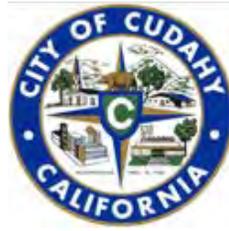


Chris Garcia, Mayor  
Cristian Markovich, Vice Mayor  
Jack Guerrero, Council Member  
Diane Oliva, Council Member  
Baru Sanchez, Council Member



CUDAHY CITY  
COUNCIL CHAMBERS  
5240 Santa Ana Street  
Cudahy, Ca, 90201  
Phone: (323) 773-5143  
Fax: (323) 77102072

## AGENDA

REGULAR MEETING  
OF THE CUDAHY CITY COUNCIL  
And JOINT MEETING Of the  
CITY OF CUDAHY AS SUCCESSOR AGENCY  
TO THE CUDAHY DEVELOPMENT COMMISSION  
Tuesday, December 2, 2014 – 6:30 P.M.

*"Members of the Public are Advised that all **PAGERS, CELLULAR TELEPHONES** and any **OTHER COMMUNICATION DEVICES** are to be **turned off** upon entering the City Council Chambers." If you need to have a discussion with someone in the audience, kindly step out into the lobby.*

*Written materials distributed to the City Council within 72 hours of the City Council meeting are available for public inspection immediately upon distribution in the City Clerk's office at City Hall located at 5220 Santa Ana Street, Cudahy, CA. 90201.*

*In compliance with the Americans with Disabilities Act (ADA) if you need special assistance to participate in this meeting, you should contact the office of the City Clerk at (323) 773-5143 at least 72 hours in advance of the meeting.*

**1. CALL TO ORDER**

**2. ROLL CALL**

Council/Agency Member Guerrero  
Council/Agency Member Oliva  
Council/Agency Member Sanchez  
Vice Mayor/Vice Chair Markovich  
Mayor/Chair Garcia

**3. PLEDGE OF ALLEGIANCE**

**4. INVOCATION**

**5. PRESENTATIONS**

Presentation of "In a Drought, Shut Your Tap" program, by Mark Moss, a Representative from Central Basin Municipal Water District

## PRESENTATIONS ITEM 5 (continued)

“Certificates of Recognition” presented to the following:

- Recognition of Former State Senator Richard Polanco for his Dedication and Public Service to the People of California most importantly to Latinos of the Golden State
- Recognition of Newly Elected Los Angeles County Assessor Jeffrey Prang, for his Years of Service in Public Office and Newly Elected Position
- Recognition of Assembly Member Anthony Rendon representing the California State Assembly, 63<sup>rd</sup> Assembly District for his dedicated Public Service and for a successful 2013-2014 Legislative Session and in Recognition of his support in the passing (on the November 4, 2014 ballot) of California Proposition 1 Water Bond (Assembly Bill 1471)

## 6. ORAL COMMUNICATONS

(Mayor: This is the time set aside for citizens to address the City Council/Agency on matters relating to City Business. Anyone wishing to speak, please fill out the form located at the Council Chambers entrance and submit it to the City Clerk when approaching the podium. Each person will be allowed to speak only once and will be limited to three (3) minutes. When addressing the Council/Agency please speak into the microphone and voluntarily state your name and address.)

## 7. CITY COUNCIL COMMENTS

(This is the time for the City Council/Agency to comment on any topics related to “City business,” including announcements, reflections on city / regional events, response to public comments, suggested discussion topics for future council meetings, general concerns about particular city matters, questions to the staff, and directives to the staff (subject to approval/ consent of the City Council majority members present, regarding staff directives). Each Council/Agency Member will be allowed to speak for a period not to exceed three (3) minutes. Notwithstanding the foregoing, the City Council members shall not use this comment period for serial discussions or debate between members on City business matters not properly agendized. The City Attorney shall be responsible for regulating this aspect of the proceeding.)

## 8. CITY MANAGER REPORT (information only)

## 9. WAIVER OF FULL READING OF RESOLUTIONS AND ORDINANCES

Consideration to waive full text reading of all Resolutions and Ordinances by single motion made at the start of each meeting, subject to the ability of the City Council/Agency to read the full text of selected resolutions and ordinances when the item is addressed by subsequent motion.  
(COUNCIL/AGENCY)

**Recommendation:** It is recommended that the City Council/Agency approve the waiver of full reading of Resolutions and Ordinances.

## 10. CONSENT CALENDAR

Items under the Consent Calendar are considered routine and will be enacted by one motion. There will be no separate discussion of these items unless a Council/Agency Member so requests, in which event the item will be removed from the Consent Calendar and considered separately.

A. Second reading, Adopt Ordinance No. 643, Adding Chapter 13.16 to the City of Cudahy's Municipal Code Relating to Water Conservation

B. Approve Professional Services Agreement (PSA) between the City of Cudahy and Donna Schwartz

Presented by City Manager

**Recommendation:** Approve PSA between City of Cudahy and Donna Schwartz for Interim City Clerk Services.

C. Approve Resolution Designating Holidays on which City of Cudahy's Offices shall be Closed for Calendar Year 2015

Presented by City Manager and Acting Human Resources Specialist

**Recommendation:** Adopt Resolution No. 14-84, Designating Holidays on which City of Cudahy's Offices shall be closed for Calendar Year 2015.

D. Authorization to Apply for Grant Funds through the 2015 Metropolitan Transportation Authority (MTA) Call for Projects

Presented by City Manager

**Recommendation:** The Council is requested to:

1. Authorize the City Manager to submit up to three grant applications for citywide improvements through the 2015 Los Angeles County Metropolitan Transportation Authority (MTA) Call for Projects which are due by January 16, 2015;

2. Approve a Professional Services Agreement (PSA) with Avant-Garde, Inc. (i.e., Avant-Garde) in an amount not-to-exceed \$24,520 for the submittal of one or multiple grant applications in response to the 2015 MTA Call for Projects.

Project costs are according to the following breakdown:

- First Application \$10,520

- Second Application \$7,000

- Third Application \$7,000; and

3. Amend the City's existing (PSA) with Transtech, Inc. (i.e., Transtech) in the amount of approximately \$12,500 for the preparation of engineering documents required for the submittal of one or multiple grant applications to the 2015 MTA Call for Projects.

**CONSENT CALENDAR ITEM 10 (continued)**

- E. Approve Professional Services Agreement (PSA) with Vasquez & Company LLP for Audit Services for Fiscal Years (FYs) 2013-2014, 2014-2015, and 2015-2016

*Presented by Finance Department*

**Recommendation:** Approve a Professional Services Agreement (PSA) with Vasquez & Company LLP for audit and other services for a three year term to audit FYs 2013-2014, 2014-2015, and 2015-2016 with an option for two one-year extensions.

- F. **Continued from the Special Meeting of November 25, 2014** - Second reading, Adopt Ordinance No. 634, Amending the City of Cudahy's Municipal Code Section 20 (Zoning), to add new definitions to subsection 20.08.010 adding "Emergency Shelters" and "Transitional and Supportive Housing," modify CMC subsection 20.64.040 to add "Transitional and Supportive Housing," and modify CMC subsection 20.68.080 to add "Emergency Shelters."

- G. **Continued from the Special Meeting of November 25, 2014** - Approve Renewal of the City-County Municipal Services Agreement with the County of Los Angeles Department of Animal Care and Control Contract for Fiscal Year (FY) 2014-15 Service Level Request

*Presented by City Manager*

**Recommendation:** Approve Services Agreement with the County of Los Angeles Department of Animal Care and Control for Animal Control Services, Effective July 1, 2014 through June 30, 2019 and FY 2014-15 Service Level Request – Billing Rates.

**11. PUBLIC HEARING**

- A. Approve Resolution, Approving Projects/Programs for Community Development Block Grant (CDBG) Funding During the Fiscal Year 2015-2016

*Presented by Acting Community Development Director and Acting Human Resources Specialist*

**Recommendation:** The Council is requested to:

1. Conduct a public hearing;
2. Consider all public testimony; and
3. Adopt Resolution No. 14-85, approving Projects/Programs for Community Development Block Grant (CDBG) Funding during the Fiscal Year (FY) 2015-16.

**12. CITY COUNCIL BUSINESS SESSION**

- A. Appointment to the Greater Los Angeles County Vector Control District Board of Trustees

*Presented by Interim City Clerk*

**Recommendation:** Council to appoint a representative to the Greater Los Angeles County Vector Control District Board of Trustees for a full 2 or 4 year term commencing on January 5, 2015.

**13. CITY COUNCIL AS SUCCESSOR AGENCY BUSINESS SESSION - None**

**14. COUNCIL DISCUSSION**

- A. Ethics Enquiry (Guerrero)

**15. ORAL COMMUNICATIONS (Closed Session)**

(Each person will be allowed to speak only once on closed session items and will be limited to three (3) minutes. When addressing the Council please speak into the microphone and voluntarily state your name and address.)

RECESS TO CLOSED SESSION

**16. CLOSED SESSION**

- A. Pursuant to Government Code Section 54956.9(d) (2) and 54956.9(e) (1) – Conference with Legal Counsel to Discuss Matter Involving Potential Litigation and/or Significant Exposure to Litigation – [One (1) Matter] - This Matter will be heard jointly by the Cudahy City Council and the Cudahy City Council in its capacity as Successor Agency to the Cudahy Redevelopment Agency.
- B. Pursuant to Government Code Section 54956.9(d)(2) and 54956.9(e)(1) – Conference with Legal Counsel to Discuss Matter Involving Potential Litigation and/or Significant Exposure to Litigation – [One (1) potential matter]

RECONVENE TO OPEN SESSION

**17. CLOSED SESSION ANNOUNCEMENT**

**18. ADJOURNMENT**

Cudahy City Council/Agency will adjourn to a Regular and Joint Meeting as Successor Agency to the Cudahy Development Commission on Tuesday, January 5, 2015 at 6:30 p.m.

I Donna G. Schwartz, hereby certify under penalty of perjury under the laws of the State of California that the foregoing agenda was posted at Cudahy City Hall, Bedwell Hall, and Clara and Lugo Park not less than 72 hours prior to the meeting. A copy of said Agenda is on file in the Office of the City Clerk.

Dated this 27<sup>th</sup> Day of November 2014

\_\_\_\_\_  
DONNA G. SCHWARTZ, CMC  
Interim City Clerk

**ORDINANCE NO. 643**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CUDAHY ADDING CHAPTER 13.16 TO THE CUDAHY MUNICIPAL CODE RELATING TO WATER CONSERVATION**

**WHEREAS**, on April 25, 2014, Governor Edmund G. Brown Jr. issued an executive order to strengthen the state’s ability to manage water and habitat effectively in drought conditions and called on all Californians to redouble their efforts to conserve water; and

**WHEREAS**, Water Code section 1058.5 grants the California State Water Board the authority to adopt emergency regulations in certain drought years in order to: “prevent the waste, unreasonable use, unreasonable method of use, or unreasonable method of diversion, of water, to promote water recycling or water conservation, to require curtailment of diversions when water is not available under the diverter’s priority of right, or in furtherance of any of the foregoing, to require reporting of diversion or use or the preparation of monitoring reports”; and

**WHEREAS**, on July 15, 2014, the State Water Board adopted California Code of Regulations, Title 23, sections 863, 864, and 865, as emergency regulations; and

**WHEREAS**, these regulations shall remain in effect for 270 days after filing with the Secretary of State (until April 25, 2014) unless the State Water Board determines that it is no longer necessary due to changed conditions, or unless the State Water Board renews the regulations due to continued drought conditions as described in Water Code section 1058.5; and

**WHEREAS**, the regulations authorize local agencies to fine, in addition to other civil and criminal penalties, for violations of certain prohibitions on water usage; and

**WHEREAS**, the City of Cudahy (“City”), as a local agency concerned with the ongoing drought conditions in its jurisdiction and in the State of California generally, desires to incorporate the state emergency regulations on water usage into its Municipal Code and implement a fine schedule for violations of the water usage prohibitions pursuant to its authority under 23 CFR section 864.

**THE CITY COUNCIL OF THE CITY OF CUDAHY, CALIFORNIA, DOES HEREBY ORDAIN AS FOLLOWS:**

**SECTION 1.** The facts set forth in the recitals above are true and correct.

**SECTION 2.** Chapter 13.16 is hereby added to Title 13 of the Cudahy Municipal Code to read:

Chapter 13.16

WATER CONSERVATION

**13.16.010 Water Usage Prohibitions Applying to All Persons**

- A. Authorization. This chapter establishes water conservation measures to be applied City-wide pursuant to the authority granted to the City under 23 CFR § 864. This chapter shall remain in effect so long as its provisions are authorized under Federal and State law.
- B. Application. The water conservation requirements under this chapter shall apply to all persons within the City of Cudahy.
- C. Prohibitions on Water Usage. To promote water conservation, each of the following actions is prohibited, except where necessary to address an immediate health and safety need or to comply with a term or condition in a permit issued by any state or federal governmental agency:
1. The application of potable water to outdoor landscapes in a manner that causes runoff such that water flows onto adjacent property, non-irrigated areas, private and public walkways, roadways, parking lots, or structures;
  2. The use of a hose that dispenses potable water to wash a motor vehicle, except where the hose is fitted with a shut-off nozzle or device attached to it that causes it to cease dispensing water immediately when not in use;
  3. The application of potable water to driveways and sidewalks; and
  4. The use of potable water in a fountain or other decorative water feature, except where the water is part of a recirculating system.
- D. Enforcement.
1. No person within the City of Cudahy shall use or permit the use of water in a manner contrary to Subsection C above. For purposes of this chapter, the term “person” shall mean any natural person, corporation, partnership, sole proprietorship, public or private entity, public or private association, public or private agency, governmental agency or institution, school district, or college university.
  2. Unless otherwise provided, any person who violates any provision of this chapter shall be guilty of an infraction or misdemeanor as hereinafter specified at the City’s discretion, and each day or portion thereof such violation is in existence shall be a new and separate offense.

3. Fines. The following penalty schedule shall apply to violations of this chapter:

- a. Any person who violates any of the prohibitions of this chapter shall be guilty of an infraction and shall be issued a Violation Notice for the first such offense in a single calendar year.
- b. Any person who violates any of the prohibitions of this chapter for a second time in a single calendar year shall be guilty of an infraction and shall be subject to a fine of one hundred dollars (\$100.00).
- c. Any person who violates any of the prohibitions of this chapter for a third time in a single calendar year shall be guilty of an infraction and shall be subject to a fine of two hundred dollars (\$200.00).
- d. Any person who violates any of the prohibitions of this chapter four or more times in a single calendar year shall be guilty of an infraction and shall be subject to a fine of five hundred (\$500.00).

E. Additional Penalties. Subsection D of this section notwithstanding, a violation under Section D above may be charged and prosecuted as a misdemeanor at the City's sole discretion.

1. In addition to the above penalties, such convicted person may, in the discretion of the court, be ordered to reimburse the City for all necessary costs incurred through investigation, discovery, analysis, inspection, abatement and other actual costs incurred by the City or its agents pertaining to the violation.
2. The court shall fix the amount of any such reimbursements upon submission of proof of such costs by the city. Payment of any penalty herein provided shall not relieve a person from the responsibility of correcting the condition resulting from the violation.

**SECTION 3. Inconsistent Provisions.** Any provision of the Cudahy Municipal Code or appendices thereto inconsistent with the provisions of this Ordinance, to the extent of such inconsistencies and no further, is hereby repealed or modified to the extent necessary to affect the provisions of this Ordinance.

**SECTION 4. Severability.** If any section, subsection, sentence, clause, or phrase of this Ordinance is for any reason held to be invalid or unconstitutional by a decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance. The City Council hereby declares that it would have passed this Ordinance and each and every section, subsection, sentence,

clause, or phrase not declared invalid or unconstitutional without regard to whether any portions of this Ordinance would be subsequently declared invalid or unconstitutional.

**SECTION 5. California Environmental Quality Act.** The City finds that the provisions of this Ordinance are exempt from the provisions of the California Environmental Quality Act as an action to protect natural resources pursuant to Public Resources Code §15307.

**SECTION 6. Publication.** The Mayor shall sign and the City Clerk shall attest to the passage of this Ordinance. The City Clerk shall cause the same to be published once in the official newspaper within fifteen (15) days after its adoption. This Ordinance shall become effective thirty (30) days after adoption.

**PASSED, APPROVED AND ADOPTED** this 2<sup>nd</sup> day of December, 2014.

---

Chris Garcia, Mayor  
City of Cudahy

ATTEST:

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Donna G. Schwartz, CMC  
Interim City Clerk

CERTIFICATION

STATE OF CALIFORNIA                    )  
COUNTY OF LOS ANGELES            )     SS:  
CITY OF CUDAHY                        )

I, Donna G. Schwartz, Interim City Clerk of the City of Cudahy, hereby certify that Ordinance No. 643 was introduced by the City Council at a special meeting on November 25<sup>th</sup>, 2014 and adopted at regular meeting of the City Council of the City of Cudahy on the \_\_\_\_\_ day of \_\_\_\_\_, 2014 by the following vote, to-wit:

AYES:

NOES:

ABSTAIN:

ABSENT:

\_\_\_\_\_  
Donna G. Schwartz, CMC  
Interim City Clerk



Item Number

**10B**

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## **STAFF REPORT**

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**Date:** December 2, 2014  
**To:** Honorable Mayor/Chair and City Council/Agency Members  
**From:** Jose E. Pulido, City Manager/Executive Director  
**Subject:** **Professional Services Agreement Between the City of Cudahy and Donna Schwartz**

---

### **RECOMMENDATION**

The City Council is requested to approve a Professional Services Agreement (PSA) between the City of Cudahy and Donna Schwartz to provide Interim City Clerk services.

### **BACKGROUND**

1. On July 24, 2014 the City of Cudahy entered into a (PSA) with MuniTemps to provide an assigned employee (i.e., Donna Schwartz) to function as the Interim City Clerk.
2. The PSA term with MuniTemps is set to expire on December 5, 2014.

### **ANALYSIS**

In an effort to retain the current level of service in the City Clerk's Office, in a manner that is cost effective, it has been determined that bringing on Donna Schwartz as an independent consultant would reduce fiscal impact. The hourly rate to have MuniTemps continue to provide an assigned employee to carry out the duties of Interim City Clerk is currently \$59.75 per hour. Entering into a (PSA) with Donna Schwartz would reduce the hourly rate for the same service to \$45.00 per hour, resulting in a savings of \$14.75 per hour.

### **CONCLUSION**

If a Professional Services Agreement (PSA) is not approved, the Human Resources Department will need to return to MuniTemps to work out a new agreement, at the existing hourly rate of \$59.75, and seek out a new assigned employee to temporarily fill the position of Interim City Clerk position.

**FINANCIAL IMPACT**

Currently Ms. Schwartz works approximately 30 hour work week. At a rate of \$45.00 per hour, the monthly fiscal impact would be approximately \$5,400 per month. Charges incurred for services were budgeted in the FY 2014-15 City Budget.

**ATTACHMENTS**

A. Public Services Agreement between the City of Cudahy and Donna Schwartz

2014  
AGREEMENT FOR TEMPORARY PROFESSIONAL MANAGEMENT SERVICES  
(Engagement: Temporary City Clerk Services)  
(Parties: Donna Schwartz and the City of Cudahy)

THIS 2014 AGREEMENT FOR TEMPORARY PROFESSIONAL MANAGEMENT SERVICES (“Agreement”) by and between the CITY OF CUDAHY, a municipal corporation and general law city (“CITY”) and Donna Schwartz an individual (hereinafter, “Consultant”) is made and entered into the last date of signature below, but shall not take effect until signed by all of the parties to this Agreement as indicated on the signature page below. For the purposes of this Agreement, CITY and Consultant may be referred to collectively by the capitalized term “PARTIES.” The capitalized term “PARTY” may refer to City or Consultant interchangeably.

RECITALS

WHEREAS, CITY, pursuant to California Government Code Sections 37103 and 53060, is authorized and empowered to contract with any person for the furnishing of services and advice in finance, economic, accounting or administrative matters if such persons are specially trained and experienced and competent to perform such special services required; and

WHEREAS, the CITY wishes to engage the Consultant for the purposes of retaining a person to perform the duties and functions as mentioned in the attached Scope of Work for the CITY on an interim basis; and

WHEREAS, CITY’s in-house personnel are presently unable to perform the specialized services and tasks contemplated under this Agreement; and

WHEREAS, Consultant has proposed and CITY has agreed to appoint an assigned employee (“Assigned Employee”) who possesses the specialized training, skill, expertise and experience required to perform the services contemplated under this Agreement; and

WHEREAS, CITY and Consultant wish to enter into the Agreement in order to set forth the rights and obligations of the PARTIES.

NOW, THEREFORE, in consideration of the mutual promises contained herein, and based upon the recitals set forth above, CITY and Consultant agree as follows:

**ARTICLE 1. DUTIES AND AUTHORITY**

1.1 DUTIES. Under the direction of the City Council and City Manager, the interim City Clerk will provide professional City Clerk-related services in all functional areas including, but not limited to: agenda development/management process (City Council), minutes (date forward only), records management, Public Records Act requests, contract management, and Fair Political Practices Commission/Political Reform Act Filings.

**ARTICLE 2. INDEPENDENT CONTRACTOR STATUS; TERMINATION FOR CONVENIENCE**

2.1 INDEPENDENT CONTRACTOR STATUS. The PARTIES acknowledge, understand and agree that Consultant is, and shall at all times remain, a wholly independent contractor and shall not be considered an employee of the CITY. Given the temporary and interim nature of this engagement, it is the desire and intent of the PARTIES that Consultant shall be an “independent contractor” who is not also an employee within the meaning of Government Code Section 20300(b), and by such status is excluded from compulsory enrollment in the California Public Employees Retirement System established under the Public Employees Retirement Law (“PERL”) (Government Code Section 20000 et seq.).

**ARTICLE 3. TERM OF AGREEMENT**

3.1 The term of this Agreement (“Term”) shall be deemed to have commenced on December 2, 2014 and shall end on June 30, 2015 and thereafter shall renew automatically on a month-to-month basis unless prior to the expiration of the Term or any extension term, the City Council declines to extend the engagement. Nothing in the foregoing sentence shall operate to prohibit or otherwise restrict the CITY’s ability to terminate this Agreement prior to the expiration of the initial Term or any extension term as provided under Articles 11 and 12 of this Agreement below.

