measure A Goal 1: Increase the number of people moving from encampments into permanent housing to reduce unsheltered homelessness

	Target Metric 1a: Decrease by 30 percent the number of people experiencing unsheltered homelessness from a baseline of 52,365 in 2024 to a target of 36,656 in 2030.
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NOTE: *Amendment One revises the PS-TO to align it with the portion of the Project funded under this Agreement
****Amendment One retroactively applies the PS-TO to Year 1. The parties acknowledge that retroactive reporting is to enhance the program evaluation and outcomes tracking.**

Amendment One: Ongoing - Updates the Project Description, Target Outcomes, and Budget	
2D: Eligible Use	Case Management and Outreach Services
Project	Case Management and Outreach Services – Arcadia
Project Description	The funds will support SGVCOG in subcontracting with the city of Arcadia, which will enter into its own sub agreement and provide partial funding to an outreach provider to deliver case management and outreach services for PEH via a team consisting of a project lead and an outreach navigator. The outreach teams will have access to housing resources (such as Projects 1B and 1E herein) to place clients in interim and permanent housing. The outreach teams will engage initially with clients and continue to provide follow-up case management to help clients connect to services, secure housing, and maintain stable housing.
Group 2 Connection	The project will be connected with the following investments/programs funded by other entities, governmental or nongovernmental including local agencies such as: This project will be an avenue for PEH, with a focus on clients with SUD or SMI, to connect to other Measure A-funded housing resources and those funded by other sources. In Arcadia, outreach teams will be able to place clients into those housing resources (listed in projects 1B and 1C) as part of their case management and outreach services. In addition, outreach teams use a robust continuum of housing resources to which clients can be referred, and relationships and connections managed by other Local, County, State, and Federal programs, including those executed by LAHSA, DMH, DHS, DCFS, VA, and APS. In addition, outreach teams will work in collaboration with SPA 3 CES lead agencies to help connect PEH to shelter (interim housing, recuperative care), permanent housing (Section 8 vouchers), mental health services (DMH), health services (DHS), and substance use treatment services (Medi-Cal funded).
Project Specific Key Performance Indicators (PS-KPI) and Target Outcomes (PS-TO)	PS-KPI: Number of PEH engaged through outreach services • Year One PS-TO: 50 unduplicated engagements with PEH* • Year Two PS-TO: 50 unduplicated engagements with PEH Total PS-TO: 100 unduplicated engagements
	PS-KPI: Number of total PEH engaged through outreach services • Year One PS-TO: 125 engagements with PEH** • Year Two PS-TO: 125 engagements with PEH Total PS-TO: 250 engagements with PEH
	PS-KPI: Number of PEH place in interim or permanent SUD/SMI housing • Year One PS-TO: 15 unduplicated PEH placements • Year Two PS-TO: 15 unduplicated PEH placements Total PS-TO: 30 unduplicated PEH

Measure A Goals and Target Metric	Alignment with Measure A Goal # 1: Increase the number of people moving from encampments into permanent housing to reduce unsheltered homelessness.
	Target Metric 1a: Decrease by 30 percent the number of people experiencing unsheltered homelessness from a baseline of 52,365 in 2024 to a target of 36,656 in 2030.

*NOTE: *Amendment One revises the PS-TO to align it with the portion of the Project funded under this Agreement*

***Amendment One retroactively applies the PS-TO to Year 1. The parties acknowledge that retroactive reporting is to enhance the program evaluation and outcomes tracking.*

Amendment One: Ongoing - Updates the Project Description, Target Outcomes, and Budget	
2E: Eligible Use	Case Management and Outreach Services
Project	Case Management and Outreach Services - Glendora
Project Description	The funds will support SGVCOG in subcontracting with the city of Glendora, which will enter into its own sub-agreement and provide partial funding to LA CADA to deliver case management and outreach services for PEH via a team consisting of two homeless navigators. The LA CADA teams will have access to external housing resources (such as Soul Housing, Haven Supportive Housing, Horizon Recuperative Care, Share Collaborative Housing, Affordable and Living for the Aging) to place clients in interim and permanent housing. LA CADA teams will engage initially with clients and will continue to provide follow-up case management to help clients connect to services, secure housing, and maintain stable housing.
Group 2 Connection	The project will be connected with the following investments/programs funded by other entities, governmental or nongovernmental including local agencies This project will be an avenue for PEH, to connect to other Measure A-funded housing resources and those funded by other sources. In Glendora, LA CADA teams will have access to the City's contracted units within LA CADA's continuum of care, which are funded by non-Measure A sources. In addition, LA CADA has a robust continuum of housing resources to which clients can be referred, and relationships and connections managed by other Local, County, State, and Federal programs, including those executed by LAHSA, DMH, DHS, DCFS, VA, and APS. In addition, the respective L.A. CADA teams will work in collaboration with SPA 3 CES lead agencies to help connect PEH to shelter (interim housing, recuperative care), permanent housing (Section 8 vouchers), mental health services (DMH), health services (DHS), and substance use treatment services (Medi-Cal funded).
Project Specific Key Performance Indicators (PS-KPI) and Target Outcomes (PS-TO)	PS-KPI: Number of PEH engaged through outreach services • Year One PS-TO: 52 unduplicated engagements with PEH* • Year Two PS-TO: 38 unduplicated engagements with PEH Total PS-TO: 90 unduplicated engagements with PEH
	PS-KPI: Number of total PEH engaged through outreach services • Year One PS-TO: 175 engagements with PEH** • Year Two PS-TO: 125 engagements with PEH Total PS-TO: 300 engagements with PEH
	PS-KPI: Number of PEH placed in interim or permanent SUD/SMI housing

	• Year One PS-TO: 15 unduplicated placements • Year Two PS-TO: 15 unduplicated placements Total PS-TO: 30 unduplicated placements
Measure A Goals and Target Metric	Alignment with Measure A Goal # 1: Increase the number of people moving from encampments into permanent housing to reduce unsheltered homelessness.
	Target Metric 1a: Decrease by 30 percent the number of people experiencing unsheltered homelessness from a baseline of 52,365 in 2024 to a target of 36,656 in 2030.

*NOTE: *Amendment One revises the PS-TO to align it with the portion of the Project funded under this Agreement*

***Amendment One retroactively applies the PS-TO to Year 1. The parties acknowledge that retroactive reporting is to enhance the program evaluation and outcomes tracking.*

d. Eligible Use Grouping 3

The following project(s) falls under Eligible Uses of Measure A LSF (LSF Funds) with Los Angeles County Affordable Housing Solutions Agency (LACAHS) Funding. Local Jurisdiction must braid or pair LSF Funds with eligible LACAHS funding to support prevention efforts under this program/project. If LACAHS funding is not yet available, Local Jurisdiction shall coordinate with the County during the transition period to align timelines, funding strategies, and program deliverables; and submit a written plan within six months of this Agreement's execution detailing steps to secure LACAHS funding. The Local Jurisdiction shall make good faith efforts to secure and utilize such funding when it becomes available. LSF Funds may only be used after LACAHS funding is exhausted; or during the transition period with prior written approval from the County.

<i>Amendment One: Ongoing - Updates the Target Outcomes and Budget</i>	
3A: Eligible Use	Permanent Housing for PEH
Project	Housing Acquisition & Construction
Project Description	The funds will support SGVCOG in contracting with the San Gabriel Valley Regional Housing Trust (SGVRHT) to expand housing opportunities for PEH in the region. Specific projects and eligible expenditures will be determined in coordination with LACAHS. SGVCOG will work with the SGVRHT to identify new and innovative projects to create more housing for PEH. Examples of potential types of projects include acquiring units to specifically support PEH, purchasing units within affordable housing project for PEH, or acquiring, rehabilitating, and converting sites into interim or permanent housing for PEH. The budget for this project will be determined based on further information from LACAHS and pending progress in completing other projects.
Group 3 Connection	The SGVCOG will work to braid funding with available LACAHS funds once guidance has become available. In the meantime, the SGVCOG will coordinate and communicate with the County in the interim while a plan is developed to secure LACAHS funds.
Project Specific Key Performance Indicators (PS-KPI) and Target Outcomes (PS-TO)	PS-KPI: Number of units secured for PEH • Year One PS-TO: 6 units secured for PEH • Year Two PS-TO: N/A Total PS-TO: 6 units secured for PEH
Measure A Goals and Target Metric	Alignment with Measure A Goal # 3: Increase the number of people permanently leaving homelessness.

	Target Metric 3a: Increase by 57 percent the number of service participants who exit homelessness to permanent housing from a baseline of 19,127 in fiscal year 2023-24 to a target of 30,000 in 2030.
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<i>Amendment One: Ongoing - Updates the Project Description, Target Outcomes, and Budget</i>	
3B: Eligible Use	Homeless Prevention
Project	Homeless Prevention: Rental Assistance
Project Description	Funding will support the rental assistance project serving eligible households in the cities of Arcadia, Rosemead and West Covina. All rental assistance provided under this project will be administered through the SGVCOG's SGV Home Renter Protection and Homelessness Prevention (RPHP) Program.
Group 3 Connection	The SGVCOG has launched its RPHP Program (called SGV Home) that is funded by LACAHSR RPHP funds. This funding would be administered through the SGV Home Program.
Project Specific Key Performance Indicators (PS-KPI) and Target Outcomes (PS-TO)	PS-KPI: Number of PEH/Household that retain housing for three months after receiving prevention rental assistance • Year One PS-TO: 18 unduplicated PEH/households • Year Two PS-TO: 18 unduplicated PEH/households Total PS-TO: 36 unduplicated PEH/households
	PS-KPI: Number of PEH/Household that remain housed six months after the prevention rental assistance • Year One PS-TO: 9 unduplicated PEH/Households • Year Two PS-TO: 9 unduplicated PEH/Households Total PS-TO: 18 unduplicated/Households
Measure A Goals and Target Metric	Alignment with Measure A Goal #4: Prevent people from falling into homelessness
	Target Metric 4a: Reduce the number of people who become newly homeless by 20 percent from a baseline of 63,202 in fiscal year 2023-24 to a target of 50,561 in 2030.

<i>Amendment One: Terminated</i>	
3C: Eligible Use	Homeless Prevention
Project	Homeless Prevention: Financial Assistance
Project Description	The funds will support SGVCOG and the cities of Arcadia and Rosemead in providing financial assistance through a homeless prevention program focused at preventing individuals and families from falling into homelessness. Financial assistance will be utilized in situations where clients are at-risk of eviction that can be resolved through a non-rent expenditure such as repairing a vehicle that a client requires in order to get to work. In order to determine appropriate financial expenditures, the respective case managers will undertake problem solving conversations to identify the appropriate intervention. In Arcadia, case managers from Arcadia's LA CADA-contracted team will administer the program, while in Rosemead, Family Promise of the San Gabriel Valley (FPSGV) will administer the program. The overall goal of both programs is to reduce the number of individuals falling into homelessness and

	assist those at imminent risk of eviction due to unexpected financial shortcomings or catastrophic incidences. Case managers in each respective city will have access to the program resources. Each city will establish and manage its program policies and procedures that define the requirements for financial assistance and the tracking approach to ensure that the intervention is helping the client to remain housed after the intervention. Before work begins on this program, SGVCOG will ensure that there is no duplication of funds and/or programs from LACAHS.
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e. **Project Administration**

Administrative Cost	
<i>Amendment One: Ongoing</i>	
Project 4A	Permanent Housing for PEH: Admin Cost: Housing Acquisition & Operation - Staff
Project Description	The funds will support SGVCOG in subcontracting with a service provider (to be selected through an RFP) to operate hybrid scattered-site interim/permanent housing throughout the San Gabriel Valley, as outlined in Project 1A. Funding will cover eight staff (five case managers, one housing locator, and two supervisor level staff to assist in program implementation) as well as indirect administrative costs. The contracted service providers will identify and secure immediately available housing units for PEH in partnership with regional cities. Housing options may include shared housing, units secured from the rental market, and subsidizing units for clients. Once units have been identified, service providers will house referred clients. Each regional partnership city will be able to refer clients to available sites. Once clients are placed in housing, each service provider will be responsible for working with housed clients for the duration of their stay – at an adequate case management ratio of 20:1 – to help connect them to services and permanent housing. The SGVCOG will contract with multiple service providers with experience working with different groups, including transition-age youth, families, and individuals.
<i>Amendment One: Ongoing</i>	
Project 4B	Administrative Costs SGVCOG Director
Project Description	The funds will cover a portion of the salary and benefits for SGVCOG Director (0.15 FTE), who will support the Management Analyst in program oversight, administration, and reporting for all programs herein.
<i>Amendment One: Ongoing</i>	
Project 4C	Administrative Costs SGVCOG Management Analyst
Project Description	The funds will cover the salary and benefits for SGVCOG Management Analysts (1.25 FTE), who will oversee and support program administration, implementation, and reporting of all programs herein.
<i>Amendment One: Terminated</i>	
Project 4D	Admin Costs: Case Management and Outreach Services – West Covina
Project Description	The funds will support West Covina's Project 2B by covering operational expenses for LA CADA, including office expenses, maintenance, insurance, facility costs, utilities, telephone, van lease/gas, and indirect costs.
<i>Amendment One: Ongoing</i>	
Project 4E	Admin Costs: Case Management and Outreach Services – San Dimas

Project Description	The funds will support indirect costs incurred by LA CADA under City of San Dimas' Project 2C, including office expenses, insurance, cell phones, program supplies, PPE, food, van lease/gas.
<i>Amendment One: Ongoing</i>	
Project 4F	Admin Costs: Case Management and Outreach Services - Glendora
Project Description	The funds will support a 13.64 percent indirect cost provided by City of Glendora's Project 2E to LA CADA.

III. PROJECT BUDGET

Total Agreement Sum: Not to Exceed \$7,571,422

The budget below reflects the maximum amount of Measure A funding from County that Local Jurisdiction may receive for the applicable Fiscal Year (FY), subject to the County Board of Supervisors' ("Board") annual approval. Any increase in funding for a given fiscal year is at the sole discretion of the County and must be formally implemented through a written amendment to this Agreement. All funds approved and allocated by the County Board are made available throughout the term of the Agreement, in accordance with the budget set forth in this exhibit.

- Year One (FY 2025–26 Allocation): Up to \$3,862,471
- Year Two (FY 2026–27 Allocation): Up to \$3,708,951

BUDGET				
Project		Year One	Year Two	Total Budget
1A	Unit Acquisition and Operation	354,295	\$325,408	\$679,703
1B	Interim Housing – Motel Vouchers Program	\$30,000	\$30,000	\$60,000
1C	Interim Housing – LA CADA Beds	\$12,500	\$48,731	\$61,231
1D	Non-Congregate Interim Housing Site (25 interim housing beds)	\$278,739	\$295,690	\$574,429
1E	Financial Assistance – Move-in Assistance (includes covering security deposits, mitigation funds, and host home support)	\$127,262	\$60,861	\$188,123
1F	Landlord Incentives	\$1,587.22	\$0	\$1,587.22
1G	Flexible Rental Subsidies (Flexible rental subsidy for up to 6 months)	\$170,353	\$331,451	\$501,804
1H	Problem Solving (includes targeted financial assistance such as mediation, resource navigation, and negotiation services)	\$2,300	\$0	\$2,300
1I	Interim Housing – Bell Shelter	\$164,251	\$0	\$164,251
1J	Employment Services for PEH – Workforce Development	\$0	\$734,500	\$734,500

2A	Case Management & Outreach Services for Clients with Substance Use Disorder (SUD) and/or Severe Mental Illness (SMI) – Alhambra (includes partial funding towards a program director, outreach coordinator, and three outreach navigators)	\$169,940	\$196,997	\$366,937
2B	Case Management & Outreach Services for Clients with Substance Use Disorder (SUD) and/or Severe Mental Illness (SMI) – West Covina (includes partial funding for a program manager, program coordinator, case manager, and housing specialist)	\$42,677	\$224,451	\$267,128
2C	Case Management & Outreach Services – San Dimas (includes partial funding for a project lead and outreach navigator)	\$42,160	\$83,275	\$125,435
2D	Case Management and Outreach Services – Arcadia (includes partial funding for a program director, homeless program coordinator, and two homeless navigators)	\$71,000	\$100,000	\$171,000
2E	Case Management and Outreach Services – Glendora (includes partial funding for two housing navigators)	\$156,066	\$161,050	\$317,116
3A	Housing Acquisition & Construction	\$1,277,791.78	\$0	\$1,277,791.78
3B	Homeless Prevention: Rental Assistance (includes rental assistance for eligible households)	\$225,024	\$237,284	\$462,308
3C	Homeless Prevention: Financial Assistance (includes financial assistance-non-rental for up to 2 households)	\$0	\$0	\$0
4A	Permanent Housing for PEH: Administrative Costs for Project 1A, including salaries and benefits for eight staff (5 case managers, 1 housing locator, and 2 supervisory staff)	\$393,128	\$ 646,422	\$1,039,550
4B	Administrative Costs SGVCOG Director who will support the Management Analyst in program oversight, administration, and reporting	\$65,097 (0.23 FTE)	\$45,219 (0.15 FTE)	\$110,316
4C	Administrative Costs SGVCOG Management Analysts (1.25 FTE) overseeing program administration, implementation, and reporting	\$223,396 (1.0 FTE)	\$140,212 (1.25 FTE)	\$363,608
4D	Admin Costs: Case Management and Outreach Services – West Covina (supports Project 2B by covering operational expenses for LA CADA)	\$17,024	\$0.00	\$17,024
4E	Admin Costs: Case Management and Outreach Services – San Dimas (supports Project 2C by covering indirect costs for LA CADA)	\$15,710	\$29,506	\$45,216
4F	Admin Costs 13.64% indirect cost: Case Management and Outreach Services – Glendora	\$22,170	\$17,894	\$40,064
TOTAL AMOUNT		\$3,862,471	\$3,708,951	\$7,571,422

Exhibit B

Scope of Services

1B: Eligible Use	
Project	Interim Housing for PEH
Project Description	Interim Housing – Motel Vouchers Program The funds will support the City’s Motel Vouchers Program provided for the City that will administer a motel voucher program to temporarily house individuals and families experiencing homelessness. The Program will offer interim housing stays to address urgent situations, including the bridge time period before moving into permanent housing, extreme weather conditions, fleeing domestic violence, and other emergencies. Case managers will work with each client to connect them to supportive services. Arcadia may subcontract with a service provider to administer the program. Case managers in the City will have access to motel voucher resources and related Program resources.
Project Specific Key Performance Indicators (PS-KPI) and Target Outcomes (PS-TO)	PS-KPI: Number of PEH/Households housed in interim housing with motel vouchers • Year One PS-TO: 20 unduplicated PEH • Year Two PS-TO: 40 unduplicated PEH Total PS-TO: 60 unduplicated PEH
	PS-KPI: Number of PEH/Households placed into permanent housing within three months of receiving a motel voucher • Year One PS-TO: At least 12 unduplicated Household • Year Two PS-TO: At least 20 unduplicated Households Total PS-TO: 32 unduplicated Households
Measure A Goals and Target Metric	Alignment with Measure A Goal #1: Increase the number of people moving from encampments into permanent housing to reduce unsheltered homelessness:
	Target Metric 1a: Decrease by 30 percent the number of people experiencing unsheltered homelessness from a baseline of 52,365 in 2024 to a target of 36,656 in 2030.

1E: Eligible Use	
Project	Expedited Placements in Permanent Housing for People Experiencing Homelessness (PEH)
Project Description	Financial Assistance The funds support the City’s move-in assistance program, which focuses on expedited placement of individuals and families experiencing homelessness into permanent housing. This client-driven program focuses on addressing barriers to permanent housing, engaging landlords to secure additional units, and supporting staff’s efforts to engage with family/friends of unsheltered individuals and families to determine if temporary or permanent housing may be provided to them, including providing incentives to family/friends to host clients. Funds

	will also support move-in costs such as security deposits, mitigation funds, and host home support.
Project Specific Key Performance Indicators (PS-KPI) and Target Outcomes (PS-TO)	PS-KPI: Number of households permanently housed with move-in assistance programs • Year One PS-TO: 12 unduplicated households • Year Two PS-TO: 12 unduplicated households Total PS-TO: 24 unduplicated households
Measure A Goals and Target Metric	Alignment with Measure A Goal #3: Increase the number of people permanently leaving homelessness Target Metric 3a: Increase by 57 percent the number of service participants who exit homelessness to permanent housing from a baseline of 19,127 in FY 2023-24 to a target of 30,000 in 2030.

2D: Eligible Use	Case Management and Outreach Services
Project	Case Management and Outreach Services – Arcadia
Project Description	The funds will support SGVCOG in subcontracting with the City, which will enter into its own sub agreement and provide partial funding to an outreach provider to deliver case management and outreach services for PEH via a team consisting of a project lead and an outreach navigator. The outreach teams will have access to housing resources (such as Projects 1B and 1E herein) to place clients in interim and permanent housing. The outreach teams will engage initially with clients and continue to provide follow-up case management to help clients connect to services, secure housing and maintain stable housing.
Group 2 Connection	The project will be connected with the following investments/programs funded by other entities, governmental or nongovernmental, including local agencies such as: This project will be an avenue for PEH, with a focus on clients with SUD or SMI, to connect to other Measure A-funded housing resources and those funded by other sources. In Arcadia, outreach teams will be able to place clients into those housing resources (listed in projects 1B and 1C) as part of their case management and outreach services. In addition, outreach teams use a robust continuum of housing resources to which clients can be referred, and relationships and connections managed by other Local, County, State, and Federal programs, including those executed by LAHSA, DMH, DHS, DCFS, VA, and APS. In addition, outreach teams will work in collaboration with SPA 3 CES lead agencies to help connect PEH to shelter (interim housing, recuperative care), permanent housing (Section 8 vouchers), mental health services (DMH), health services (DHS), and substance use treatment services (Medi-Cal funded).
Project Specific Key Performance	PS-KPI: Number of PEH engaged through outreach services • Year One PS-TO: 50 unduplicated engagements with PEH*

Indicators (PS-KPI) and Target Outcomes (PS-TO)	• Year Two PS-TO: 50 unduplicated engagements with PEH Total PS-TO: 100 unduplicated engagements
	PS-KPI: Number of PEH engaged through outreach services • Year One PS-TO: 125 engagements with PEH • Year Two PS-TO: 125 engagements with PEH Total PS-TO: 250 engagements with PEH
	PS-KPI: Number of PEH placed in interim or permanent SUD/SMI housing • Year One PS-TO: 15 unduplicated PEH placements • Year Two PS-TO: 15 unduplicated PEH placement Total PS-TO: 30 unduplicated PEH

*NOTE: *Amendment One revises the PS-TO to align it with the portion of the Project funded under this Agreement*

***Amendment One retroactively applies the PS-TO to Year 1. The parties acknowledge that retroactive reporting is to enhance the program evaluation and outcomes tracking.*

Exhibit C

Project Budget

The Total Subrecipient Funding is Three Hundred Seventy-Four Thousand Three Hundred Twenty-Three Dollars (\$374,323), allocated as shown in Table 1 below.

Table 1.

Project No.	Project Description	FY 25-26 Expended	FY 25-26 Carryover	FY 26-27 Allocation	Project Amount
1B	Interim Housing – Motel Vouchers Program	\$5,194	\$24,806	\$30,000	\$60,000
1E	Financial Assistance – Move-in Assistance (includes covering security deposits, mitigation funds, and host home support)	\$18,656	\$58,606	\$60,861	\$138,123
2D	Case Management and Outreach Services – Arcadia (includes partial funding for a program director, homeless program coordinator, and two homeless navigators)	\$71,000	\$0	100,000	\$171,000
3B	Homeless Prevention: Rental Assistance	\$5,200	\$0	\$0	\$5,200
	TOTAL	\$100,050	\$83,412	\$190,861	\$374,323

*Expenditure in these projects cannot begin before the completion of readiness activities and the approval of the SGVCOG.

Unspent funds from prior fiscal year may be utilized in current fiscal year, subject to applicable program guidelines as stated in original MOA.

Funding shall be disbursed on a reimbursement basis.

Invoices shall be submitted monthly on the 15th with supportive documentation attached. Final invoice for FY2026-27 must be submitted by June 4, 2027.

Support Documentation

Required Supporting Documentation for Staff Time

To support monthly invoices, subrecipients must submit documentation based on staff dedication to the Measure A Local Solution Fund.

- Full-Time Dedicated Staff (100%): The following is required for every monthly invoice:
 - Payroll documentation showing cost for that period
 - System-controlled and system-locked timesheets that support audit compliance and accurate billing documentation. Timesheets must include all time worked on the

Program, all time worked in the pay period and signed by employee and supervisor.

- If timesheets are submitted electronically in a timekeeping system, the timesheet must be permanently locked and unalterable after employee submittal and supervisor approval. Any adjustments to the timesheet shall require a separate correction entry that maintains a complete audit trail, including the identity of the individual making the correction, the date and time, and the reason for the change.
- If timesheets are not submitted electronically in a timekeeping system, the timesheet must be printed and a hard copy must be signed and submitted. Any adjustments to the timesheet must be signed and initialed by both the employee and the supervisor, with an explanation for the reason of the change.
- Part-Time/Non-Dedicated Staff: Provider must the following for every monthly invoice:
 - Payroll documentation showing cost for that period
 - System-controlled and system-locked timesheets that support audit compliance and accurate billing documentation.
 - Timesheets must include the following information.
 - Date of work
 - Name
 - Position
 - Hourly Rate (as outlined in agreement)
 - Hours spent on Program
 - Description of activity that captures the Program work
 - If timesheets are submitted electronically in a timekeeping system, the timesheet must be permanently locked and unalterable after employee submittal and supervisor approval. Any adjustments to the timesheet shall require a separate correction entry that maintains a complete audit trail, including the identity of the individual making the correction, the date and time, and the reason for the change.
 - If timesheets are not submitted electronically in a timekeeping system, the timesheet must be printed and a hard copy must be signed and submitted. Any adjustments to the timesheet must be signed and initialed by both the employee and the supervisor, with an explanation for the reason of the change.
 - Timesheets must clearly identify the Program under which work was performed and must reflect hours worked specifically for the Program. Where an employee works across multiple programs or funding sources, timesheets must separately track and allocate hours to each program. Aggregated or estimated allocations are not permitted unless supported by an approved allocation methodology.

Required Supporting Documentation for Expenses

All expenses submitted for reimbursement must be supported by complete and verifiable documentation. At a minimum, the Provider must submit the following:

- Vendor invoice or bill detailing the goods or services provided

- Proof of payment (e.g., canceled check, bank statement, credit card statement, or payment confirmation)
- Receipt showing amount paid
- Description of how the expense is directly related to the Program

Required Supporting Documentation for Monthly Invoice Key Performance Indicator Reporting

To support invoices, monthly KPI reporting is required to ensure alignment with projected outcomes throughout the contract year. A Data Reporting Packet will be provided by SGVCOG.



CITY OF ARCADIA

STAFF REPORT

POLICE DEPARTMENT

DATE: August 18, 2026

TO: Honorable Mayor and City Council

FROM: John Bonomo, Interim Police Chief
By: Amber Abeyta, Management Analyst

SUBJECT: FOOTHILL AIR SUPPORT TEAM ("FAST") ANNUAL JOINT POWERS AUTHORITY ("JPA") COST IN THE AMOUNT OF \$87,895 FOR FISCAL YEAR 2026-27

CEQA: Not a Project

Recommendation: Approve

SUMMARY

The Arcadia Police Department has participated in a Joint Powers Authority Agreement with the Foothill Air Support Team ("FAST") for the past 26 years. Every year, the City and other partner agencies benefit from this law enforcement helicopter program. It is recommended that the City Council approve the annual FAST JPA cost for participation in the Foothill Air Support Team for the period of July 1, 2026, through June 30, 2027, in the amount of \$87,895. It is further recommended that the City Council delegate the authority to approve future renewals under this agreement to the City Manager, without returning to the City Council for approval, provided that any financial increases remain within recognized inflationary levels.

BACKGROUND

The Foothill Air Support Team, otherwise known as FAST, was developed in 1999 after several local cities expressed an interest in airborne law enforcement. As a result, a JPA was established in July 2000, which included the Cities of Monrovia, Arcadia, Azusa, Covina, Pasadena, and West Covina. These agencies chose to form a joint helicopter patrol operation that could lessen the costs for each agency, enhance their ability to deter criminal activity, and assist in apprehending offenders.

Over the years, the FAST program has evolved and proven to be very successful. The JPA now includes 10 partner cities, including: Arcadia, Azusa, Covina, Glendora, Irwindale, Monrovia, Pomona, San Marino, Sierra Madre, and South Pasadena. Pasadena is the coordinator and fiduciary of the program and provides the helicopters and pilots.

The FAST JPA is administered by a Board of Governors, and day-to-day oversight is provided by an Executive Committee comprised of Police Chiefs from partner cities. The current Board President is Irwindale Police Chief Christopher P. Hofford, and the Vice President is Covina Police Chief Ric Walczak.

Being part of FAST allows Police Officers to perform the role of Tactical Flight Officer ("TFO"). Each agency may provide a qualified and motivated Police Officer to perform the role of Tactical Flight Officer ("TFO") twice per month. Following a rigorous six to eight-week initial training program, the TFOs work alongside a Pasadena Pilot to serve the FAST cities. The TFO monitors radio calls within the FAST cities and decides whether to respond with the police helicopter. The team also attends one training day monthly.

When it is determined that an airborne response would be beneficial, the FAST flight crew responds and provides an aerial platform. This platform provides a tremendous level of intelligence, direction, and coordination to the officers on the ground. When not responding to calls for service, the crew will continuously search out criminal activity and/or monitor problem locations.

The FAST helicopter is equipped with a Video Downlink system, which allows a live feed of an aerial view for ground units. Night Vision Goggles along with the Forward Looking Infrared ("FLIR") system are an extension of the helicopter's ability to help fight crime at night. FLIRs are thermal imaging and can detect body heat at night, while Night Vision Goggles allow the TFO to see in low light conditions.

DISCUSSION

The FAST Board adopted an annual budget of \$529,030 for Fiscal Year 2026-27. The budget comprises annual flight costs for dedicated and non-dedicated flights, flight crew costs, the City of Pasadena administrative fees, the JPA's liability insurance policy, technology, and fleet replacement funds. Arcadia's portion for Fiscal Year

2026-27 is \$87,895, which is approximately a 3.29% increase compared to Fiscal Year 2025-26 cost of \$85,095 due to various increases in operational costs.

The FAST program cost is a population-based formula, based on the US Census Bureau, with the exclusion of the City of Irwindale, which pays a flat rate, due to their small residential population but large industrial area. The table below outlines the cost for each participating agency including Arcadia.

Foothill Air Support Team ("FAST") Fiscal Year 2026-27 Budget for Partner Cities	
Arcadia PD	\$ 87,895
Azusa	\$ 77,535
Covina PD	\$ 79,501
Glendora PD	\$ 81,501
Irwindale PD	\$ 14,153
Monrovia PD	\$ 58,819
San Marino PD	\$ 19,404
Sierra Madre PD	\$ 17,473
South Pasadena PD	\$ 41,780
(Fund Balance Absorbed)	\$50,968
Total	\$ 529,030

The helicopter used in the program is owned and maintained by the City of Pasadena Police Department and contracted to the JPA. Pomona PD does not participate in the regular population-based pricing plan that is required of the other FAST agencies. Instead, Pomona provides one day of coverage to FAST cities using their helicopter and staffing and, in exchange, FAST provides one day of coverage to Pomona.

The costs being proposed are reasonable and the service provided by the JPA is highly valuable to Police operations. Therefore, it is recommended that the City Council approve the annual JPA cost for participation in the Foothill Air Support Team for Fiscal Year 2026-27, in the amount of \$87,895.

ENVIRONMENTAL ANALYSIS

The proposed action does not constitute a project under the California Environmental Quality Act ("CEQA"), based on 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

Sufficient funds in the amount of \$87,895 have been included in the General Fund Operating Budget for Fiscal Year 2026-27 to cover the FAST JPA cost.

RECOMMENDATION

It is recommended that the City Council determine that this action does not constitute a project under the California Environmental Quality Act ("CEQA") and approve the Foothill Air Support Team ("FAST") annual Joint Power Authority ("JPA") cost in the amount of \$87,895 for Fiscal Year 2026-27. It is further recommended that the City Council delegate the authority to approve future renewals under this agreement to the City Manager, without returning to the City Council for approval, provided that any financial increases remain within recognized inflationary levels and the level of service is not decreased.

Approved:


Dominic Lazzaretto
City Manager



ADMINISTRATIVE SERVICES DEPARTMENT

DATE: August 18, 2026

TO: Honorable Mayor and City Council

FROM: Henry Chen, Administrative Services Director

SUBJECT: PROFESSIONAL SERVICES AGREEMENT WITH PFM ASSET MANAGEMENT LLC FOR INVESTMENT ADVISORY SERVICES IN AN AMOUNT NOT TO EXCEED \$45,000
CEQA: Not a Project
Recommendation: Approve

SUMMARY

In July 2026, a Request for Proposals ("RFP") for investment advisory services was issued, and five (5) responses were received. Following a comprehensive review and evaluation of the proposals by City staff, PFM Asset Management LLC ("PFMAM") is recommended for selection for a five-year contract, with the option for two (2) additional one-year extensions. The annual cost for management of up to \$70 million of the City's investment portfolio is estimated to be up to \$45,000.

DISCUSSION

The City currently contracts with PFM Asset Management LLC to provide investment advisory services for the management of up to \$70 million of the City's investment portfolio. PFMAM has provided investment advisory services to the City since 2016, and the services provided have been excellent.

Although the City has been satisfied with the services provided by PFMAM, it was determined that it would be prudent to solicit proposals from other qualified firms offering similar investment advisory services. This process was undertaken to evaluate available service providers and ensure that the City continues to receive high-quality, effective, and cost-competitive investment advisory services.

Thus, a request for proposal was sent to qualified firms and published on the California Society of Municipal Finance Officers Association's and City's websites. The scope of investment advisory services includes:

- Review of the City's current investment program and provide recommendations for its Investment Policy, best practices to liquidity management, means to achieving the City's investment objectives, and the selection of an appropriate performance benchmark measurement, based on the City's investment policy.
- Manage, on a daily basis, the City's investment portfolio(s) in accordance with the parameters of the California Government Code and the City Investment Policy.
- Place all orders for the purchase and sale of securities, communicate settlement information to City staff and coordinate security settlement with the City's custodian. The investment advisor WILL NOT provide custodial services or security safekeeping.
- Provide the City with investment reports that shall include, but not be limited to, the following:
 - Monthly statements with all the information required by the California Government Code and Governmental Accounting Standards Board. These reports must include detailed portfolio holdings including accrued interest, amortized cost, market values, security ratings transaction details, principal and interest payments, yield to costs, and portfolio summary statistics.
 - Provide quarterly investment reports including a description of market conditions, investment strategies employed, performance, and suggested changes to investment strategy. The performance numbers shall be presented as required by Global Investment Performance Standards.
- On an annual basis, review the City's Investment Policy and recommend changes in compliance with governing California Government Code as well as incorporating best practices that are followed by local, state, and national organizations.

- Serve as investment advisor to City staff for strategic information, analysis, and training relating to fixed-income investments.

Investment Advisory Proposals

Five (5) proposals were received from investment advisory firms. Three (3) of the proposals were submitted by firms with extensive experience providing investment advisory services to local municipal governments throughout California. A fourth proposal was submitted by Garcia Hamilton, a firm with substantial experience managing investments for public sector clients; however, its client base is primarily located outside of California. The fifth proposal was submitted by Gaard Capital, which was established in 2025. Because the firm did not have the minimum five (5) years of performance information, the proposal was determined to be non-responsive and was not included in the evaluation of qualified firms.

Each proposer's qualifications were reviewed and evaluated based on relevant experience, qualifications of key personnel, experience providing investment advisory services to public agencies, understanding of California municipal investment requirements, proposed approach to portfolio management, and overall value to the City. Consideration was also given to each firm's demonstrated ability to provide the services outlined in the Request for Proposals and to effectively manage public funds in accordance with applicable laws and the City's Investment Policy.

The RFP required performance comparisons to a 3- or 5-year U.S. Treasury or comparable index. Several benchmark indexes were provided among the proposals. Both Chandler and PFMAM provided performance results measured against both 3- and 5-year US Treasury indexes. In this case, we evaluated based on the performance of the 3-year index, which was consistent with the City's current investment benchmark. Meeder provided performance results only for a 5-year Treasury index. Garcia Hamilton's provided performance index was the Bloomberg U.S. Government 1–3 Year Index. This index is slightly different from a Treasury only index because it includes U.S. government agency securities in addition to Treasury securities.

Based on the five-year historical performance evaluated, PFMAM demonstrated the highest performance, with a five-year return of 2.38%, and consistently

outperformed its applicable benchmark. The results of the evaluation are presented below.

PFMAM	1 Year	3 Years	5 Years
PFM 1-3 Year Fixed Income Composite	3.92%	4.58%	2.38%
ICE BAML 1-3 Year US Treasury Index	3.75%	4.04%	1.86%
Outperform/(Underperform)	0.17%	0.54%	0.52%

Performance results are as of March 31, 2026

Chandler	1 Year	3 Years	5 Years
Limited Maturity	4.07%	4.51%	2.25%
ICE BAML 1-3 Year US Treasury Index	3.75%	4.04%	1.86%
Outperform/(Underperform)	0.32%	0.47%	0.39%

Performance results are as of March 31, 2026

Meeder	1 Year	3 Years	5 Years
Meeder 0-5 Year Fixed Income Composite	2.54%	4.75%	2.03%
ICE BAML 0-5 Year US Treasury Index	2.97%	4.40%	1.94%
Outperform/(Underperform)	-0.43%	0.35%	0.09%

Performance results are as of June 30, 2026

Garcia Hamilton	1 Year	3 Years	5 Years
GH&A Fixed Income Composite	5.98%	4.50%	2.36%
Bloomberg US Government 1-3 Year Index	5.17%	4.51%	1.76%
Outperform/(Underperform)	0.81%	-0.01%	0.60%

Performance results are as of December 31, 2025

Following a thorough review and evaluation of the proposals received, PFM Asset Management LLC was determined to be the most qualified firm and is recommended for selection. Consideration was given to PFMAM's extensive experience providing investment advisory services to California cities, demonstrated understanding of public agency investment requirements, proposed approach to portfolio management, and overall value provided for the services.

Over the past 10 years, a strong working relationship has been established between the City and PFMAM. During this period, PFMAM's investment performance, diligence, responsiveness, and customer service have been consistently strong. The proactive investment management approach utilized by PFMAM has contributed to strong investment returns for the City, particularly during a period characterized by significant interest rate volatility, rapid monetary policy tightening, and elevated interest rates, which presented both challenges and opportunities for fixed-income portfolio management.

Throughout the engagement, the City's investment portfolio has been closely monitored for opportunities among various sectors and maturities. Market conditions and interest rate trends have been regularly evaluated to identify opportunities through which incremental value could be achieved while maintaining compliance with the City's Investment Policy. Through this approach, enhanced investment performance has been pursued while unnecessary exposure to investment risk has been minimized.

Investment Advisory Fees

Here are the estimated annual advisory fees, which are calculated based on a \$70 million portfolio.

Proposer	Estimated Annual Fees
PFMAM	\$ 45,000
Chandler	\$ 57,000
Meeder	\$ 57,000
Garcia Hamilton	\$ 71,000

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.

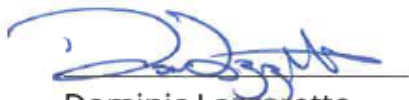
FISCAL IMPACT

PFMAM's fees are based on the amount of assets under management. The annual contract cost is not expected to exceed \$45,000, which has been included in the Fiscal Year 2026-27 Operating Budget.

RECOMMENDATION

It is recommended that the City Council determine that this action does not constitute a project under the California Environmental Quality Act ("CEQA"); and approve, direct, and authorize the City Manager to execute a Professional Services Agreement with PFM Asset Management LLC for investment advisory services in an amount not to exceed \$45,000 annually for five years, with the option of two one-year extensions.

Approved:



Dominic Lazzaretto
City Manager

Attachment: Proposed Professional Services Agreement

**CITY OF ARCADIA
PROFESSIONAL SERVICES AGREEMENT REGARDING
INVESTMENT ADVISORY SERVICES**

This Agreement is made and entered into as of August 30, 2026, by and between the City of Arcadia, a municipal corporation organized and operating under the laws of the State of California with its principal place of business at 240 West Huntington Drive, Arcadia, California 91066 ("City"), and PFM Asset Management ("PFMAM"), a division of US Bancorp Asset Management, Inc. (USBAM"), a Delaware Limited Liability Corporation with its principal place of business at [***INSERT ADDRESS***] (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:

Investment Advisory Services (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 set forth in Exhibit "B". 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. Terms.

The term of this Agreement shall be for investment advisory services from **September 1, 2026, through August 30, 2031**, 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.

Consultant shall perform its services in a prompt and timely manner and shall commence performance upon receipt of written notice from the City to proceed ("Notice to Proceed"). Consultant shall complete the services required within time period agreed to between the parties. The Notice to Proceed shall set forth the date of commencement of work.

6. Delays in Performance.

a. Neither City nor Consultant shall be considered in default of this Agreement for delays in performance caused by circumstances beyond the reasonable control of the non-performing party. For purposes of this Agreement, such circumstances include but are not limited to, abnormal weather conditions; floods; earthquakes; fire; epidemics; war; riots and other civil disturbances; strikes, lockouts, work slowdowns, and other labor disturbances; sabotage or judicial restraint.

b. Should such circumstances occur, the non-performing party shall, within a reasonable time of being prevented from performing, give written notice to the other party describing the circumstances preventing continued performance and the efforts being made to resume performance of this Agreement.

7. Compliance with Law.

a. Consultant shall comply with all applicable laws, ordinances, codes and regulations of the federal, state and local government, including Cal/OSHA requirements.

b. If required, Consultant shall assist the City, as requested, in obtaining and maintaining all permits required of Consultant by federal, state and local regulatory agencies.

c. If applicable, Consultant is responsible for all costs of clean up and/ or removal of hazardous and toxic substances spilled as a result of his or her services or operations performed under this Agreement.

8. Standard of Care

Consultant's services will be performed in accordance with generally accepted professional practices and principles and in a manner consistent with the level of care and skill ordinarily exercised by members of the profession currently practicing under similar conditions.

9. Assignment and Subconsultant

Consultant shall not assign, sublet, or transfer this Agreement or any rights under or interest in this Agreement without the written consent of the City, which may be withheld for any reason. Any attempt to so assign or so transfer without such consent shall be void and without legal effect and shall constitute grounds for termination. Subcontracts, if any, shall contain a provision making them subject to all provisions stipulated in this Agreement. Nothing contained herein shall prevent Consultant from employing independent associates, and subconsultants as Consultant may deem appropriate to assist in the performance of services hereunder.

10. Independent Contractor

Consultant is retained as an independent contractor and is not an employee of City. No employee or agent of Consultant shall become an employee of City. The work to be performed shall be in accordance with the work described in this Agreement, subject to such directions and amendments from City as herein provided.

11. Insurance. Consultant shall not commence work for the City until it has provided evidence satisfactory to the City it has secured all insurance required under this section. In addition, Consultant shall not allow any subcontractor to commence work on any subcontract until it has secured all insurance required under this section.

a. Commercial General Liability

(i) The Consultant shall take out and maintain, during the performance of all work under this Agreement, in amounts not less than specified herein, Commercial General Liability Insurance, in a form and with insurance companies acceptable to the City.

(ii) Coverage for Commercial General Liability insurance shall be at least as broad as the following:

(1) Insurance Services Office Commercial General Liability coverage (Occurrence Form CG 00 01) or exact equivalent.