**ARTICLE 4. PERFORMANCE SCHEDULE**

4.1 ATTENDANCE AND MEETINGS, CONFERENCES AND SPECIAL FUNCTIONS. Section 4.1 notwithstanding, Consultant, as directed by the City Council, shall also be available to attend public meetings, business meetings, conferences and functions that may be scheduled outside of normal CITY business hours, including but not limited to all regular, special, adjourned and/or emergency meetings of the City Council, and CITY shall be billed for all such hours Consultant attends such meetings required by CITY.

4.2 RESTRICTION ON HOURS WORKED: The Term of this Agreement and the provisions of Section 4.1 notwithstanding, in no event may Consultant’s total hours worked under this Agreement exceed more than 1,000 hours during any single fiscal year. Consultant shall maintain a log of daily work hours (including start time and departure time) to monitor compliance with this provision. Consultant shall have no obligation to continue performance once the 1,000 hour limitation has been attained. Furthermore, CITY shall have the responsibility to monitor fees charged in relation to the not to exceed amount. CITY shall be responsible for all charges for services in the event CITY fails to notify Consultant of termination of the assignment or fails to increase of the not-to-exceed amount. For purposes of this Agreement, the term “fiscal year” shall mean the period of time commencing from July 1<sup>st</sup> of a calendar year and ending on June 30<sup>th</sup> of the calendar year immediately following.

## **ARTICLE 5. COMPENSATION AND REIMBURSEMENT**

### **5.1 COMPENSATION.**

- A. Consultant shall perform all of the various services and tasks that comprise the Work in accordance with Exhibit "A." Consultant shall be paid for the number of hours in performance of the Work. The Consultant shall not exceed Thirty (30) hours per work week, unless authorized by the City Manager. Consultant shall be billed out at an hourly rate of FORTY FIVE DOLLARS PER HOUR (\$45.00/hour) (hereinafter "Hourly Rate").
- B. CITY shall pay Consultant at the Hourly Rate in a bi-weekly format to run stimulations to employee payroll as Consultant performs the various services and tasks that make up the Work. At the end of each pay period during the term of this Agreement, Consultant shall submit to CITY a bi-monthly itemized statement indicating the work performed, costs incurred and hours of service rendered by Consultant. The statement shall describe the specific tasks performed. CITY shall not withhold applicable taxes or other authorized deductions from payments made to Consultant.

5.2 REIMBURSEMENT. CITY recognizes that Consultant may incur certain expenses of a non-personal nature in the performance of duties under this Agreement. CITY agrees to reimburse or to pay such business expenses that are incurred by Consultant in the performance of duties in accordance with CITY's expense reimbursement procedures, as the same may be updated and/or amended from time to time by the City Council.

## **ARTICLE 6. NO BENEFITS**

6.1 Except as otherwise provided under Article 5 of the Agreement, Consultant shall not receive any benefits, incentives, compensation in lieu of benefits or any other form of compensation above the hourly compensation provided under Article 5, above. As Assigned Employee is billed out on an hourly basis, the Parties acknowledge, understand and agree that Assigned Employee need not be enrolled under CalPERS.

6.2 Consultant acknowledges, understands and agrees that they are not a regular employee of the CITY and is not entitled to receive any benefits generally available to employees of the CITY, including but not limited to medical insurance, dental insurance, sick leave, paid vacation, retirement benefits, unemployment benefits or otherwise which accrue to employees of the CITY, and hereby expressly waives any right or claim to such benefits.

## **ARTICLE 7. INDEMNITY**

7.1 To the extent permitted by law, Consultant will defend, and hold CITY and its directors, officers, agents, representatives, and employees (collectively "Indemnitees") harmless from all claims, losses, and liabilities (including reasonable attorney's fees) to the extent caused by Consultant's breach of this Agreement; its failure to discharge its material

duties and responsibilities as provided in this Agreement; or the negligence, gross negligence, or willful misconduct of Consultant in the discharge of those duties and responsibilities.

7.2 CITY will defend, and hold Consultant from all claims, losses, and liabilities (including reasonable attorney's fees) to the extent caused by the negligence, gross negligence, or willful misconduct of CITY or CITY's officers, employees, or authorized agents in the discharge of those duties and responsibilities specified under this Agreement.

7.3 CITY shall have the right to offset against the amount of any compensation due to Consultant under this Agreement any amount due CITY from Consultant as a result of Consultant's failure to pay CITY promptly any indemnification arising under this Article and related to Consultant's failure to either (i) pay legally required taxes on amounts received pursuant to this Agreement or (ii) comply with applicable workers' compensation laws.

7.4 The obligations of Consultant under this Article will not be limited by the provisions of any workers' compensation act or similar act. Consultant expressly waives its statutory immunity under such statutes or laws as to CITY and CITY's elected and appointed officials, officers, employees, agents and volunteers.

7.5 Consultant agrees to obtain executed indemnity agreements with provisions identical to those set forth here in this Article from each and every subcontractor or any other person or entity involved by, for, with or on behalf of Consultant in the performance of this Agreement. In the event Consultant fails to obtain such indemnity obligations from others as required herein, Consultant agrees to be fully responsible and indemnify, hold harmless and defend CITY and CITY's elected and appointed officials, officers, employees, agents and volunteers from and against any and all claims and losses, costs or expenses for any damage due to death or injury to any person and injury to any property resulting from any reckless, negligent, or otherwise wrongful acts, errors or omissions of Consultant's subcontractors or any other person or entity involved by, for, with or on behalf of Consultant's in the performance of this Agreement. Such costs and expenses shall include reasonable attorneys' fees incurred by counsel of CITY's choice.

7.6 CITY does not, and shall not, waive any rights that it may possess against Consultant because of the acceptance by CITY, or the deposit with CITY, of any insurance policy or certificate required pursuant to this Agreement. This hold harmless and indemnification provision shall apply regardless of whether or not any insurance policies are determined to be applicable to the claim, demand, damage, liability, loss, cost or expense.

7.7 This Article and all provisions contained herein (including but not limited to the duty to indemnify, defend and hold free and harmless) shall survive the termination or normal expiration of this Agreement and is in addition to any other rights or remedies which the CITY may have at law or in equity. Notwithstanding anything to the contrary in this Agreement, Consultant shall have no obligation of indemnity, or liability for any claims to the extent arising out of CITY negligence or willful misconduct, or failure to comply with the requirements of this Agreement.

**ARTICLE 8. BUSINESS RELATED EQUIPMENT**

Assigned Employee acknowledges, understands and agrees that he will not receive, nor shall he be entitled to any type of personal mobile communication device for the performance of his duties under this Agreement such as a cell phone or an iPad.

**ARTICLE 9. CITY DOCUMENTS AND CONFIDENTIALITY**

9.1 CITY DOCUMENTS. All data, studies, reports and other documents prepared by Consultant while performing duties during the term of this Agreement shall be furnished to and become the property of the CITY, without restriction or limitation on their use.

9.2 CONFIDENTIALITY. All ideas, memoranda, specifications, plans, procedures, drawings, descriptions, computer program data, input record data, written information, and other materials either created by or provided to Consultant in connection with the performance of this Agreement shall be held confidential by Consultant to the extent permitted by applicable law. Such materials shall not, without CITY's prior written consent, be used by Consultant for any purposes other than the performance of Consultant's duties.

**ARTICLE 10. TERMINATION FOR CONVENIENCE**

10.1 TERMINATION FOR CONVENIENCE. Consultant shall serve at the pleasure of the City Council. Consultant's engagement with CITY may be terminated for convenience at any time by the City Council without cause upon the issuance of written notice specifying the effective date of such termination, which may provide that such termination shall take effect immediately upon the issuance of the notice.

10.2 NO PRE-TERMINATION HEARING. Consultant shall not be entitled to any pre-termination hearing or other similar proceeding or appeal proceeding as a precondition to any decision or action by the City Council to terminate CONSULTANT's engagement.

10.3 NO PROPERTY INTEREST. It is understood and agreed by the PARTIES that Consultant's engagement with the CITY is temporary in nature and that Consultant shall have no expectation of ongoing or long-term employment with the CITY. Nothing in this Agreement shall confer upon Consultant any right or property interest in employment with CITY.

10.4 NO SEVERANCE PAY. Consultant expressly agrees that he/she shall not be entitled to any severance pay as the result of the termination of this Agreement prior to the expiration of the Term or any extension term.

10.5 CONSULTANT TERMINATION. Consultant may terminate this Agreement at any time without cause and for convenience, provided it provides the City Council with no less than fifteen (15) calendar days advance written notice prior to the effective date of termination.

The City Council may shorten the effective date of any termination for convenience initiated by Consultant in the City Councils' sole and absolute discretion.

## **ARTICLE 11. TERMINATION FOR CAUSE**

### **11.1 EVENTS OF DEFAULT; BREACH OF AGREEMENT**

- A. In the event either PARTY fails to perform any duty, obligation, service or task set forth under this Agreement (or fails to timely perform or properly perform any such duty, obligation, service or task set forth under this Agreement), an event of default (hereinafter, "Event of Default") shall occur. For all Events of Default, the PARTY alleging an Event of Default shall give written notice to the defaulting PARTY (hereinafter referred to as a "Default Notice") which shall specify: (i) the nature of the Event of Default; (ii) the action required to cure the Event of Default; (iii) a date by which the Event of Default shall be cured, which shall not be less than the applicable cure period set forth under Sections 10.1B and 10.1C below or if a cure is not reasonably possible within the applicable cure period, to begin such cure and diligently prosecute such cure to completion. The Event of Default shall constitute a breach of this Agreement if the defaulting PARTY fails to cure the Event of Default within fifteen (15) calendar days of the non-defaulting PARTY's issuance of a written notice of default (hereinafter, a "Notice of Default") to the defaulting party.
- B. CITY, in its sole and absolute discretion, may also immediately suspend Consultant's performance under this Agreement pending Consultant's cure of any Event of Default by giving Consultant written notice of CITY's intent to suspend Consultant's performance (hereinafter, a "Suspension Notice"). CITY may issue the Suspension Notice at any time upon the occurrence of an Event of Default. Upon such suspension, Consultant shall be compensated only for those services rendered up to the effective date of the suspension. No actual or asserted breach of this Agreement on the part of CITY shall operate to prohibit or otherwise restrict CITY's ability to suspend this Agreement as provided herein.
- C. No waiver of any Event of Default or breach under this Agreement shall constitute a waiver of any other or subsequent Event of Default or breach. No waiver, benefit, privilege, or service voluntarily given or performed by a PARTY shall give the other PARTY any contractual rights by custom, estoppel, or otherwise.
- D. The duties and obligations imposed under this Agreement and the rights and remedies available hereunder shall be in addition to and not a limitation of any duties, obligations, rights and remedies otherwise imposed or available by law. In addition to any other remedies available to CITY at law or under this Agreement in the event of any breach of this Agreement, CITY, in its sole and absolute discretion, may also pursue any one or more of the following remedies:
  - i. Upon written notice to Consultant, the CITY may immediately terminate this Agreement in whole or in part;

- ii. Upon written notice to Consultant, the CITY may extend the time of performance;
- iii. The CITY may proceed by appropriate court action to enforce the terms of the Agreement to recover damages for Consultant's breach of the Agreement or to terminate the Agreement; or
- iv. The CITY may exercise any other available and lawful right or remedy.

CITY may seek legal fees plus other costs and expenses that CITY incurs upon Consultant's breach of this Agreement or in the CITY's exercise of its remedies under this Agreement.

- E. In the event CITY is in breach of this Agreement, Consultant's sole remedy shall be the suspension or termination of this Agreement and/or the recovery of any unpaid sums lawfully owed to Consultant under this Agreement for services rendered.

## **ARTICLE 12. CONDITIONS OF CONSULTANT'S SERVICES**

12.1 CONFLICT-OF-INTEREST. CITY shall direct Consultant to sign a separate writing stating the following obligations: Consultant shall not, during the term of this Agreement, individually, as a partner, joint venture, officer or shareholder, invest or participate in any business venture conducting business within the corporate limits of CITY, except for stock ownership in any company whose capital stock is publicly held and regularly traded, without prior approval of the City Council. Consultant further agrees not to invest in any other real estate or property improvements within the corporate limits of CITY during the term of this Agreement without the prior consent of the City Council.

12.2 CONSULTANT VEHICLE. Consultant shall provide his transportation to and from the worksite.

## **ARTICLE 13. GENERAL PROVISIONS**

13.1 NOTICES. All notices, requests, demands and other communications under this Agreement shall be in writing and shall be effective upon delivery by hand or three (3) business days after deposit in the United States mail, postage prepaid, certified or registered, and addressed to CITY at the address below, and at the last known address maintained in CITY's contract file. Consultant agrees to notify CITY, in writing, of any change in Consultant's address during Consultant's employment with CITY. Notice of change of address shall be effective only when accomplished in accordance with this Section.

### **CITY's Notice Address:**

City of Cudahy  
Attn: Steven Dobrenen, Finance Director  
5220 Santa Ana Street  
Cudahy, California 90201

**Staffing Firm's Address:**

Donna Schwartz  
461 Green Orchard Place  
Riverside, CA 92506  
Phone: 951-999-1617

13.2 BONDING. CITY shall bear the full cost of any fidelity or other bonds required of the Assigned Firm under any laws or ordinance.

13.3 ENTIRE AGREEMENT. This Agreement, including the General Conditions of Assignment and the Terms of Payments incorporated herein and attached hereto as "Exhibit A," is intended to be the final, complete, and exclusive statement of the terms of Consultant's engagement with the CITY. This Agreement supersedes all other prior and contemporaneous agreements and statements, whether written or oral, express or implied, pertaining in any manner to the engagement of Consultant Employee, and it may not be contradicted by evidence of any prior or contemporaneous statements or agreements. To the extent that the practices, policies, or procedures of CITY, now or in the future, apply to Consultant Employee and are inconsistent with the terms of this Agreement, the provisions of this Agreement shall control.

13.4 AMENDMENTS. This Agreement may not be amended except in the form of a written amendment to this Agreement approved by the City Council.

13.5 WAIVER. Failure to exercise any right under this Agreement shall not constitute a waiver of such right.

13.6 ASSIGNMENT. Consultant shall not assign any rights or obligations under this Agreement. CITY may, upon prior written notice to Consultant, assign its rights and obligations hereunder.

14.8 SEVERABILITY. If any court of competent jurisdiction holds any provision of this Agreement to be invalid, unenforceable, or void, the remainder of this Agreement shall remain in full force and effect.

14.9 ATTORNEYS' FEES. In any legal action, arbitration, or other proceeding brought to enforce or interpret the terms of this Agreement, the prevailing party shall be entitled to recover reasonable attorneys' fees and costs.

14.10 GOVERNING LAW. This Agreement shall be governed by and construed in accordance with the laws of the State of California, with venue in the County of Los Angeles, State of California.

14.11 INTERPRETATION. This Agreement shall be construed as a whole, according to its fair meaning, and not in favor of or against any PARTY. By way of example and not in limitation, this Agreement shall not be construed in favor of the PARTY receiving a benefit nor against the PARTY responsible for any particular language in this Agreement. Captions are used for reference purposes only and should be ignored in the interpretation of the Agreement. This Agreement may be altered, amended or modified only by an instrument in

writing, executed by the PARTIES to this Agreement and by no other means. Each PARTY waives their future right to claim, contest, or assert that this Agreement was modified, cancelled superseded or changed by any oral agreement, course of conduct, waiver or estoppel.

14.12 ACKNOWLEDGMENT. Consultant acknowledges that it has had the opportunity to consult legal counsel in regard to this Agreement, that it has read and understands this Agreement, that it is fully aware of its legal effect, and that it has entered into it freely and voluntarily and based on Consultant's own judgment and not on any representations or promises other than those contained in this Agreement.

14.13 COUNTERPARTS. This Agreement shall be executed in four (4) original counterparts each of which shall be of equal force and effect. One counterpart shall be delivered to Consultant, one counterpart shall be retained by the Human Resources Department, one counterpart shall be retained by the Office of the City Manager, and the fourth counterpart shall be retained by the City Clerk for permanent archiving by the CITY.

**[SIGNATURE PAGE TO FOLLOW]**

IN WITNESS WHEREOF, CITY has caused this Agreement to be signed and executed on the date first indicated above.

CITY OF CUDAHY

CONSULTANT

By: \_\_\_\_\_  
Chris Garcia,  
Mayor

By: \_\_\_\_\_  
Donna Schwartz

Date: \_\_\_\_\_

Date: \_\_\_\_\_

APPROVED AS TO FORM:

By: \_\_\_\_\_  
Rick Olivarez,  
City Attorney

**Exhibit A**  
**(“Scope of Work”)**

**SUMMARY**  
**DESCRIPTION**

Under administrative direction from the City Manager, the City Clerk directs, manages, supervises, and coordinates the activities and operations of the City Clerk’s Office including preparation and recording of the activities and decisions of the City Council and the Successor Agency and codification and maintenance of official City records; administers municipal elections; coordinates assigned activities with other divisions, departments and outside agencies; and provides highly responsible and complex administrative support to the City Manager and City Council.

**REPRESENTATIVE**  
**DUTIES**

The following duties are typical for this classification. Consultant may not perform all of the listed duties and/or may be required to perform additional or different duties from those set forth below to address business needs and changing business practices.

1. Assume management responsibility for all services and activities of the City Clerk’s Office including preparation and recording of the activities and decisions of the City Council and Successor Agency and codification and maintenance of official City records.
2. Manage and participate in the development and implementation of goals, objectives, policies, and priorities for assigned programs; recommend and administer policies and procedures.
3. Monitor and evaluate the efficiency and effectiveness of service delivery methods and procedures; recommend, within departmental policy, appropriate service and staffing levels.
4. Oversee and participate in the development and administration of the City Clerk’s Office annual budget; participate in the forecast of funds needed for staffing, equipment, materials, and supplies; monitor and approve expenditures; implement adjustments.

6. Supervise and coordinate the preparation and distribution of agendas and support materials for City Council and other meetings as needed.
8. Attend meetings of the City Council and other meetings and record minutes; follow-up on action items as necessary.
9. Ensure accurate up-to-date filing of City ordinances, agreements, resolutions, and minutes of City Council, commissions, and committees; sign and certify official City documents.
10. Ensure City agreements, contracts, and other legal documents are signed and recorded, associated records and documents are obtained, and public notices and ordinances are published.
11. Coordinate the conduct of municipal and special elections; act as liaison to the Los Angeles County Registrar's office; file state campaign statements and other forms; facilitate compliance with the Fair Political Practices Act; administer state campaign financing and disclosure laws.
12. Administer Oaths or affirmations.
13. Oversee and supervise all public records requests; notes and submits requests that need to be reviewed by the City Attorney before being fulfilled.
14. Oversee and manage the City's records management program including developing procedures for records management, retrieval and disposal; maintain, dispose, and preserve official city documents and records including resolutions, ordinances, deeds, Council minutes, agreements, and reports in accordance with legal requirements; supervise the storage and protection of the City's permanent records.
15. Serve as the liaison for the City Clerk's Office with other divisions, departments, outside agencies and the general public; negotiate and resolve sensitive and controversial issues.
16. Provide responsible staff assistance to the Mayor, City Council, City Manager, City Attorney, and Successor Agency; conduct a variety of organizational studies, investigations, and operational studies; recommend modifications to City Clerk's Office programs, policies, and procedures as appropriate.
17. Attend and participate in professional group meetings; maintain awareness of new trends and developments in the fields related to the City Clerk's Office including municipal records management and election administration; incorporate new developments as appropriate.
18. Perform related duties as required.



Item Number

**10C**

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## **STAFF REPORT**

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**Date:** December 2, 2014

**To:** Honorable Mayor/Chair and City Council/Agency Members

**From:** Jose E. Pulido, City Manager/Executive Director  
By: Jennifer Hernandez, Acting Human Resources Specialist

**Subject:** **A Resolution of the City of Cudahy, California Designating Holidays on which City Offices Shall be Closed for Calendar Year 2015**

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### **RECOMMENDATION**

The City Council is requested to approve Resolution No. 14-84, a Resolution of the City of Cudahy designating holidays on which City offices shall be closed for Calendar Year 2015.

### **BACKGROUND**

1. Section 6700 of the California Government Code designates days that are holidays.
2. Section 6702 of the California Government Code provides that City offices shall be closed designated State Holidays unless otherwise provided by the City.
3. In the February 5, 2013 the Cudahy City Council approved a Memorandum of Understanding (MOU) between the Cudahy Miscellaneous Employee's Association (CMEA) and the City. The term of the MOU was approved retroactively to July 1, 2012 through to June 30, 2015. The CMEA negotiated the right to observe the holidays reflected on the attached resolution.
4. Resolution No. 07-24, approved on July 1, 2007, allows management employees the right to observe those same holidays.

### **ANALYSIS**

Designation of holidays on which City offices will be closed for Calendar Year 2015 will support the holidays negotiated in the 2012-2015 MOU, which are currently being observed by represented employees of the Cudahy Miscellaneous Employees Association. Non-represented Management

employees also observe the same holidays as established by Resolution No. 07-24 adopted July 1, 2007, which addresses compensation and fringe benefits.

Holidays currently observed by the City are as follows:

January 1, 2015	New Year's Day
January 19, 2015	Martin Luther King Jr. Day
February 16, 2015	President's Day
April 3, 2015	Good Friday
May 25, 2015	MemorialDay
July 4, 2015	Independence Day
September 7, 2015	Labor Day
November 11, 2015	Veteran's Day
November 26, 2015	Thanksgiving Day
November 27, 2015	Friday following Thanksgiving Day
December 24, 2015	Christmas Eve
December 25, 2015	Christmas Day

**CONCLUSION**

City Council approval of this resolution allows observance of these City holidays. Observance of these holidays significantly reduce resources available to the public during operating hours. Due to the inability to provide and maintain quality of service to the community on designated holidays, City offices will be closed in accordance to the calendar reflected above.

**FINANCIAL IMPACT**

Costs associated with this holiday were incorporated into the FY 2014-15 City Budget, which was approved on October 22, 2014. There are no additional fiscal impacts.