(iii) Commercial General Liability Insurance must include coverage for the following:

- (1) Bodily Injury and Property Damage
- (2) Personal Injury/Advertising Injury
- (3) Premises/Operations Liability
- (4) Products/Completed Operations Liability **Consultant shall procure and submit evidence of insurance for at least five (5) years from the time that all work under this Agreement is completed.**
- (5) Aggregate Limits that Apply per Project
- (6) Explosion, Collapse and Underground (UCX) exclusion deleted
- (7) Contractual Liability with respect to this Agreement
- (8) Property Damage
- (9) Independent Consultants Coverage

(iv) The policy shall contain no endorsements or provisions limiting coverage for (1) contractual liability; (2) cross liability exclusion for claims or suits by one insured against another; (3) products/completed operations liability; or (4) contain any other exclusion contrary to the Agreement.

(v) The policy shall give City, its officials, officers, employees, agents and City designated volunteers additional insured status using ISO endorsement forms CG 20 10 10 01 and 20 37 10 01, or endorsements providing the exact same coverage. Consultant may provide blanket endorsements to meet the Additional Insured requirement in this written contract. However, all subcontractors' endorsements shall specifically name

the City, its elected officials, officers, employees, volunteers, boards, agents, and representatives as additional insureds and blanket endorsements are not acceptable.

(vi) The general liability program may utilize either deductibles or provide coverage excess of a self-insured retention, subject to written approval by the City, and provided that such deductibles shall not apply to the City as an additional insured.

b. Automobile Liability

(i) At all times during the performance of the work under this Agreement, the Consultant shall maintain Automobile Liability Insurance for bodily injury and property damage including coverage for owned, non-owned and hired vehicles, in a form and with insurance companies acceptable to the City.

(ii) Coverage for automobile liability insurance shall be at least as broad as Insurance Services Office Form Number CA 00 01 covering automobile liability (Coverage Symbol 1, any auto).

(iii) The policy shall give City, its officials, officers, employees, agents and City designated volunteers additional insured status. Consultant may provide blanket endorsements to meet the Additional Insured requirement in this written contract. However, all subcontractors' endorsements shall specifically name the City, its elected officials, officers, employees, volunteers, boards, agents, and representatives as additional insureds and blanket endorsements are not acceptable.

(iv) Subject to written approval by the City, the automobile liability program may utilize deductibles, provided that such deductibles shall not apply to the City as an additional insured, but not a self-insured retention.

c. Workers' Compensation/Employer's Liability

(i) Consultant certifies that he/she is aware of the provisions of Section 3700 of the California Labor Code which requires every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and he/she will comply with such provisions before commencing work under this Agreement.

(ii) To the extent Consultant has employees at any time during the term of this Agreement, at all times during the performance of the work under this Agreement, the Consultant shall maintain full compensation insurance for all persons employed directly by him/her to carry out the work contemplated under this Agreement, all in accordance with the "Workers' Compensation and Insurance Act," Division IV of the Labor Code of the State of California and any acts amendatory thereof, and Employer's Liability Coverage in amounts indicated herein. Consultant shall require all subconsultants to obtain

and maintain, for the period required by this Agreement, workers' compensation coverage of the same type and limits as specified in this section.

d. Professional Liability (Errors and Omissions)

At all times during the performance of the work under this Agreement the Consultant shall maintain professional liability or Errors and Omissions insurance appropriate to its profession, in a form and with insurance companies acceptable to the City and in an amount indicated herein. This insurance shall be endorsed to include contractual liability applicable to this Agreement and shall be written on a policy form coverage specifically designed to protect against acts, errors or omissions of the Consultant. "Covered Professional Services" as designated in the policy must specifically include work performed under this Agreement. The policy must "pay on behalf of" the insured and must include a provision establishing the insurer's duty to defend.

e. Cyber Liability Insurance.

Cyber Liability Insurance covering (1) all acts, errors, omissions, negligence, infringement of intellectual property; (2) network security and privacy risks, including but not limited to unauthorized access, failure of security, breach of privacy perils, wrongful disclosure, collection, or negligence in the handling of confidential information, privacy perils, including coverage for related regulatory defense and penalties; (3) system failure, damage to or destruction of electronic information, data recovery, business interruption, cyber extortion, and information theft; (4) data breach expenses payable whether incurred by City or Consultant, including but not limited to consumer notification, whether or not required by law, computer forensic investigations, public relations and crisis management firm fees, credit file or identity monitoring or remediation services in the performance of services for City or on behalf of City hereunder. If a sub-limit applies to any elements of coverage, the certificate of insurance evidencing the coverage above must specify the coverage section and the amount of the sub-limit.

f. Minimum Policy Limits Required

(i) The following insurance limits are required for the Agreement:

Combined Single Limit

Commercial General Liability	\$1,000,000 per occurrence/\$2,000,000 aggregate for bodily injury, personal injury, and property damage
Automobile Liability	\$1,000,000 per occurrence for bodily injury and property damage

Employer's Liability	\$1,000,000 per occurrence
Professional Liability	\$1,000,000 per claim and aggregate (errors and omissions)
Cyber Liability	\$5,000,000 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.

h. 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.

i. 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. 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 Tiffany Tint 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: Henry Chen, Administrative Services
Director

CONSULTANT:

PFM Asset Management

[***INSERT ADDRESS & CONTACT
PERSON***]

Attn: Tiffany Tine, Director

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 PFM ASSET MANAGEMENT**

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

CITY OF ARCADIA

PFM Asset Management

By: _____
Dominic Lazzaretto
City Manager

By: _____
Signature

Date: _____

Its: _____

ATTEST:

Printed Name

By: _____
City Clerk

Date: _____

APPROVED AS TO FORM

By: _____
Signature

By: _____
Michael J. Maurer
City Attorney

Its: _____

Printed Name

EXHIBIT A

Scope of Services

- A. Review the City's current investment program and provide recommendations regarding its Investment Policy, liquidity management, how to achieve the City's investment objectives, and the selection of an appropriate performance benchmark.
- B. Manage part of the City's investment portfolio(s) pursuant to the California Government Code, the Investment Policy and stated investment objectives. Place all orders for the purchase and sale of securities, communicate settlement information to the City's staff and coordinate security settlement with the City's custodian. The investment advisor **WILL NOT** provide custodial services or security safekeeping.
- C. Provide the City with investment reports that shall include, but not be limited to the following:
 - 1. Monthly statements with all the information required by the California Government Code and GASB. These reports must include detailed portfolio holdings including accrued interest, amortized cost, market values, security ratings transaction details, principal and interest payments, yield to costs, and portfolio summary statistics.
 - 2. Provide quarterly investment reports including a description of market conditions, investment strategies employed, performance, and suggested changes to investment strategy. The performance numbers shall be presented as required by the CFA Institute's Global Investment Performance Standards (GIPS®).
- D. Annually, review the City's Investment Policy and provide written comments and recommend changes as needed per California Government Code or to incorporate best practices as provided by relevant statewide and national organizations.
- E. Serve as a general resource to the City's staff for information, advice, and training regarding fixed-income investments.

EXHIBIT B

Schedule of Charges/Payments

Assets Under Management	Fee in Basis Points
First \$25 million	8 bps (0.08%)
Next \$25 million	6 bps (0.06%)
Assets over \$50 million	5 bps (0.05%)

Minimum annual fee of \$40,000 applies to all accounts.



CITY OF ARCADIA

STAFF REPORT

PUBLIC WORKS SERVICES DEPARTMENT

DATE: August 18, 2026

TO: Honorable Mayor and City Council

FROM: Paul Cranmer, Assistant City Manager/Public Works Services Director
Kevin Merrill, City Engineer/Deputy Public Works Services Director
By: Cong Chen, Assistant Engineer

SUBJECT: CONTRACT WITH DBX INC. FOR THE CENTENNIAL WAY TRAFFIC SIGNAL IMPROVEMENTS PROJECT IN THE AMOUNT OF \$719,065, WITH A 10% CONTINGENCY
CEQA: Exempt
Recommendation: Approve

SUMMARY

The Fiscal Year 2024-25 Capital Improvement Program ("CIP") Budget includes funding for the Centennial Way Traffic Signal Improvements Project, which will convert the existing unsignalized intersections at Centennial Way with eastbound and westbound Huntington Drive into fully signalized intersections. The project includes the installation of Advanced Traffic Controller ("ATC") cabinets, traffic signal poles, vehicular and pedestrian signal heads, pedestrian push buttons, conduits, pull boxes, Closed-Circuit Television ("CCTV") and video detection cameras, loop detectors, and related traffic signal infrastructure to enhance public safety and improve traffic operations along the Huntington Drive corridor. A formal competitive bidding process was conducted to obtain the most responsive and cost-effective proposal, and DBX Inc. was determined to be the lowest responsive and responsible bidder.

It is recommended that the City Council approve, authorize, and direct the City Manager to execute a contract with DBX Inc. for the Centennial Way Traffic Signal Improvements Project in the amount of \$719,065 and authorize a construction contingency in the amount of 10%.

BACKGROUND

The Centennial Way and El Monte Avenue Traffic Signal Improvements Project is included in the City's adopted CIP and was programmed in Fiscal Year 2024-25 to improve safety, reduce vehicle delay, and enhance traffic operations at four existing unsignalized intersections. Due to increasing vehicle, pedestrian, and bicycle volumes, these intersections were identified in the City's 2016 Traffic Impact Fee Report as approaching the thresholds for signalization. Traffic engineering studies subsequently determined that each of the following intersections satisfies at least one signal warrant established by the California Manual on Uniform Traffic Control Devices ("CA MUTCD"):

- Centennial Way at Eastbound Huntington Drive
- Centennial Way at Westbound Huntington Drive
- El Monte Avenue at Duarte Road
- El Monte Avenue at Campus Drive

To optimize project delivery, funding, and construction sequencing, the overall project has been divided into two phases, with the Centennial Way traffic signal improvements proceeding first. This phase includes the installation of new traffic signals, roadway improvements, and Americans with Disabilities Act ("ADA") accessibility upgrades at the intersections of Centennial Way with eastbound and westbound Huntington Drive. These intersections provide critical access to regional destinations, including Santa Anita Park, Arcadia City Hall, the Arcadia Police Department, and USC Arcadia Hospital.

The second phase, consisting of traffic signal improvements at El Monte Avenue and Duarte Road and El Monte Avenue and Campus Drive, is scheduled to begin next summer following completion of the Arcadia Unified School District's ongoing construction activities. Sequencing the work in this manner will minimize disruptions to Arcadia High School students, parents, faculty, and daily school traffic while improving overall construction efficiency.

Advancing the Centennial Way improvements at this time is particularly important as Santa Anita Park has been designated as the venue for equestrian events during the 2028 Summer Olympic Games. Completing these improvements will enhance traffic operations and safety for current travel demand, accommodate anticipated

Centennial Way Traffic Signal Improvements Project

August 18, 2026

Page 3 of 4

increases in traffic during the Olympic Games, and support future growth. The project will improve circulation, enhance access for residents, visitors, and emergency responders, and provide long-term mobility and operational benefits to the community.

DISCUSSION

In accordance with City Council Resolution No. 7483, a Notice Inviting Bids was published and bid documents were made available to qualified contractors specializing in this type of work. On July 2, 2026, the City Clerk received six sealed bids, which were opened and publicly read. The bid results are summarized below:

Rank	CONTRACTOR	Location	AMOUNT
1.	DBX Inc.	Temecula	\$ 719,065
2.	California Professional Engineering Inc.	La Puente	\$ 744,837
3.	Select Electric, Inc.	Anaheim	\$ 765,977
4.	Crosstown Electrical & Data, Inc.	Irwindale	\$ 778,937
5.	Baker Electric & Renewable LLC.	Escondido	\$ 782,960
6.	Servitek Electric, Inc.	Norwalk	\$ 946,832

All bid proposals were reviewed for responsiveness, and the qualifications, experience, and recent project history of the apparent low bidder were evaluated. Based on this review, DBX Inc. has been determined to be the lowest responsive and responsible bidder. The firm has successfully completed similar traffic signal improvement projects for several public agencies, including the Cities of Monrovia, El Centro, El Cajon, Oceanside, and Desert Hot Springs, demonstrating the experience and qualifications necessary to successfully complete the proposed work.

ENVIRONMENTAL ANALYSIS

The proposed project is categorically exempt from the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines Sections 15301 (Class 1 – Existing Facilities), 15302 (Class 2 – Replacement or Reconstruction), and 15303 (Class 3 – New Construction or Conversion of Small Structures). The project consists of improvements to existing roadway facilities, including the replacement and installation of traffic signal infrastructure and related appurtenances, without expanding the existing use or capacity of the roadway.

FISCAL IMPACT

A total of \$1,200,000 was appropriated in the Fiscal Year 2024–25 CIP Budget for the Centennial Way and El Monte Avenue Traffic Signal Improvements Project. To minimize project costs and mitigate anticipated long lead times for specialized equipment, the City procured traffic signal cabinets, poles and mast arms, and Intelligent Transportation Systems (“ITS”) equipment under a separate Purchase Order. In addition, curb ramp design services have been completed. Total project expenditures to date are \$264,796.77, leaving an available balance of \$935,203.23.

The contract amount for the Centennial Way Traffic Signal Improvements Project is \$719,065. Including the recommended 10% construction contingency, the total authorized amount would be \$790,971.50. Sufficient funds are available to support the contract award and contingency.

An additional funding appropriation for the second phase of this project will be requested when the second phase of the project is awarded.

RECOMMENDATION

It is recommended that the City Council determine that this project is exempt under the California Environmental Quality Act (“CEQA”); and approve, authorize, and direct the City Manager to execute a contract with DBX Inc. for the Centennial Way Traffic Signal Improvements Project in the amount of \$719,065, with a 10% contingency.

Approved:



Dominic Lazzaretto
City Manager

Attachments: Exhibit “A” – Project Location Map
Proposed Contract

Centennial Way TS Improvements Project

Project No.: 41852625

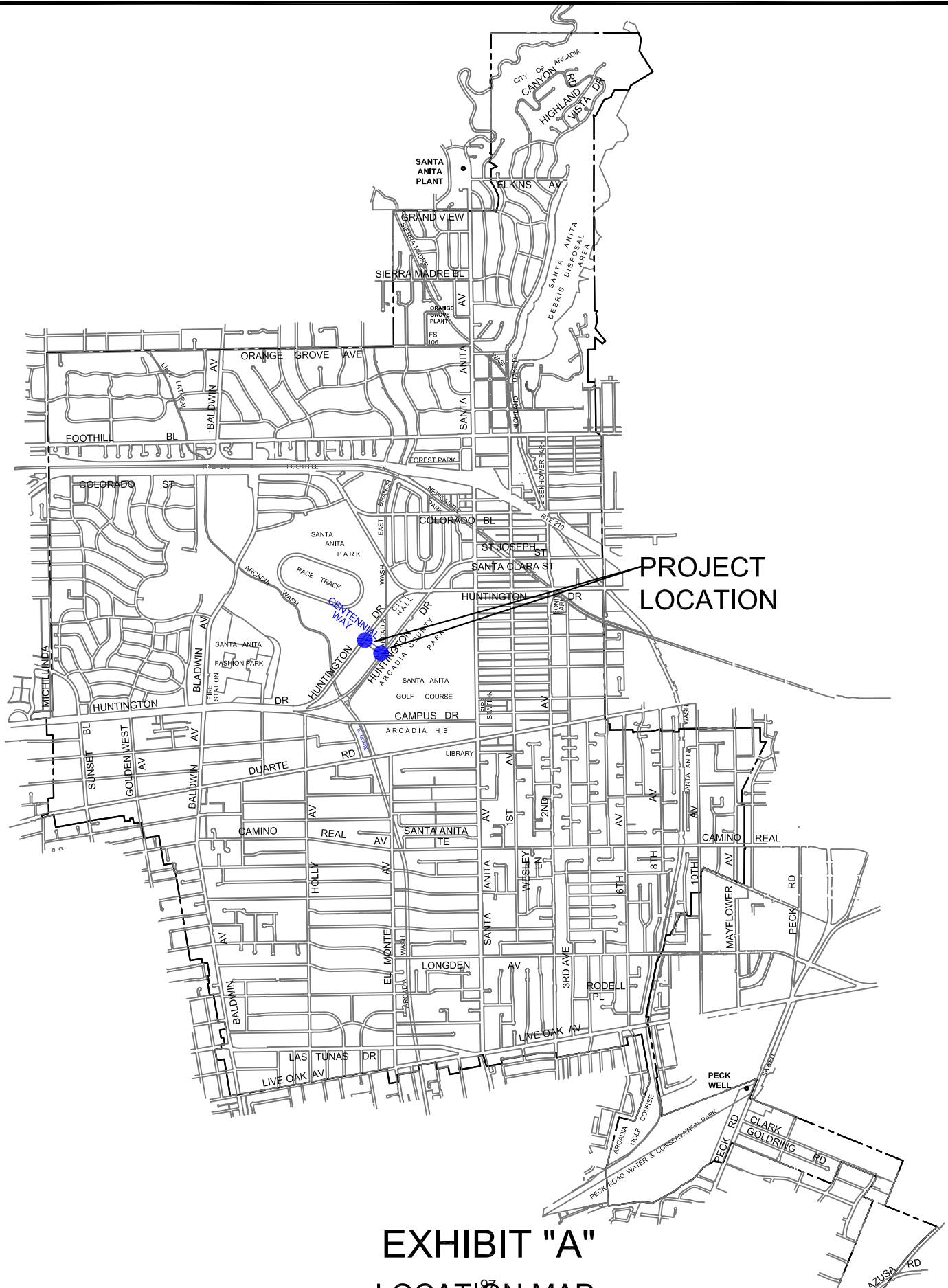


EXHIBIT "A"

LOCATION MAP
NOT TO SCALE

CITY OF ARCADIA

CENTENNIAL WAY TRAFFIC SIGNAL IMPROVEMENTS

PROJECT NO. 41852625

CONTRACT

**BETWEEN
CITY OF ARCADIA
AND
DBX, INC.**

CONTRACT

This CONTRACT, No. _____ is made and entered into this _____ day of _____, **2026**, by and between City of Arcadia, sometimes hereinafter called "City," and **DBX, INC.**, sometimes hereinafter called "Contractor."

WITNESSETH: That the parties hereto have mutually covenanted and agreed, and by these presents do covenant and agree with each other as follows:

a. **SCOPE OF WORK.** The Contractor shall perform all Work within the time stipulated in the Contract, and shall provide all labor, materials, equipment, tools, utility services, and transportation to complete all of the Work required in strict compliance with the Contract Documents as specified in Article 5, below, for the following Project:

CENTENNIAL WAY TRAFFIC SIGNAL IMPROVEMENTS / PROJECT NO. 41852625

The Contractor and its surety shall be liable to the City for any damages arising as a result of the Contractor's failure to comply with this obligation.

b. **TIME FOR COMPLETION.** Time is of the essence in the performance of the Work. The Work shall be commenced on the date stated in the City's Notice to Proceed. The Contractor shall complete all Work required by the Contract Documents within **120 calendar days** from the commencement date stated in the Notice to Proceed. By its signature hereunder, Contractor agrees the time for completion set forth above is adequate and reasonable to complete the Work.

c. **CONTRACT PRICE.** The City shall pay to the Contractor as full compensation for the performance of the Contract, subject to any additions or deductions as provided in the Contract Documents, and including all applicable taxes and costs, the sum of **SEVEN HUNDRED NINETEEN THOUSAND, SIXTY-FIVE DOLLARS AND NO CENTS (\$719,065.00)**. Payment shall be made as set forth in the General Conditions.

d. **LIQUIDATED DAMAGES.** In accordance with Government Code section 53069.85, it is agreed that the Contractor will pay the City the sum set forth in Section 00 73 13, Article 1.11 for each and every calendar day of delay beyond the time prescribed in the Contract Documents for finishing the Work, as Liquidated Damages and not as a penalty or forfeiture. In the event this is not paid, the Contractor agrees the City may deduct that amount from any money due or that may become due the Contractor under the Contract. This Article does not exclude recovery of other damages specified in the Contract Documents.

e. **COMPONENT PARTS OF THE CONTRACT.** The "Contract Documents" include the following:

- Notice Inviting Bids
- Instructions to Bidders
- Bid Form
- Bid Bond
- Designation of Subcontractors
- Information Required of Bidders
- Non-Collusion Declaration Form
- Iran Contracting Act Certification
- Public Works Contractor Registration Certification

Performance Bond
Payment (Labor and Materials) Bond
General Conditions
Special Conditions
Technical Specifications
Addenda
Plans and Drawings
Standard Specifications for Public Works Construction "Greenbook", latest edition, Except
Sections 1-9
Applicable Local Agency Standards and Specifications, as last revised
Approved and fully executed change orders
Any other documents contained in or incorporated into the Contract

The Contractor shall complete the Work in strict accordance with all of the Contract Documents.

All of the Contract Documents are intended to be complementary. Work required by one of the Contract Documents and not by others shall be done as if required by all. This Contract shall supersede any prior agreement of the parties.

f. **PROVISIONS REQUIRED BY LAW AND CONTRACTOR COMPLIANCE.** Each and every provision of law required to be included in these Contract Documents shall be deemed to be included in these Contract Documents. The Contractor shall comply with all requirements of applicable federal, state and local laws, rules and regulations, including, but not limited to, the provisions of the California Labor Code and California Public Contract Code which are applicable to this Work.

g. **INDEMNIFICATION.** Contractor shall provide indemnification and defense as set forth in the General Conditions.

h. **PREVAILING WAGES.** Contractor shall be required to pay the prevailing rate of wages in accordance with the Labor Code which such rates shall be made available at the City's Administrative Office or may be obtained online at <http://www.dir.ca.gov> and which must be posted at the job site.

[REMAINDER OF PAGE LEFT INTENTIONALLY BLANK]

IN WITNESS WHEREOF, this Contract has been duly executed by the above-named parties, on the day and year above written.

CITY OF ARCADIA

[INSERT CONTRACTOR'S NAME]

By: _____
Dominic Lazzaretto
City Manager

By: _____
Signature

Print Name and Title

Attest:

By: _____
City Clerk

By: _____
Signature

Print Name and Title

Approved as to Form:

Michael J. Maurer
City Attorney

(CONTRACTOR'S SIGNATURE MUST BE NOTARIZED AND CORPORATE SEAL AFFIXED)

END OF CONTRACT



PUBLIC WORKS SERVICES DEPARTMENT

DATE: August 18, 2026

TO: Honorable Mayor and City Council

FROM: Paul Cranmer, Assistant City Manager/Public Works Services Director
By: Tiffany Lee, Principal Civil Engineer

SUBJECT: CONTRACT WITH GENERAL PUMP COMPANY, INC. FOR THE INSPECTION AND REHABILITATION OF THE PECK WELL PROJECT IN THE AMOUNT OF \$417,540, WITH A 10% CONTINGENCY
CEQA: Exempt
Recommendation: Approve

SUMMARY

The Public Works Services Department's ("PWSD") Water Supply Well Inspection and Rehabilitation Program provides preventive maintenance for the City's 10 active water supply wells through scheduled video inspections and rehabilitation every 7 to 10 years to maintain performance and minimize the risk of mechanical failure. Peck Well is scheduled for rehabilitation under this program. Following a formal competitive bidding process, General Pump Company, Inc. submitted the lowest responsive bid, ensuring competitive pricing and quality service.

It is recommended that the City Council approve and authorize the City Manager to execute a contract with General Pump Company, Inc. for the Peck Well Inspection and Rehabilitation Project in the amount of \$417,540, with a 10% contingency.

BACKGROUND

The City operates and maintains 10 groundwater wells that produce approximately 14,000 acre-feet of water annually. Regular inspection and maintenance are essential to maintaining well efficiency, maximizing production capacity, and reducing the risk of unexpected failures.

The American Water Works Association (“AWWA”) recommends preventative maintenance of water supply wells every 7 to 10 years, including removal of the well pump assembly, video inspection of the well casing, and evaluation of pump components. The PWSD follows these guidelines through its Water Supply Well Inspection and Rehabilitation Program, prioritizing one to two wells annually based on inspection history, maintenance records, and well efficiency.

The program schedule includes the inspection and rehabilitation of Peck Well, which was drilled in 1962 and last rehabilitated in 2017. The well’s current production is below optimal levels due to mineral buildup and aging pump components. Rehabilitation will improve well efficiency and production capacity while reducing the risk of extended outages and costly emergency repairs.

DISCUSSION

A Notice Inviting Bids was published in accordance with City Council Resolution No. 7483, and bid packages were provided to contractors that perform this type of work. The City Clerk received two bids on June 30, 2026, with the following results:

Bidder	Location	Bid Amount
General Pump Company, Inc.	San Dimas, CA	\$ 417,540
Best Drilling and Pump, Inc.	Colton, CA	\$ 481,443

Although the notice inviting bids was distributed to qualified contractors and published on the City’s website, only two bids were received. Staff contacted contractors that received the notice to inquire about their decision not to submit bids; however, no responses were received despite multiple outreach attempts.

Due to the specialized nature of this work, there are limited contractors capable of performing the required services. After review, General Pump Company, Inc., was determined to have submitted the lowest responsive bid and is qualified to complete the project in accordance with the bid documents. General Pump Company, Inc. has successfully completed preventative maintenance on City of Arcadia wells and has performed similar projects for several other municipalities, including the Cities of Ontario, Monrovia, Riverside, Santa Monica, and Orange.

ENVIRONMENTAL ANALYSIS

This well inspection and rehabilitation project is considered a Class 1 exemption as defined in Section 15301(b) of the California Environmental Quality Act, since the project consists of the maintenance of an existing public facility providing public utility service.

FISCAL IMPACT

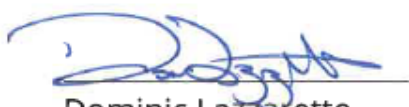
A total of \$950,000 was appropriated in the Fiscal Year 2024-25 Capital Improvement Program ("CIP") for the Inspection and Rehabilitation of Peck Well. The CIP project scope also identifies the conversion of the Peck Well service switchgear from 2,400 volts to 3-phase 480 volts and replacement of the Peck Well motor control center. These electrical improvements will be performed under a separate contract.

The estimated cost to complete the inspection and rehabilitation of Peck Well is \$417,540. Including a 10% project contingency, the total authorized project amount is estimated at \$459,294. Sufficient CIP funding is available to complete the inspection and rehabilitation work, while preserving adequate funding for the future service switchgear conversion and motor control center replacement.

RECOMMENDATION

It is recommended that the City Council determine this project is exempt under the California Environmental Quality Act ("CEQA"); and approve, authorize, and direct the City Manager to execute a contract with General Pump Company, Inc. for the inspection and rehabilitation of the Peck Well Project in the amount of \$417,540, with a 10% contingency.

Approved:



Dominic Lazzaretto
City Manager

Attachments: Exhibit "A" – Project Location Map
Proposed Contract

Inspection and Rehabilitation of Peck Well Project

Project No.: 72863625

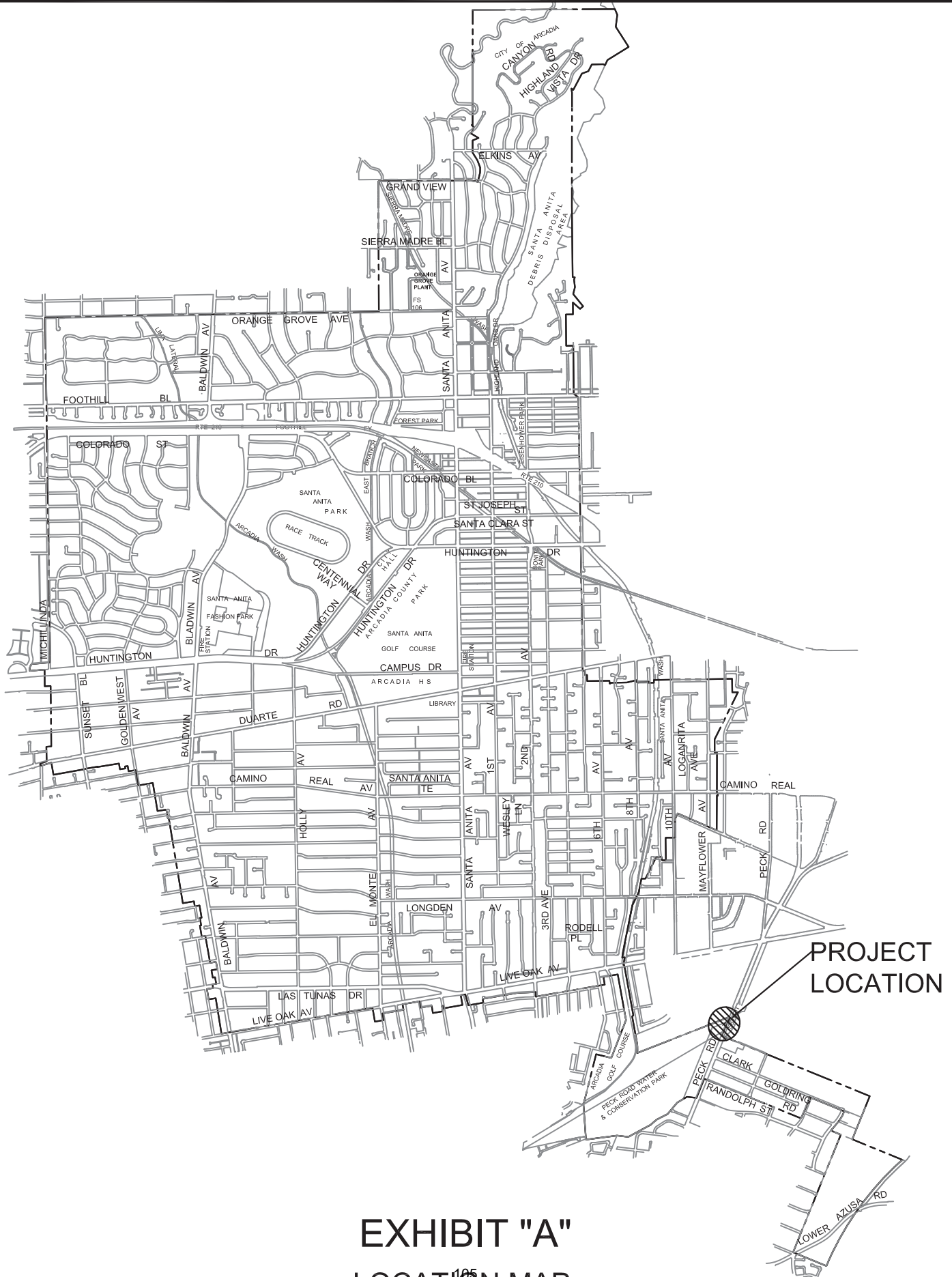


EXHIBIT "A"

LOCATION MAP
NOT TO SCALE

CITY OF ARCADIA

**WELL INSPECTION AND REHABILITATION OF PECK WELL
PROJECT No.: 72863625**

CONTRACT

**BETWEEN
CITY OF ARCADIA
AND
GENERAL PUMP COMPANY, INC.**

CONTRACT FOR THE CITY OF ARCADIA

This CONTRACT, No. _____ is made and entered into this ____ day of _____, 2026, by and between City of Arcadia, sometimes hereinafter called "City," and **General Pump Company, Inc.**, sometimes hereinafter called "Contractor."

WITNESSETH: That the parties hereto have mutually covenanted and agreed, and by these presents do covenant and agree with each other as follows:

A. SCOPE OF WORK. The Contractor shall perform all Work within the time stipulated in the Contract, and shall provide all labor, materials, equipment, tools, utility services, and transportation to complete all of the Work required in strict compliance with the Contract Documents as specified in Article 5, below, for the following Project:

**Well Inspection and Rehabilitation of Peck Well Project
Project No. 72863625**

The Contractor and its surety shall be liable to the City for any damages arising as a result of the Contractor's failure to comply with this obligation.

B. TIME FOR COMPLETION. Time is of the essence in the performance of the Work. The Work shall be commenced on the date stated in the City's Notice to Proceed. The Contractor shall complete all Work required by the Contract Documents within **90 calendar days** from the commencement date stated in the Notice to Proceed. By its signature hereunder, Contractor agrees the time for completion set forth above is adequate and reasonable to complete the Work.

C. CONTRACT PRICE. The City shall pay to the Contractor as full compensation for the performance of the Contract, subject to any additions or deductions as provided in the Contract Documents, and including all applicable taxes and costs, the sum of **FOUR HUNDRED SEVENTEEN THOUSAND, FIVE HUNDRED FORTY DOLLARS AND NO CENTS (\$417,540.00)**. Payment shall be made as set forth in the General Conditions.

D. LIQUIDATED DAMAGES. In accordance with Government Code section 53069.85, it is agreed that the Contractor will pay the City the sum set forth in Special Conditions, Article 1.11 for each and every calendar day of delay beyond the time prescribed in the Contract Documents for finishing the Work, as Liquidated Damages and not as a penalty or forfeiture. In the event this is not paid, the Contractor agrees the City may deduct that amount from any money due or that may become due the Contractor under the Contract. This Article does not exclude recovery of other damages specified in the Contract Documents.

E. COMPONENT PARTS OF THE CONTRACT. The "Contract Documents" include the following:

- Notice Inviting Bids
- Instructions to Bidders
- Bid Form
- Bid Bond
- Designation of Subcontractors
- Information Required of Bidders
- Non-Collusion Declaration Form
- Iran Contracting Act Certification
- Public Works Contractor Registration Certification

Performance Bond
Payment (Labor and Materials) Bond
General Conditions
Special Conditions
Technical Specifications
Addenda
Plans and Drawings
Standard Specifications for Public Works Construction "Greenbook", latest edition, Except Sections 1-9
Applicable Local Agency Standards and Specifications, as last revised
Approved and fully executed change orders
Any other documents contained in or incorporated into the Contract

The Contractor shall complete the Work in strict accordance with all of the Contract Documents.

All of the Contract Documents are intended to be complementary. Work required by one of the Contract Documents and not by others shall be done as if required by all. This Contract shall supersede any prior agreement of the parties.

F. PROVISIONS REQUIRED BY LAW AND CONTRACTOR COMPLIANCE. Each and every provision of law required to be included in these Contract Documents shall be deemed to be included in these Contract Documents. The Contractor shall comply with all requirements of applicable federal, state and local laws, rules and regulations, including, but not limited to, the provisions of the California Labor Code and California Public Contract Code which are applicable to this Work.

G. INDEMNIFICATION. Contractor shall provide indemnification and defense as set forth in the General Conditions.

H. PREVAILING WAGES. Contractor shall be required to pay the prevailing rate of wages in accordance with the Labor Code which such rates shall be made available at the City's Administrative Office or may be obtained online at dir.ca.gov and which must be posted at the job site.

[REMAINDER OF PAGE LEFT INTENTIONALLY BLANK]

IN WITNESS WHEREOF, this Contract has been duly executed by the above-named parties, on the day and year above written.

CITY OF ARCADIA

GENERAL PUMP COMPANY, INC.

By: _____
Dominic Lazzaretto
City Manager

By: _____
Signature

Print Name and Title

Attest:

By: _____
City Clerk

By: _____
Signature

Print Name and Title

Approved as to Form:

Michael J. Maurer
City Attorney

(CONTRACTOR'S SIGNATURE MUST BE NOTARIZED AND CORPORATE SEAL AFFIXED)

Notary Acknowledgment

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

STATE OF CALIFORNIA
COUNTY OF _____

On _____, 20____, before me, _____, Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

Signature of Notary Public _____

OPTIONAL

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

CAPACITY CLAIMED BY SIGNER

DESCRIPTION OF ATTACHED DOCUMENT

- ☐ Individual
☐ Corporate Officer

Title(s)

Title or Type of Document

- ☐ Partner(s) ☐ Limited
☐ General

Number of Pages

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

Date of Document

Signer is representing:

Name Of Person(s) Or Entity(ies)

Signer(s) Other Than Named Above

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.

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 ☐ General

Number of Pages

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

Date of Document

Signer is representing:

Name Of Person(s) Or Entity(ies)

Signer(s) Other Than Named Above



PUBLIC WORKS SERVICES DEPARTMENT

DATE: August 18, 2026

TO: Honorable Mayor and City Council

FROM: Paul Cranmer, Assistant City Manager/Public Works Services Director
By: Leonel Martin, Public Works Project Manager

SUBJECT: CONTRACT WITH ALL SOURCE COMPANY BUILDING GROUP, FORMERLY KNOWN AS ALL SOURCE COATINGS, INC., FOR THE ARCADIA POLICE DEPARTMENT PAINTING PROJECT IN THE AMOUNT OF \$142,631.93, WITH A 5% CONTINGENCY

CEQA: Exempt
Recommendation: Approve

SUMMARY

The Public Works Services Department ("PWSD") is responsible for the maintenance and repair of City-owned facilities, including painting and other building maintenance improvements. The existing interior paint at the Arcadia Police Department has reached the end of its useful life and exhibits signs of wear and deterioration. Repainting the facility will maintain the building's appearance, protect interior surfaces, and support the continued operation of the facility.

Staff utilized Sourcwell, a nationally recognized cooperative purchasing program, to procure the required paint materials and painting services. The use of a cooperative purchasing contract provides a competitive and efficient procurement method that is consistent with the City's purchasing policies and allows the City to obtain favorable pricing.

It is recommended that the City Council approve a contract with All Source Company Building Group, formerly known as All Source Coatings, Inc., for the Police Department Painting Project in the amount of \$142,631.93, authorize a 5% contingency for unforeseen conditions, and direct the City Manager to execute the agreement and any related documents necessary to complete the project.

BACKGROUND

The PWSD is responsible for the maintenance and repair of all City facilities. The interior of the Arcadia Police Department has not undergone comprehensive repainting in several years and is due for refurbishment. Over time, the interior walls have become discolored and exhibit scuffs, dents, scratches, and other signs of normal wear and tear, resulting in a diminished appearance.

Funding for this project has been included in the Fiscal Year ("FY") 2023–24, FY 2024–25, and FY 2025–26 Capital Improvement Program ("CIP") budgets. The project will provide for the repainting of the interior of the Arcadia Police Department, improving the facility's appearance, preserving City assets, and maintaining a professional environment for employees and the public.

DISCUSSION

As part of this project, the interior of the first and second floors of the Arcadia Police Department will be repainted. Addressing these cosmetic deficiencies will help prevent further deterioration, enhance the overall appearance of the facility, and maintain a clean and professional environment for Police Department personnel and visitors. The scope of work includes surface preparation, back-rolling, application of primer, and two finish coats of paint. All paint will be color-matched to the existing finishes to preserve the facility's aesthetic. Additionally, office furniture, equipment, and other adjacent furnishings will be covered with protective plastic sheeting throughout the duration of the project.

To procure these services, it is recommended that Sourcewell be utilized. Sourcewell is a nationally recognized cooperative purchasing organization that enables public agencies to obtain competitively procured goods and services in a cost-effective and efficient manner. California Government Code authorizes public agencies to participate in cooperative purchasing agreements, such as those established by Sourcewell, in accordance with their adopted purchasing policies and procedures.

Sourcewell competitively awarded an indefinite delivery/indefinite quantity ("IDIQ") construction contract to All Source Company Building Group, formerly known as All Source Coatings, Inc., for painting and related construction services. The proposed Police Department Interior Painting Project falls within the scope of this contract. A copy of the agreement between Sourcewell and All Source Company Building Group is attached to this report. The PWSD staff has reviewed Sourcewell's solicitation,

procurement process, and contract documents and has determined that they satisfy the City's procurement requirements. Utilizing the Sourcewell cooperative purchasing program will expedite project delivery, eliminate the need for a separate formal bidding process, and provide the City with competitively priced services that represent the best value for this project.

ENVIRONMENTAL ANALYSIS

The proposed project is categorically exempt from the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines Section 15301(a) (Class 1 – Existing Facilities). This exemption applies to the operation, repair, maintenance, or minor alteration of existing public facilities involving negligible or no expansion of existing use, including interior repainting and similar maintenance activities.

FISCAL IMPACT

A total of \$150,000 has been appropriated in the Fiscal Year (FY) 2023–24, FY 2024–25, and FY 2025–26 CIP budgets for the Police Department Painting Project. The total project cost is \$142,631.93. Including a 5% construction contingency of \$7,131.60, the total authorized project budget would be \$149,763.53, which is within the approved CIP budget.

RECOMMENDATION

It is recommended that the City Council determine that this project is exempt under the California Environmental Quality Act ("CEQA"); and approve, authorize, and direct the City Manager to execute a contract with All Source Company Building Group, formerly known as All Source Coatings, Inc., for the Arcadia Police Department Painting Project in the amount of \$142,631.93, with a 5% contingency.

Approved:



Dominic Lazzaretto
City Manager

Arcadia Police Department Painting Project

August 18, 2026

Page 4 of 4

Attachments: Sourcewell Contract

Proposed Construction Contract



Indefinite Delivery-Indefinite Quantity Construction Contract

Contract Number: **CA-R9-GB-101723-ASC**

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 **All Source Coatings Inc., 10625 Scripps Ranch Blvd, Suite D, San Diego, California 92131** (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 9. 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: **0.8900**.

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: 0.8901.

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: 0.8902.

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: 0.8903.

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: 0.8904.

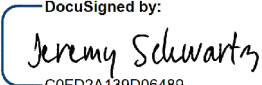
VI. AUTHORIZED REPRESENTATIVE

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

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

Sourcewell

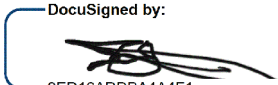
All Source Coatings Inc.

DocuSigned by:

 By: C0FD2A139D06489...

Jeremy Schwartz

Title: Chief Procurement Officer

Date: 12/1/2023 | 9:21 AM CST

DocuSigned by:

 By: 9ED16ADDBA4A4F1...

Jerry Zumbro

Title: President

Date: 12/1/2023 | 7:07 AM PST

**AMENDMENT #1
TO
CONTRACT # CA-R9-GB-101723-ASC**

THIS AMENDMENT, effective upon the date of the last signature below, is by and between **Sourcewell** and **All Source Coatings Inc. (n/k/a All Source Company Building Group)** (Contractor).

Sourcewell awarded a contract to the Contractor to provide Indefinite Delivery-Indefinite Quantity Construction Contracts in the State of California to Sourcewell and its Participating Entities, effective December 6, 2023, through December 5, 2024 (Contract).

All Source Coatings Inc. changed its name to "All Source Company Building Group," and the Contractor has requested to modify the Contract to change its name. No other structural changes have taken place with the company.

As of the effective date of this Amendment, all references to "All Source Coatings Inc." in Contract # CA-R9-GB-101723-ASC will be replaced with "All Source Company Building Group (f/k/a All Source Tile Inc.)."

Except as amended, the Contract remains in full force and effect.

Sourcewell

Signed by:
By: Jeremy Schwartz
C0FD2A139D06489...
Jeremy Schwartz, Chief Procurement Officer
Date: 8/28/2024 | 5:38 PM CDT

**All Source Company Building Group
(f/k/a All Source Coatings Inc.)**

DocuSigned by:
By: [Signature]
9ED16ADDBA4A4F1...
Jerry Zumbro, President
Date: 8/27/2024 | 1:23 PM PDT

**AMENDMENT #1
TO
CONTRACT # CA-R9-GB-101723-ASC**

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Jeremy Schwartz, Chief Procurement Officer
Date: 8/28/2024 | 5:38 PM CDT

**All Source Company Building Group
(f/k/a All Source Coatings Inc.)**

DocuSigned by:
By: [Signature]
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Jerry Zumbro, President
Date: 8/27/2024 | 1:23 PM PDT

**AGREEMENT TO
MODIFY AND EXTEND
SOURCEWELL CONTRACT #CA-R9-GB-101723-ASC**

THIS AGREEMENT TO MODIFY AND EXTEND, Sourcewell Contract #CA-R9-GB-101723-ASC is effective upon the date of the last signature below.

Sourcewell and All Source Company Building Group fka All Source Coatings Inc. (“Contractor”) have entered into an Indefinite Quantity Construction Contract, Contract Number CA-R9-GB-101723-ASC 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.