**ATTACHMENTS**

- A. Resolution No. 14-84, A RESOLUTION OF THE CITY OF CUDAHY, CALIFORNIA DESIGNATING HOLIDAYS ON WHICH CITY OFFICES SHALL BE CLOSED FOR CALENDAR YEAR 2015

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\*California Government Code 6700. The holidays in this state are: (a) Every Sunday. (b) January 1st. (c) The third Monday in January, known as "Dr. Martin Luther King, Jr. Day." (d) February 12th, known as "Lincoln Day." (e) The third Monday in February. (f) March 31st known as "Cesar Chavez Day." (g) The last Monday in May. (h) July 4th. (i) The first Monday in September. (j) September 9th, known as "Admission Day." (k) The second Monday in October, known as "Columbus Day." (l) November 11th, known as "Veterans Day." (m) December 25th. (n) Good Friday from 12 noon until 3 p.m. (o) Every day appointed by the President or Governor for a public fast, thanksgiving, or holiday. Except for the Thursday in November appointed as Thanksgiving Day, this subdivision and subdivisions (c) and (f) shall not apply to a city, county, or district unless made applicable by charter, or by ordinance or resolution of the governing body

thereof. If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Chapter 12 (commencing with Section 3560) of Division 4 of Title 1, the memorandum of understanding shall be controlling without further legislative action, except that if those provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act. 6701. If January 1st, February 12th, March 31st, July 4th, September 9th, November 11th, or December 25th falls upon a Sunday, the Monday following is a holiday. If November 11th falls upon a Saturday, the preceding Friday is a holiday. If any holiday designated in Section 6700 falls on a Saturday, the board of supervisors of any county may by ordinance or resolution provide that an alternate day shall be a holiday for the employees of the county, except those employees of the county working as court attachés.

\*\*California Government Code 6702. Every Saturday from noon to midnight is a holiday as regards the transaction of business in the public offices of the state and political divisions where laws, ordinances, or charters provide that public offices shall be closed on holidays. This section shall not be construed to prevent or invalidate the issuance, filing, service, execution, or recording of any legal process or written instrument during such period. Public offices of a city shall be closed on those holidays enumerated in Section 6700 unless otherwise provided by charter, ordinance or resolution.

**RESOLUTION NO. 14-85**

**A RESOLUTION OF THE CITY OF CUDAHY,  
CALIFORNIA DESIGNATING HOLIDAYS ON  
WHICH CITY OFFICES SHALL BE CLOSED  
FOR CALENDAR YEAR 2015**

WHEREAS, Section 6700 of the California Government Code designates days that are holidays in the State; and

WHEREAS, Section 6702 of the California Government Code provides that City offices shall be closed designated State Holidays unless otherwise provided by the City; and

WHEREAS, this City Council desires and deems it to be in the best public interest to designate those holidays on which City offices will be closed;

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

1. That the above recitations are true.
2. That the public offices of the City shall be closed on the following dates in observance of the indicated holidays:

January 1, 2015	New Year's Day
January 19, 2015	Martin Luther King Jr. Day
February 16, 2015	President's Day
April 3, 2015	Good Friday
May 25, 2015	Memorial Day
July 4, 2014	Independence Day
September 7, 2015	Labor Day
November 11, 2015	Veteran's Day
November 26, 2015	Thanksgiving Day
November 27, 2015	Friday following Thanksgiving Day
December 24, 2015	Christmas Eve
December 25, 2015	Christmas Day

**PASSED, APPROVED AND ADOPTED** by the City Council of the City of Cudahy at its regular meeting on this 2<sup>nd</sup> day of December, 2014.

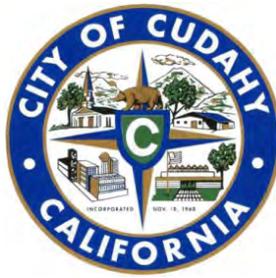
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Chris Garcia, Mayor

ATTEST:

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Donna G. Schwartz, CMC  
Interim City Clerk



Item Number

**10D**

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## STAFF REPORT

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**Date:** December 2, 2014  
**To:** Honorable Mayor/Chair and City Council/Agency Members  
**From:** Jose E. Pulido, City Manager/Executive Director  
**Subject:** **Authorization to Apply for Grant Funds through the 2015 Metropolitan Transportation Authority (MTA) Call for Projects**

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### **RECOMMENDATION**

The City Council is requested to:

1. Authorize the City Manager to submit up to three grant applications for citywide improvements through the 2015 Los Angeles County Metropolitan Transportation Authority (MTA) Call for Projects which are due by January 16, 2015;
2. Approve a Professional Services Agreement (PSA) with Avant-Garde, Inc. (i.e., Avant-Garde) in an amount not-to-exceed \$24,520 for the submittal of one or multiple grant applications in response to the 2015 MTA Call for Projects.

Project costs are according to the following breakdown:

- First Application \$10,520
  - Second Application \$7,000
  - Third Application \$7,000; and
3. Amend the City's existing (PSA) with Transtech, Inc. (i.e., Transtech) in the amount of approximately \$12,500 for the preparation of engineering documents required for the submittal of one or multiple grant applications to the 2015 MTA Call for Projects.

### **BACKGROUND**

1. On July 31, 2014, the City entered into a PSA with Transtech, Inc., to provide plan check services to include the review of plans submitted to subdivision improvements, commercial

developments, and infrastructure improvements within the City's right of way. Plans are to be reviewed for the conformance with local and other applicable ordinances and standards with a strict attention to details. Plan check services include but are not limited to grading plans, traffic plans, and architectural, structural, electrical, mechanical, plumbing plans and other duties as assigned through an amendment to their agreement.

2. On September 12, 2014, MTA announced the 2015 Call for Projects.
3. On September 30, 2014, City staff (Assistant City Engineer and Planning Technician) attended the 2015 Los Angeles County MTA Call for Projects training session in downtown Los Angeles.
4. On November 7, 2014, the City Manager and Acting Community Development Director met with representatives from Avant Garde (i.e., Lissette Calleros, Company Principal and Ana Marie LeNoue, Company Principal) to discuss this exciting grant opportunity that only comes around every other year.
5. On November 12, 2014, Avant Garde submitted a proposal to prepare one or more grant applications for 2015 MTA Call for Projects.
6. On November 14, 2014, City Manager and Acting Community Development Director reviewed Avant Garde's grant writing proposal for the 2015 MTA Call for Projects.
7. On November 17, 2014, both the City Manager and the Acting Community Development Director agreed that the City should pursue one or multiple grant applications through the MTA's 2015 Call for Projects.

## **ANALYSIS**

The Call for Projects is a competitive process through which the MTA awards Federal, State, and local transportation funds to the most regionally significant projects in different modal categories. The FY 2015 MTA Call for Projects applications are due January 16, 2015. Multiple grant applications can be submitted with the adequate project study information for the same project in different categories, or multiple projects within the same category. Upon completion of the design and cost estimate by Transtech, the project will be evaluated by Avant-Garde to determine which modes the City's project will be the most competitive.

Over the years, Avant Garde has built a strong reputation for providing innovative and successful solutions for a number of public agencies. They have a successful track record with several municipalities in Los Angeles providing compliance management and grant writing services. They have secured over \$90 million in grant funds for their clients and have specific success in working on MTA funded projects and securing funds in previous MTA Call for Projects. The Call for Projects applications requires very specific engineering information. Transtech will provide the needed expertise and assistance with the technical data required for completion of the application(s).

Currently, staff is exploring submitting grant applications for these modal categories: Pedestrian Improvements, Bicycle Improvements, and Transportation Demand Management:

•**Pedestrian Improvements:** provide capital funds for construction of projects that improve the pedestrian environment in order to promote walking as a viable form of transportation. Design and right-of-way acquisition are eligible expenses as long as they are directly related to and part of the project's construction. Eligible projects may include: sidewalk construction, extensions and widening; curb ramps (as part of sidewalk reconstruction); enhanced pedestrian crossing features; landscaping; signage; lighting; and street furniture. Improvements must be for the use of the general public and located within a public right of way, in a public easement, or some other guarantee of public use.

•**Bicycle Improvements:** fund projects that provide access and mobility for local and regional bicycle travel, gap closures that connect bikeway networks, on-street improvements to transit hubs, high-capacity bicycle parking, and innovative projects that promote bicycling. Rehabilitation, Restoration, and Resurfacing (3R) are eligible as a component of a larger project.

•**Transportation Demand Management:** implement strategies that improve transportation multi-mobility in Los Angeles County. Demand management strategies may include policy changes, physical improvements, programs or operational changes that enhance multi-mobility and air quality other than through building major new transportation infrastructure.

The 2015 MTA Call for Projects provides a significant amount of grant funds (i.e., between \$1 million and \$6 million) to successful cities. It should be noted that depending on the modal category, funds will be available beginning FY 2016-17 and will be allocated for five years.

The total number of grant applications submitted by the City to MTA will be determined by the design and cost estimates prepared by Transtech. This information will then be used to determine in which mode or modes the City's project(s) will be the most competitive in.

## **CONCLUSION**

City Council authorization for the City Manager to submit up to three applications for grant funds through the 2015 Los Angeles County Metropolitan Transportation Authority (MTA) Call for Projects by retaining the services of Avant Garde through a Professional Services Agreement (PSA) for grant writing work, and amendment of Transtech's existing contract for the related grant application engineering work ensures that City remains consistent in its pursuit of grant funding to improve the community's quality of life.

## **FINANCIAL IMPACT**

The City will need to make a budget adjustment of between \$10,525 and \$24,525 for grant writing services and approximately \$12,500 for engineering services at Mid-Year to the FY 2014-15 City Budget.

**ATTACHMENTS**

- A. Avant-Garde, Inc. fee proposal for preparation of one or more grant application(s) for the 2015 Metro Call for Projects.
- B. Amendment to Transtech Professional Services Agreement with City for grant application related engineering work.
- C. Avant-Garde, Inc. Professional Service Agreement

November 11, 2014

Mr. Jose Pulido  
City Manager  
City of Cudahy  
5220 Santa Ana Street  
Cudahy, CA 90201

Subject: **Fee Proposal for Preparation of the Grant Application(s) for the 2015 Metro Call for Projects.**

Dear Mr. Pulido:

It is with great pleasure that I provide you this proposal to prepare a grant application(s) for the 2015 Metro Call for Projects Program. We have prepared this fee proposal, which will address the following: (A) our proposed scope of work, (B) the project schedule, and (C) our consulting fees.

**A. Scope of Work**

Our services will include the following:

- Preparation and submittal of the program application(s), which consists of three parts: 1- General application, 2-Financial plan, 3-Completion of the modal category application along with appropriate attachments including project location map. The application will be submitted on-line as required by Metro in addition to two (2) hard copies of the application and a CD that will be hand delivered to Metro.
- Coordination with designated City Staff/Consulting Team to obtain the information required for development of the project scope and all required attachments. This information includes, but is not limited to: conceptual project renderings and/or illustrations, preliminary cost estimates, including a breakdown of all phases of the project, the type/amount of match funds, project schedule, and obtaining letters of support, etc.
- Attendance at Project Development Team Meetings, review of existing studies and plans.

**B. Project Schedule**

The grant application will be completed and submitted to Metro by the deadline of January 16, 2015.

**C. Compensation**

Our fee will be billed on a not-to-exceed basis. The following is a breakdown of the estimated hours required to complete the application(s).

**Metro Call for Projects Application(s) Preparation:**

- Meeting(s) Attendance, Metro Call for Projects Application(s) Coordination including coordination with Engineering, review of feasibility studies prepared by the City and preparation of funding feasibility including review of City budget to determine match funds available as well as determining other grant/funding sources:
  - A. Program Director  $\$130 \times 15 \text{ hours} = \$1,950$
  - B. Program Assistant  $\$65 \times 15 \text{ hours} = \$975$
  
- The application consists of three parts: General application, financial plan and completion of the modal category application. We are offering a discounted hourly rate for grant writing services at \$95.
  - A. General Application: Program Manager  $\$95 \times 25 \text{ hours} = \$2,375.00$
  - B. Financial Plan: Program Manager  $\$95 \times 10 \text{ hours} = \$950.00$
  - C. Modal Category Application: Program Manager  $\$95 \times 45 \text{ hours} = \$4,275.00$

The proposed total is \$10,525. Should the City wish to pursue more than one application under different modal categories, we are offering a reduced price of \$7,000 for each subsequent application.

If you have any questions or if I can be of further assistance, please feel free to contact me at (909) 979-6587.

Sincerely,

Acceptance of Proposal:

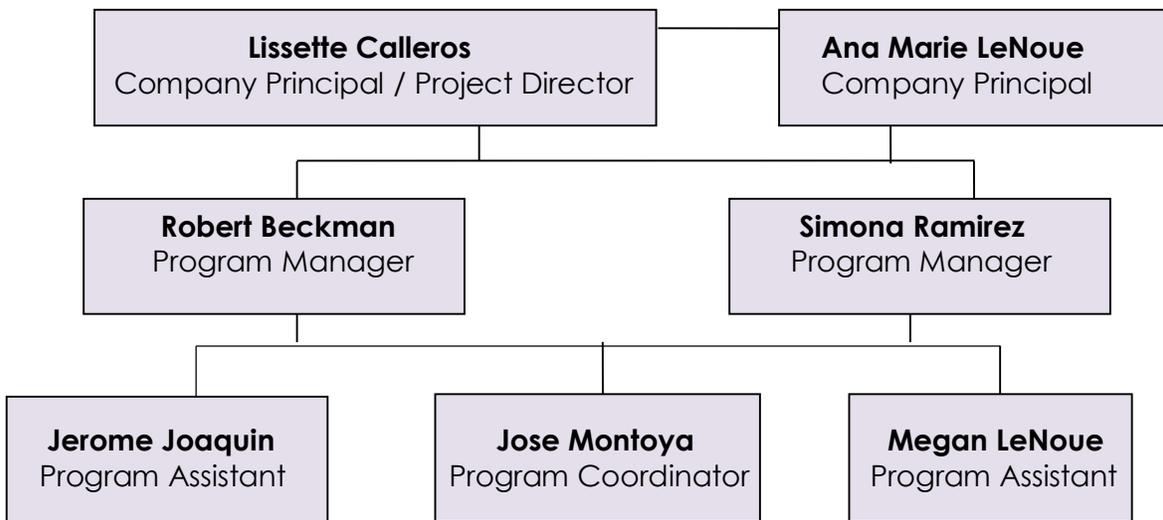
Lissette Calleros  
Vice President

\_\_\_\_\_  
City Representative,      Date

## PROJECT STAFF QUALIFICATIONS

To provide exceptional grant writing services to the City of Cudahy, we present a highly qualified and experienced team of program managers and coordinators with years of experience. We have assigned firm principals, Lissette Calleros and Ana Marie LeNoue, to serve as the Project Representatives. Ms. Calleros will oversee all assigned staff and will ensure successful administration of grant writing, grant seeking, and fund administration services outlined in this proposal.

### ORGANIZATIONAL CHART



## RESUMES OF KEY PROJECT STAFF

## **Lisette Calleros**

Principal / Program Director

Ms. Calleros has 14 years of experience in Program Management and is the Vice President and CFO of Avant-Garde. Ms. Calleros expertise is in administering federal and state funded projects, program development, and records management. She provides funding administration to ensure that cities develop their projects in accordance with policy and procedural requirements, assists in determining eligible projects for various funding sources, and manages development and capital improvement programs/projects from conception to completion. She has experience in identifying federal and state fund allocation balances, programming funds, and administers long-and-short range programs consistent with the economic capabilities of the City.

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### **RELEVANT EXPERIENCE**

Ms. Calleros and her team have extensive experience in grant writing, project monitoring, labor compliance and provides fund administration services to ensure that the funding secured is spent per the requirements of the funding agency and within the required timelines. She also has experience in strategic budget planning specifically with Capital Improvement Programs.

Ms. Calleros has assisted various agencies in performing a variety of analyses and studies to identify State and Federal funding options; performed time-critical and confidential studies related to fiscal and administrative requirements of grant programs; assisted in the grants solicitation process; planned and coordinated the implementation of awarded grants to ensure that the City was in compliance with applicable laws and regulations, and monitored and audited grant expenses.

Ms. Calleros will be responsible for all quality assurance/quality control efforts. Ms. Calleros has over 12 years of experience in successful grant writing, research and strategic planning. Her proven track record demonstrates her ability and competence in applying

for and securing State and Federal grants funds from various programs for all project types. Under Ms. Calleros direction, the Program Management Team has secured over \$92 million in competitive grant funds from various funding agencies for the following cities: Industry, Temple City, Hawaiian Gardens, Bell Gardens, Montebello, Monrovia, Perris, Lynwood, Maywood, and La Mirada.

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## **EDUCATION**

B.S. Business Management, California State Polytechnic University Pomona

A.A. General Studies, Mount San Antonio College

## **Ana Marie LeNoue**

### Principal / Director

Ms. Ana Marie LeNoue has over 25 years of experience in municipal services. She is the President and C.E.O. of Avant-Garde. Ms. LeNoue established the company's foundation in municipal services based on her extensive program management experience that includes 17 years as a municipal employee managing various capital projects and programs. She presently directs the company's Community Outreach and Grants program with projects in the Cities of Industry, Montebello, Bell Gardens, La Mirada, and Hawaiian Gardens. Mrs. LeNoue directs the Community Outreach team in support of various capital projects for clients throughout the southland. Under her direction, Ms. LeNoue ensures proper resource allocation in the research and development of grant opportunities, grant applications, and project development for various clients. Her understanding of municipal government and project management make her uniquely qualified to identify funding opportunities and project/program amenities that complement grant program goals and objectives therefore, strengthening the potential success of the grant application.

Ms. LeNoue is a versatile, dynamic, results-oriented leader with a strong track record of performance in high-paced and uniquely challenging organizations. She utilizes keen analysis, insights and a team approach to drive organizational improvements and implementation of sound practices. She is a strong organizer, motivator and team player with an established record of success in identifying new and emerging organizational opportunities. Highly skilled in developing operational strategies and directing major marketing and service related projects from original concept through implementation, Ms. LeNoue has superior interpersonal skills, capable of resolving multiple and complex issues and motivating staff to peak performance. She has an excellent understanding of the political culture and extensive administrative, operational, fiscal and program management experience.

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### **EDUCATION**

B.S. Business Management, University of Phoenix, 2001

### **Support Staff:**

To carry out the activities proposed, the key staff, inclusive of Ms. LeNoue and Ms. Calleros, will be supported by Mr. Beckman, Ms. Ramirez, Mr. Montoya, Ms. LeNoue and Mr. Joaquin. Based on the needs and time commitment/schedule, we will assign the proper personnel on a per project/assignment basis.

Mr. Robert Beckman has over nine years of municipal government grant writing experience and has been very successful in identifying, defining, and developing funding sources to support planned for and existing program activities as well as coordinating the development, writing and submission of grant proposals to various agencies. His years of municipal experience have provided him with the ability to understand the needs of governmental agencies and an in depth knowledge of the governmental process. Additionally, this experience has also shaped his approach to grant writing, placing an emphasis on the community and obtaining their input and support to ensure the success of the project. Mr. Beckman graduated from the University of La Verne with a B.S. in 2006.

Ms. Simona Ramirez has eight years of experience in Program Management. Ms. Ramirez expertise is in program development, administration, and community outreach. An effective communicator, Ms. Ramirez's multi-faceted skill set allows her to understand the needs of diverse audiences and provide them with practical solutions to problems. Ms. Ramirez has experience working with governmental agencies such as the Department of Motor Vehicles and the Employment Development Department. Ms. Ramirez has valuable knowledge of both state and federal regulations, making her capable to perform administrative and managerial duties as a program manager. Ms. Ramirez is a graduate of California State University, Los Angeles. She has earned both a Bachelor's and Master's degree in Political Science.

Mr. Jose Montoya has been with the firm for five years. Mr. Montoya recently earned a Juris Doctorate from Whittier College with a concentration in Environmental Law and has a B.A. from University of California Riverside, 2010. His responsibilities include Grant Writing, Labor Compliance, Project Management Assistance and Community Outreach. He has worked in conjunction with the Project Managers of the company and has served as

liaison to provide support on various projects. He specializes in government funding and grant sources with requirements ranging from basic applications and documentation to competitive project proposal submittals. In concert with his grant team mates, Mr. Montoya has been instrumental in securing and managing millions of dollars for southern California Projects. He will assist with identifying federal and state fund allocation balances, writing grant proposals, assisting in determining eligible projects, providing advisement of program requirements and will be available to prepare and administer the program as required by the funding agencies.

Mr. Jerome Joaquin has been with the firm over two years. Mr. Joaquin is a graduate of California State Polytechnic University, Pomona with a B.S. Urban and Regional Planning in 2010 and has a A.A. in General Studies with an emphasis on Architecture from Glendale Community College in 2007. Mr. Joaquin's responsibilities include grant researching and writing, community outreach support, and labor compliance. He has worked in conjunction with the project managers of the company and served as a liaison to provide support on various projects.

Ms. Megan LeNoue has been with the firm just over one year, a recent college graduate of Saint Mary's College in California. Ms. LeNoue lends her extensive research and communication skills to the grants team. Her responsibilities include Grant Research, Grant Writing, Labor Compliance, Project Management Assistance and Community Outreach. She has worked in conjunction with the Project Managers of the company and has served as liaison to provide support on various projects. She will assist with identifying potential funding opportunities; assist in the development of grant proposals, as well as the packaging and submittal of proposals.

**2014**  
**FIRST AMENDMENT**  
**TO PROFESSIONAL SERVICES AGREEMENT**  
**(Engagement: Plan Checking Services)**  
**(Parties: City of Cudahy and Transtech Engineering, Inc.)**

THIS FIRST AMENDMENT TO PROFESSIONAL SERVICES AGREEMENT (the "Amendment") to that certain document entitled "Professional Services Agreement" (the "Master Agreement") executed as of July 31, 2014, by and between the City of Cudahy, a municipal corporation (hereinafter, "City") and Transtech Engineering, Inc. (hereinafter, "Consultant") is made and entered into this \_\_\_ day of \_\_\_\_\_ 2014. For the purposes of this Agreement, City and Consultant may be referred to collectively by the capitalized term "Parties." The capitalized term "Party" may refer to City or Consultant interchangeably.