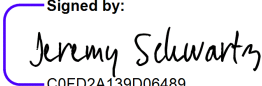
Pursuant to the Contract, Contractor’s Adjustment Factors remain fixed for the duration of the contract term and are unaffected by this modification.

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

All Source Company Building Group fka All Source Coatings Inc.

Signed by:

C0FD2A139D06489...
By: _____
Jeremy Schwartz
Title: Chief Procurement Officer

Date: 10/29/2025 | 12:13 PM CDT

DocuSigned by:

9ED16ADDBA4A4F1...
By: _____
Jerry Zumbro
Title: President

Date: 10/29/2025 | 9:49 AM PDT

**CITY OF ARCADIA
CONSTRUCTION CONTRACT
POLICE DEPARTMENT PAINTING 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 **All Source Coatings, Inc.**, a **California Corporation**, with its principal place of business at **10625 Scripps Ranch Blvd., #D, San Diego, CA 92131** ("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 **painting** related construction services to public clients, that it and its employees or subcontractors have all necessary licenses and permits to perform the services in the State of California, and that it is familiar with the plans of City. The following license classifications are required for this Project: **Class-B and C-33**.

2.3 Project. City desires to engage Contractor to render such services for the **Police Department Painting 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 **One Hundred and Eighty-Two (182) calendar days, beginning the effective date of the Notice to Proceed (“Contract Time”)**. Contractor shall perform its Work in strict accordance with any completion schedule, construction schedule or project milestones developed by the City. Such schedules or milestones may be included as part of Exhibits “A” or “B” attached hereto, or may be provided separately in writing to Contractor. Contractor agrees that if such Work is not completed within the aforementioned Contract Time and/or pursuant to any such completion schedule, construction schedule or project milestones developed pursuant to provisions of the Contract, it is understood, acknowledged and agreed that the City will suffer damage. Pursuant to Government Code Section 53069.85, Contractor shall pay to the City as fixed and liquidated damages the sum of **Two 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 FORTY-TWO THOUSAND, SIX HUNDRED THIRTY-ONE DOLLARS AND NINETY-THREE CENTS (\$142,631.93)** ("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: \$1,000,000 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 reinstitution 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:

All Source Coatings, Inc.
10625 Scripps Ranch Blvd., #D
San Diego, CA 92131
Attn: Dan Lehmann

CITY:

City of Arcadia
240 West Huntington Drive
Arcadia, California 91066
Attn: Leonel Martin, Project Manager

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 ALL SOURCE COATINGS, INC.**

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

CITY OF ARCADIA

ALL SOURCE COATINGS, INC.

By: _____
Dominic Lazaretto
City Manager

By: _____
Its: _____
Printed Name: _____

ATTEST:

By: _____
City Clerk

By: _____
Its: _____
Printed Name: _____

APPROVED AS TO FORM:

By: _____
Michael J. Maurer
City Attorney

EXHIBIT “A”

SERVICES / SCHEDULE

The project plan and Work Order Number: 153288.00 are incorporated into this Contract (see Attachment “A”).

The project plan and proposal (EZIQC Contract No.: CA-R9-P-101723-ASC) are incorporated into this Contract.



Work Order Signature Document

EZIQC Contract No.: CA-R9-P-101723-ASC

☒

New Work Order



Modify an Existing Work Order

Work Order Number.: 153288.00

Work Order Date: 04/09/2026

Work Order Title: Arcadia PD Facility Painting

Owner Name: City of Arcadia Public Services Dept.

Contractor Name: All Source Coatings Inc

Contact: Leonel Martin

Contact: Dan Lehmann

Phone: (626) 254-2707

Phone: 858-586-0903

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-R9-P-101723-ASC.

Brief Work Order Description:

Arcadia Police Department facility painting.

Time of Performance

Estimated Start Date:

Estimated Completion Date:

Liquidated DamagesWill apply: ☐Will not apply: ☒**Work Order Firm Fixed Price: \$142,631.93**

Owner Purchase Order Number:

Approvals

City of Arcadia Public Works Services Department _____ Date

All Source Coatings Inc _____ Date

Detailed Scope of Work

To: Dan Lehmann
All Source Coatings Inc
10625 Scripps Ranch Blvd, #D
San Diego, CA 92131
858-586-0903

From: Leonel Martin
City of Arcadia Public Works Services Department
11800 Goldring Rd.
Arcadia, CA 91066
(626) 254-2707

Date Printed: April 09, 2026

Work Order Number: 153288.00

Work Order Title: Arcadia PD Facility Painting

Brief Scope: Arcadia Police Department facility painting.

☐

Preliminary

☐

Revised

☒

Final

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

1st Floor

- Minor prep/patch of walls prior to painting
- Spot prime patch work
- Paint walls Sherwin Williams Promar 200 EG
- Includes lift equipment for own work
- Normal hours
- Furniture moved by Others
- Includes Records Room and Dispatch Room to be performed on weekends.
- Protect adjacent surfaces.
- Haul off all debris
- Assumes place on site for material storage

2nd Floor

- Minor prep/patch of walls prior to painting
- Spot prime patch work
- Paint walls Sherwin Williams Promar 200 EG
- Normal hours Furniture moved by Others
- Includes Detective Area to be performed on weekends.
- Protect adjacent surfaces.
- Haul off all debris
- Assumes place on site for material storage
- Excludes Admin Area

Subject to the terms and conditions of eziQC Contract **CA-R9-P-101723-ASC**.

All Source Coatings Inc

Date

City of Arcadia Public Works Services Department

Date

Contractor's Price Proposal - Summary

Date:	April 09, 2026	
Re:	IQC Master Contract #:	CA-R9-P-101723-ASC
	Work Order #:	153288.00
	Owner PO #:	
	Title:	Arcadia PD Facility Painting
	Contractor:	All Source Coatings Inc
	Proposal Value:	\$142,631.93

Section - 01	\$11,160.85
Section - 09	\$131,471.08
Proposal Total	\$142,631.93

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: April 09, 2026

Re: IQC Master Contract #: CA-R9-P-101723-ASC
 Work Order #: 153288.00
 Owner PO #:
 Title: Arcadia PD Facility Painting
 Contractor: All Source Coatings Inc
 Proposal Value: \$142,631.93

Sect.	Item	Mod.	UOM	Description	Line Total
Labor	Equip.	Material	(Excludes)		
Section - 01					
1	01 22 16 00 0002		EA	Reimbursable FeesReimbursable 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.	\$2,670.80
			Installation	Quantity 2,428.00 x Unit Price 1.00 x Factor 1.1000 = Total 2,670.80	
				used for bond	
2	01 22 23 00 0058		DAY	25' Electric, Scissor Platform Lift	\$700.53
			Installation	Quantity 3.00 x Unit Price 262.37 x Factor 0.8900 = Total 700.53	
				used for lift equipment	
3	01 22 23 00 1604		WK	6-1/2 Ton Capacity, 16' To 22' Bed, 4 x 2 Flat Bed Truck With Full-Time Truck Driver	\$4,575.12
			Installation	Quantity 1.00 x Unit Price 5,140.58 x Factor 0.8900 = Total 4,575.12	
				used for hauling debris throughout job	
4	01 71 13 00 0004		EA	First 25 Miles, Equipment Delivery, Pickup, Mobilization And Demobilization Using A Tractor Trailer With Up To 53' BedIncludes loading, tie-down of equipment, delivery of equipment, off loading on site, rigging, dismantling, loading for return and transporting away. For equipment such as bulldozers, motor scrapers, hydraulic excavators, gradalls, road graders, loader-backhoes, heavy-duty construction loaders, tractors, pavers, rollers, bridge finishers, straight mast construction forklifts, telescoping boom rough terrain construction forklifts, telescoping and articulating boom man lifts with >40' boom lengths, etc.	\$1,320.66
			Installation	Quantity 1.00 x Unit Price 1,483.89 x Factor 0.8900 = Total 1,320.66	
				used for lift equipment	
5	01 74 19 00 0037		CY	Hazardous Materials And Rubbish Landfill Dump FeeIncludes regulated waste such as paint cans, refrigerators/freezers, air conditioners, smoke detectors, batteries, etc.	\$1,893.74
			Installation	Quantity 20.00 x Unit Price 106.39 x Factor 0.8900 = Total 1,893.74	
				used for dump fees	
Subtotal for Section - 01					\$11,160.85
Section - 09					
6	09 01 90 52 0015		SF	Hand Scrape, Repair And Sand Severely Damaged Drywall Surfaces, Surface Preparation	\$16,114.21
			Installation	Quantity 15,215.00 x Unit Price 1.19 x Factor 0.8900 = Total 16,114.21	
				used for patching	

Contractor's Price Proposal - Detail Continues..

Work Order Number: 153288.00
Work Order Title: Arcadia PD Facility Painting

Section - 09											
7	09	91	23	00	0066	SF	1 Coat Primer, Brush/Roller Work, Paint Interior Plaster/Drywall Walls				\$10,156.01
						Installation	Quantity	Unit Price	Factor	Total	
							15,215.00	x 0.75	x 0.8900	= 10,156.01	
						used for priming patch work					
8	09	91	23	00	0068	SF	2 Coats Paint, Brush/Roller Work, Paint Interior Plaster/Drywall Walls				\$105,200.86
						Installation	Quantity	Unit Price	Factor	Total	
							77,257.00	x 1.53	x 0.8900	= 105,200.86	
						used for painting					
Subtotal for Section - 09											\$131,471.08
Proposal Total											\$142,631.93

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: April 09, 2026

Re: IQC Master Contract #: CA-R9-P-101723-ASC
Work Order #: 153288.00
Owner PO #:
Title: Arcadia PD Facility Painting
Contractor: All Source Coatings Inc
Proposal Value: \$142,631.93

Name of Contractor	Duties	Amount	%
All Source Coatings	Painting, logistics, management, bond	\$142,631.93	100.00

EXHIBIT “B”

PLANS AND SPECIFICATIONS

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

EXHIBIT “C”

SPECIAL CONDITIONS

ARTICLE 1. BONDS

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

EXHIBIT "D"

**CERTIFICATION
LABOR CODE - SECTION 1861**

I, the undersigned Contractor, am aware of the provisions of Section 3700, et seq., of the California Labor Code which require every employer to be insured against liability for Worker's Compensation or to undertake self-insurance in accordance with the provisions of the Code, and I, the undersigned Contractor, agree to and will comply with such provisions before commencing the performance of the Work on this Contract.

ALL SOURCE COATINGS, INC.

By: _____
Signature

Name (Print)

Title (Print)

EXHIBIT “E”

PUBLIC WORKS CONTRACTOR REGISTRATION CERTIFICATION

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

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

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

Name of Contractor:_____

DIR Registration Number:_____

DIR Registration Expiration:_____

Small Project Exemption: ____ Yes or ____ No

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

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

Name of Contractor_____

Signature_____

Name and Title_____

Dated_____

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

EXHIBIT “F”

PAYMENT AND PERFORMANCE BONDS

PERFORMANCE BOND

KNOW ALL PERSONS BY THESE PRESENTS:

THAT WHEREAS, the City of Arcadia (hereinafter referred to as "City") has awarded to **All Source Coatings, Inc.**, (hereinafter referred to as the "Contractor") an agreement for **Police Department Painting 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 FORTY-TWO THOUSAND, SIX HUNDRED THIRTY-ONE DOLLARS AND NINETY-THREE CENTS (\$142,631.93)**, said sum being not less than one hundred percent (100%) of the total amount of the Contract, for which amount well and truly to be made, we bind ourselves, our heirs, executors and administrators, successors and assigns, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH, that, if the Contractor, his or its heirs, executors, administrators, successors or assigns, shall in all things stand to and abide by, and well and truly keep and perform the covenants, conditions and agreements in the Contract Documents and any alteration thereof made as therein provided, on its part, to be kept and performed at the time and in the manner therein specified, and in all respects according to their intent and meaning; and shall faithfully fulfill all obligations including the one-year guarantee of all materials and workmanship; and shall indemnify and save harmless the City, its officers and agents, as stipulated in said Contract Documents, then this obligation shall become null and void; otherwise it shall be and remain in full force and effect.

As a condition precedent to the satisfactory completion of the Contract Documents, unless otherwise provided for in the Contract Documents, the above obligation shall hold good for a period of one (1) year after the acceptance of the work by City, during which time if Contractor shall fail to make full, complete, and satisfactory repair and replacements and totally protect the City from loss or damage resulting from or caused by defective materials or faulty workmanship, Surety shall undertake and faithfully fulfill all such obligations. The obligations of Surety hereunder shall continue so long as any obligation of Contractor remains. Nothing herein shall limit the City's rights or the Contractor or Surety's obligations under the Contract, law or equity, including, but not limited to, California Code of Civil Procedure section 337.15.

Whenever Contractor shall be, and is declared by the City to be, in default under the Contract Documents, the Surety shall remedy the default pursuant to the Contract Documents, or shall promptly, at the City's option:

- (1) Take over and complete the Project in accordance with all terms and conditions in the Contract Documents; or
- (2) Obtain a bid or bids for completing the Project in accordance with all terms and conditions in the Contract Documents and upon determination by Surety of the lowest responsive and responsible bidder, arrange for a Contract between such bidder, the Surety and the City, and make available as work progresses sufficient funds to pay the cost of completion of the Project, less the balance of the contract price, including other costs and damages for which Surety may be liable. The term "balance of the contract price" as used in this paragraph shall mean the total amount payable to Contractor by the City under the Contract and any modification thereto, less any amount previously paid by the City to the Contractor and any other set offs pursuant to the Contract Documents.
- (3) Permit the City to complete the Project in any manner consistent with local, California and federal law and make available as work progresses sufficient funds to pay the cost of completion of the Project, less the balance of the contract price, including other costs and damages for which Surety may be liable. The term "balance of the contract price" as used in this paragraph shall mean the total amount payable to Contractor by the City under the Contract and any modification thereto, less any amount previously paid by the City to the Contractor and any other set offs pursuant to the Contract Documents.

Surety expressly agrees that the City may reject any contractor or subcontractor which may be proposed by Surety in fulfillment of its obligations in the event of default by the Contractor.

Surety shall not utilize Contractor in completing the Project nor shall Surety accept a bid from Contractor for completion of the Project if the City, when declaring the Contractor in default, notifies Surety of the City's objection to Contractor's further participation in the completion of the Project.

The Surety, for value received, hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of the Contract Documents or to the Project to be performed thereunder shall in any way affect its obligations on this bond, and it does hereby waive notice of any such change, extension of time, alteration or addition to the terms of the Contract Documents or to the Project, including but not limited to the provisions of sections 2819 and 2845 of the California Civil Code.

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

(Corporate Seal)

Contractor/ Principal

By _____

Title _____

(Corporate Seal)

Surety

By _____
Attorney-in-Fact

Signatures of those signing for the Contractor and Surety must be notarized and evidence of corporate authority attached.

(Attach Attorney-in-Fact Certificate) Title _____

The rate of premium on this bond is _____ per thousand. The total amount of premium charges, \$_____.
(The above must be filled in by corporate attorney.)

THIS IS A REQUIRED FORM

Any claims under this bond may be addressed to:

(Name and Address of Surety) _____

(Name and Address of Agent or Representative for service of process in California, if different from above) _____

(Telephone number of Surety and Agent or Representative for service of process in California) _____

NOTE: A copy of the Power-of-Attorney authorizing the person signing on behalf of the Surety to do so must be attached hereto.

Notary Acknowledgment

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

STATE OF CALIFORNIA
COUNTY OF _____

On _____, 20____, before me, _____, Notary Public, personally

appeared _____, who proved to me on the basis of satisfactory

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

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

WITNESS my hand and official seal.

Signature of Notary Public

OPTIONAL

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

CAPACITY CLAIMED BY SIGNER

DESCRIPTION OF ATTACHED DOCUMENT

- ☐ Individual
☐ Corporate Officer

Title(s)

- ☐ 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

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 **August 18, 2026**, has awarded to **All Source Coatings, Inc.** hereinafter designated as the "Principal," a contract for the work described as follows: **Police Department Paiting Project** (the "Project"); and

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

WHEREAS, said Principal is required to furnish a bond in connection with said contract; providing that if said Principal or any of its Subcontractors shall fail to pay for any materials, provisions, provender, equipment, or other supplies used in, upon, for or about the performance of the work contracted to be done, or for any work or labor done thereon of any kind, or for amounts due under the Unemployment Insurance Code or for any amounts required to be deducted, withheld, and paid over to the Employment Development Department from the wages of employees of said Principal and its Subcontractors with respect to such work or labor the Surety on this bond will pay for the same to the extent hereinafter set forth.

NOW THEREFORE, we, the Principal and _____ as Surety, are held and firmly bound unto the City in the penal sum of **ONE HUNDRED FORTY-TWO THOUSAND, SIX HUNDRED THIRTY-ONE DOLLARS AND NINETY-THREE CENTS (\$142,631.93)** lawful money of the United States of America, for the payment of which sum well and truly to be made, we bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH that if said Principal, his or its subcontractors, heirs, executors, administrators, successors or assigns, shall fail to pay any of the persons named in Section 9100 of the Civil Code, fail to pay for any materials, provisions or other supplies, used in, upon, for or about the performance of the work contracted to be done, or for any work or labor thereon of any kind, or amounts due under the Unemployment Insurance Code with respect to work or labor performed under the contract, or for any amounts required to be deducted, withheld, and paid over to the Employment Development Department or Franchise Tax Board from the wages of employees of the contractor and his subcontractors pursuant to Section 18663 of the Revenue and Taxation Code, with respect to such work and labor the Surety or Sureties will pay for the same, in an amount not exceeding the sum herein above specified.

This bond shall inure to the benefit of any of the persons named in Section 9100 of the Civil Code so as to give a right of action to such persons or their assigns in any suit brought upon this bond.

It is further stipulated and agreed that the Surety on this bond shall not be exonerated or released from the obligation of this bond by any change, extension of time for performance, addition, alteration or modification in, to, or of any contract, plans, specifications, or agreement pertaining or relating to any scheme or work of improvement herein above described, or pertaining or relating to the furnishing of labor, materials, or equipment therefore, nor by any change or modification of any terms of payment or extension of the time for any payment pertaining or relating to any scheme or work of improvement herein above described, nor by any rescission or attempted rescission of the contract, agreement or bond, nor by any conditions precedent or subsequent in the bond attempting to limit the right of recovery of claimants otherwise entitled to recover under any such contract or

agreement or under the bond, nor by any fraud practiced by any person other than the claimant seeking to recover on the bond and that this bond be construed most strongly against the Surety and in favor of all persons for whose benefit such bond is given, and under no circumstances shall Surety be released from liability to those for whose benefit such bond has been given, by reason of any breach of contract between the owner or City and original contractor or on the part of any obligee named in such bond, but the sole conditions of recovery shall be that claimant is a person described in Section 9100 of the Civil Code, and has not been paid the full amount of his claim and that Surety does hereby waive notice of any such change, extension of time, addition, alteration or modification herein mentioned and the provisions of sections 2819 and 2845 of the California Civil Code.

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

(Corporate Seal)

Contractor/ Principal

By _____

Title _____

(Corporate Seal)

Surety

By _____

Attorney-in-Fact

Title _____

Signatures of those signing for the Contractor and Surety must be notarized and evidence of corporate authority attached. A Power-of-Attorney authorizing the person signing on behalf of the Surety to do so must be attached hereto.

NOTE: A copy of the Power-of-Attorney authorizing the person signing on behalf of the Surety to do so must be attached hereto.

Notary Acknowledgment

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

STATE OF CALIFORNIA

COUNTY OF _____

On _____, 20____, before me, _____, Notary Public, personally appeared _____, who proved to me on the basis of satisfactory

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

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

WITNESS my hand and official seal.

Signature of Notary Public

OPTIONAL

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

CAPACITY CLAIMED BY SIGNER

DESCRIPTION OF ATTACHED DOCUMENT

☐ Individual

☐ Corporate Officer

Title(s)

Title or Type of Document

☐ Partner(s)

☐ Limited

☐ General

Number of Pages

☐ Attorney-In-Fact

☐ Trustee(s)

☐ Guardian/Conservator

☐ Other:

Date of Document

Signer is representing:

Name Of Person(s) Or Entity(ies)

Signer(s) Other Than Named Above

EXHIBIT “G”

FEDERAL REQUIREMENTS

Not Applicable.



CITY OF ARCADIA

STAFF REPORT

PUBLIC WORKS SERVICES DEPARTMENT

DATE: August 18, 2026

TO: Honorable Mayor and City Council

FROM: Paul Cranmer, Assistant City Manager/Public Works Services Director
By: Leonel Martin, Public Works Project Manager

SUBJECT: CONTRACT WITH HORIZONS CONSTRUCTION CO. INT'L INC. FOR THE
DEBRIS REMOVAL PROJECT IN THE AMOUNT OF \$399,898
CEQA: Exempt
Recommendation: Approve

SUMMARY

As a result of the January 2025 windstorm event and the subsequent Eaton Fire, the northern hillsides of the City sustained significant wildfire damage. The fire scarred and destabilized the slopes, resulting in the accumulation of soil, burned vegetation, and other debris. To mitigate debris-laden runoff impacting nearby residents and public infrastructure, the Public Works Services Department ("PWSD") conducted cleanup operations in the affected areas and transported the collected material to the Peck and Live Oak Well sites for temporary storage.

The accumulated debris at these locations has reached capacity and must now be removed and properly disposed of. Utilizing Sourcewell, a nationally recognized cooperative purchasing program, enables the City to streamline the procurement process, ensure competitive pricing, and expedite the delivery of debris removal services.

Accordingly, it is recommended that the City Council approve, authorize, and direct the City Manager to execute a contract with Horizons Construction Co. Int'l Inc. for the Debris Removal Project in the amount of \$399,898.

BACKGROUND

As a result of the January 2025 Windstorm Event and the subsequent Eaton Fire, the northern hillsides of the City sustained significant wildfire damage. The fire scarred and destabilized the slopes, resulting in the uncontrolled movement of soil, burned vegetation, and other debris into the debris basins located at 2273 Highland Vista Drive and 2225 Canyon Road. These engineered basins, designed to capture and contain debris-laden runoff, reached their storage capacity due to the volume of material generated by the wildfire.

To prevent debris from impacting adjacent properties and public infrastructure, the accumulated material was transported from the debris basins to the Peck Well and Live Oak Well sites for temporary stockpiling. The debris stored at these locations now requires removal and proper disposal.

DISCUSSION

The Debris Removal Project consists of the excavation, removal, and proper disposal of approximately 1,350 cubic yards of soil from the Peck Well site and approximately 2,600 cubic yards from the Live Oak Well site. The excavated material will be hauled, transported, sorted, and disposed of at an approved facility in compliance with all applicable environmental regulations. Upon completion of the debris removal, the contractor will perform rough grading at both sites to restore proper drainage and maintain site stability.

Completion of the project will restore operational capacity at both facilities. The Live Oak Well site will provide adequate space for Public Works maintenance and operations equipment, while the Peck Well site will be cleared to accommodate the installation of water quality treatment vessels planned as part of the Fiscal Year 2026–27 Capital Improvement Program.

Utilizing Sourcewell, a nationally recognized cooperative purchasing program, allows the City to streamline the procurement process while obtaining competitively priced debris removal services without conducting a separate formal bid process. California Government Code authorizes public agencies to participate in cooperative purchasing agreements, such as those established by Sourcewell, provided the procurement complies with the agency's adopted purchasing policies and procedures. Sourcewell competitively awarded a construction services contract,

which includes debris removal services, to Horizons Construction Co. Int'l Inc. Staff have reviewed the Sourcewell contract and determined that it satisfies the City's procurement requirements and provides the best value for the requested services.

ENVIRONMENTAL ANALYSIS

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

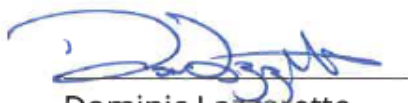
FISCAL IMPACT

Funds in the amount of \$400,000 have been budgeted in the Fiscal Year 2026-2027 Capital Improvement Program for the Debris Removal Project. The total Cost for this project is \$399,898.

RECOMMENDATION

It is recommended that the City Council determine that this project is exempt under the California Environmental Quality Act ("CEQA"); and approve, authorize, and direct the City Manager to execute a contract with Horizons Construction Co. Int'l Inc. for the Debris Removal Project in the amount of \$399,898.

Approved:



Dominic Lazzaretto
City Manager

Attachments: Proposed Construction Contract
Sourcewell Contract

**CITY OF ARCADIA
CONSTRUCTION CONTRACT
DEBRIS REMOVAL PROJECT AT
LIVE OAK WELL AND PECK WELL SITES**

1. PARTIES AND DATE.

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

2. RECITALS.

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

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

2.3 Project. City desires to engage Contractor to render such services for the **Debris Removal Project at Live Oak Well and Peck Well Sites** ("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 **Sixty (60) 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 **THREE HUNDRED NINETY-NINE THOUSAND, EIGHT HUNDRED NINETY-EIGHT DOLLARS AND NO CENTS (\$399,898.00)** ("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 reinstitution of equipment and materials necessary to gain access, shall be the sole responsibility of Contractor. All warranties and guarantees of subcontractors, suppliers and manufacturers with respect to any portion of the Work, whether express or implied, are deemed to be obtained by

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

3.16 Employee/Labor Certifications.

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

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

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

3.17 General Provisions.

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

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

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

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

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

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

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

CONTRACTOR:

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

CITY:

City of Arcadia
11800 Goldring Road
Arcadia, California 91006
Attn: Leo Martin, Projects Manager

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

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

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

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

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

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

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

3.17.13 [Reserved]

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

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

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

3.17.16 Certification of License.

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

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

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

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

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

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

[SIGNATURES ON NEXT PAGE]

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

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

CITY OF ARCADIA

HORIZONS CONSTRUCTION CO. INT'L, INC.

By: _____
Dominic Lazaretto
City Manager

By: _____

Its: _____

Printed Name: _____

ATTEST:

By: _____

By: _____
City Clerk

Its: _____

Printed Name: _____

APPROVED AS TO FORM:

By: _____
Michael J. Maurer
City Attorney

EXHIBIT “A”

SERVICES / SCHEDULE

The project plan and proposal Work Order Number 157903.00 are incorporated into this Contract. (see attachment “A”).

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



Work Order Signature Document

EZIQC Contract No.: CA-R8-GB-101723-HRZ

☒

New Work Order



Modify an Existing Work Order

Work Order Number.: 157903.00

Work Order Date: 07/22/2026

Work Order Title: Arcadia - Soil Removal

Owner Name: City of Arcadia Public Works Services Dept

Contractor Name: Horizons Construction Co. Int'l, Inc.

Contact: Leonel Martin

Contact: Kinan Kotrash

Phone: (626) 254-2707

Phone: (714) 626-0000

Work to be Performed

Work to be performed as per the Final Detailed Scope of Work Attached and as per the terms and conditions of Sourcewell EZIQC Contract No CA-R8-GB-101723-HRZ.

Brief Work Order Description:

Soil removal from two sites: Peck Well - 5715 N. Peck Road and Live Oak Well - 618 E. Live Oak Ave

Time of Performance

Estimated Start Date:

Estimated Completion Date:

Liquidated Damages

Will apply:



Will not apply:



Work Order Firm Fixed Price: \$399,898.00

Owner Purchase Order Number:

Approvals

City of Arcadia Public Works Services Department Date

Horizons Construction Co. Int'l, Inc. Date

Detailed Scope of Work

To: Kinan Kotrash
Horizons Construction Co. Int'l, Inc.
432 W. Meats Ave.
Orange, CA 92865
(714) 626-0000

From: Leonel Martin
c
11800 Goldring Rd.
Arcadia, CA 91066
(626) 254-2707

Date Printed: July 22, 2026

Work Order Number: 157903.00

Work Order Title: Arcadia - Soil Removal

Brief Scope: Soil removal from two sites: Peck Well - 5715 N. Peck Road and Live Oak Well -
618 E. Live Oak Ave

☐

Preliminary

☐

Revised

☒Final

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

Scope of Work**Project Title:**

157903.00 - Arcadia - Soil Removal

Project Location:

- Peck Well is 5715 N. Peck Road
- Live Oak Well is 618 E. Live Oak Ave

Project Description:

The City of Arcadia – Soil Cleanup Project involves the removal and proper disposal of soil from 3 locations in the City of Arcadia. The project will include the sorting of dirt and debris, temporary fencing and erosion control, traffic management, and site restoration through rough grading.

Scope of Services:

1. Soil Excavation and Sorting:
 - Excavation and sorting of approximately:
 1. 1,350 Cy at Peck Well
 2. 2,600 Cy at Live Oak Well
 - Sorting of dirt and debris to ensure separation before hauling.
2. Hauling and Disposal:
 - Transportation of sorted soil to an approved Clean Dirt Only facility.
 - Coordination with disposal facilities to ensure compliance with environmental regulations.
3. Site Restoration:
 - Rough grading of both sites after the removal of soil to ensure proper drainage and stability.

Exclusions:

- Removal, handling, or disposal of hazardous or contaminated materials, including asbestos and lead.

Detailed Scope of Work Continues..

Work Order Number: 157903.00
Work Order Title: Arcadia - Soil Removal

- Export or disposal of foundation or concrete materials.

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

_____	_____
Horizons Construction Co. Int'l, Inc.	Date

_____	_____
City of Arcadia Public Works Services Department	Date

Contractor's Price Proposal - Summary

Date:	July 22, 2026	
Re:	IQC Master Contract #:	CA-R8-GB-101723-HRZ
	Work Order #:	157903.00
	Owner PO #:	
	Title:	Arcadia - Soil Removal
	Contractor:	Horizons Construction Co. Int'l, Inc.
	Proposal Value:	\$399,898.00

Live Oak Well	\$317,050.97
Peck Well	\$203,653.66
Section - 01	-\$120,806.63
Proposal Total	\$399,898.00

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: July 22, 2026

Re: IQC Master Contract #: CA-R8-GB-101723-HRZ
 Work Order #: 157903.00
 Owner PO #:
 Title: Arcadia - Soil Removal
 Contractor: Horizons Construction Co. Int'l, Inc.
 Proposal Value: \$399,898.00

Sect.	Item	Mod.	UOM	Description	Line Total
Labor	Equip.	Material	(Excludes)		
Live Oak Well					
1	01 22 23 00 0371		MO	2 To 2-3/8 CY Hydraulic Excavator With Full-Time Operator	\$76,437.56
				Installation	
				Quantity 2.00 x Unit Price 37,105.61 x Factor 1.0300 = Total 76,437.56	
				Hydraulic Excavator for 2 months to Load the Dump Trucks for 618 E. Live Oak Ave	
2	01 22 23 00 0371 0069			For Equipment Without Operator, Deduct	-\$9,428.04
				Installation	
				Quantity 0.40 x Unit Price -22,883.59 x Factor 1.0300 = Total -9,428.04	
3	01 22 23 00 0452		MO	4-1/2 CY, 215 HP, Heavy-Duty Construction Loader With Full-Time Operator	\$64,475.10
				Installation	
				Quantity 2.00 x Unit Price 31,298.59 x Factor 1.0300 = Total 64,475.10	
				Heavy Duty Construction Loader for 2 Months for Removal of Dirt, Debris, and Stock Piling for Excavator for 618 E. Live Oak Ave	
4	01 22 23 00 0452 0069			For Equipment Without Operator, Deduct	-\$11,785.05
				Installation	
				Quantity 0.50 x Unit Price -22,883.59 x Factor 1.0300 = Total -11,785.05	
5	01 22 23 00 1632		MO	12 To 14 CY Rear Dump Truck With Full-Time Truck Driver	\$46,429.91
				Installation	
				Quantity 1.75 x Unit Price 25,758.62 x Factor 1.0300 = Total 46,429.91	
				Dump Truck for 2 Months for Haul off Dirt off Site	
				2700 CY / 13 CY = 208 Trucks	
				208 / 6 Truck Loads a Day = 34days	
				1.75 Months for the 618 E. Live Oak Ave	
6	01 22 23 00 1632 0042		MOD	For Equipment Without Operator, Deduct	-\$8,928.87
				Installation	
				Quantity 0.50 x Unit Price -17,337.62 x Factor 1.0300 = Total -8,928.87	
7	01 71 13 00 0004		EA	First 25 Miles, Equipment Delivery, Pickup, Mobilization And Demobilization Using A Tractor Trailer With Up To 53' BedIncludes loading, tie-down of equipment, delivery of equipment, off loading on site, rigging, dismantling, loading for return and transporting away. For equipment such as bulldozers, motor scrapers, hydraulic excavators, gradalls, road graders, loader-backhoes, heavy-duty construction loaders, tractors, pavers, rollers, bridge finishers, straight mast construction forklifts, telescoping boom rough terrain construction forklifts, telescoping and articulating boom man lifts with >40' boom lengths, etc.	\$3,151.74
				Installation	
				Quantity 2.00 x Unit Price 1,529.97 x Factor 1.0300 = Total 3,151.74	
				Delivery and Pick up for the Excavator and Loader Backhoe at 618 E. Live Oak Ave	

Contractor's Price Proposal - Detail Continues..

Work Order Number: 157903.00
Work Order Title: Arcadia - Soil Removal

Live Oak Well

8	01 74 19 00 0031	CY	Drop-Off Dirt At Recycling Center						\$146,727.62
			Quantity	Unit Price	Factor	=	Total		
		Installation	2,600.00 x	54.79 x	1.0300	=	146,727.62		
			Dispose of Dirt Removed from Site at						
			2600 CY (618 E. Live Oak Ave)						
9	02 41 16 13 0023	CCF	Sorting Of Material Debris For Recycling Prior To Hauling Off						\$8,307.96
			Quantity	Unit Price	Factor	=	Total		
		Installation	702.00 x	11.49 x	1.0300	=	8,307.96		
			Sorting of Dirt Material Containing Trash and Other Debris when Taking Dirt to Clean Dirt Only Facility for 618 E. Live Oak Ave						
			2600 CY x 27 (CY/CF) = 70,200 CF						
			70,200 CF / 100 = 702 CCF						
10	02 41 16 13 0023 0005		For >500 To 1,000, Add						\$1,663.04
			Quantity	Unit Price	Factor	=	Total		
		Installation	702.00 x	2.30 x	1.0300	=	1,663.04		

Subtotal for Live Oak Well

\$317,050.97

Peck Well

11	01 22 23 00 0371	MO	2 To 2-3/8 CY Hydraulic Excavator With Full-Time Operator						\$76,437.56
			Quantity	Unit Price	Factor	=	Total		
		Installation	2.00 x	37,105.61 x	1.0300	=	76,437.56		
			Hydraulic Excavator for 2 months to Load the Dump Trucks.						
			1 Months for the 5715 N. Peck Road						
12	01 22 23 00 0371 0069		For Equipment Without Operator, Deduct						-\$9,428.04
			Quantity	Unit Price	Factor	=	Total		
		Installation	0.40 x	-22,883.59 x	1.0300	=	-9,428.04		
13	01 22 23 00 0452	MO	4-1/2 CY, 215 HP, Heavy-Duty Construction Loader With Full-Time Operator						\$32,237.55
			Quantity	Unit Price	Factor	=	Total		
		Installation	1.00 x	31,298.59 x	1.0300	=	32,237.55		
			Heavy Duty Construction Loader for 1 Months for Removal of Dirt, Debris, and Stock Piling for Excavator.						
			1 Months for the 5715 N. Peck Road						
14	01 22 23 00 0452 0069		For Equipment Without Operator, Deduct						-\$7,071.03
			Quantity	Unit Price	Factor	=	Total		
		Installation	0.30 x	-22,883.59 x	1.0300	=	-7,071.03		
15	01 22 23 00 1632	MO	12 To 14 CY Rear Dump Truck With Full-Time Truck Driver						\$26,531.38
			Quantity	Unit Price	Factor	=	Total		
		Installation	1.00 x	25,758.62 x	1.0300	=	26,531.38		
			Dump Truck for 2 Months for Haul off Dirt off Site						
			1350 CY / 13 CY = 194.61 = 104 Truck Loads						
			104/ 6 Truck Loads a Day = 18 days						
			1 Month for the 5715 N. Peck Road						

Contractor's Price Proposal - Detail Continues..

Work Order Number: 157903.00
Work Order Title: Arcadia - Soil Removal

Peck Well

16	01 71 13 00 0004	EA	First 25 Miles, Equipment Delivery, Pickup, Mobilization And Demobilization Using A Tractor Trailer With Up To 53' BedIncludes loading, tie-down of equipment, delivery of equipment, off loading on site, rigging, dismantling, loading for return and transporting away. For equipment such as bulldozers, motor scrapers, hydraulic excavators, gradalls, road graders, loader-backhoes, heavy-duty construction loaders, tractors, pavers, rollers, bridge finishers, straight mast construction forklifts, telescoping boom rough terrain construction forklifts, telescoping and articulating boom man lifts with >40' boom lengths, etc.						\$3,151.74
			Installation	Quantity		Unit Price		Factor	Total
				2.00	x	1,529.97	x	1.0300	3,151.74
			Delivery and Pick up for the Excavator and Loader Backhoe at 5715 N. Peck Road						
17	01 74 19 00 0031	CY	Drop-Off Dirt At Recycling Center						\$76,185.50
			Installation	Quantity		Unit Price		Factor	Total
				1,350.00	x	54.79	x	1.0300	76,185.50
			Dispose of Dirt Removed from Site at 5715 N. Peck Road approximately 1350 CY						
			2530 CY (2225 Canyon Rd)						
18	02 41 16 13 0023	CCF	Sorting Of Material Debris For Recycling Prior To Hauling Off						\$4,313.75
			Installation	Quantity		Unit Price		Factor	Total
				364.50	x	11.49	x	1.0300	4,313.75
			Sorting of Dirt Material Containing Trash and Other Debris when Taking Dirt to Clean Dirt Only Facility for 5715 N. Peck Road						
			1350 CY x 27 (CY/CF) = 36,450 CF						
			36,450 CF / 100 = 364.5 CCF						
19	02 41 16 13 0023 0004	MOD	For Up To 500, Add						\$1,295.25
			Installation	Quantity		Unit Price		Factor	Total
				364.50	x	3.45	x	1.0300	1,295.25
Subtotal for Peck Well									\$203,653.66
Section - 01									
20	01 22 16 00 0002	EA	Reimbursable FeesReimbursable 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.						-\$129,415.00
			Installation	Quantity		Unit Price		Factor	Total
				-117,650.00	x	1.00	x	1.1000	-129,415.00
			City of Arcadia Discount						
21	01 22 16 00 0002	EA	Reimbursable FeesReimbursable 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.						\$8,608.37
			Installation	Quantity		Unit Price		Factor	Total
				7,825.79	x	1.00	x	1.1000	8,608.37
			Bond and Insurance 2 %						
			\$391,289.63 x 0.02 = \$7,825.79						
Subtotal for Section - 01									-\$120,806.63

Contractor's Price Proposal - Detail Continues..

Work Order Number: 157903.00
Work Order Title: Arcadia - Soil Removal

Proposal Total	\$399,898.00
----------------	--------------

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: %

EXHIBIT “B”

PLANS AND SPECIFICATIONS

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

EXHIBIT “C”

SPECIAL CONDITIONS

ARTICLE 1. BONDS

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

EXHIBIT "D"

**CERTIFICATION
LABOR CODE - SECTION 1861**

I, the undersigned Contractor, am aware of the provisions of Section 3700, et seq., of the California Labor Code which require every employer to be insured against liability for Worker's Compensation or to undertake self-insurance in accordance with the provisions of the Code, and I, the undersigned Contractor, agree to and will comply with such provisions before commencing the performance of the Work on this Contract.

HORIZONS CONSTRUCTION CO. INT'L, INC.

By: _____
Signature

Name (Print)

Title (Print)

EXHIBIT “E”

PUBLIC WORKS CONTRACTOR REGISTRATION CERTIFICATION

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

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

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

Name of Contractor:_____

DIR Registration Number:_____

DIR Registration Expiration:_____

Small Project Exemption: ____ Yes or ____ No

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

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

Name of Contractor_____

Signature_____

Name and Title_____

Dated_____

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

EXHIBIT “F”

PAYMENT AND PERFORMANCE BONDS

PERFORMANCE BOND

KNOW ALL PERSONS BY THESE PRESENTS:

THAT WHEREAS, the City of Arcadia (hereinafter referred to as "City") has awarded to **Horizons Construction Co. Int'l, Inc.**, (hereinafter referred to as the "Contractor") an agreement for **Debris Removal Project at Live Oak and Peck Well Sites / 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 **THREE HUNDRED NINETY-NINE THOUSAND, EIGHT HUNDRED NINETY-EIGHT DOLLARS AND NO CENTS (\$399,898.00)**, 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-year guarantee of all materials and workmanship; and shall indemnify and save harmless the City, its officers and agents, as stipulated in said Contract Documents, then this obligation shall become null and void; otherwise it shall be and remain in full force and effect.

As a condition precedent to the satisfactory completion of the Contract Documents, unless otherwise provided for in the Contract Documents, the above obligation shall hold good for a period of one (1) year after the acceptance of the work by City, during which time if Contractor shall fail to make full, complete, and satisfactory repair and replacements and totally protect the City from loss or damage resulting from or caused by defective materials or faulty workmanship, Surety shall undertake and faithfully fulfill all such obligations. The obligations of Surety hereunder shall continue so long as any obligation of Contractor remains. Nothing herein shall limit the City's rights or the Contractor or Surety's obligations under the Contract, law or equity, including, but not limited to, California Code of Civil Procedure section 337.15.

Whenever Contractor shall be, and is declared by the City to be, in default under the Contract Documents, the Surety shall remedy the default pursuant to the Contract Documents, or shall promptly, at the City's option:

- (1) Take over and complete the Project in accordance with all terms and conditions in the Contract Documents; or
- (2) Obtain a bid or bids for completing the Project in accordance with all terms and conditions in the Contract Documents and upon determination by Surety of the lowest responsive and responsible bidder, arrange for a Contract between such bidder, the Surety and the City, and make available as work progresses sufficient funds to pay the cost of completion of the Project, less the balance of the contract price, including other costs and damages for which Surety may be liable. The term "balance of the contract price" as used in this paragraph shall mean the total amount payable to Contractor by the City under the Contract and any modification thereto, less any amount previously paid by the City to the Contractor and any other set offs pursuant to the Contract Documents.
- (3) Permit the City to complete the Project in any manner consistent with local, California and federal law and make available as work progresses sufficient funds to pay the cost of completion of the Project, less the balance of the contract price, including other costs and damages for which Surety may be liable. The term "balance of the contract price" as used in this paragraph shall mean the total amount payable to Contractor by the City under the Contract and any modification thereto, less any amount previously paid by the City to the Contractor and any other set offs pursuant to the Contract Documents.

Surety expressly agrees that the City may reject any contractor or subcontractor which may be proposed by Surety in fulfillment of its obligations in the event of default by the Contractor.

Surety shall not utilize Contractor in completing the Project nor shall Surety accept a bid from Contractor for completion of the Project if the City, when declaring the Contractor in default, notifies Surety of the City's objection to Contractor's further participation in the completion of the Project.

The Surety, for value received, hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of the Contract Documents or to the Project to be performed thereunder shall in any way affect its obligations on this bond, and it does hereby waive notice of any such change, extension of time, alteration or addition to the terms of the Contract Documents or to the Project, including but not limited to the provisions of sections 2819 and 2845 of the California Civil Code.

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

(Corporate Seal)

Contractor/ Principal

By _____

Title _____

(Corporate Seal)

Surety

By _____
Attorney-in-Fact

Signatures of those signing for the Contractor and Surety must be notarized and evidence of corporate authority attached.

(Attach Attorney-in-Fact Certificate) Title _____

The rate of premium on this bond is _____ per thousand. The total amount of premium charges, \$_____.
(The above must be filled in by corporate attorney.)

THIS IS A REQUIRED FORM

Any claims under this bond may be addressed to:

(Name and Address of Surety) _____

(Name and Address of Agent or Representative for service of process in California, if different from above) _____

(Telephone number of Surety and Agent or Representative for service of process in California) _____

NOTE: A copy of the Power-of-Attorney authorizing the person signing on behalf of the Surety to do so must be attached hereto.