**RECITALS**

This Amendment is made with the respect to the following facts and purposes:

WHEREAS, On July 31, 2014, the Parties entered into a Professional Service Agreement between the City of Cudahy and Transtech Engineering, Inc., for Plan Checking Services (attached hereto as **Exhibit "A"**); and

WHEREAS, the City desires to continue the following additional professional services: assist Avant-Garde with the 2015 Call for Projects Funding Application; and

WHEREAS, Consultant has represented to City that it has the requisite skill and experience to safely and competently perform the desired professional services within the City; and

WHEREAS, The PARTIES now desire to amend the AGREEMENT to: (1) assist Avant-Garde in the 2015 Call for Projects Funding Application (2) implement the proposed Scope of Work ("WORK") found in **Exhibit "A1"** ("Proposal For Technical Assistance to Avant-Garde For 2015 Call For Project Application Preparation") and (3) to establish a Not To Exceed Amount of **\$12,500** which is attached hereto and made a part hereof.

NOW, THEREFORE, in consideration of the mutual agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and intending to be legally bound hereby, the Parties agree as follows:

1. Section \_\_\_\_ (Compensation) of the Master Agreement is hereby amended in part by increasing the amount of the Contract Price of Twelve Thousand Five Hundred Dollars (\$24,500) as compensation for the additional Work reflected in Exhibit "A1".
2. **Attachment "A"** ("Scope Of Work") of the Master Agreement is hereby amended to include the Scope of Work and Fee Proposal For Professional Consultant Services For Plan

Checking Services found in **Exhibit "A1"** ("Proposal For Technical Assistance to Avant-Garde For 2015 Call For Project Application Preparation").

3. Except as otherwise set forth in this Amendment, the Master Agreement shall remain binding, controlling and in full force and effect. This Amendment together with the Master Agreement shall constitute the entire, complete, final, and exclusive expression of the Parties with respect to the matters addressed in both documents.

4. The provisions of this Amendment shall be deemed a part of the Master Agreement and except as otherwise provided under this Amendment, the Master Agreement and all provisions contained therein shall remain binding and enforceable. In the event of any conflict or inconsistency between the provisions of this Amendment and the provisions of the Master Agreement, the provisions of this Amendment shall control, but only in so far as such provisions conflict with the Master Agreement and no further.

5. This Amendment shall be executed in three counterparts, with one such fully executed counterpart returned to Consultant upon execution.

IN WITNESS THEREOF, the Parties hereto have caused this Amendment to the Master Agreement to be executed on the day and year first appearing above.

CITY OF CUDAHY:

TRANSTECH ENGINEERING, INC.

By: \_\_\_\_\_  
Jose E. Pulido, City Manager

By: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

APPROVED AS TO FORM:

By: \_\_\_\_\_  
Isabel Birrueta, City Attorney

Date: \_\_\_\_\_

**EXHIBIT "A"**  
**(Master Agreement)**



**2014**  
**PROFESSIONAL SERVICES AGREEMENT**  
**(Engagement: Plan Checking Services)**  
**(Parties: Transtech Engineers, Inc. and the City of Cudahy)**

THIS PROFESSIONAL SERVICES AGREEMENT ("Agreement") is made and entered into this 31 day of July, 2014 (hereinafter, the "Effective Date"), by and between the CITY OF CUDAHY, a municipal corporation ("CITY") and TRANSTECH ENGINEERS, INC. (hereinafter, "CONSULTANT"). For the purposes of this Agreement the CITY and CONSULTANT may be referred to collectively by the capitalized term "Parties." The capitalized term "Party" may refer to the CITY or CONSULTANT interchangeably.

**RECITALS**

This AGREEMENT is made and entered into with respect to the following facts:

WHEREAS, CITY wishes to engage CONSULTANT to provide the following specialized services: Plan Checking Services; and

WHEREAS, CITY's in-house personnel are presently unable to perform the specialized services and tasks contemplated under this Agreement; and

WHEREAS, CONSULTANT possesses the specialized training, skill, expertise and experience required to perform the services contemplated under this Agreement; and

WHEREAS, CONSULTANT agrees to perform the various services and tasks set forth under this Agreement subject to the terms and conditions set forth herein; and

NOW, THEREFORE, for and in consideration of the mutual covenants and conditions herein contained, CITY and CONSULTANT agree as follows:

**I. ENGAGEMENT TERMS**

- 1.1 **SCOPE OF SERVICES:** Subject to the terms and conditions set forth in this Agreement and all exhibits attached and incorporated hereto, CONSULTANT agrees to perform the services and tasks set forth in Exhibit "A" (hereinafter referred to as the "Scope of Services"). CONSULTANT further agrees to furnish to CITY all labor, materials, tools, supplies, equipment, services, tasks and incidental and customary work necessary to competently perform and timely complete the services and tasks set forth in the Scope of Services. For the purposes of this Agreement the aforementioned services and tasks set forth in the Scope of Services shall hereinafter be referred to generally by the capitalized term "Work."

- 1.2 **TERM:** This This Agreement shall have a term of one (1) year (hereinafter, the "Term") commencing from the Effective Date and terminating on July 31, 2015, unless earlier terminated as provided elsewhere in this Agreement. This Agreement may be extended subject to the same terms and conditions set forth herein for a maximum of two (2) one (1) year extension terms, in the sole and absolute discretion of City, provided City issues written notice of its intent to so extend the Agreement no less than thirty (30) calendar days prior to the expiration of the Initial Term or any subsequent extension term. Nothing in this subsection shall operate to prohibit or otherwise restrict the City's right to terminate this Agreement at any time for convenience or for cause as provided herein.
- 1.3 **COMPENSATION:**
- CONSULTANT's compensation for all labor, materials, tools, supplies, equipment, business licenses and such other incidental and customary work necessary to competently perform and fully complete the Work as well as compensation for all specifically delineated expenses set forth in the Scope of Work. All related costs, travel expenses, fees in the development of the Work shall be burdened by the Consultant and not be reimbursable to the City. In no event shall the total compensation and costs payable to Consultant under this Agreement exceed the Not-to-Exceed Sum unless the availability of funds for the added expenditure is first reviewed by the Finance Department of the City and unless such added expenditure is specifically approved in advance and in writing by the City.
- 1.4 **PAYMENT OF COMPENSATION:** Following the conclusion of each calendar month, CONSULTANT shall submit to CITY an itemized invoice indicating the services and tasks performed during the recently concluded calendar month, including services and tasks performed and the reimbursable out-of-pocket expenses incurred. If the amount of CONSULTANT's monthly compensation is a function of hours worked by CONSULTANT's personnel, the invoice shall indicate the number of hours worked in the recently concluded calendar month, the persons responsible for performing the Work, the rate of compensation at which such services and tasks were performed, the subtotal for each task and service performed and a grand total for all services performed. Within thirty (30) calendar days of receipt of each invoice, CITY shall notify CONSULTANT in writing of any disputed amounts included in the invoice. Within forty-five (45) calendar day of receipt of each invoice, CITY shall pay all undisputed amounts included on the invoice. CITY shall not withhold applicable taxes or other authorized deductions from payments made to CONSULTANT.
- 1.5 **ACCOUNTING RECORDS:** CONSULTANT shall maintain complete and accurate records with respect to all matters covered under this Agreement for a period of five (5) years after the expiration or termination of this Agreement. CITY shall have the right to access and examine such records, without charge, during normal business hours. CITY shall further have the right to audit such records, to make transcripts therefrom and to inspect all program data, documents, proceedings, and activities.

- 1.6 **ABANDONMENT BY CONSULTANT:** In the event CONSULTANT ceases to perform the Work agreed to under this Agreement or otherwise abandons the undertaking contemplated herein prior to the expiration of this Agreement or prior to completion of any or all tasks set forth in the Scope of Services, CONSULTANT shall deliver to CITY immediately and without delay, all materials, records and other work product prepared or obtained by CONSULTANT in the performance of this Agreement. Furthermore, CONSULTANT shall only be compensated for the reasonable value of the services, tasks and other work performed up to the time of cessation or abandonment, less a deduction for any damages, costs or additional expenses which CITY may incur as a result of CONSULTANT's cessation or abandonment.

## **II. PERFORMANCE OF AGREEMENT**

- 2.1 **CITY'S REPRESENTATIVES:** The CITY hereby designates the City Manager and the Community Development Director (hereinafter, the "CITY Representatives") to act as its representatives for the performance of this Agreement. The Superintendent shall be the chief CITY Representative. The CITY Representatives or their designee shall act on behalf of the CITY for all purposes under this Agreement. CONSULTANT shall not accept directions or orders from any person other than the CITY Representatives or their designee.
- 2.2 **CONSULTANT REPRESENTATIVE:** CONSULTANT hereby designates Ayla Erfigen, Company CBO, to act as its representative for the performance of this Agreement (hereinafter, "CONSULTANT Representative"). CONSULTANT Representative shall have full authority to represent and act on behalf of the CONSULTANT for all purposes under this Agreement. CONSULTANT Representative or his or her designee shall supervise and direct the performance of the Work, using his or her best skill and attention, and shall be responsible for all means, methods, techniques, sequences and procedures and for the satisfactory coordination of all portions of the Work under this Agreement. Notice to the CONSULTANT Representative shall constitute notice to CONSULTANT.
- 2.3 **COORDINATION OF SERVICE; CONFORMANCE WITH REQUIREMENTS:** CONSULTANT agrees to work closely with CITY staff in the performance of the Work and this Agreement and shall be available to CITY staff and the CITY Representatives at all reasonable times. All work prepared by CONSULTANT shall be subject to inspection and approval by CITY Representatives or their designees.
- 2.4 **STANDARD OF CARE; PERFORMANCE OF EMPLOYEES:** CONSULTANT represents, acknowledges and agrees to the following:
- A. CONSULTANT shall perform all Work skillfully, competently and to the generally accepted standards of CONSULTANT's profession;
  - B. CONSULTANT shall perform all Work in a manner reasonably satisfactory to the CITY;

- C. CONSULTANT shall comply with all applicable federal, state and local laws and regulations, including the conflict of interest provisions of Government Code section 1090 and the Political Reform Act (Government Code section 81000 et seq.);
- D. CONSULTANT understands the nature and scope of the Work to be performed under this Agreement as well as any and all schedules of performance;
- E. All of CONSULTANT's employees and agents possess sufficient skill, knowledge, training and experience to perform those services and tasks assigned to them by CONSULTANT; and
- F. All of CONSULTANT's employees and agents (including but not limited to subcontractors and subconsultants) possess all licenses, permits, certificates, qualifications and approvals of whatever nature that are legally required to perform the tasks and services contemplated under this Agreement and all such licenses, permits, certificates, qualifications and approvals shall be maintained throughout the term of this Agreement and made available to CITY for copying and inspection.

The Parties acknowledge and agree that CONSULTANT shall perform, at CONSULTANT's own cost and expense and without any reimbursement from CITY, any services necessary to correct any errors or omissions caused by CONSULTANT's failure to comply with the standard of care set forth under this Section or by any like failure on the part of CONSULTANT's employees, agents, contractors, subcontractors and subconsultants. Such effort by CONSULTANT to correct any errors or omissions shall be commenced immediately upon their discovery by either Party and shall be completed within seven (7) calendar days from the date of discovery or such other extended period of time authorized by the CITY Representatives in writing and in their sole and absolute discretion. The Parties acknowledge and agree that CITY's acceptance of any work performed by CONSULTANT or on CONSULTANT's behalf shall not constitute a release of any deficiency or delay in performance. The Parties further acknowledge, understand and agree that CITY has relied upon the foregoing representations of CONSULTANT, including but not limited to the representation that CONSULTANT possesses the skills, training, knowledge and experience necessary to perform the Work skillfully, competently and to the generally accepted standards of CONSULTANT's profession.

- 2.5 ASSIGNMENT: The skills, training, knowledge and experience of CONSULTANT are material to CITY's willingness to enter into this Agreement. Accordingly, CITY has an interest in the qualifications and capabilities of the person(s) who will perform the services and tasks to be undertaken by CONSULTANT or on behalf of CONSULTANT in the performance of this Agreement. In recognition of this interest, CONSULTANT agrees that it shall not assign or transfer, either directly or indirectly or by operation of law, this Agreement or the performance of any of

CONSULTANT's duties or obligations under this Agreement without the prior written consent of the CITY. In the absence of CITY's prior written consent, any attempted assignment or transfer shall be ineffective, null and void and shall constitute a material breach of this Agreement.

- 2.6 **CONTROL AND PAYMENT OF SUBORDINATES; INDEPENDENT CONTRACTOR:** The Work shall be performed by CONSULTANT or under CONSULTANT's strict supervision. CONSULTANT will determine the means, methods and details of performing the Work subject to the requirements of this Agreement. CITY retains CONSULTANT on an independent contractor basis and not as an employee. CONSULTANT reserves the right to perform similar or different services for other principals during the term of this Agreement, provided such work does not unduly interfere with CONSULTANT's competent and timely performance of the Work contemplated under this Agreement and provided the performance of such services does not result in the unauthorized disclosure of CITY's confidential or proprietary information. Any additional personnel performing the Work under this Agreement on behalf of CONSULTANT are not employees of CITY and shall at all times be under CONSULTANT's exclusive direction and control. CONSULTANT shall pay all wages, salaries and other amounts due such personnel and shall assume responsibility for all benefits, payroll taxes, Social Security and Medicare payments and the like. CONSULTANT 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, disability insurance, workers' compensation insurance and the like.
- 2.7 **REMOVAL OF EMPLOYEES OR AGENTS:** If any of CONSULTANT's officers, employees, agents, contractors, subcontractors or subconsultants is determined by the CITY Representatives to be uncooperative, incompetent, a threat to the adequate or timely performance of the tasks assigned to CONSULTANT, a threat to persons or property, or if any of CONSULTANT's officers, employees, agents, contractors, subcontractors or subconsultants fail or refuse to perform the Work in a manner acceptable to the CITY, such officer, employee, agent, contractor, subcontractor or subconsultant shall be promptly removed by CONSULTANT and shall not be re-assigned to perform any of the Work.
- 2.8 **COMPLIANCE WITH LAWS:** CONSULTANT shall keep itself informed of and in compliance with all applicable federal, state or local laws to the extent such laws control or otherwise govern the performance of the Work. CONSULTANT's compliance with applicable laws shall include without limitation compliance with all applicable Cal/OSHA requirements.
- 2.9 **NON-DISCRIMINATION:** In the performance of this Agreement, CONSULTANT shall not discriminate against any employee, subcontractor, subconsultant, or applicant for employment because of race, color, creed, religion, sex, marital status, sexual orientation, national origin, ancestry, age, physical or mental disability or medical condition.

- 2.10 **INDEPENDENT CONTRACTOR STATUS:** The Parties acknowledge, understand and agree that CONSULTANT and all persons retained or employed by CONSULTANT are, and shall at all times remain, wholly independent contractors and are not officials, officers, employees, departments or subdivisions of CITY. CONSULTANT shall be solely responsible for the negligent acts and/or omissions of its employees, agents, contractors, subcontractors and subconsultants. CONSULTANT and all persons retained or employed by CONSULTANT shall have no authority, express or implied, to bind CITY in any manner, nor to incur any obligation, debt or liability of any kind on behalf of, or against, CITY, whether by contract or otherwise, unless such authority is expressly conferred to CONSULTANT under this Agreement or is otherwise expressly conferred by CITY in writing.

### **III. INSURANCE**

- 3.1 **DUTY TO PROCURE AND MAINTAIN INSURANCE:** Prior to the beginning of and throughout the duration of the Work, CONSULTANT will procure and maintain policies of insurance that meet the requirements and specifications set forth under this Article. CONSULTANT shall procure and maintain the following insurance coverage, at its own expense:
- A. **Commercial General Liability Insurance:** CONSULTANT shall procure and maintain Commercial General Liability Insurance ("CGL Coverage") as broad as Insurance Services Office Commercial General Liability coverage (occurrence Form CG 0001) or its equivalent. Such CGL Coverage shall have minimum limits of no less than One Million Dollars (\$1,000,000.00) per occurrence and Two Million Dollars (\$2,000,000.00) in the general aggregate for bodily injury, personal injury, property damage, operations, products and completed operations, and contractual liability.
  - B. **Automobile Liability Insurance:** CONSULTANT shall procure and maintain Automobile Liability Insurance as broad as Insurance Services Office Form Number CA 0001 covering Automobile Liability, Code 1 (any auto). Such Automobile Liability Insurance shall have minimum limits of no less than One Million Dollars (\$1,000,000.00) per accident for bodily injury and property damage.
  - C. **Workers' Compensation Insurance/ Employer's Liability Insurance:** A policy of workers' compensation insurance in such amount as will fully comply with the laws of the State of California and which shall indemnify, insure and provide legal defense for both CONSULTANT and CITY against any loss, claim or damage arising from any injuries or occupational diseases occurring to any worker employed by, or any persons retained by, CONSULTANT in the course of carrying out the Work contemplated in this Agreement.
  - D. **Errors & Omissions Insurance:** For the full term of this Agreement and for a period of three (3) years thereafter, CONSULTANT shall procure and

maintain Errors and Omissions Liability Insurance appropriate to CONSULTANT's profession. Such coverage shall have minimum limits of no less than One Million Dollars (\$1,000,000.00) per claim.

- 3.2 **ADDITIONAL INSURED REQUIREMENTS:** The CGL Coverage and the Automobile Liability Insurance shall contain an endorsement naming the Los Angeles County Community Development Commission, the CITY and CITY's elected and appointed officials, officers, employees, agents and volunteers as additional insureds.
- 3.3 **REQUIRED CARRIER RATING:** All varieties of insurance required under this Agreement shall be procured from insurers admitted in the State of California and authorized to issue policies directly to California insureds. Except as otherwise provided elsewhere under this Article, all required insurance shall be procured from insurers who, according to the latest edition of the Best's Insurance Guide, have an A.M. Best's rating of no less than A:VII. CITY may also accept policies procured by insurance carriers with a Standard & Poor's rating of no less than BBB according to the latest published edition the Standard & Poor's rating guide. As to Workers' Compensation Insurance/ Employer's Liability Insurance, the CITY Representatives are authorized to authorize lower ratings than those set forth in this Section.
- 3.4 **PRIMACY OF CONSULTANT'S INSURANCE:** All General Liability and Automobile Liability policies of insurance provided by CONSULTANT shall be primary to any coverage available to CITY or CITY's elected or appointed officials, officers, employees, agents or volunteers. Any insurance or self-insurance maintained by CITY or CITY's elected or appointed officials, officers, employees, agents or volunteers shall be in excess of CONSULTANT's insurance and shall not contribute with it.
- 3.5 **WAIVER OF SUBROGATION:** All insurance coverage provided pursuant to this Agreement shall not prohibit CONSULTANT or CONSULTANT's officers, employees, agents, subcontractors or subconsultants from waiving the right of subrogation prior to a loss. CONSULTANT hereby waives all rights of subrogation against CITY.
- 3.6 **VERIFICATION OF COVERAGE:** CONSULTANT acknowledges, understands and agrees, that CITY's ability to verify the procurement and maintenance of the insurance required under this Article is critical to safeguarding CITY's financial well-being and, indirectly, the collective well-being of the residents of the CITY. Accordingly, CONSULTANT warrants, represents and agrees that its shall furnish CITY with original certificates of insurance and endorsements evidencing the coverage required under this Article on forms satisfactory to CITY in its sole and absolute discretion. **The certificates of insurance 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 provided by the CITY if requested.** All certificates of insurance and endorsements shall be received and

approved by CITY as a condition precedent to CONSULTANT's commencement of any work or any of the Work. Upon CITY's written request, CONSULTANT shall also provide CITY with certified copies of all required insurance policies and endorsements.

#### **IV. INDEMNIFICATION**

- 4.1 The Parties agree that CITY, the City Council and CITY's elected and appointed officials, officers, employees, agents and volunteers (hereinafter, the "CITY Indemnitees") should, to the fullest extent permitted by law, be protected from any and all loss, injury, damage, claim, lawsuit, cost, expense, reimburse reasonable attorneys' fees, litigation costs, or any other cost to the extent arising CONTRACTOR's negligent acts, errors or omissions in the performance of this Agreement. Accordingly, the provisions of this indemnity provision are intended by the Parties to be interpreted and construed to provide the CITY Indemnitees with the fullest protection possible under the law. CONTRACTOR acknowledges that CITY would not enter into this Agreement in the absence of CONTRACTOR's commitment to indemnify, defend and protect CITY as set forth herein.
- 4.2 To the fullest extent permitted by law, CONTRACTOR shall indemnify, defend and hold harmless the CITY Indemnitees from and against all liability, loss, damage, expense, cost (including without limitation reasonable attorneys' fees, expert fees and all other costs and fees of litigation) of every nature arising out of or in connection with CONTRACTOR's performance under this Agreement, but only to the extent actually caused by the negligent acts, errors or omissions of CONTRACTOR or CONTRACTOR's officers, employees, agents, servants, contractors, subcontractors or subconsultants or the negligent failure of the same to comply with any of the duties, obligations or standards of care set forth herein. The duty to indemnify, defend and hold harmless under this subsection shall not encompass a duty to indemnify, defend or hold harmless for liability, loss, suit, damage, expense, cost to the extent caused by the negligence or willful misconduct of any or all of the CITY Indemnitees. Notwithstanding the above, Contractor has no obligation to pay for any defense related cost prior to a final determination of its liability. Following any such determination of its liability, Contractor shall be responsible to pay an amount of such costs equal to the finally determined percentage of liability based upon the comparative fault of Contractor."
- 4.3 As to the duties to indemnify under subsections 4.1 and 4.2 of this Section, above, CITY shall have the right to offset against the amount of any compensation due CONTRACTOR under this Agreement as a result of CONTRACTOR's failure to pay CITY promptly any indemnification arising under this Article and related to CONTRACTOR's failure to either (i) pay taxes on amounts received pursuant to this Agreement or (ii) comply with applicable workers' compensation laws.
- 4.4 As to the duties to indemnify under subsections 4.1 and 4.2 of this Section, above, the obligations of CONTRACTOR under this Article will not be limited by the

provisions of any workers' compensation act or similar act. CONTRACTOR expressly waives its statutory immunity under such statutes or laws as to CITY and CITY's elected and appointed officials, officers, employees, agents and volunteers.