Notary Acknowledgment

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

STATE OF CALIFORNIA
COUNTY OF _____

On _____, 20____, before me, _____, Notary Public, personally
appeared _____, who proved to me on the basis of satisfactory

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

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

WITNESS my hand and official seal.

Signature of Notary Public

OPTIONAL

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

CAPACITY CLAIMED BY SIGNER

DESCRIPTION OF ATTACHED DOCUMENT

- ☐ Individual
☐ Corporate Officer

Title(s)

- ☐ 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

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 **August 18, 2026**, has awarded to **Horizons Construction Co. Int'l, Inc.** hereinafter designated as the "Principal," a contract for the work described as follows: **Debris Removal Project for Live Oak Well and Peck Well Sites / 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 **THREE HUNDRED NINETY-NINE THOUSAND, EIGHT HUNDRED NINETY-EIGHT DOLLARS AND NO CENTS (\$399,898.00)** 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 Section 9100 of the Civil Code, fail to pay for any materials, provisions or other supplies, used in, upon, for or about the performance of the work contracted to be done, or for any work or labor thereon of any kind, or amounts due under the Unemployment Insurance Code with respect to work or labor performed under the contract, or for any amounts required to be deducted, withheld, and paid over to the Employment Development Department or Franchise Tax Board from the wages of employees of the contractor and his subcontractors pursuant to Section 18663 of the Revenue and Taxation Code, with respect to such work and labor the Surety or Sureties will pay for the same, in an amount not exceeding the sum herein above specified.

This bond shall inure to the benefit of any of the persons named in Section 9100 of the Civil Code so as to give a right of action to such persons or their assigns in any suit brought upon this bond.

It is further stipulated and agreed that the Surety on this bond shall not be exonerated or released from the obligation of this bond by any change, extension of time for performance, addition, alteration or modification in, to, or of any contract, plans, specifications, or agreement pertaining or relating to any scheme or work of improvement herein above described, or pertaining or relating to the furnishing of labor, materials, or equipment therefore, nor by any change or modification of any terms of payment or extension of the time for any payment pertaining or relating to any scheme or work of improvement herein above described, nor by any rescission or attempted rescission of the contract, agreement or bond, nor by any conditions precedent or subsequent in the bond attempting

to limit the right of recovery of claimants otherwise entitled to recover under any such contract or agreement or under the bond, nor by any fraud practiced by any person other than the claimant seeking to recover on the bond and that this bond be construed most strongly against the Surety and in favor of all persons for whose benefit such bond is given, and under no circumstances shall Surety be released from liability to those for whose benefit such bond has been given, by reason of any breach of contract between the owner or City and original contractor or on the part of any obligee named in such bond, but the sole conditions of recovery shall be that claimant is a person described in Section 9100 of the Civil Code, and has not been paid the full amount of his claim and that Surety does hereby waive notice of any such change, extension of time, addition, alteration or modification herein mentioned and the provisions of sections 2819 and 2845 of the California Civil Code.

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

(Corporate Seal)

Contractor/ Principal

By _____

Title _____

(Corporate Seal)

Surety

By _____

Attorney-in-Fact

Title _____

Signatures of those signing for the Contractor and Surety must be notarized and evidence of corporate authority attached. A Power-of-Attorney authorizing the person signing on behalf of the Surety to do so must be attached hereto.

NOTE: A copy of the Power-of-Attorney authorizing the person signing on behalf of the Surety to do so must be attached hereto.

Notary Acknowledgment

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

STATE OF CALIFORNIA

COUNTY OF _____

On _____, 20____, before me, _____, Notary Public, personally

appeared _____, who proved to me on the basis of satisfactory

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

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

WITNESS my hand and official seal.

Signature of Notary Public

OPTIONAL

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

CAPACITY CLAIMED BY SIGNER

DESCRIPTION OF ATTACHED DOCUMENT

☐ Individual

☐ Corporate Officer

Title(s)

Title or Type of Document

☐ Partner(s)

☐ Limited

☐ General

Number of Pages

☐ Attorney-In-Fact

☐ Trustee(s)

☐ Guardian/Conservator

☐ Other:

Date of Document

Signer is representing:

Name Of Person(s) Or Entity(ies)

Signer(s) Other Than Named Above

EXHIBIT “G”

FEDERAL REQUIREMENTS

Not Applicable.



Indefinite Delivery-Indefinite Quantity Construction Contract

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

Service Type: General Building

This Indefinite Delivery-Indefinite Quantity Construction Contract (Contract) is between **Sourcewell**, 202 12th Street Northeast, P.O. Box 219, Staples, MN 56479 and **Horizons Construction Company Int'l Inc., 432 W Meats Avenue, Orange , California 92865** (Contractor).

Sourcewell is a State of Minnesota local government agency and service cooperative created under the laws of the State of Minnesota (Minnesota Statutes Section 123A.21) that offers cooperative procurement solutions to government entities. Participation is open to federal, state and municipal governmental entities, K-12 and higher education entities, nonprofit entities, tribal governments, and other public entities located within the United States.

The Contractor desires to contract with Sourcewell to provide construction services to entities that access Sourcewell's indefinite delivery-indefinite quantity (IDIQ) construction contracts within the Service Region.

I. TERM OF CONTRACT

A. EFFECTIVE DATE. This Contract, including the General Terms and Conditions incorporated by reference, is effective upon the later of December 6, 2023 or the date of the final signature below.

B. EXPIRATION DATE AND EXTENSION. This Contract expires **December 5, 2024**, unless it is terminated sooner pursuant to Article XX of the General Terms and Conditions, which are incorporated into this Contract by reference. This Contract allows up to five additional one-year extensions upon the request of Sourcewell and written agreement with Contractor. Sourcewell retains the right to consider additional extensions beyond six years as required under exceptional circumstances.

II. REGION AND SERVICES

The Contractor's Region is: Region 8. The Contractor's IDIQ construction service type is: General Building. The Contractor **has** agreed to perform work outside the Region.

III. ADJUSTMENT FACTORS

The Contractor will perform any or all Tasks in the Construction Task Catalog for the Unit Price appearing therein multiplied by the following Adjustment Factors. See the General Terms and Conditions for additional information.

A. **Normal Working Hours – Prevailing Wage Rate Projects**: Work performed from 7:00 a.m. until 4:00 p.m. Monday to Friday, except Holidays. The Contractor will perform Tasks during Normal Working Hours for the Unit Price set forth in the CTC multiplied by the Adjustment Factor of: 1.0300.

B. Other Than Normal Working Hours – Prevailing Wage Rate Projects: Work performed from 4:00 p.m. to 7:00 a.m. Monday to Friday, and any time Saturday, Sunday and Holidays. The Contractor will perform Tasks during Other Than Normal Working Hours for the Unit Price set forth in the CTC multiplied by the Adjustment Factor of: 1.0700.

C. Secured Facilities/OSHPD Prevailing - Wage Rate Projects: Work performed from 7:00 a.m. until 4:00 p.m. Monday to Friday, except Holidays. The Contractor will perform Tasks during Normal Working Hours for the Unit Price set forth in the CTC multiplied by the Adjustment Factor of: 1.0700.

D. All Union Wage Projects: Work performed from 7:00 a.m. until 4:00 p.m. Monday to Friday, except Holidays. The Contractor will perform Tasks during Normal Working Hours for the Unit Price set forth in the CTC multiplied by the Adjustment Factor of: 1.0700.

E. Non pre-priced Adjustment Factor: To be applied to Work determined not to be included in the CTC but within the general scope of the work: 1.1500.

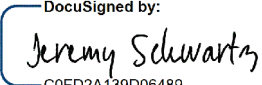
VI. AUTHORIZED REPRESENTATIVE

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

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

Sourcewell

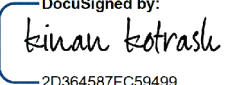
Horizons Construction Company Int'l Inc.

DocuSigned by:

 By: _____
 C0FD2A139D06489...

Jeremy Schwartz

Title: Chief Procurement Officer

Date: 12/1/2023 | 2:54 PM CST

DocuSigned by:

 By: _____
 2D364587FC59499...

Kinan Kotrash

Title: Vice President

Date: 12/1/2023 | 10:32 AM PST

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

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

Sourcewell and Horizons Construction Company Int'l Inc. ("Contractor") have entered into an Indefinite Delivery-Indefinite Quantity Construction Contract, Contract Number **CA-R8-GB-101723-HRZ**, with an initial term ending December 5, 2024, and five bilateral options to extend for an additional one-year term ("Contract"). The parties agree to modify and extend the Contract as stated below.

CONTRACT MODIFICATION

The following is adopted as the new CTC for the Contract effective December 6, 2024:

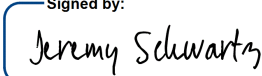
[Sourcewell California - Region 8](#)

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

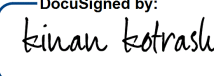
EXERCISE OF OPTION: EXTENSION

Contractor and Sourcewell hereby desire and agree to extend the Contract, with the above modification, for the period of December 6, 2024 through December 5, 2025.

Sourcewell

Signed by:

By: C0ED2A139D06489
Jeremy Schwartz
Title: Chief Procurement Officer
Date: 11/15/2024 | 6:11 PM CST

Horizons Construction Company Int'l Inc.

DocuSigned by:

By: 2D364587EC59499
Kinan Kotrash
Title: Vice President
Date: 11/15/2024 | 10:09 AM PST

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

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

Sourcewell and Horizons Construction Company Int'l Inc. ("Contractor") have entered into an Indefinite Quantity Construction Contract, Contract Number CA-R8-GB-101723-HRZ with an initial term ending December 5, 2024, and five bilateral options to extend for an additional one-year term ("Contract"). This contract has previously been extended by the parties for the term ending December 5, 2025. The parties agree to modify and extend the Contract as stated below.

CONTRACT MODIFICATION

The updated CTC will appear in the eGordian software upon receipt of the executed extension document.

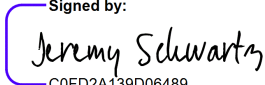
Pursuant to the Contract, Contractor's Adjustment Factors remain fixed for the duration of the contract term and are unaffected by this modification.

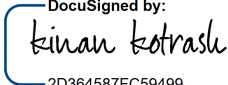
EXERCISE OF OPTION: EXTENSION

Contractor and Sourcewell hereby desire and agree to extend the Contract, with the above modification, for the period of December 6, 2025 through December 5, 2026.

Sourcewell

Horizons Construction Company Int'l Inc.

Signed by:

By: C0FD2A139D06489...
Jeremy Schwartz
Title: Chief Procurement Officer

DocuSigned by:

By: 2D364587FC59499...
Kinan Kotrash
Title: Vice President

Date: 10/29/2025 | 2:27 PM CDT

Date: 10/29/2025 | 11:59 AM PDT



CITY OF ARCADIA

STAFF REPORT

PUBLIC WORKS SERVICES DEPARTMENT

DATE: August 18, 2026

TO: Honorable Mayor and City Council

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

SUBJECT: PURCHASE ORDER WITH CALGON CARBON CORPORATION FOR CARBON EXCHANGE SERVICES FOR THE LIVE OAK GRANULAR ACTIVATED CARBON ("GAC") TREATMENT SYSTEM IN THE AMOUNT OF \$202,400

CEQA: Exempt

Recommendation: Approve

SUMMARY

The Public Works Services Department ("PWSD") is responsible for the daily operation of the City's water wells and the distribution of safe drinking water to the community. In July 2021, the City began operating the Live Oak Granular Activated Carbon ("GAC") Treatment System to remove identified contaminants from the Live Oak Well aquifer. The GAC treatment system uses granular activated carbon to remove perfluorooctanesulfonic acid ("PFOS") and other per- and polyfluoroalkyl substances ("PFAS") through an adsorption process.

In accordance with the State Water Resources Control Board ("SWRCB") operating permit, the granular activated carbon media must be replaced when its treatment effectiveness declines to ensure continued compliance with drinking water quality standards. The spent carbon media must then be properly removed and disposed of. Because Calgon Carbon Corporation designed and installed the Live Oak GAC Treatment System, the company is uniquely qualified to perform the carbon exchange services required for the specialized treatment equipment.

Therefore, it is recommended that the City Council approve a Purchase Order with Calgon Carbon Corporation for carbon exchange services for the Live Oak GAC Treatment System in the amount of \$202,400.

BACKGROUND

The PWSD operates the City's water distribution system, providing potable water service to more than 56,000 residents through approximately 14,000 service connections. Groundwater wells serve as the City's primary source of water supply. To ensure compliance with state and federal drinking water standards, water quality is monitored through routine sampling and testing.

In October 2018, routine water quality testing at the Live Oak Well detected the presence of per- and polyfluoroalkyl substances ("PFAS"), including perfluorooctanesulfonic acid ("PFOS"), which are regulated drinking water contaminants. As a result, the City determined that a treatment system was necessary to remove these contaminants and maintain compliance with applicable water quality standards.

On February 5, 2019, the City Council approved a Professional Services Agreement with Calgon Carbon Corporation for the design, construction, and installation of a GAC Treatment System at the Live Oak Well to treat PFAS contaminants.

DISCUSSION

In July 2021, the City began operating the Live Oak GAC Treatment System to remove per- and polyfluoroalkyl substances ("PFAS"), including perfluorooctanesulfonic acid ("PFOS"), from the Live Oak Well aquifer. The system uses granular activated carbon to remove these contaminants through an adsorption process. Over time, the carbon media becomes saturated and must be replaced to maintain treatment effectiveness. The spent carbon media is removed from service and transported off-site for incineration in accordance with applicable hazardous waste disposal requirements.

Based on contaminant levels identified in 2018, the GAC media was projected to require replacement approximately every 16 months. Since the system became operational, carbon exchange services have been performed on this schedule, and the system is now due for its next exchange. Continued operation of the Live Oak

Well is critical, as it is one of the City's highest-producing groundwater wells. In addition, the SWRCB operating permit requires the GAC media to be replaced once contaminant breakthrough occurs in the lead vessels to ensure continued compliance with drinking water standards.

Calgon Carbon Corporation was awarded the original contract to design, supply, and install the Live Oak GAC Treatment System. The carbon media and exchange services are proprietary to the installed treatment system and are specifically designed to meet the City's treatment requirements at the Live Oak Well. Accordingly, Calgon Carbon Corporation is uniquely qualified to perform the required carbon exchange services and meets the City's criteria for sole-source procurement.

ENVIRONMENTAL ANALYSIS

This project is categorically exempt from the California Environmental Quality Act ("CEQA") pursuant to Section 15301, Class 1 (Existing Facilities), specifically subsections (b) and (d), as it consists of the repair, maintenance, and replacement of components within an existing public utility facility to maintain compliance with current public health and safety standards.

FISCAL IMPACT

Funds in the amount of \$240,000 were budgeted in the Fiscal Year 2026–27 Water Operating Budget for carbon exchange services. The total cost of the proposed Purchase Order with Calgon Carbon Corporation is \$202,400, which is within the approved budget.

RECOMMENDATION

It is recommended that the City Council Determine that the project is categorically exempt under the California Environmental Quality Act ("CEQA"); and approve a Purchase Order with Calgon Carbon Corporation for carbon exchange services for the Live Oak Granular Activated Carbon ("GAC") Treatment System in the amount of \$202,400.

Purchase Order for Carbon Exchange Services

August 18, 2026

Page 4 of 4

Approved:



Dominic Lazzaretto
City Manager

Attachment: Calgon Carbon Corporation Quote



Activated Carbon Scope of Supply for City of Arcadia, CA – Live Oak Facility

Calgon Carbon Corporation

3000 GSK Drive,

Moon Township, PA 15108

Date: July 23rd, 2026

Contact: John Corona

Job Title: Utilities Manager

Email: jcorona@arcadiaca.gov

Product	Quantity	Unit Price	Total Price
Virgin Filtrasorb® 400 GAC	80,000 lbs.	\$2.51/lb.	\$200,800
Energy Surcharge	80,000 lbs.	\$0.02/lb.	\$1,600
Total			\$202,400

✓ Items Included

- Product: virgin Filtrasorb® 400
- Quantity: 80,000 lbs. (4- 20,000 lb. vessels)
- Scope: Removal of existing GAC media and installation of virgin Filtrasorb® 400
- All related labor and equipment (trucks, hoppers, hoses, etc.), except utilities detailed below.

✗ Items NOT Included

- Owner to provide clean water source for movement of GAC to and from filter via eduction
- Drain access for excess water from carbon transfer (water will be gray with carbon fines)
- Disinfection (if necessary) not included.
- Additional make up carbon over 20% (Filtrasorb® Rx only).
- Sales tax not included.



Schedule

- Delivery: 4-8 weeks after receipt of approved purchase order and after carbon acceptance testing has been completed.



Special Terms & Conditions

1. Unless otherwise noted, or until other Terms and Conditions are provided, this offer is made only under Calgon Carbon Corporation's Terms and Conditions for the Sale of Carbon and Media.
2. Effective April 6, 2026, Calgon Carbon will apply an energy surcharge of \$0.02 per pound on shipments, in addition to existing activated carbon pricing. The surcharge reflects increased fuel expenses, carrier-imposed fuel indices, and other energy-driven logistic costs. Official Press Release attached: <https://www.calgoncarbon.com/media/press-releases/2026-06-04/calgon-carbon-implements-u-s-energy-surge-amid-ongoing-fuel-and-logistics-cost-pressures/>
3. Scope of Supply/Pricing does not include any payment or performance bonds. Costs for any such bond (if necessary or requested by the buyer) will be added to the quoted pricing.
4. Upon acknowledgement of any purchase order, the buyer will be requested to complete a Credit Application and provide Tax Exemption Documentation.
5. The quoted price is valid for 90 days from the date of this Scope of Supply document.

For more information or to place an order, contact:

Bryan Rodriguez

Calgon Carbon Corporation - A Kuraray Company

Senior Technical Sales Rep - Drinking Water Solutions

bryan.rodriguez@kuraray.com

412-352-7612



[City of Arcadia, CA]

By: _____

Name: _____

Title: _____

Date: _____

Terms and Conditions for the Sale of Carbon and Media

1) DEFINITIONS:

- (a) Seller: Calgon Carbon Corporation or its applicable subsidiary or affiliate
- (b) Buyer: The buyer named in the Documentation
- (c) Documentation: The proposal, confirmation, acknowledgement or other contract, as applicable, for the sale of the Products to which these Terms and Conditions are attached
- (d) Goods: Any carbon cloth, carbon, resin, diatomaceous earth, and/or perlites sold pursuant to the terms of the Documentation
- (e) Products: The Goods and services, collectively, described in the Documentation
- (f) Agreement: The Documentation, these Terms and Conditions and any attachments referenced in the Documentation

2) GENERAL: Seller hereby offers for sale to Buyer the Products on the express condition that Buyer agrees to accept and be bound by the terms and conditions set forth herein. To the extent of a conflict between these Terms and Conditions and the express terms set forth in the Documentation, the terms set forth in the Documentation shall control. Any provisions contained in any document issued by Buyer are expressly rejected and if the terms and conditions set forth herein differ from the terms in any document issued by Buyer, this document shall be construed as a counter offer and shall not be effective as an acceptance of Buyer's document. In ordering and delivery of the Products, the parties may employ their standard forms; provided, however, that nothing in those forms shall be construed to modify or amend the terms of this Agreement. In the event of a conflict between this Agreement and either party's standard forms, this Agreement shall govern.

3) PRICE AND PAYMENT: The price shall be as stated in the Documentation. Unless otherwise stated in the Documentation: (a) The price is exclusive of any taxes, tariff, and duties of any kind which either party may be required to pay with respect to the sale of goods described in the Documentation, and Buyer shall be responsible for the payment of all taxes, tariffs and duties related hereto, except for income taxes imposed on Seller; (b) Sales tax will be added to the price based upon the Product destination unless tax exemption or direct pay documentation is provided; (c) Products will be billed for at the time of delivery; and (d) Payment terms shall be net thirty (30) days, or net forty-five (45) days if paid by Electronic Funds Transfer (EFT). A late payment fee of 1.25% per month, or the highest lawful rate, whichever is less, will apply to all amounts past due, and will be prorated per day. Retainage may only be applied on the final invoice. Buyer agrees that Seller, at its discretion, may accelerate and make due and payable all remaining payments if Buyer shall fail to perform any of its obligations hereunder or under the Documentation, including without limitation Buyer's failure to pay any amount when due, subject to any applicable cure periods provided for herein.

4) PRICING CONDITIONS:

(a) Unless otherwise indicated within the Documentation, all pricing quoted in connection with the Documentation is valid for purchase for a sixty (60) day period beginning with the date of the Documentation.

(b) If this Agreement shall continue into the next calendar year, the fees payable pursuant hereto will be adjusted on January 1st of such calendar year as outlined in the Documentation; provided that if the Documentation is silent, the mechanism set forth in Section 4(c) below will apply.

(c) If the Documentation is silent regarding the mechanism for adjustment of fees, the fees will be adjusted on January 1st of such calendar year by the annual percentage change in the combined average of two Producer Price Indices, as published by the United States Department of Labor: (i) Producer Price Index of other Petroleum and Coal Products Manufacturing, and (ii) Producer Price Index of Basic Organic Chemicals. The percent adjustment shall be calculated by taking the percent difference for each index during the twelve month period from January 1st through December 31st of the last completed calendar year as compared to the twelve month period from January 1st through December 31st of the calendar year immediately preceding the last completed calendar year. These two percentages will then be averaged for calculating the final percent increase to which all Goods will be subject. If the calculation would result in a negative adjustment, no changes shall be made for such year.

5) SALE AND DELIVERY: Sale terms and pricing, unless otherwise specified in the Documentation, are F.O.B. Seller's point of shipment (Incoterms® 2020). If freight is to be prepaid by Seller and added to the amount due, Seller shall add up to a thirty-five percent (35%) surcharge to the freight charges. Seller will have the right, at its election, to make partial shipments of the Products and to invoice each shipment separately. Seller reserves the right to stop delivery of

any Product in transit and to withhold shipments in whole or in part if Buyer fails to make any payment to Seller when due or otherwise fails to perform its obligations hereunder or under any other outstanding payment obligations of Buyer to Seller, whether related to the Documentation or otherwise.