- 4.5 As to the duties to indemnify under subsection 4.1 and 4.2 of this Section, above, CONTRACTOR agrees to obtain executed indemnity agreements with provisions identical to those set forth here in this Article from each and every subcontractor or any other person or entity involved by, for, with or on behalf of CONTRACTOR in the performance of this Agreement. In the event CONTRACTOR fails to obtain such indemnity obligations from others as required herein, CONTRACTOR agrees to be fully responsible and indemnify, hold harmless and defend CITY and CITY's elected and appointed officials, officers, employees, agents and volunteers from and against any and all claims and losses, costs or expenses for any damage due to death or injury to any person and injury to any property to the extent resulting from any intentional, reckless, negligent, or otherwise wrongful acts, errors or omissions of CONTRACTOR's subcontractors or any other person or entity involved by, for, with or on behalf of CONTRACTOR in the performance of this Agreement. Such costs and expenses shall include reasonable attorneys' fees incurred by counsel of CITY's choice as part of CITY's damages as determined by a court of competent jurisdiction.
- 4.6 As to the duties to indemnify under subsections 4.1 and 4.2 of this Section, above, CITY does not, and shall not, waive any rights that it may possess against CONTRACTOR because of the acceptance by CITY, or the deposit with CITY, of any insurance policy or certificate required pursuant to this Agreement. This hold harmless and indemnification provision shall apply regardless of whether or not any insurance policies are determined to be applicable to the claim, demand, damage, liability, loss, cost or expense.
- 4.7 As to the duties to indemnify under subsections 4.1 and 4.2 of this Section, above, the duties to indemnify, defend and hold harmless as set forth under this Section, shall survive the early termination or normal expiration of this Agreement and shall be in addition to any other rights or remedies which the CITY may have at law or in equity.

## **V. TERMINATION**

- 5.1 **TERMINATION WITHOUT CAUSE:** CITY may terminate this Agreement at any time for convenience and without cause by giving CONSULTANT a minimum of five (5) calendar days' prior written notice of CITY's intent to terminate this Agreement. Upon such termination for convenience, CONSULTANT shall be compensated only for those services and tasks which have been performed by CONSULTANT up to the effective date of the termination. CONSULTANT may not terminate this Agreement except for cause as provided under Section 5.2, below. If this Agreement is terminated as provided herein, CITY may require CONSULTANT to provide all finished or unfinished Documents and Data, as defined in Section 6.1 below, and other information of any kind prepared by

CONSULTANT in connection with the performance of the Work. CONSULTANT shall be required to provide such Documents and Data within fifteen (15) calendar days of CITY's written request. No actual or asserted breach of this Agreement on the part of CITY pursuant to Section 5.2, below, shall operate to prohibit or otherwise restrict CITY's ability to terminate this Agreement for convenience as provided under this Section.

**5.2 EVENTS OF DEFAULT; BREACH OF AGREEMENT:**

- A. In the event either Party fails to perform any duty, obligation, service or task set forth under this Agreement (or fails to timely perform or properly perform any such duty, obligation, service or task set forth under this Agreement), an event of default (hereinafter, "Event of Default") shall occur. For all Events of Default, the Party alleging an Event of Default shall give written notice to the defaulting Party (hereinafter referred to as a "Default Notice") which shall specify: (i) the nature of the Event of Default; (ii) the action required to cure the Event of Default; (iii) a date by which the Event of Default shall be cured, which shall not be less than the applicable cure period set forth under Sections 5.2.B and 5.2C below or if a cure is not reasonably possible within the applicable cure period, to begin such cure and diligently prosecute such cure to completion. The Event of Default shall constitute a breach of this Agreement if the defaulting Party fails to cure the Event of Default within the applicable cure period or any extended cure period allowed under this Agreement.
- B. CONSULTANT shall cure the following Events of Defaults within the following time periods:
- i. Within three (3) business days of CITY's issuance of a Default Notice for any failure of CONSULTANT to timely provide CITY or CITY's employees or agents with any information and/or written reports, documentation or work product which CONSULTANT is obligated to provide to CITY or CITY's employees or agents under this Agreement. Prior to the expiration of the 3-day cure period, CONSULTANT may submit a written request for additional time to cure the Event of Default upon a showing that CONSULTANT has commenced efforts to cure the Event of Default and that the Event of Default cannot be reasonably cured within the 3-day cure period. The foregoing notwithstanding, CITY shall be under no obligation to grant additional time for the cure of an Event of Default under this Section 5.2 B.i. that exceeds seven (7) calendar days from the end of the initial 3-day cure period; or
  - ii. Within fourteen (14) calendar days of CITY's issuance of a Default Notice for any other Event of Default under this Agreement. Prior to the expiration of the 14-day cure period, CONSULTANT may submit a written request for additional time to cure the Event of Default upon

a showing that CONSULTANT has commenced efforts to cure the Event of Default and that the Event of Default cannot be reasonably cured within the 14-day cure period. The foregoing notwithstanding, CITY shall be under no obligation to grant additional time for the cure of an Event of Default under this Section 5.2B.ii that exceeds thirty (30) calendar days from the end of the initial 14-day cure period.

In addition to any other failure on the part of CONSULTANT to perform any duty, obligation, service or task set forth under this Agreement (or the failure to timely perform or properly perform any such duty, obligation, service or task), an Event of Default on the part of CONSULTANT shall include, but shall not be limited to the following: (i) CONSULTANT's refusal or failure to perform any of the services or tasks called for under the Scope of Services; (ii) CONSULTANT's failure to fulfill or perform its obligations under this Agreement within the specified time or, if no time is specified, within a reasonable time; (iii) CONSULTANT's and/or its employees' disregard or violation of any federal, state, local law, rule, procedure or regulation; (iv) the initiation of proceedings under any bankruptcy, insolvency, receivership, reorganization, or similar legislation as relates to CONSULTANT, whether voluntary or involuntary; (v) CONSULTANT's refusal or failure to perform or observe any covenant, condition, obligation or provision of this Agreement; and/or (vii) CITY's discovery that a statement representation or warranty by CONSULTANT relating to this Agreement is false, misleading or erroneous in any material respect.

- C. CITY shall cure any Event of Default asserted by CONSULTANT within forty-five (45) calendar days of CONSULTANT's issuance of a Default Notice, unless the Event of Default cannot reasonably be cured within the 45-day cure period. Prior to the expiration of the 45-day cure period, CITY may submit a written request for additional time to cure the Event of Default upon a showing that CITY has commenced its efforts to cure the Event of Default and that the Event of Default cannot be reasonably cured within the 45-day cure period. The foregoing notwithstanding, an Event of Default dealing with CITY's failure to timely pay any undisputed sums to CONSULTANT as provided under Section 1.4, above, shall be cured by CITY within five (5) calendar days from the date of CONSULTANT's Default Notice to CITY.
- D. CITY, in its sole and absolute discretion, may also immediately suspend CONSULTANT's performance under this Agreement pending CONSULTANT's cure of any Event of Default by giving CONSULTANT written notice of CITY's intent to suspend CONSULTANT's performance (hereinafter, a "Suspension Notice"). CITY may issue the Suspension Notice at any time upon the occurrence of an Event of Default. Upon such suspension, CONSULTANT shall be compensated only for those services and tasks which have been rendered by CONSULTANT to the reasonable satisfaction of CITY up to the effective date of the suspension. No actual or

asserted breach of this Agreement on the part of CITY shall operate to prohibit or otherwise restrict CITY's ability to suspend this Agreement as provided herein.

- E. No waiver of any Event of Default or breach under this Agreement shall constitute a waiver of any other or subsequent Event of Default or breach. No waiver, benefit, privilege, or service voluntarily given or performed by a Party shall give the other Party any contractual rights by custom, estoppel, or otherwise.
- F. The duties and obligations imposed under this Agreement and the rights and remedies available hereunder shall be in addition to and not a limitation of any duties, obligations, rights and remedies otherwise imposed or available by law. In addition to any other remedies available to CITY at law or under this Agreement in the event of any breach of this Agreement, CITY, in its sole and absolute discretion, may also pursue any one or more of the following remedies:

Upon written notice to CONSULTANT, the CITY may immediately terminate this Agreement in whole or in part;

- i. Upon written notice to CONSULTANT, the CITY may extend the time of performance;
- ii. The CITY may proceed by appropriate court action to enforce the terms of the Agreement to recover damages for CONSULTANT's breach of the Agreement or to terminate the Agreement; or
- iii. The CITY may exercise any other available and lawful right or remedy.

CONSULTANT shall be liable for all legal fees plus other costs and expenses that CITY incurs upon a breach of this Agreement or in the CITY's exercise of its remedies under this Agreement.

- G. In the event CITY is in breach of this Agreement, CONSULTANT's sole remedy shall be the suspension or termination of this Agreement and/or the recovery of any unpaid sums lawfully owed to CONSULTANT under this Agreement for completed services and tasks.
- 5.3 SCOPE OF WAIVER: No waiver of any default or breach under this Agreement shall constitute a waiver of any other default or breach, whether of the same or other covenant, warranty, agreement, term, condition, duty or requirement contained in this Agreement. No waiver, benefit, privilege, or service voluntarily given or performed by a Party shall give the other Party any contractual rights by custom, estoppel, or otherwise.
- 5.4 SURVIVING ARTICLES, SECTIONS AND PROVISIONS: The termination of this Agreement pursuant to any provision of this Article or by normal expiration of its

term or any extension thereto shall not operate to terminate any Article, Section or provision contained herein which provides that it shall survive the termination or normal expiration of this Agreement.

## **VI. MISCELLANEOUS PROVISIONS**

- 6.1 **DOCUMENTS & DATA; LICENSING OF INTELLECTUAL PROPERTY:** All Documents and Data shall be and remain the property of CITY without restriction or limitation upon their use or dissemination by CITY. For purposes of this Agreement, the term "Documents and Data" means and includes all reports, analyses, correspondence, plans, drawings, designs, renderings, specifications, notes, summaries, strategies, charts, schedules, spreadsheets, calculations, lists, data compilations, documents or other materials developed and/or assembled by or on behalf of CONSULTANT in the performance of this Agreement and fixed in any tangible medium of expression, including but not limited to Documents and Data stored digitally, magnetically and/or electronically. This Agreement creates, at no cost to CITY, a perpetual license for CITY to copy, use, reuse, disseminate and/or retain any and all copyrights, designs, and other intellectual property embodied in all Documents and Data. CONSULTANT shall require all subcontractors and subconsultants working on behalf of CONSULTANT in the performance of this Agreement to agree in writing that CITY shall be granted the same right to copy, use, reuse, disseminate and retain Documents and Data prepared or assembled by any subcontractor or subconsultant as applies to Documents and Data prepared by CONSULTANT in the performance of this Agreement.
- 6.2 **CONFIDENTIALITY:** All data, documents, discussion, or other information developed or received by CONSULTANT or provided for performance of this Agreement are deemed confidential and shall not be disclosed by CONSULTANT without prior written consent by CITY. CITY shall grant such consent if disclosure is legally required. Upon request, all CITY data shall be returned to CITY upon the termination or expiration of this Agreement. CONSULTANT shall not use CITY's name or insignia, photographs, or any publicity pertaining to the Work in any magazine, trade paper, newspaper, television or radio production or other similar medium without the prior written consent of CITY.
- 6.3 **FALSE CLAIMS ACT:** CONSULTANT warrants and represents that neither CONSULTANT nor any person who is an officer of, in a managing position with, or has an ownership interest in CONSULTANT has been determined by a court or tribunal of competent jurisdiction to have violated the False Claims Act, 31 U.S.C., Section 3789 et seq. and the California False Claims Act, Government Code Section 12650 et seq.
- 6.4 **COMPLIANCE WITH FEDERAL REGULATIONS**

This Agreement is subject to and incorporates the terms of Subpart K of the CDBG Regulations and all other applicable Federal Standards Provision, inclusive of the following:

Executive Order 11246 requires that during the performance of this Agreement, CONSULTANT agrees not to discriminate against any employee or applicant for employment because of race, religion, sex, color or national origin. CONSULTANT will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, religion, sex, color or national origin. Such action shall include, but not be limited to the following: employment, upgrading, demotion, or transfer, rates of pay or other forms of compensation, and selection for training, including apprenticeship. CONSULTANT agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the CONSULTANT setting forth the provisions of this nondiscrimination clause.

Section 3 of the Housing and Community Development Act of 1968, as amended, 12 U.S.C. 1701 et seq., requires that, to the greatest extent feasible, opportunities for training and employment be given to lower income residents of the project area and contracts for work in connection with the project be awarded to business concerns which are located in or owned in substantial part by persons residing in the area of the project.

Title VI of the Civil Rights Act of 1964 provides that no person shall, on the ground of race, color or national origin, be excluded from participation in, be denied the benefits of, or be subject to discrimination under any program or activity receiving federal financial assistance.

Section 109, Title I of the Housing and Community Development Act of 1974 provides that no person shall, on the grounds of race, color, national origin, or sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program of activity funded in whole or in part with funds made available under this title.

Any prohibition against discrimination on the basis of age under the Age Discrimination Act of 1975, or with respect to an otherwise qualified handicapped individual, as provided in Section 504 of the Rehabilitation Act of 1973, shall also apply.

- 6.5 **NOTICES:** All notices permitted or required under this Agreement shall be given to the respective Parties at the following addresses, or at such other address as the respective Parties may provide in writing for this purpose:

CONSULTANT:  
TRANSTECH Engineers, Inc.  
13367 Benson Avenue  
Chino, CA 91710  
Attn: Ayla Erfigen, CBO  
Phone: (909) 590-8599  
Fax: (909) 590-8599  
Email: ayla.erfigen@transtech.org

CITY:  
City of Cudahy  
Community Development Division  
5220 Santa Ana Street  
Cudahy, CA 90201  
Attn: Michael Allen  
Phone: (323) 773-5143  
Fax: (323) 771-2072

Such notices shall be deemed effective when personally delivered or successfully transmitted by facsimile as evidenced by a fax confirmation slip or when mailed, forty-eight (48) hours after deposit with the United States Postal Service, first class postage prepaid and addressed to the Party at its applicable address.

**6.6 LOBBYING CERTIFICATION**

**A. Federal Requirements:**

The CONSULTANT CERTIFIES THAT:

- i. No Federal appropriated funds have been paid or will be paid, by or on behalf of the CONSULTANT, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, in the making of any cooperative agreement, or in the extension, continuation renewal, amendment, or modification of any Federal contract, grant, loan or cooperative agreement.
- ii. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, Member of Congress, an officer or employee of employee of any agency, Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the CONSULTANT shall complete and submit Standard Form-LLL, "Disclosures Form to Report Lobbying", in accordance with its instructions.
- iii. The CONSULTANT shall require that the language of this certification be included in all subcontracts and that all subcontractors shall certify and disclose accordingly.

**B. County of Los Angeles Requirement**

The CONSULTANT certifies that:

- i. It is understood that each person/entity/firm who applies for a Community Development Commission contract, and as part of that process, shall certify that they are familiar with the requirements of Los Angeles County Chapter 2.160, (Los Angeles County Ordinance 93-0031) and;
- ii. That all persons/entities/firms acting on behalf of the above named firm have and will comply with the County Code, and;

**6.7 COOPERATION; FURTHER ACTS:** The Parties shall fully cooperate with one another, and shall take any additional acts or sign any additional documents as are reasonably necessary, appropriate or convenient to achieve the purposes of this Agreement.

- 6.8 **SUBCONTRACTING**: CONSULTANT shall not subcontract any portion of the Work required by this Agreement, except as expressly stated herein, without the prior written approval of CITY. Subcontracts (including without limitation subcontracts with subconsultants), if any, shall contain a provision making them subject to all provisions stipulated in this Agreement, including provisions relating to insurance requirements and indemnification.
- 6.9 **CITY'S RIGHT TO EMPLOY OTHER CONSULTANTS**: CITY reserves the right to employ other contractors in connection with the various projects worked upon by CONSULTANT.
- 6.10 **PROHIBITED INTERESTS**: CONSULTANT warrants, represents and maintains 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 and represents 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 member, 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.
- 6.11 **TIME IS OF THE ESSENCE**: Time is of the essence for each and every provision of this Agreement.
- 6.12 **COMPLIANCE WITH LAWS**: All parties agree to be bound by applicable federal, state, and local laws, ordinances, regulations and directives as they pertain to the performance of the Agreement.
- 6.13 **GOVERNING LAW AND VENUE**: This Agreement shall be interpreted and governed according to the laws of the State of California. In the event of litigation between the Parties, venue, without exception, shall be in the Los Angeles County Superior Court of the State of California. If, and only if, applicable law requires that all or part of any such litigation be tried exclusively in federal court, venue, without exception, shall be in the Central District of California located in the City of Los Angeles, California.
- 6.14 **ATTORNEYS' FEES**: If either Party commences an action against the other Party, either legal, administrative or otherwise, arising out of or in connection with this Agreement, the prevailing Party in such litigation shall be entitled to have and recover from the losing Party reasonable attorneys' fees and all other costs of such action to the extent such fees and costs are part of prevailing party's damages as determined by a court of competent jurisdiction.
- 6.15 **SUCCESSORS AND ASSIGNS**: This Agreement shall be binding on the successors and assigns of the Parties.

- 6.16 **NO THIRD PARTY BENEFIT:** There are no intended third party beneficiaries of any right or obligation assumed by the Parties. All rights and benefits under this Agreement inure exclusively to the Parties.
- 6.17 **CONSTRUCTION OF AGREEMENT:** This Agreement shall not be construed in favor of, or against, either Party but shall be construed as if the Parties prepared this Agreement together through a process of negotiation and with the advice of their respective attorneys.
- 6.18 **SEVERABILITY:** If any portion of this Agreement is declared invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions shall continue in full force and effect.
- 6.19 **AMENDMENT; MODIFICATION:** No amendment, modification or supplement of this Agreement shall be valid or binding unless executed in writing and signed by both Parties, subject to CITY approval. The requirement for written amendments, modifications or supplements cannot be waived and any attempted waiver shall be void and invalid.
- 6.20 **CAPTIONS:** The captions of the various articles, sections and paragraphs are for convenience and ease of reference only, and do not define, limits, augment, or describe the scope, content, or intent of this Agreement.
- 6.21 **INCONSISTENCIES OR CONFLICTS:** In the event of any conflict or inconsistency between the provisions of this Agreement and any of the exhibits attached hereto, the provisions of this Agreement shall control.
- 6.22 **ENTIRE AGREEMENT:** This Agreement including all attached exhibits is the entire, complete, final and exclusive expression of the Parties with respect to the matters addressed herein and supersedes all other agreements or understandings, whether oral or written, or entered into between CITY and CONSULTANT prior to the execution of this Agreement. No statements, representations or other agreements, whether oral or written, made by any Party which are not embodied herein shall be valid or binding. No amendment, modification or supplement to this Agreement shall be valid and binding unless in writing and duly executed by the Parties pursuant to Section 6.19, above.
- 6.23 **COUNTERPARTS:** This Agreement shall be executed in three (3) original counterparts each of which shall be of equal force and effect. No handwritten or typewritten amendment, modification or supplement to any one counterparts shall be valid or binding unless made to all three counterparts in conformity with Section 6.19, above. One fully executed original counterpart shall be delivered to CONSULTANT and the remaining two original counterparts shall be retained by CITY.

**[SIGNATURE PAGE TO FOLLOW]**

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed the day and year first appearing in this Agreement, above.

**CITY OF CUDAHY**

**TRANSTECH Engineers, Inc.**

By: Michael Allen  
Michael Allen, Acting City  
Manager

By: [Signature]  
Name: FLOYD FETTER

Date: 7/31/14

Title: CFO

Date: 07/30/2014

**APPROVED AS TO FORM:**

By: Isabel Birrueta  
Isabel Birrueta  
Date: 8/05/14 Assistant City Attorney

**EXHIBIT "A"**  
**(SCOPE OF SERVICES)**  
**(SEE THE ATTACHED)**

### **SCOPE OF WORK:**

Plan checking services scope of work will include the review of plans submitted to subdivision (residential) improvements, commercial developments, and infrastructure improvements within the City's right of way. The plans shall be reviewed for the conformance with local and other applicable (County, State, and Federal) ordinances and standards with a strict attention to details. Plan check services may include, but are not limited to the following:

- Grading Plans including mass grading, rough grading, and precise grading plans.
- Storm Drainage Plans
- Hydrology and Hydraulic Calculations and Reports.
- Traffic Plans including sign and stripping plans, traffic detour, staging & signal plans.
- Engineer's Cost Estimated for the related items of work for bonding purposes.
- Engineer's Reports including Storm Water Pollution Prevention Plans, and Special Traffic Reports
- Standard Urban Storm water Mitigation Plans (SUSMP) reports and related documents.
- Architectural, structural, electrical, mechanical, plumbing, fire and/ or any other specific project plans.
- Check plans for design conformance to: approved tentative maps, related specific plans, general plan and city ordinances and resolutions, conditions of approval, city standards, ADA standards, City's subdivision policies, and other agency requirements.
- Check for accuracy of design in conformance with the City's most current adopted code.
- Check general mathematics and design criteria.
- Call for redesign of any portion of plans that: will not function due to poor engineering; is not consistent with the approved tentative map or conditions of approval; will be potentially unsafe to the public or impractical to construct.



www.transtech.org  
 888.595.2486 (toll-free)  
 ISO 9001:2008 Certified

April 25, 2014

# TRANSTECH

**CITY OF CUDAHY**  
 Michael Allen  
 Director of Community Development  
 City of Cudahy  
 5220 Santa Ana Street  
 Cudahy, CA 90201

**Subject: FEE PROPOSAL FOR PROFESSIONAL CONSULTANT SERVICES FOR PLAN CHECKING SERVICES**

As requested, Fee Proposal is submitted in a separate envelope.

As requested, Fee Proposal is submitted in a separate envelope.

Service	Rate
Building, On site Grading, Plumbing, Electrical, Mechanical, Energy, Accessibility and CalGreen plan review. % based plan review fee paid at the time of plan submittal covers the first review of the plans and one recheck only. Additional fees are required to be paid for any additional plan review time required after the first recheck of the plans.	65% of plan review fee or \$95/hr
Public Works/Engineering Improvements plan review.	\$95/hr
Any other services provided at the request of the City	see attached standard hourly rates

Transtech's Standard Fee Schedule for all staff positions is attached. Fees are adjusted annually based on the Consumer Price Index (CPI) for the Los Angeles area for Cost of Living Adjustment.

Thank you for the opportunity to submit this proposal. Should you have any question or should you need additional information, please contact the undersigned.

Sincerely,

Ayla Erfigen, CBO

[ayla.erfigen@transtech.org](mailto:ayla.erfigen@transtech.org); C: 909-851-5765

<b>TRANSTECH ENGINEERS, INC. STANDARD HOURLY RATES</b> Effective through December 31, 2014	
<b>Classification</b>	<b>Hourly Rate</b>
Senior Engineer	\$150 - \$165
Project Manager	\$145 - \$160
Project Engineer	\$135 - \$150
Building Official	\$125 - \$140
Staff Engineer	\$120 - \$135
CADD Designer	\$95 - \$115
Sr. Planner	\$115 - \$135
Associate Planner	\$95 - \$110
Funds and Grants Manager	\$125 - \$140
Funds Analyst	\$95 - \$110
Transportation Analyst	\$125 - \$150
Plan Checker	\$95 - \$125
Construction Manager	\$145 - \$160
Inspector, PW	\$75 - \$115
Inspector, Building	\$75 - \$115
Engineering Technician	\$60 - \$70
Building Technician	\$60 - \$70
Administrative/Clerical	\$55 - \$60
2-Man Survey Crew	\$190
Reimbursable direct expenses are billed at cost plus 5%.	
Fees are adjusted annually based on the Consumer Price Index (CPI) for the Los Angeles area for Cost of Living Adjustment.	

**EXHIBIT "A1"**  
**(Proposal/Revised Scope of Work)**



November 11, 2014

Mr. Jose Pulido, City Manager  
City of Cudahy  
5220 Santa Ana Street  
Cudahy, CA 90201

Subject: **PROPOSAL FOR TECHNICAL ASSISTANCE TO AVANT-GARDE FOR 2015 CALL FOR PROJECT APPLICATION PREPARATION**

Dear Mr. Pulido,

Transtech is pleased to submit this proposal for technical assistance to Avant-Garde for the 2015 Call for Projects Funding Application (Call) sponsored by MTA.

Transtech will provide the following technical assistance for the pedestrian modal application:

1. Length of project.
2. Length of cross sections.
3. Summary of existing conditions and proposed features.
4. Anticipated Project life.
5. Potential environmental issues (none anticipated) and type of anticipated environmental processing required for this project.
6. Input on Item no. 7 specifically how is the project to be compatible with and enhance the surrounding community.
7. Identify/quantify the project areas existing level of pedestrian activity and the projected activities levels resulting from the proposed improvement- provide methodology used in determining estimates.
8. Estimate/quantify the number of automobile trips that this project will replace. Provide methodology used in determining estimate.
9. Conceptual – demonstrating proposed improvements.
10. Cost Breakdown for Construction Items as indicated in the cost effectiveness of the Mode.
11. Assistance in completing the impact checklist.
12. Labeled project site photos.

Completion of the items noted above in the application will satisfy the requirements of a PSRE as indicated on Page 152 of the application package.

November 11, 2014

Subject: **PROPOSAL FOR TECHNICAL ASSISTANCE TO AVANT-GARDE FOR 2015 CALL FOR PROJECT APPLICATION PREPARATION**

Page 2

Our proposed fee is \$12,500.

Transtech has worked with Avant-Garde in previous applications and provided technical support.

Following is a listing of various grant programs that our firm has been involved.

<b>Agency</b>	<b>Grant Program</b>	<b>Project</b>	<b>Amount:</b>
<b>City of Alhambra</b>	MTA Call for Projects 2012 and previous cycles	Valley Boulevard, Fremont	\$3,000,000
	Safe Routes to School	Commonwealth Boulevard	\$250,000
	Safe Routes to School	Alhambra High School	\$320,000
	Highway Safety Improvement	Valley Boulevard	\$500,000
	AQMD/CMAQ	CNG Refueling	\$300,000
	Metro Mini Call for Projects	Bus Purchases	\$400,000
	Energy CEC	LED Signal Upgrade	\$950,000
<b>City of Arcadia</b>	Metro Call for Projects	Huntington Drive	\$1,010,000
<b>City of Azusa</b>	Metro Call for Projects	Azusa Transit Center	\$4,200,000
	Metro Call for Projects	Azusa Avenue	\$800,000
<b>City of Baldwin Park</b>	Metro Mini Call for Projects	Bus Purchase	\$400,000
	Metro Call for Projects	Transit Center	\$4,200,000
	Metro Call for Projects	TDM Project	\$300,000
	Metro Call for Projects	Baldwin Bikeway	\$400,000
	Metro Call for Projects	Metrolink Overpass	\$1,100,000
<b>City of Bellflower</b>	Safe Routes to School	Palm/Clark	\$320,000
	Safe Routes to School	Eucalyptus	\$430,000
<b>City of Carson</b>	Metro Call for Projects	Avalon Boulevard	\$6,700,000
<b>City of Commerce</b>	MTA Call for Projects 2012 and previous cycles	Garfield/Washington	1,000,000
	Highway Safety Improvement		\$503,400
	Highway Safety Improvement	Washington Boulevard	\$254,700
	Metro Call for Projects	Garfield/Washington	\$538,000
<b>City of Hermosa Beach</b>	Highway Safety Improvement	Valley School	\$108,360
<b>City of Inglewood</b>	Safe Routes to School	Ivy Sidewalk	\$230,000
	Safe Routes to School	La Tijera Elementary School	\$276,000
	Safe Routes to School	Cable Way	\$239,470
	Metro Call for Projects	La Brea "S" Curve	\$6,300,000



November 11, 2014

Subject: **PROPOSAL FOR TECHNICAL ASSISTANCE TO AVANT-GARDE FOR 2015 CALL FOR PROJECT APPLICATION PREPARATION**

Page 3

	Metro Call for Projects	Century Boulevard	\$3,200,000
	Metro Call for Projects	Florence Avenue	\$2,400,000
	Highway Safety Improvement	Crenshaw Boulevard	\$245,700
	Highway Safety Improvement	Manchester Boulevard	\$180,000
	Energy CEC	Street Lighting	\$650,000
<b>City of Inglewood</b>	TIGER	Century Boulevard Multimodal Corridor Project	\$13,000,000
<b>City of Inglewood</b>	TIGER	La Cienega Boulevard Multimodal Planning Study	\$1,000,000
<b>City of Lawndale</b>	Metro Call for Projects	Inglewood/Marine	\$1,010,000
	Highway Safety Improvement	Marine/Mansel	\$240,000
<b>City of Pomona</b>	Metro Call for Projects	SR 71/Mission	\$3,200,000
	TIGER, Pomona State Route "71" Complete Streets Corridor Improvement Plans		\$1,500,000
<b>City of Redondo Beach</b>	Metro Call for Projects	Transit Center	\$3,200,000
	BOS FTA Discretionary	Bus Stop Improvements	\$218,000
	BOS ARRA	ADA Improvements	\$200,000
<b>City of Rosemead</b>	Safe Routes to School	Citywide Improvements	\$450,000
	Highway Safety Improvement	Rosemead Boulevard (SR 19)	\$430,000
	Highway Safety Improvement	Garvey Boulevard	\$339,500
<b>City of Temple City</b>	HSIP, Cycle 6	Safety Improvements	\$1,200,000

Thank you for the opportunity to submit this proposal.

Sincerely,

*Melissa Demirci*

Melissa Demirci, Grants Coordinator / Associate Civil Engineer  
[melissa.demirci@transtech.org](mailto:melissa.demirci@transtech.org); P: 909-595-8599 ext. 134; C: 714-598-8896





2014

PROFESSIONAL SERVICES AGREEMENT

(Engagement: Professional Consultant Services and Grant Writing)

(Parties: City of Cudahy and Avant Garde)

THIS PROFESSIONAL SERVICES AGREEMENT (“Agreement”) is made and entered into this \_\_\_ day of December 2014 (hereinafter, the “Effective Date”), by and between the CITY OF CUDAHY, a municipal corporation (“CITY”) and AVANT GARDE (hereinafter, “CONSULTANT”). For the purposes of this Agreement CITY and CONSULTANT may be referred to collectively by the capitalized term “Parties.” The capitalized term “Party” may refer to CITY or CONSULTANT interchangeably.

WHEREAS, CITY wishes to engage CONSULTANT to provide the following specialized services: Professional consultant services and grant writing for the preparation and submittal of three grant applications for citywide improvement through the 2015 Los Angeles County Metropolitan Transportation Authority Call For Projects; and

WHEREAS, CITY’s in-house personnel is presently unable to perform the specialized services and tasks contemplated under this Agreement; and

WHEREAS, CONSULTANT possesses the specialized training, skill, expertise and experience required to perform the services contemplated under this Agreement; and

WHEREAS, CONSULTANT agrees to perform the various services and tasks set forth under this Agreement subject to the terms and conditions set forth herein; and

NOW, THEREFORE, in consideration of the mutual agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and intending to be legally bound hereby, the Parties agree as follows:

I.

ENGAGEMENT TERMS

1.1 SCOPE OF SERVICES: Subject to the terms and conditions set forth in this Agreement and all exhibits attached and incorporated hereto, CONSULTANT agrees to perform the services and tasks set forth in Exhibit “A” (hereinafter referred to as the “Scope of Services”). CONSULTANT further agrees to furnish to CITY all labor, materials, tools, supplies, equipment, services, tasks and incidental and customary work necessary to competently perform and timely complete the services and tasks set forth in the Scope of Services. For the purposes of this

Agreement the aforementioned services and tasks set forth in the Scope of Services shall hereinafter be referred to generally by the capitalized term "Work."

- 1.2 TERM: This Agreement shall have a term of one year from commencing from \_\_\_\_\_, 2014, unless CITY issues written notice of its intent not to authorize an additional extension term(s). Nothing in this Section shall operate to prohibit or otherwise restrict the CITY's ability to terminate this Agreement at any time for convenience or for cause.
- 1.3 COMPENSATION:
  - A. CONSULTANT shall perform the various services and tasks set forth in the Scope of Services in accordance with the compensation schedule which has been attached as part of the Contract (hereinafter, the "Approved Rate Schedule").
  - B. Section 1.3(A) notwithstanding, CONSULTANT's total compensation during the Term of this Agreement or any extension term shall not exceed the budgeted aggregate sum of **Twenty Four Thousand Five Hundred Twenty Dollars (\$24,520)** (hereinafter, the "Not-to-Exceed Sum"), unless such added expenditure is first approved by the CITY acting in consultation with the City Manager and the Finance Director. In the event CONSULTANT's charges are projected to exceed the Not-to-Exceed Sum prior to the expiration of the Term or any single extension term, CITY may suspend CONSULTANT's performance pending CITY approval of any anticipated expenditures in excess of the Not-to-Exceed Sum or any other CITY-approved amendment to the compensation terms of this Agreement.
- 1.4 PAYMENT OF COMPENSATION: Following the conclusion of each calendar month, CONSULTANT shall submit to CITY an itemized invoice indicating the services and tasks performed during the recently concluded calendar month, including services and tasks performed and the reimbursable out-of-pocket expenses incurred. If the amount of CONSULTANT's monthly compensation is a function of hours worked by CONSULTANT's personnel, the invoice shall indicate the number of hours worked in the recently concluded calendar month, the persons responsible for performing the Work, the rate of compensation at which such services and tasks were performed, the subtotal for each task and service performed and a grand total for all services performed. Within thirty (30) calendar days of receipt of each invoice, CITY shall notify CONSULTANT in writing of any disputed amounts included in the invoice. Within forty-five (45) calendar day of receipt of each invoice, CITY shall pay all undisputed amounts included on the invoice. CITY shall not withhold applicable taxes or other authorized deductions from payments made to CONSULTANT.
- 1.5 ACCOUNTING RECORDS: CONSULTANT shall maintain complete and accurate records with respect to all matters covered under this Agreement for a period of

five (5) years after the expiration or termination of this Agreement. CITY shall have the right to access and examine such records, without charge, during normal business hours. CITY shall further have the right to audit such records, to make transcripts therefrom and to inspect all program data, documents, proceedings, and activities.

- 1.6 ABANDONMENT BY CONSULTANT: In the event CONSULTANT ceases to perform the Work agreed to under this Agreement or otherwise abandons the undertaking contemplated herein prior to the expiration of this Agreement or prior to completion of any or all tasks set forth in the Scope of Services, CONSULTANT shall deliver to CITY immediately and without delay, all materials, records and other work product prepared or obtained by CONSULTANT in the performance of this Agreement. Furthermore, CONSULTANT shall only be compensated for the reasonable value of the services, tasks and other work performed up to the time of cessation or abandonment, less a deduction for any damages, costs or additional expenses which CITY may incur as a result of CONSULTANT's cessation or abandonment.

## II.

### PERFORMANCE OF AGREEMENT

- 2.1 CITY'S REPRESENTATIVES: The CITY hereby designates the City Manager and Michael Allen (hereinafter, the "CITY Representatives") to act as its representatives for the performance of this Agreement. The City Manager shall be the chief CITY Representative. The CITY Representatives or their designee shall act on behalf of the CITY for all purposes under this Agreement. CONSULTANT shall not accept directions or orders from any person other than the CITY Representatives or their designee.
- 2.2 CONSULTANT REPRESENTATIVE: CONSULTANT hereby designates LISSETTE CALLEROS, Company Principal/Project Manager to act as its representative for the performance of this Agreement (hereinafter, "CONSULTANT Representative"). CONSULTANT Representative shall have full authority to represent and act on behalf of the CONSULTANT for all purposes under this Agreement. CONSULTANT Representative or his designee shall supervise and direct the performance of the Work, using his best skill and attention, and shall be responsible for all means, methods, techniques, sequences and procedures and for the satisfactory coordination of all portions of the Work under this Agreement. Notice to the CONSULTANT Representative shall constitute notice to CONSULTANT.
- 2.3 COORDINATION OF SERVICE; CONFORMANCE WITH REQUIREMENTS: CONSULTANT agrees to work closely with CITY staff in the performance of the Work and this Agreement and shall be available to CITY staff and the CITY Representatives at all reasonable times. All work prepared by CONSULTANT shall be subject to inspection and approval by CITY Representatives or their designees.

2.4 STANDARD OF CARE; PERFORMANCE OF EMPLOYEES: CONSULTANT represents, acknowledges and agrees to the following:

- A. CONSULTANT shall perform all Work skillfully, competently and to the highest standards of CONSULTANT's profession;
- B. CONSULTANT shall perform all Work in a manner reasonably satisfactory to the CITY;
- C. CONSULTANT shall comply with all applicable federal, state and local laws and regulations, including the conflict of interest provisions of Government Code Section 1090 and the Political Reform Act (Government Code Section 81000 *et seq.*);
- D. CONSULTANT understands the nature and scope of the Work to be performed under this Agreement as well as any and all schedules of performance;
- E. All of CONSULTANT's employees and agents possess sufficient skill, knowledge, training and experience to perform those services and tasks assigned to them by CONSULTANT; and
- F. All of CONSULTANT's employees and agents (including but not limited to subcontractors and subconsultants) possess all licenses, permits, certificates, qualifications and approvals of whatever nature that are legally required to perform the tasks and services contemplated under this Agreement and all such licenses, permits, certificates, qualifications and approvals shall be maintained throughout the term of this Agreement and made available to CITY for copying and inspection.

The Parties acknowledge and agree that CONSULTANT shall perform, at CONSULTANT's own cost and expense and without any reimbursement from CITY, any services necessary to correct any errors or omissions caused by CONSULTANT's failure to comply with the standard of care set forth under this Section or by any like failure on the part of CONSULTANT's employees, agents, contractors, subcontractors and subconsultants. Such effort by CONSULTANT to correct any errors or omissions shall be commenced immediately upon their discovery by either Party and shall be completed within seven (7) calendar days from the date of discovery or such other extended period of time authorized by the CITY Representatives in writing and in their sole and absolute discretion. The Parties acknowledge and agree that CITY's acceptance of any work performed by CONSULTANT or on CONSULTANT's behalf shall not constitute a release of any deficiency or delay in performance. The Parties further acknowledge, understand and agree that CITY has relied upon the foregoing representations of

CONSULTANT, including but not limited to the representation that CONSULTANT possesses the skills, training, knowledge and experience necessary to perform the Work skillfully, competently and to the highest standards of CONSULTANT's profession.

- 2.5 ASSIGNMENT: The skills, training, knowledge and experience of CONSULTANT are material to CITY's willingness to enter into this Agreement. Accordingly, CITY has an interest in the qualifications and capabilities of the person(s) who will perform the services and tasks to be undertaken by CONSULTANT or on behalf of CONSULTANT in the performance of this Agreement. In recognition of this interest, CONSULTANT agrees that it shall not assign or transfer, either directly or indirectly or by operation of law, this Agreement or the performance of any of CONSULTANT's duties or obligations under this Agreement without the prior written consent of the CITY. In the absence of CITY's prior written consent, any attempted assignment or transfer shall be ineffective, null and void and shall constitute a material breach of this Agreement.
- 2.6 CONTROL AND PAYMENT OF SUBORDINATES; INDEPENDENT CONTRACTOR: The Work shall be performed by CONSULTANT or under CONSULTANT's strict supervision. CONSULTANT will determine the means, methods and details of performing the Work subject to the requirements of this Agreement. CITY retains CONSULTANT on an independent contractor basis and not as an employee. CONSULTANT reserves the right to perform similar or different services for other principals during the term of this Agreement, provided such work does not unduly interfere with CONSULTANT's competent and timely performance of the Work contemplated under this Agreement and provided the performance of such services does not result in the unauthorized disclosure of CITY's confidential or proprietary information. Any additional personnel performing the Work under this Agreement on behalf of CONSULTANT are not employees of CITY and shall at all times be under CONSULTANT's exclusive direction and control. CONSULTANT shall pay all wages, salaries and other amounts due such personnel and shall assume responsibility for all benefits, payroll taxes, Social Security and Medicare payments and the like. CONSULTANT 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, disability insurance, workers' compensation insurance and the like.
- 2.7 REMOVAL OF EMPLOYEES OR AGENTS: If any of CONSULTANT's officers, employees, agents, contractors, subcontractors or subconsultants is determined by the CITY Representatives to be uncooperative, incompetent, a threat to the adequate or timely performance of the tasks assigned to CONSULTANT, a threat to persons or property, or if any of CONSULTANT's officers, employees, agents, contractors, subcontractors or subconsultants fail or refuse to perform the Work in a manner acceptable to the CITY, such officer, employee, agent, contractor, subcontractor or subconsultant shall be promptly removed by CONSULTANT and shall not be re-assigned to perform any of the Work.

- 2.8 COMPLIANCE WITH LAWS: CONSULTANT shall keep itself informed of and in compliance with all applicable federal, State or local laws to the extent such laws control or otherwise govern the performance of the Work. CONSULTANT's compliance with applicable laws shall include without limitation compliance with all applicable Cal/OSHA requirements.
- 2.9 NON-DISCRIMINATION: In the performance of this Agreement, CONSULTANT shall not discriminate against any employee, subcontractor, subconsultant, or applicant for employment because of race, color, creed, religion, sex, marital status, sexual orientation, national origin, ancestry, age, physical or mental disability or medical condition.
- 2.10 INDEPENDENT CONTRACTOR STATUS: The Parties acknowledge, understand and agree that CONSULTANT and all persons retained or employed by CONSULTANT are, and shall at all times remain, wholly independent contractors and are not officials, officers, employees, departments or subdivisions of CITY. CONSULTANT shall be solely responsible for the negligent acts and/or omissions of its employees, agents, contractors, subcontractors and subconsultants. CONSULTANT and all persons retained or employed by CONSULTANT shall have no authority, express or implied, to bind CITY in any manner, nor to incur any obligation, debt or liability of any kind on behalf of, or against, CITY, whether by contract or otherwise, unless such authority is expressly conferred to CONSULTANT under this Agreement or is otherwise expressly conferred by CITY in writing.

### III. INSURANCE

- 3.1 DUTY TO PROCURE AND MAINTAIN INSURANCE: Prior to the beginning of and throughout the duration of the Work, CONSULTANT will procure and maintain policies of insurance that meet the requirements and specifications set forth under this Article. CONSULTANT shall procure and maintain the following insurance coverage, at its own expense:
- A. Commercial General Liability Insurance: CONSULTANT shall procure and maintain Commercial General Liability Insurance ("CGL Coverage") as broad as Insurance Services Office Commercial General Liability coverage (occurrence Form CG 0001) or its equivalent. Such CGL Coverage shall have minimum limits of no less than One Million Dollars (\$1,000,000.00) per occurrence and Two Million Dollars (\$2,000,000.00) in the general aggregate for bodily injury, personal injury, property damage, operations, products and completed operations, and contractual liability.
  - B. Automobile Liability Insurance: CONSULTANT shall procure and maintain Automobile Liability Insurance as broad as Insurance Services Office Form

Number CA 0001 covering Automobile Liability, Code 1 (any auto). Such Automobile Liability Insurance shall have minimum limits of no less than One Million Dollars (\$1,000,000.00) per accident for bodily injury and property damage.

- C. Workers' Compensation Insurance/ Employer's Liability Insurance: A policy of workers' compensation insurance in such amount as will fully comply with the laws of the State of California and which shall indemnify, insure and provide legal defense for both CONSULTANT and CITY against any loss, claim or damage arising from any injuries or occupational diseases occurring to any worker employed by or any persons retained by CONSULTANT in the course of carrying out the Work contemplated in this Agreement.
- D. Errors & Omissions Insurance: For the full term of this Agreement and for a period of three (3) years thereafter, CONSULTANT shall procure and maintain Errors and Omissions Liability Insurance appropriate to CONSULTANT's profession. Such coverage shall have minimum limits of no less than One Million Dollars (\$1,000,000.00) per occurrence and shall be endorsed to include contractual liability.