6) TITLE AND RISK OF LOSS: Notwithstanding the trade terms indicated above and subject to Seller's right to stop delivery of any Goods in transit pursuant to Section 5 above, title to and risk of loss of the Goods will pass to Buyer upon delivery of the Goods by Seller to the carrier at Seller's point of shipment. Notwithstanding the foregoing or the provisions of the Uniform Commercial Code or Incoterms® 2020, if Buyer is located outside of the United States of America, title to the Goods, and all accessions to or products of the Goods, shall remain with Seller until the later of (a) payment in full of the purchase price and of other amounts owing by Buyer and (b) delivery to Buyer.

7) AVAILABILITY: Shipment dates (and delivery and installation dates, if included in the scope of work) are not guaranteed, and Seller will not be liable for any loss or damage resulting from any delay in delivery or failure to deliver which is due to any cause beyond Seller's reasonable control. In the event of a delay due to any cause beyond Seller's reasonable control, Seller reserves the right to reschedule the shipment within a reasonable period of time, and Buyer will not be entitled to refuse delivery or otherwise be relieved of any obligations as the result of such delay. If any delivery is delayed for more than thirty (30) days beyond the originally scheduled delivery date and such delay is caused by Buyer, Buyer will be subject to storage charges from the scheduled shipment date of two percent (2%) of the sale price per month; and such storage charge shall be due monthly on the first day of each month. Storage by Seller shall be at Buyer's risk and expense.

8) SERVICES:

(a) All orders which include services (including installation, supervision, startup, training, testing, etc.) as stated in the Documentation will require the completion of the Pre-Visit Checklist and Service Request Form prior to scheduling the visit. If there are delays, cancellations, or failures by Buyer to meet service personnel at designated times, then fees will be assessed to the customer at Seller's then-applicable per hour rate for each hour of delay for each person. For domestic or international travel, additional fees will apply.

(b) Buyer shall make the premises, where services are to be performed (the "Premises"), available to Seller at all reasonable times as Seller may request, such that Seller shall be able to perform the services in a timely manner. Buyer shall bear all risk and liability associated with its inability to make the Premises available to Seller to perform the services. Prior to the commencement of services, Buyer shall ensure that the Premises are in good repair and in safe condition, and shall notify Seller of any dangerous, unsafe or hazardous conditions associated with the Premises, such that Seller can take the appropriate safeguards. Prior to the commencement of any work, Buyer shall notify Seller of any special workplace requirements, safety standards, operating procedures or other conditions imposed on persons performing work at the Premises.

(c) Any spent activated carbon covered by this Agreement will be subjected to reactivation acceptance testing by Seller as described in Seller's Guidelines for Return for Reactivation of Granular Activated Carbon, which Seller may update from time to time in its sole discretion. Buyer will provide any information required by Seller relative to evaluating carbon acceptance. Seller reserves the right to reject any and all activated carbon if, in its judgment, it is unsuitable for reactivation. Further, Seller will periodically retest the spent activated carbon to assure it remains acceptable for reactivation and that it does not contain constituents that were not in the carbon acceptance sample and/or Adsorbate Profile Document. Seller reserves the right to apply a surcharge for reactivation of spent carbon with quality that creates excessive corrosion, slagging,

exothermic reactions, or other operational problems including lower furnace operating rates. If the spent activated carbon becomes unacceptable for reactivation, disposal of the carbon will be the responsibility of Buyer. Seller reserves the right to reactivate the spent carbon at any of its reactivation facilities where carbon acceptance exists.

9) PERMITS, LICENSES AND FEES: Buyer shall be responsible, at its sole expense, for all environmental permits, applications, regulatory approvals, and other permits or licenses that may be required for installation and/or operation of the Products.

10) TERMINATION: Seller may cancel this Agreement if any of the following occurs: (a) Buyer becomes insolvent; (b) Buyer ceases to conduct its operations in the normal course of business; (c) Buyer is unable to meet its obligations as they mature, or admit in writing such inability or fails to provide adequate assurances of its ability to perform its obligations hereunder; (d) Buyer files a voluntary petition in bankruptcy; (e) Buyer suffers the filing of an involuntary petition in bankruptcy and the same is not dismissed within thirty (30) days after filing; (f) a receiver, custodian or trustee is appointed for Buyer or for a substantial part of its property; (g) Buyer fails to make payment on the terms and within the time specified in this Agreement, or breaches any other obligations under this Agreement; or (h) Buyer executes an assignment for the benefit of its creditors. In the event of such cancellation, Seller shall have all rights and remedies set forth in the Uniform Commercial Code of any applicable jurisdiction and all other remedies available at law or in equity. Sections 2, 10, 11, 12, 14, 15, 16, 18, 19 and 20 shall survive termination or expiration of this Agreement.

11) LIMITED WARRANTIES:

(a) Unless otherwise specifically provided for in the Documentation, Seller warrants that all Products provided under this Agreement shall, at the time of delivery, conform to Seller's then-applicable specifications for such Products. Seller shall correct (by replacement of Goods or reperformance of services) any failure to conform to the foregoing warranty of which it is notified in writing within ninety (90) days from delivery. Any Goods removed in connection with such replacement may be reactivated or disposed of at Seller's sole discretion.

(b) THE OBLIGATIONS CREATED BY THIS WARRANTY TO REPAIR OR REPLACE DEFECTIVE GOODS OR TO PROVIDE CORRECTIVE SERVICES SHALL BE THE SOLE REMEDY OF BUYER IN THE EVENT OF DEFECTIVE GOODS OR SERVICES. THERE ARE NO WARRANTIES MADE WITH REGARD TO THE PRODUCTS OTHER THAN THOSE CONTAINED IN THIS SECTION. ALL OTHER WARRANTIES, EITHER EXPRESS OR IMPLIED, ARE HEREBY DISCLAIMED, INCLUDING, WITHOUT LIMITATION, THE WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE AND ALL WARRANTIES ARISING FROM COURSE OF DEALING OR USAGE OF TRADE.

(c) The sale of any Products pursuant to this Agreement does not include any license, express or implied, to practice any intellectual property owned or licensed by any third party. Buyer agrees not to use the Products for any patented use not set forth expressly in this Agreement, absent a separate license from the holder of such patent. Additionally, Buyer agrees not to resell or sublicense the use of Products for any use not expressly granted hereunder. Any warranty obligations do not apply to any specific use of the Products, application of the Products, modification of the Products, or combination of the Products with any product manufactured by any third party. Seller, except as noted herein, does not and will not warrant, indemnify, or in any other way share responsibility for Buyer's use, application, modification, or combination of the Products.

12) LIMITATION OF LIABILITY: Notwithstanding any provision to the contrary herein, except with respect to a breach of the confidentiality obligations set forth in Section 15 hereof, the parties hereto agree that in no event shall either party be liable to the other party for any indirect, special, consequential, incidental or punitive damages, or lost profits, as a result of a breach of any provision of this Agreement or for any other claim of any kind arising out of or relating to this Agreement, whether in contract, in tort or otherwise. Notwithstanding any provision to the contrary herein, for all losses, damages, liabilities or expenses (including attorney's fees and costs), whether for indemnity or negligence, including errors, omissions or other acts, or willful misconduct, or based in contract, warranty (including any costs and fees for repairing, replacing or re-

performing services or curing a breach hereof), or for any other cause of action (individually, a "Claim"; collectively, "Claims"), Seller's liability, including the liability of its insurers, employees, agents, directors, and officers and all other persons for whom Seller is legally responsible, shall not, to the maximum extent permitted by law, exceed in the cumulative aggregate with respect to all Claims arising out of or related to this Agreement, the lesser of (a) the total amount of compensation paid to Seller hereunder, and (b) One Million Dollars (\$1,000,000). All Claims of whatsoever nature shall be deemed waived unless made in writing within ninety (90) days of the occurrence giving rise to the Claim. Moreover, any failure of Buyer to notify Seller of unsatisfactory operation or any improper or unauthorized installation, maintenance, use, repair, or adjustment shall relieve Seller of any further responsibilities hereunder.

13) FORCE MAJEURE: Notwithstanding any provision to the contrary herein, Seller shall have no liability to Buyer or its affiliates, and shall have the right to suspend performance (including, without limitation, shipments) hereunder, in the event of war, riot, terrorism, accident, explosion, sabotage, flood, acts of God, fire, court order, strike, labor disturbance, work stoppage, national defense requirements, act of governmental authority, pandemic, epidemic, extraordinary failure of equipment or apparatus, inability to obtain electricity or other type of energy, raw material, labor, equipment or transportation, or other causes beyond Seller's reasonable control. It is understood and agreed that settlement of strikes, lockouts and other labor disputes shall be entirely within the discretion of Seller and that nothing in this Agreement shall require the settlement of strikes, lockouts and labor disputes when such course is inadvisable in the sole discretion of Seller.

14) EXPORT CONTROLS: Buyer acknowledges that the Products and related technology are subject to U.S. export control and economic sanctions laws and regulations, which may include the International Traffic in Arms Regulations (ITAR), the Export Administration Regulations (EAR) and regulations promulgated by the U.S. Department of the Treasury Office of Foreign Assets Control (OFAC). Buyer further acknowledges that the re-export of the Products and/or related technology to a third country or retransfer to an unapproved end user may require a license or other authorization from the Government of the United States. Such licenses or other authorizations may impose further restrictions on the re-export or retransfer of the Products and/or related technology. U.S. law also restricts the re-export or retransfer of U.S.-origin goods, technology, or services to countries or persons subject to U.S. sanctions or embargoes. Buyer represents and warrants that it is in compliance with and agrees to comply with all such applicable export control and economic sanctions laws and regulations. It is the sole responsibility of Buyer to apply for and obtain any necessary licenses or other authorizations prior to any re-export or retransfer of the Products and/or related technology. Seller makes no warranty that any such licenses or other authorizations will be granted, and shall have no liability for Buyer's inability to obtain such licenses or other authorization or for any violation by Buyer of any applicable export control and/or economic sanctions laws and regulations. Buyer will indemnify Seller and hold it harmless from any liability resulting from Buyer's violation of this provision or applicable export laws or regulations. Notwithstanding any other provision in this Agreement, Seller shall have the right to terminate this Agreement immediately upon the determination by Seller, in Seller's sole discretion, that Buyer has breached, intends to breach, or insists upon breaching any of the provisions in the above clauses.

15) CONFIDENTIALITY: Other than in the performance of the terms of this Agreement, neither Buyer nor its agents, employees, or subcontractors shall use or disclose to any person or entity any confidential information of Seller (whether written, oral, electronic or other form) that is obtained or otherwise prepared or discovered in connection with this Agreement. Buyer agrees that all pricing, discounts, design drawings and technical information that Seller provides to Buyer are the confidential and proprietary information of Seller, whether or not otherwise identified as such. The obligations under this section continue perpetually and survive the termination or expiration of any underlying agreement between the parties. The provisions of this section relating to use and disclosure shall not apply to any information that: (a) is or becomes generally available to the public other than as a result of a disclosure by Buyer under this Agreement; (b) becomes available to Buyer from a source other than Seller without breach of any obligation of confidentiality; (c) was independently developed by Buyer without violation of Seller's rights and without reference to the confidential information, as evidenced by written records, maintained in the ordinary course of business by Buyer; (d) is used or disclosed with the prior written approval of Seller; (e) is information previously known to Buyer as

evidenced by written records maintained by Buyer in the ordinary course of business, and not otherwise subject to any confidentiality restrictions; or (f) Buyer becomes legally compelled (by oral questions, interrogatories, requests for information or documents, subpoenas, investigative demands or similar process) to disclose. The burden of proof that the information resides within one of the exceptions set forth above shall be on Buyer. If Buyer becomes legally compelled (by oral questions, interrogatories, requests for information or documents, subpoenas, investigative demands or similar process) to disclose any of the confidential information, Buyer shall provide Seller with prompt written notice so that Seller may seek a protective order or other appropriate remedy or waive compliance with the provisions of this Agreement. If such protective order or other remedy is not obtained, or if Seller waives compliance with the provisions of this Agreement, Buyer shall furnish only that portion of the confidential information which Buyer is legally required to disclose and shall exercise its reasonable efforts to obtain reliable assurance that confidential treatment shall be accorded the confidential information. Buyer shall not undertake any qualitative or quantitative analysis, reverse engineering or replication of any of Seller's products, samples or prototypes without Seller's specific written authorization.

16) SECURITY INTEREST: Buyer hereby grants Seller a security interest in the Goods to secure the payment of the purchase price, and shall not sell, lease, transfer or encumber the Goods and will keep the Goods free from any and all liens and security interests until Seller has been paid in full. Buyer shall execute any and all documents reasonably requested by Seller to protect such security interests.

17) MANAGEMENT OF CHANGE: Seller is constantly striving to improve its products and capabilities and to provide the best product to its customers. Seller may from time to time develop product improvements or alterations with respect to the Products hereunder (the "Product Improvements"), and Seller may implement such Product Improvements without notice to Buyer so long as the performance of the Products will not be materially diminished, as determined in Seller's sole discretion, and so long as Seller has not separately agreed in writing to provide such notification to Buyer. In the event that Seller has agreed in writing to provide notice of Product Improvements to Buyer (the "Notice"), then Seller shall provide such Notice in accordance with the terms set forth in the separate writing.

18) APPLICABLE LAW AND JURISDICTION: This Agreement shall be governed by, construed and enforced in accordance with the laws of the Commonwealth of Pennsylvania, without regard to its conflict of law principles. The UN Convention on Contracts for the International Sale of Goods shall not apply to the transaction(s) represented hereby. The parties consent and submit to the exclusive jurisdiction and service of process of any state or federal court located in Allegheny County, Pennsylvania.

19) MISCELLANEOUS:

(a) Neither party may assign this Agreement, including without limitation any of its rights or obligations hereunder, without the express written consent of the other party hereto; provided that Seller may, without Buyer's consent, assign this Agreement, including without limitation any of its rights or obligations hereunder, to any of its parents, subsidiaries or affiliates or to any third party which merges with Seller or acquires all or substantially all of its business and assets or a substantial part of its assets or business relating to the Products. Seller may use subcontractors to fulfill its obligations pursuant to this Agreement.

(b) In the event of any legal proceeding between Seller and Buyer relating to this Agreement, neither party may claim the right to a trial by jury, and both parties waive any right they may have under applicable law or otherwise to a trial by jury.

(c) In the event that any one or more provisions (or portions thereof) contained herein shall be held by a court of competent jurisdiction to be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions (or portions thereof) contained herein shall remain in full force and effect, unless the revision materially changes the bargain.

(d) Seller's failure to enforce, or Seller's waiver of a breach of, any provision contained in this Agreement shall not constitute a waiver of any other breach or of such provision.

(e) Seller reserves the right to correct clerical, arithmetical, or stenographic errors or omissions in this Agreement, invoices or other documents.

(f) Any notice or communication required or permitted hereunder shall be in writing and shall be deemed received when personally delivered or three (3) business days after being sent by certified mail, postage prepaid, to a party at the address specified in this Agreement, or at such other address as either party may from time to time designate in writing to the other.

(g) Buyer agrees that it will not use Seller's name(s), logo(s) or mark(s) in any public communication or press release, or for any other marketing or promotional purpose, without Seller's prior written consent.

(h) Terms used in this Agreement which are not defined herein and which are defined by the Uniform Commercial Code of the Commonwealth of Pennsylvania shall have the meanings contained therein.

20) ENTIRE AGREEMENT: With respect to the subject matter hereof, this Agreement constitutes the complete and exclusive statement of the contract between Seller and Buyer. No waiver, consent, modification, amendment or change of the terms contained in this Agreement shall be binding unless made in writing and signed by Seller and Buyer. Seller's failure to object to terms contained in any subsequent communication from Buyer (whether in a purchase order or other communication) will not be a waiver or modification of the terms set forth herein.



CITY OF ARCADIA

STAFF REPORT

PUBLIC WORKS SERVICES DEPARTMENT

DATE: August 18, 2026

TO: Honorable Mayor and City Council

FROM: Paul Cranmer, Assistant City Manager/Public Works Services Director
By: Carlos Aguilar, General Services Superintendent

SUBJECT: ACCEPT ALL WORK PERFORMED BY CARRIER CORPORATION FOR THE
LIBRARY COOLING TOWER REPLACEMENT PROJECT AS COMPLETE
CEQA: Exempt
Recommendation: Approve

SUMMARY

On May 6, 2025, the City Council approved a contract with Carrier Corporation for the Library Cooling Tower Replacement Project in the amount of \$199,775. The project has been completed in accordance with the contract and to the satisfaction of the Project Manager at a final cost of \$195,018.50, reflecting a reduction of \$4,756.50 (2.38%) from the original contract amount due to change orders.

It is recommended that the City Council accept the project as complete and authorize final payment to Carrier Corporation in accordance with the contract documents, subject to the retention of \$9,114.50.

BACKGROUND

The Library's cooling tower, which provides cooling for the building, was installed during the 1996 Library renovation and had exceeded its typical 10-year service life. After nearly 30 years of operation, the equipment showed significant wear and deterioration, resulting in reduced cooling capacity and frequent mechanical failures that disrupted air conditioning service.

Corrosion, scale buildup, outdated components, and aging equipment made it increasingly difficult to maintain the Library's temperature requirements, while

maintenance and repair costs continued to rise. Replacing the cooling tower with a new energy-efficient system was necessary to improve reliability, performance, and operational efficiency.

DISCUSSION

On May 6, 2025, the City Council approved a contract with Carrier Corporation for the Library Cooling Tower Replacement Project. The project included installation of a new cooling tower motor, condenser water pump, and water treatment equipment. During construction, it was determined that some planned replacements were unnecessary because the existing equipment remained in good condition, while two butterfly valves were replaced to repair leaking pipes. These changes reduced the contract amount by \$4,756.50.

The new cooling tower improves cooling efficiency, reduces demand on the building's chillers and HVAC system, lowers energy consumption and maintenance costs, and provides reliable climate control. All work was completed in accordance with the contract documents and to the satisfaction of the Project Manager. Carrier Corporation completed the project efficiently and in compliance with the approved plans and specifications.

ENVIRONMENTAL ANALYSIS

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

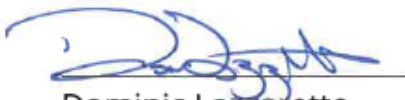
FISCAL IMPACT

A total of \$300,000 was budgeted for this project in the Fiscal Year 2024-25 Capital Improvement Program. On May 6, 2025, the City Council approved a \$199,775 contract to Carrier Corporation for the Library Cooling Tower Replacement Project. The final project cost was \$195,018.50, reflecting contract change orders that reduced the contract amount by \$4,756.50 (2.38%).

RECOMMENDATION

It is recommended that the City Council determine that this project is exempt under the California Environmental Quality Act ("CEQA"); and accept all work performed by Carrier Corporation for the Library Cooling Tower Replacement Project as complete and authorize the final payment to be made in accordance with the contract documents, subject to the retention of \$9,114.50.

Approved:


Dominic Lazzaretto
City Manager



PUBLIC WORKS SERVICES DEPARTMENT

DATE: August 18, 2026

TO: Honorable Mayor and City Council

FROM: Paul Cranmer, Assistant City Manager/Public Works Services Director
By: Carlos Aguilar, General Services Superintendent

SUBJECT: ACCEPT ALL WORK PERFORMED BY KYA SERVICES, LLC FOR THE FIRE STATION 105 BOILER REPLACEMENT PROJECT AS COMPLETE
CEQA: Exempt
Recommendation: Approve

SUMMARY

On March 3, 2026, the City Council approved a contract with KYA Services, LLC in the amount of \$56,920.25 for the Fire Station 105 Boiler Replacement Project. The project has been completed in accordance with the contract terms and conditions and to the satisfaction of the Project Manager, for a total cost of \$56,920.25.

It is recommended that the City Council accept the Fire Station 105 Boiler Replacement Project as complete and authorize final payment to KYA Services, LLC in accordance with the contract documents, subject to the retention of \$2,846.01.

BACKGROUND

The boiler at Fire Station 105 provides heating for the facility and operates continuously under heavy demand. After nearly 20 years of service, the boiler reached the end of its useful life. In recent years, the unit experienced frequent failures requiring repairs, including economizer failures, actuator adjustments, repeated control board reprogramming and calibration, and repairs to multiple internal leaks. These recurring issues resulted in significant downtime, unreliable heating, and increased maintenance costs due to frequent service calls.

DISCUSSION

On March 3, 2026, the City Council approved a contract with KYA Services, LLC for the Fire Station 105 Boiler Replacement Project.

The project included the removal and disposal of the existing boiler, installation of a new energy-efficient boiler, integration with the existing building control system, and verification of the control sequence to ensure safe startup, operation, and shutdown. The new boiler provides reliable, consistent heating for Fire Station 105 while improving energy efficiency and reducing operating costs through lower fuel consumption.

KYA Services, LLC completed the work in accordance with the contract documents, project plans, and specifications. The Project Manager verified that the work was completed to the City's satisfaction and that all contract requirements have been fulfilled.

ENVIRONMENTAL ANALYSIS

The project is categorically exempt from the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines Section 15301(a), Class 1 ("Existing Facilities"), which applies to the minor alteration of existing public facilities.

FISCAL IMPACT

The Fiscal Year 2024-25 Capital Improvement Program included \$100,000 for the Fire Station 105 Boiler Replacement Project. On March 3, 2026, the City Council awarded a contract to KYA Services, LLC in the amount of \$56,920.25. The final project cost is \$56,920.25. The project was completed without change orders and within the approved contract amount.

RECOMMENDATION

It is recommended that the City Council determine that this project is exempt under the California Environmental Quality Act ("CEQA"); and accept all work performed by KYA Services, LLC for the Fire Station 105 Boiler Replacement Project as complete and authorize a final payment in accordance with the contract documents, subject to the retention of \$2,846.01.

Accept Fire Station 105 Boiler Replacement Project
August 18, 2026
Page 3 of 3

Approved:



Dominic Lazzaretto
City Manager