- 3.2 ADDITIONAL INSURED REQUIREMENTS: The CGL Coverage and the Automobile Liability Insurance shall contain an endorsement naming the CITY and CITY's elected and appointed officials, officers, employees, agents and volunteers as additional insureds.
- 3.3 REQUIRED CARRIER RATING: All varieties of insurance required under this Agreement shall be procured from insurers admitted in the State of California and authorized to issue policies directly to California insureds. Except as otherwise provided elsewhere under this Article, all required insurance shall be procured from insurers who, according to the latest edition of the Best's Insurance Guide, have an A.M. Best's rating of no less than A:VII. CITY may also accept policies procured by insurance carriers with a Standard & Poor's rating of no less than BBB according to the latest published edition the Standard & Poor's rating guide. As to Workers' Compensation Insurance/ Employer's Liability Insurance, the CITY Representatives are authorized to authorize lower ratings than those set forth in this Section.
- 3.4 PRIMACY OF CONSULTANT'S INSURANCE: All policies of insurance provided by CONSULTANT shall be primary to any coverage available to CITY or CITY's elected or appointed officials, officers, employees, agents or volunteers. Any insurance or self-insurance maintained by CITY or CITY's elected or appointed officials, officers, employees, agents or volunteers shall be in excess of CONSULTANT's insurance and shall not contribute with it.
- 3.5 WAIVER OF SUBROGATION: All insurance coverage provided pursuant to this Agreement shall not prohibit CONSULTANT or CONSULTANT's officers,

employees, agents, subcontractors or subconsultants from waiving the right of subrogation prior to a loss. CONSULTANT hereby waives all rights of subrogation against CITY.

- 3.6 **VERIFICATION OF COVERAGE:** CONSULTANT acknowledges, understands and agrees, that CITY's ability to verify the procurement and maintenance of the insurance required under this Article is critical to safeguarding CITY's financial well-being and, indirectly, the collective well-being of the residents of the CITY. Accordingly, CONSULTANT warrants, represents and agrees that its shall furnish CITY with original certificates of insurance and endorsements evidencing the coverage required under this Article on forms satisfactory to CITY in its sole and absolute discretion. **The certificates of insurance 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 provided by the CITY if requested.** All certificates of insurance and endorsements shall be received and approved by CITY as a condition precedent to CONSULTANT's commencement of any work or any of the Work. Upon CITY's written request, CONSULTANT shall also provide CITY with certified copies of all required insurance policies and endorsements.

#### IV. INDEMNIFICATION

- 4.1 The Parties agree that CITY and CITY's elected and appointed officials, officers, employees, agents and volunteers (hereinafter, the "CITY Indemnitees") should, to the fullest extent permitted by law, be protected from any and all loss, injury, damage, claim, lawsuit, cost, expense, attorneys' fees, litigation costs, or any other cost arising out of or in any way related to the performance of this Agreement. Accordingly, the provisions of this indemnity provision are intended by the Parties to be interpreted and construed to provide the CITY Indemnitees with the fullest protection possible under the law. CONSULTANT acknowledges that CITY would not enter into this Agreement in the absence of CONSULTANT's commitment to indemnify, defend and protect CITY as set forth herein.
- 4.2 To the fullest extent permitted by law, CONSULTANT shall indemnify, hold harmless and defend the CITY Indemnitees from and against all liability, loss, damage, expense, cost (including without limitation reasonable attorneys' fees, expert fees and all other costs and fees of litigation) of every nature arising out of or in connection with CONSULTANT's performance of work hereunder or its failure to comply with any of its obligations contained in this Agreement, except such loss or damage which is caused by the sole negligence or willful misconduct of the CITY.
- 4.3 CITY shall have the right to offset against the amount of any compensation due CONSULTANT under this Agreement any amount due CITY from CONSULTANT as a result of CONSULTANT's failure to pay CITY promptly any indemnification

arising under this Article and related to CONSULTANT's failure to either (i) pay taxes on amounts received pursuant to this Agreement or (ii) comply with applicable workers' compensation laws.

- 4.4 The obligations of CONSULTANT under this Article will not be limited by the provisions of any workers' compensation act or similar act. CONSULTANT expressly waives its statutory immunity under such statutes or laws as to CITY and CITY's elected and appointed officials, officers, employees, agents and volunteers.
- 4.5 CONSULTANT agrees to obtain executed indemnity agreements with provisions identical to those set forth here in this Article from each and every subcontractor or any other person or entity involved by, for, with or on behalf of CONSULTANT in the performance of this Agreement. In the event CONSULTANT fails to obtain such indemnity obligations from others as required herein, CONSULTANT agrees to be fully responsible and indemnify, hold harmless and defend CITY and CITY's elected and appointed officials, officers, employees, agents and volunteers from and against any and all claims and losses, costs or expenses for any damage due to death or injury to any person and injury to any property resulting from any alleged intentional, reckless, negligent, or otherwise wrongful acts, errors or omissions of CONSULTANT's subcontractors or any other person or entity involved by, for, with or on behalf of CONSULTANT in the performance of this Agreement. Such costs and expenses shall include reasonable attorneys' fees incurred by counsel of CITY's choice.
- 4.6 CITY does not, and shall not, waive any rights that it may possess against CONSULTANT because of the acceptance by CITY, or the deposit with CITY, of any insurance policy or certificate required pursuant to this Agreement. This hold harmless and indemnification provision shall apply regardless of whether or not any insurance policies are determined to be applicable to the claim, demand, damage, liability, loss, cost or expense.
- 4.7 This Article and all provisions contained herein (including but not limited to the duty to indemnify, defend and hold free and harmless) shall survive the termination or normal expiration of this Agreement and is in addition to any other rights or remedies which the CITY may have at law or in equity.

## V. TERMINATION

- 5.1 TERMINATION WITHOUT CAUSE: CITY may terminate this Agreement at any time for convenience and without cause by giving CONSULTANT a minimum of five (5) calendar days prior written notice of CITY's intent to terminate this Agreement. Upon such termination for convenience, CONSULTANT shall be compensated only for those services and tasks which have been performed by CONSULTANT up to the effective date of the termination. CONSULTANT may not terminate this Agreement except for cause as provided under Section 5.2,

below. If this Agreement is terminated as provided herein, CITY may require CONSULTANT to provide all finished or unfinished Documents and Data, as defined in Section 6.1 below, and other information of any kind prepared by CONSULTANT in connection with the performance of the Work. CONSULTANT shall be required to provide such Documents and Data within fifteen (15) calendar days of CITY's written request. No actual or asserted breach of this Agreement on the part of CITY pursuant to Section 5.2, below, shall operate to prohibit or otherwise restrict CITY's ability to terminate this Agreement for convenience as provided under this Section.

## 5.2 EVENTS OF DEFAULT; BREACH OF AGREEMENT:

- A. In the event either Party fails to perform any duty, obligation, service or task set forth under this Agreement (or fails to timely perform or properly perform any such duty, obligation, service or task set forth under this Agreement), an event of default (hereinafter, "Event of Default") shall occur. For all Events of Default, the Party alleging an Event of Default shall give written notice to the defaulting Party (hereinafter referred to as a "Default Notice") which shall specify: (i) the nature of the Event of Default; (ii) the action required to cure the Event of Default; (iii) a date by which the Event of Default shall be cured, which shall not be less than the applicable cure period set forth under Sections 5.2.B and 5.2C below or if a cure is not reasonably possible within the applicable cure period, to begin such cure and diligently prosecute such cure to completion. The Event of Default shall constitute a breach of this Agreement if the defaulting Party fails to cure the Event of Default within the applicable cure period or any extended cure period allowed under this Agreement.
- B. CONSULTANT shall cure the following Events of Defaults within the following time periods:
- i. Within three (3) business days of CITY's issuance of a Default Notice for any failure of CONSULTANT to timely provide CITY or CITY's employees or agents with any information and/or written reports, documentation or work product which CONSULTANT is obligated to provide to CITY or CITY's employees or agents under this Agreement. Prior to the expiration of the 3-day cure period, CONSULTANT may submit a written request for additional time to cure the Event of Default upon a showing that CONSULTANT has commenced efforts to cure the Event of Default and that the Event of Default cannot be reasonably cured within the 3-day cure period. The foregoing notwithstanding, CITY shall be under no obligation to grant additional time for the cure of an Event of Default under this Section 5.2 B.i. that exceeds seven (7) calendar days from the end of the initial 3-day cure period; or

- ii. Within fourteen (14) calendar days of CITY's issuance of a Default Notice for any other Event of Default under this Agreement. Prior to the expiration of the 14-day cure period, CONSULTANT may submit a written request for additional time to cure the Event of Default upon a showing that CONSULTANT has commenced efforts to cure the Event of Default and that the Event of Default cannot be reasonably cured within the 14-day cure period. The foregoing notwithstanding, CITY shall be under no obligation to grant additional time for the cure of an Event of Default under this Section 5.2B.ii that exceeds thirty (30) calendar days from the end of the initial 14-day cure period.

In addition to any other failure on the part of CONSULTANT to perform any duty, obligation, service or task set forth under this Agreement (or the failure to timely perform or properly perform any such duty, obligation, service or task), an Event of Default on the part of CONSULTANT shall include, but shall not be limited to the following: (i) CONSULTANT's refusal or failure to perform any of the services or tasks called for under the Scope of Services; (ii) CONSULTANT's failure to fulfill or perform its obligations under this Agreement within the specified time or if no time is specified, within a reasonable time; (iii) CONSULTANT's and/or its employees' disregard or violation of any federal, state, local law, rule, procedure or regulation; (iv) the initiation of proceedings under any bankruptcy, insolvency, receivership, reorganization, or similar legislation as relates to CONSULTANT, whether voluntary or involuntary; (v) CONSULTANT's refusal or failure to perform or observe any covenant, condition, obligation or provision of this Agreement; and/or (vi) CITY's discovery that a statement representation or warranty by CONSULTANT relating to this Agreement is false, misleading or erroneous in any material respect.

- C. CITY shall cure any Event of Default asserted by CONSULTANT within forty-five (45) calendar days of CONSULTANT's issuance of a Default Notice, unless the Event of Default cannot reasonably be cured within the 45-day cure period. Prior to the expiration of the 45-day cure period, CITY may submit a written request for additional time to cure the Event of Default upon a showing that CITY has commenced its efforts to cure the Event of Default and that the Event of Default cannot be reasonably cured within the 45-day cure period. The foregoing notwithstanding, an Event of Default dealing with CITY's failure to timely pay any undisputed sums to CONSULTANT as provided under Section 1.4, above, shall be cured by CITY within five (5) calendar days from the date of CONSULTANT's Default Notice to CITY.
- D. CITY, in its sole and absolute discretion, may also immediately suspend CONSULTANT's performance under this Agreement pending CONSULTANT's cure of any Event of Default by giving CONSULTANT written notice of CITY's intent to suspend CONSULTANT's performance

(hereinafter, a "Suspension Notice"). CITY may issue the Suspension Notice at any time upon the occurrence of an Event of Default. Upon such suspension, CONSULTANT shall be compensated only for those services and tasks which have been rendered by CONSULTANT to the reasonable satisfaction of CITY up to the effective date of the suspension. No actual or asserted breach of this Agreement on the part of CITY shall operate to prohibit or otherwise restrict CITY's ability to suspend this Agreement as provided herein.

- E. No waiver of any Event of Default or breach under this Agreement shall constitute a waiver of any other or subsequent Event of Default or breach. No waiver, benefit, privilege, or service voluntarily given or performed by a Party shall give the other Party any contractual rights by custom, estoppel, or otherwise.
- F. The duties and obligations imposed under this Agreement and the rights and remedies available hereunder shall be in addition to and not a limitation of any duties, obligations, rights and remedies otherwise imposed or available by law. In addition to any other remedies available to CITY at law or under this Agreement in the event of any breach of this Agreement, CITY, in its sole and absolute discretion, may also pursue any one or more of the following remedies:
  - i. Upon written notice to CONSULTANT, the CITY may immediately terminate this Agreement in whole or in part;
  - ii. Upon written notice to CONSULTANT, the CITY may extend the time of performance;
  - iii. The CITY may proceed by appropriate court action to enforce the terms of the Agreement to recover damages for CONSULTANT's breach of the Agreement or to terminate the Agreement; or
  - iv. The CITY may exercise any other available and lawful right or remedy.

CONSULTANT shall be liable for all legal fees plus other costs and expenses that CITY incurs upon a breach of this Agreement or in the CITY's exercise of its remedies under this Agreement.

- G. In the event CITY is in breach of this Agreement, CONSULTANT's sole remedy shall be the suspension or termination of this Agreement and/or the recovery of any unpaid sums lawfully owed to CONSULTANT under this Agreement for completed services and tasks.

- 5.3 SCOPE OF WAIVER: No waiver of any default or breach under this Agreement shall constitute a waiver of any other default or breach, whether of the same or other covenant, warranty, agreement, term, condition, duty or requirement contained in this Agreement. No waiver, benefit, privilege, or service voluntarily given or performed by a Party shall give the other Party any contractual rights by custom, estoppel, or otherwise.
- 5.4 SURVIVING ARTICLES, SECTIONS AND PROVISIONS: The termination of this Agreement pursuant to any provision of this Article or by normal expiration of its term or any extension thereto shall not operate to terminate any Article, Section or provision contained herein which provides that it shall survive the termination or normal expiration of this Agreement.

VI.  
MISCELLANEOUS PROVISIONS

- 6.1 DOCUMENTS & DATA; LICENSING OF INTELLECTUAL PROPERTY: All Documents and Data shall be and remain the property of CITY without restriction or limitation upon their use or dissemination by CITY. For purposes of this Agreement, the term "Documents and Data" means and includes all reports, analyses, correspondence, plans, drawings, designs, renderings, specifications, notes, summaries, strategies, charts, schedules, spreadsheets, calculations, lists, data compilations, documents or other materials developed and/or assembled by or on behalf of CONSULTANT in the performance of this Agreement and fixed in any tangible medium of expression, including but not limited to Documents and Data stored digitally, magnetically and/or electronically. This Agreement creates, at no cost to CITY, a perpetual license for CITY to copy, use, reuse, disseminate and/or retain any and all copyrights, designs, and other intellectual property embodied in all Documents and Data. CONSULTANT shall require all subcontractors and subconsultants working on behalf of CONSULTANT in the performance of this Agreement to agree in writing that CITY shall be granted the same right to copy, use, reuse, disseminate and retain Documents and Data prepared or assembled by any subcontractor or subconsultant as applies to Documents and Data prepared by CONSULTANT in the performance of this Agreement.
- 6.2 CONFIDENTIALITY: All data, documents, discussion, or other information developed or received by CONSULTANT or provided for performance of this Agreement are deemed confidential and shall not be disclosed by CONSULTANT without prior written consent by CITY. CITY shall grant such consent if disclosure is legally required. Upon request, all CITY data shall be returned to CITY upon the termination or expiration of this Agreement. CONSULTANT shall not use CITY's name or insignia, photographs, or any publicity pertaining to the Work in any magazine, trade paper, newspaper, television or radio production or other similar medium without the prior written consent of CITY.

- 6.3 FALSE CLAIMS ACT: CONSULTANT warrants and represents that neither CONSULTANT nor any person who is an officer of, in a managing position with, or has an ownership interest in CONSULTANT has been determined by a court or tribunal of competent jurisdiction to have violated the False Claims Act, 31 U.S.C., Section 3789 et seq. and the California False Claims Act, Government Code Section 12650 et seq.
- 6.4 NOTICES: All notices permitted or required under this Agreement shall be given to the respective Parties at the following addresses, or at such other address as the respective Parties may provide in writing for this purpose:

**CONSULTANT:**  
AVANT-GARDE  
3670 W. Temple Ave. #278  
Pomona, CA 91768  
Attn: Lissett Calleros  
Phone: (909) 979-6586  
Fax: (909) 979-6580  
Email: lcalleros@agi.com.co

**CITY:**  
City of Cudahy  
Community Development Division  
5220 Santa Ana Street  
Cudahy, CA 90201  
Attn: Michael Allen  
Phone: (323) 773-5143  
Fax: (323) 771-2072

Such notices shall be deemed effective when personally delivered or successfully transmitted by facsimile as evidenced by a fax confirmation slip or when mailed, forty-eight (48) hours after deposit with the United States Postal Service, first class postage prepaid and addressed to the Party at its applicable address.

- 6.5 COOPERATION; FURTHER ACTS: The Parties shall fully cooperate with one another, and shall take any additional acts or sign any additional documents as is reasonably necessary, appropriate or convenient to achieve the purposes of this Agreement.
- 6.6 SUBCONTRACTING: CONSULTANT shall not subcontract any portion of the Work required by this Agreement, except as expressly stated herein, without the prior written approval of CITY. Subcontracts (including without limitation subcontracts with subconsultants), if any, shall contain a provision making them subject to all provisions stipulated in this Agreement, including provisions relating to insurance requirements and indemnification.
- 6.7 CITY'S RIGHT TO EMPLOY OTHER CONSULTANTS: CITY reserves the right to employ other contractors in connection with the various projects worked upon by CONSULTANT.
- 6.8 PROHIBITED INTERESTS: CONSULTANT warrants, represents and maintains 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 and represents 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 member, 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.

- 6.9 TIME IS OF THE ESSENCE: Time is of the essence for each and every provision of this Agreement.
- 6.10 GOVERNING LAW AND VENUE: This Agreement shall be interpreted and governed according to the laws of the State of California. In the event of litigation between the Parties, venue, without exception, shall be in the Los Angeles County Superior Court of the State of California. If, and only if, applicable law requires that all or part of any such litigation be tried exclusively in federal court, venue, without exception, shall be in the Central District of California located in the City of Los Angeles, California.
- 6.11 ATTORNEYS' FEES: If either Party commences an action against the other Party, either legal, administrative or otherwise, arising out of or in connection with this Agreement, the prevailing Party in such litigation shall be entitled to have and recover from the losing Party reasonable attorneys' fees and all other costs of such action.
- 6.12 SUCCESSORS AND ASSIGNS: This Agreement shall be binding on the successors and assigns of the Parties.
- 6.13 NO THIRD PARTY BENEFIT: There are no intended third party beneficiaries of any right or obligation assumed by the Parties. All rights and benefits under this Agreement inure exclusively to the Parties.
- 6.14 CONSTRUCTION OF AGREEMENT: This Agreement shall not be construed in favor of, or against, either Party but shall be construed as if the Parties prepared this Agreement together through a process of negotiation and with the advice of their respective attorneys.
- 6.15 SEVERABILITY: If any portion of this Agreement is declared invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions shall continue in full force and effect.
- 6.16 AMENDMENT; MODIFICATION: No amendment, modification or supplement of this Agreement shall be valid or binding unless executed in writing and signed by both Parties, subject to CITY approval. The requirement for written amendments, modifications or supplements cannot be waived and any attempted waiver shall be void and invalid.

- 6.17 CAPTIONS: The captions of the various articles, sections and paragraphs are for convenience and ease of reference only, and do not define, limits, augment, or describe the scope, content, or intent of this Agreement.
- 6.18 INCONSISTENCIES OR CONFLICTS: In the event of any conflict or inconsistency between the provisions of this Agreement and any of the exhibits attached hereto, the provisions of this Agreement shall control.
- 6.19 ENTIRE AGREEMENT: This Agreement including all attached exhibits is the entire, complete, final and exclusive expression of the Parties with respect to the matters addressed herein and supersedes all other agreements or understandings, whether oral or written, or entered into between CITY and CONSULTANT prior to the execution of this Agreement. No statements, representations or other agreements, whether oral or written, made by any Party which are not embodied herein shall be valid or binding. No amendment, modification or supplement to this Agreement shall be valid and binding unless in writing and duly executed by the Parties pursuant to Section 6.15, above.
- 6.20 COUNTERPARTS: .This Agreement shall be executed in three (3) original counterparts each of which shall be of equal force and effect. No handwritten or typewritten amendment, modification or supplement to any one counterparts shall be valid or binding unless made to all three counterparts in conformity with Section 6.16, above. One fully executed original counterpart shall be delivered to CONSULTANT and the remaining two original counterparts shall be retained by CITY.

**[SIGNATURE PAGE TO FOLLOW]**

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed the day and year first appearing in this Agreement, above.

**CITY OF CUDAHY:**

By: \_\_\_\_\_  
Jose E. Pulido, City Manager

Date: \_\_\_\_\_

**AVANT-GARDE**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**APPROVED AS TO FORM:**

By: \_\_\_\_\_

Date: \_\_\_\_\_

**EXHIBIT "A"**  
**(SCOPE OF SERVICES)**



Item Number

**10E**

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## STAFF REPORT

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**Date:** December 2, 2014

**To:** Honorable Mayor/Chair and City Council/Agency Members

**From:** Jose E. Pulido, City Manager/Executive Director  
By: Steven Dobrenen, Finance Director  
Isabel Birrueta, Assistant City Attorney

**Subject:** **Professional Services Agreement with Vasquez & Company LLP for Audit Services For Fiscal Years (FYs) 2013-2014, 2014-2015, and 2015-2016**

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### **RECOMMENDATION**

The City Council is requested to approve a Professional Services Agreement (PSA) with Vasquez & Company LLP for audit and other services for a three year term to audit FYs 2013-2014, 2014-2015, and 2015-2016 with an option for two one-year extensions.

### **BACKGROUND**

1. Between 2000 to 2011 Vasquez & Company LLP ("Vasquez") provided audit services to the City of Cudahy.
2. The City of Cudahy is in a unique position that requires coordination of the auditors of the City of Cudahy and the Cudahy Economic Development Corporation (EDC). The City of Cudahy's FY 2012-2013 Financial Statements included a disclaimer of opinion. One of the primary reasons given for the disclaimer was that a Component Unit of the City, the EDC, a non-profit corporation, was not included in the financial statements as required by Government Accounting Standards Board (GASB) Statement Number 61.
3. In October 2014 Vasquez & Company LLP was appointed by the board of directors of the EDC to perform the initial audit of the EDC through the period ended December 31, 2013. Due to the close relationship between the City and the EDC and the requirement of GASB to include the EDC in the financial statements of the City it makes the most sense to utilize the same auditor as the EDC.

4. On September 19, 2014 the Finance Director met with Vasquez & Company LLP to discuss the scope of audit for the City of Cudahy and its component units. A proposal was requested to be submitted to the City Clerk by October 10, 2014.
5. A proposal for an audit of the annual financial statements of the City of Cudahy and other services for FY 2013-2014 through 2017-2018 was submitted to the City Clerk by October 10, 2014 with copies of the proposal being provided to the Finance Director and the Deputy Purchasing Office.
6. The proposal was provided on or about October 17, 2014 to a Finance Director and an Assistant Finance Director in the South East Los Angeles region for their review and input on the qualifications and pricing.
7. The proposal was provided to two additional individual who reviewed and provided an evaluation of the proposal on or about October 23, 2014.
8. In their proposal Vasquez & Company LLP provided five references in their proposal and those references were contacted on November 4-5, 2014.
9. The Cudahy Municipal Code only expressly mentions contracting for professional services in Section 3.16.110. In the section it expressly exempts professional services from the bidding procedures. In pertinent part the section states "Except as otherwise provided in this chapter, purchases and contracts for supplies, services (other than professional services), and equipment and the sale of personal property of estimated value greater than \$5,000 shall be by written contract with the lowest or highest responsible bidder, as the case may be, pursuant to the following procedure..."
10. Under Government Code Section 53060 public agencies can exercise their authority to contract for professional services without a formal bid/proposal process. Cudahy has expressly carved out professional services from a bid/proposal process. Government Code section 53060 is the statutory authority permitting the City to provide such a carve out. It is important to note, that while agencies are not required to comply with a formal bid process or RFP process, it is not unusual for a city to use some proposal process in order to get a variety of proposals to determine if they are getting the best rate for the city.

## **ANALYSIS**

Vasquez prior work relationship with the City gives them a competitive advantage that other vendors cannot offer. Vasquez has a presence in the South East Los Angeles region and either currently or in the past have audited the cities of Cudahy, Huntington Park, Montebello, Norwalk, Pico Rivera, South Gate, and Vernon. Vasquez has submitted a proposal that demonstrates the qualifications of the firm, the project manager and key personnel. Their proposal demonstrated their understanding of the project and provided an approach to accomplish the project. The depth of their experience indicates that they will be able to address the issues that are unique to local governments and have the resources to help the City achieve success in moving the City forward with financial statements that are fairly presented. Their approach will include an evaluation of the City's internal controls and recommendations for improvements to satisfy the findings and recommendations provided by the outside entities.

The price of the annual audit was determined to be within the parameters of a City the size of the Cudahy and risk factors for the City. The initial cost of the audit firm meeting professional standards to document the opening fund balance appears fair since no reliance can be placed on opening balances. Their references verified the claim that Vasquez & Company LLP is competent to conduct an annual audit and single audit and meet deadlines.

**CONCLUSION**

Since time is of the essence, a single CPA firm was contacted to submit a proposal for audit services for the City. Additionally, there was not sufficient time for the contract sub-committee members Mayor Garcia and Councilmember Sanchez to convene and review the related documents. It has been determined by a review of the proposer's qualifications and verification of references that the firm of Vasquez & Company LLP is qualified to perform the annual audit of the City of Cudahy.

The planning/interim phase of the annual audit will be conducted December 2014 to January 2015. The final fieldwork for the audit will be concluded in February 2015 with a draft of the financial statements being presented to the City for review prior to February 28, 2015. It is anticipated that the report will be reviewed and finalized prior to the March 31, 2015 deadline. If a formal request for proposals was performed the selection of the audit firm and completion of the audit would be after March 31, 2014. Accordingly, the deadline would be missed for annual financial statements to be submitted to the California State Controller's Office and the Federal Clearing House when a Single Audit is performed. The proposal submitted was for three fiscal years beginning with FY 2013-2014 with two one-year options. The proposal included a cost of living each year of 2.8%. The City negotiated the rate increase down to 2%.

**FINANCIAL IMPACT**

The total cost for audit and other services for the FYs 2013-14, 2014-15, and 2015-16 would be \$205,733. The General Fund's share of the cost would be \$151,786 with the remaining \$53,947 being paid for by Special Revenue Funds and the Successor Agency.

The funding for the annual audit and other services for Fiscal Year 2013-14 would be as follows:

	<u>FY 13-14</u>
General Fund	\$57,889
Successor Agency	\$10,000
Special Revenue Funds	<u>\$ 9,940</u>
Total	\$77,829

As part of the Mid-Year Budget review the audit fees for the General Fund and Special Revenue Funds will be amended to reflect the negotiation price of the audit and other services.

**ATTACHMENTS**

- A. 1st Amendment to Professional Services Agreement (includes Exhibit A-Master Agreement)
- B. Exhibit B - Audit Services Planning Calendar
- C. Vasquez and Company Proposal



2014  
FIRST AMENDMENT  
TO PROFESSIONAL SERVICES AGREEMENT

(Engagement: Submission of Financial Transaction Report to State Controller's Office)  
(Parties: Vasquez & Company, LLP and City of Cudahy)

THIS FIRST AMENDMENT TO PROFESSIONAL SERVICES AGREEMENT (the "Amendment") to that certain document entitled "Professional Services Agreement" (the "Master Agreement") executed as of October 7, 2014, by and between the City of Cudahy, a municipal corporation (hereinafter, "City") and Vasquez & Company, LLP (hereinafter, "Consultant") is made and entered into this \_\_\_ day of \_\_\_\_\_, 2014. For the purposes of this Agreement, City and Consultant may be referred to collectively by the capitalized term "Parties." The capitalized term "Party" may refer to City or Consultant interchangeably.

RECITALS

THIS AGREEMENT is made and entered into with respect to the following facts:

WHEREAS, on or about October 7, 2014, the Parties executed and entered into the Master Agreement which is attached hereto as Exhibit "A"; and

WHEREAS, the City desires the following professional services: Submission of Financial Transaction Report to State Controller's Office; and

WHEREAS, Consultant represents that it is fully qualified to perform such services by virtue of its experience and the training, education and expertise of its principals and employees; and

WHEREAS, Consultant further represents that it is willing to accept responsibility for performing such services in accordance with the terms and conditions set forth in this Agreement.

NOW, THEREFORE, IN CONSIDERATION OF THE MUTUAL AGREEMENTS CONTAINED HEREIN, AND OTHER GOOD AND VALUABLE CONSIDERATION, THE RECEIPT AND SUFFICIENCY OF WHICH IS HEREBY ACKNOWLEDGED, AND INTENDING TO BE LEGALLY BOUND HEREBY, THE PARTIES AGREE AS FOLLOWS:

1. Section 1.1 (Scope of Work) is amended in part to reflect the performance of additional services and tasks set forth in the revised scope of work. The aforementioned revised scope of work is attached and incorporated into this Amendment and the Master Agreement Exhibit "B" and shall be referred to as the "Scope of Work." Consultant further agrees to furnish to City all labor, materials, tools, supplies, equipment, services, tasks and incidental and customary work necessary to competently perform and timely complete the services and tasks set forth in the Scope of Work. For the purposes of this Agreement the aforementioned services and tasks set forth in the Scope of Work shall hereinafter be referred to generally by the capitalized term "Work." Neither Consultant nor anyone acting on Consultant's behalf shall commence with the performance of the Work or any other related tasks until City issues a written notice to proceed (hereinafter, the "Notice to Proceed").

2. Section 1.3 is amended to reflect the addition of Five Thousand Dollars (\$5,000.00) for the additional services under the Scope of Work, (hereinafter, the "Not-to Exceed Sum"). In the event Consultant's charges are projected to exceed the Not-to-Exceed Sum prior to the expiration of the Term or any single extension term, City may suspend Consultant's performance pending City's approval of any anticipated expenditures in excess of the Not-to-Exceed Sum or any other City-approved amendment to the compensation terms of this Master Agreement.

3. Except as otherwise set forth in this Amendment, the Master Agreement shall remain binding, controlling and in full force and effect. This Amendment together with the Master Agreement shall constitute the entire, complete, final, and exclusive expression of the Parties with respect to the matters addressed in both documents.

4. The provisions of this Amendment shall be deemed a part of the Master Agreement and except as otherwise provided under this Amendment, the Master Agreement and all provisions contained therein shall remain binding and enforceable. In the event of any conflict or inconsistency between the provisions of this Amendment and the provisions of the Master Agreement, the provisions of this Amendment shall control, but only in so far as such provisions conflict with the Master Agreement and no further.

5. This Amendment shall be executed in three counterparts, with one such fully executed counterpart returned to Consultant upon execution.

**[SIGNATURE PAGE TO FOLLOW]**

IN WITNESS THEREOF, the Parties hereto have caused this Amendment to the Master Agreement to be executed on the day and year first appearing above.

**CITY:**  
**City of Cudahy,**

By: \_\_\_\_\_  
Chris Garcia, Mayor

APPROVED AS TO FORM:

By: \_\_\_\_\_  
Isabel Birrueta, Assistant City Attorney

**CONSULTANT:**  
**Vasquez & Company, LLP**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**EXHIBIT "A"**  
**(MASTER AGREEMENT)**



2014

PROFESSIONAL SERVICES AGREEMENT

(Engagement: Submission of Financial Transaction Report to State Controller's Office)  
(Parties: Vasquez & Company, LLP and City of Cudahy)

THIS 2014 PROFESSIONAL SERVICES AGREEMENT ("Agreement") is entered into this 7<sup>th</sup> day of October 2014 (hereinafter, the "Effective Date"), by and between the CITY OF CUDAHY, a municipal corporation ("City") and VASQUEZ & COMPANY, LLP, (hereinafter, "Consultant"). The capitalized term "Parties" shall be a collective reference to both City and Consultant. The capitalized term "Party" shall refer to either City or Consultant interchangeably as appropriate.

RECITALS

THIS AGREEMENT is made and entered into with respect to the following facts:

WHEREAS, the City desires the following professional services: assistance in the preparation and submission of financial transaction report to the State Controller's Office; and

WHEREAS, Consultant represents that it is fully qualified to perform such services by virtue of its experience and the training, education and expertise of its principals and employees; and

WHEREAS, Consultant further represents that it is willing to accept responsibility for performing such services in accordance with the terms and conditions set forth in this Agreement.

NOW, THEREFORE, FOR AND IN CONSIDERATION OF THE MUTUAL COVENANTS AND CONDITIONS HEREIN CONTAINED, CITY AND CONSULTANT AGREE AS FOLLOWS:

I.

PROJECT, SCOPE AND TERM OF SERVICES AND COMPENSATION

- 1.1 SCOPE OF WORK: Subject to the terms and conditions set forth in this Agreement and all exhibits attached and incorporated hereto, Consultant agrees to perform the services and tasks set forth in Exhibit "A", which is attached and incorporated hereto (hereinafter the "Scope of Work"). Consultant further agrees to furnish to City all labor, materials,

tools, supplies, equipment, services, tasks and incidental and customary work necessary to competently perform and timely complete the services and tasks set forth in the Scope of Work. For the purposes of this Agreement the aforementioned services and tasks set forth in the Scope of Work shall hereinafter be referred to generally by the capitalized term "Work." The Work is inclusive of those tasks that may be identified as being optional under the Scope of Work and such optional work shall not constitute Extra Work under Section 1.5 of this Agreement, below. Neither Consultant nor anyone acting on Consultant's behalf shall commence with the performance of the Work or any other related tasks until City issues a written notice to proceed (hereinafter, the "Notice to Proceed").

1.2 PROSECUTION OF WORK: The Parties agree as follows:

- A. Time is of the essence of this Agreement and each and every provision contained herein. The Work shall be commenced within three (3) calendar days of City's issuance of a Notice to Proceed and shall be completed at the earliest feasible time practicable, but in no event by a date not later than September 11, 2015 (hereinafter, the "Completion Date"). City, in its reasonable discretion, may grant Consultant additional time to complete the Work, provided (i) no grant of additional time shall exceed a period of thirty (30) calendar days from the original Completion Date; and (ii) Consultant shall have provided City with a written request for additional time no less than fifteen (15) calendar days prior to the original Completion Date, which notice shall specify the reason(s) why additional time is needed, how much additional time is needed and what measures Consultant has taken to mitigate the need for additional time. The granting of such additional time by the City shall in no way entitle Consultant to compensation in excess of the Contract Price, defined below, in so far as the need of additional time is not reasonably attributable to City.
- B. CONSULTANT shall perform the Work continuously and with due diligence so as to complete the Work by the Completion Date. CONSULTANT shall cooperate with City and in no manner interfere with the work of City, its employees or other consultants, contractors or agents;
- C. CONSULTANT shall not claim or be entitled to receive any compensation or damage because of the failure of CONSULTANT or its subconsultants, to have related services or tasks completed in a timely manner;
- D. CONSULTANT shall at all times enforce strict discipline and good order among CONSULTANT's employees;
- E. CONSULTANT, at its sole expense, shall pay all sales, consumer, use or other similar taxes required by law.

1.3 COMPENSATION:

Consultants total compensation for performing the Work shall not exceed the aggregate sum of THREE THOUSAND SEVEN HUNDRED FORTY DOLLARS (\$3,740.00) (hereinafter, the "Contract Price"). The Parties agree that the Contract Price includes compensation for all labor, materials, tools, supplies, equipment, business licenses and such other incidental and customary work necessary to competently perform and fully complete the Work as well as compensation for all specifically delineated expenses set forth in the Scope of Work. All related costs, travel expenses, fees in the development of the Work shall be burdened by the Consultant and not be reimbursable to the City. In no event shall the total compensation and costs payable to Consultant under this Agreement exceed the Contract Price unless the availability of funds for the added expenditure is first reviewed by the Finance Department of the City and unless such added expenditure is specifically approved in advance and in writing by the City.

1.4 PAYMENT OF COMPENSATION: Following the conclusion of each calendar month, CONSULTANT shall submit to CITY an itemized invoice indicating the services and tasks performed during the recently concluded calendar month, including services and tasks performed and the reimbursable out-of-pocket expenses incurred. If the amount of CONSULTANT's monthly compensation is a function of hours worked by CONSULTANT's personnel, the invoice shall indicate the number of hours worked in the recently concluded calendar month, the persons responsible for performing the Work, the rate of compensation at which such services and tasks were performed, the subtotal for each task and service performed and a grand total for all services performed. Within thirty (30) calendar days of receipt of each invoice, CITY shall notify CONSULTANT in writing of any disputed amounts included in the invoice. Within Thirty (30) calendar day of receipt of each invoice, CITY shall pay all undisputed amounts included on the invoice. CITY shall not withhold applicable taxes or other authorized deductions from payments made to CONSULTANT.

1.5 EXTRA WORK; COMPENSATION FOR EXTRA WORK:

- A. At any time during the term of this Agreement, City may request that Consultant perform Extra Work. For the purposes of this Agreement, the term "Extra Work" means any additional work, services or tasks not set forth in the Scope of Work but later determined by City to be necessary. Consultant shall not undertake nor shall Consultant be entitled to compensation for Extra Work without the prior written authorization of the City. Extra Work does not include any labor, materials, tools, supplies, equipment, services, tasks or incidental and customary work undertaken to competently perform and timely complete the Work and related tasks set forth in the Scope of Work.

B. Payments for any Extra Work shall be made to Consultant on a time-and-materials basis using Consultant's standard fee schedule. Consultant shall be entitled to increase the fees in this fee schedule at such time as it increases its fees for its clients generally.

1.6 ACCOUNTING RECORDS: Consultant shall maintain complete and accurate records with respect to all matters covered under this Agreement for a period of three (3) years after the expiration or termination of this Agreement. City shall have the right to access and examine such records, without charge, during normal business hours. City shall further have the right to audit such records, to make transcripts therefrom and to inspect all program data, documents, proceedings, and activities.

1.7 ABANDONMENT BY CONSULTANT: In the event Consultant ceases to perform the Work agreed to under this Agreement or otherwise abandons the undertaking contemplated herein prior to the expiration of this Agreement or prior to completion of any or all tasks set forth in the Scope of Work, Consultant shall deliver to City immediately and without delay, all materials, records and other work product prepared or obtained by Consultant in the performance of this Agreement. Furthermore, Consultant shall only be compensated for the reasonable value of the services, tasks and other work performed up to the time of cessation or abandonment, less a deduction for any damages, costs or additional expenses which City may incur as a result of Consultant's cessation or abandonment.

## II. PERFORMANCE OF AGREEMENT

2.1 CITY'S REPRESENTATIVES: The City hereby designates the City Manager (hereinafter, the "City Representative") to act as its representative for the performance of this Agreement. The City Representative or his designee shall act on behalf of the City for all purposes under this Agreement. Consultant shall not accept directions or orders from any person other than the City Representative or his designee.

2.2 CONSULTANT'S REPRESENTATIVE: Consultant hereby designates Roger A. Martinez to act as its representative for the performance of this Agreement (hereinafter, "Consultant's Representative"). Consultant's Representative shall have full authority to represent and act on behalf of Consultant for all purposes under this Agreement. Consultant's Representative or his designee shall supervise and direct the performance of the Work, using his best skill and attention, and shall be responsible for all means, methods, techniques, sequences and procedures and for the satisfactory coordination of all portions of the Work under this Agreement. Notice to the Consultant's Representative shall constitute notice to Consultant.

2.3 COORDINATION OF SERVICE; CONFORMANCE WITH REQUIREMENTS: Consultant agrees to work closely with City staff in the performance of the Work and this Agreement and shall be available to City staff and the City Representatives at all

reasonable times. All work prepared by Consultant shall be subject to inspection and approval by City Representatives or their designees.

2.4 STANDARD OF CARE; PERFORMANCE OF EMPLOYEES: Consultant represents, acknowledges and agrees to the following:

- A. Consultant shall perform all work skillfully, competently and to the generally accepted standards applicable to the Consultant's profession;
- B. Consultant shall perform all work in a manner reasonably satisfactory to the City;
- C. Consultant shall comply with all applicable federal, state and local laws and regulations, including the conflict of interest provisions of Government Code section 1090 and the Political Reform Act (Government Code section 81000 *et seq.*);
- D. Consultant understands the nature and scope of the Work to be performed under this Agreement as well as any and all schedules of performance;
- E. All of Consultant's employees and agents (including but not limited to Consultant's subcontractors and subconsultants) possess sufficient skill, knowledge, training and experience to perform those services and tasks assigned to them by Consultant; and
- F. All of Consultant's employees and agents (including but not limited to Consultant's subcontractors and subconsultants) possess all licenses, permits, certificates, qualifications and approvals of whatever nature that are legally required to perform the tasks and services contemplated under this Agreement and all such licenses, permits, certificates, qualifications and approvals shall be maintained throughout the term of this Agreement.

The Parties acknowledge and agree that Consultant shall perform, at Consultant's own cost and expense and without any reimbursement from City, any services necessary to correct any errors or omissions caused by Consultant's failure to comply with the standard of care set forth under this Section or by any like failure on the part of Consultant's employees, agents, contractors, subcontractors and subconsultants. Such effort by Consultant to correct any errors or omissions shall be commenced immediately upon their discovery by either Party and shall be completed within twenty-one(21) calendar days from the date of discovery or such other extended period of time authorized by the City Representatives in writing and at their absolute discretion. The Parties acknowledge and agree that City's acceptance of any work performed by Consultant or on Consultant's behalf shall not constitute a release of any deficiency or delay in performance. The Parties further acknowledge, understand and agree that City has relied upon the foregoing representations of Consultant, including but not limited to the

representation that Consultant possesses the skills, training, knowledge and experience necessary to perform the Work in a skillful and competent manner equivalent to, the standard of performance generally recognized as being employed by professionals performing the same type of work and services in the State of California.

- 2.5 ASSIGNMENT: The skills, training, knowledge and experience of Consultant are material to City's willingness to enter into this Agreement. Accordingly, City has an interest in the qualifications and capabilities of the person(s) who will perform the services and tasks to be undertaken by Consultant or on behalf of Consultant in the performance of this Agreement. In recognition of this interest, Consultant agrees that it shall not assign or transfer, either directly or indirectly or by operation of law, this Agreement or the performance of any of Consultant's duties or obligations under this Agreement without the prior written consent of the City. In the absence of City's prior written consent, any attempted assignment or transfer shall be ineffective, null and void and shall constitute a material breach of this Agreement.
- 2.6 CONTROL AND PAYMENT OF SUBORDINATES: The Work shall be performed by Consultant or under Consultant's strict supervision. Consultant will determine the means, methods and details of performing the Work subject to the requirements of this Agreement. City retains Consultant on an independent contractor basis and not as an employee. Consultant reserves the right to perform similar or different services for others during the term of this Agreement, provided such work does not unduly interfere with Consultant's competent performance under this Agreement or result in the unauthorized disclosure of City's confidential or proprietary information. Any additional personnel performing the Work under this Agreement on behalf of Consultant are not employees of City and shall at all times be under Consultant's exclusive direction and control. Consultant shall pay all wages, salaries and other amounts due such personnel and shall assume responsibility for all benefits, payroll taxes, Social Security and Medicare payments and the like. Consultant 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, disability insurance, workers' compensation insurance and the like.
- 2.7 REMOVAL OF EMPLOYEE OR AGENTS: If any of Consultant's officers, employees, agents, contractors, subcontractors or subconsultants are determined by the City Representatives to be uncooperative, incompetent, a threat to the adequate or timely performance of the tasks assigned to Consultant, a threat to persons or property, or if any of Consultant's officers, employees, agents, contractors, subcontractors or subconsultants fail or refuse to perform the work in a manner acceptable to the City, such officer, employee, agent, contractor, subcontractor or subconsultant shall be promptly removed by Consultant and shall not be re-assigned to perform any of the Work.
- 2.8 COMPLIANCE WITH LAWS: Consultant shall keep itself fully informed of and in compliance with all applicable laws, statutes, codes, rules, regulations and ordinances of

the federal government of the United States of America, the State of California, the County of Los Angeles, and any other local governmental entity to the extent such laws, statutes, codes, rules, regulations or ordinances govern or affect the performance of the Work.

- 2.9 **SAFETY**: Consultant shall perform its Work so as to avoid injury or damage to any person or property. In performing the Work, Consultant 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 any Work is to be performed.
- 2.10. **NON-DISCRIMINATION**: In the performance of this Agreement, Consultant shall not discriminate against any employee, subcontractor, subconsultant, or applicant for employment because of race, color, creed, religion, sex, marital status, sexual orientation, national origin, ancestry, age, physical or mental disability or medical condition.
- 2.11. **INDEPENDENT CONTRACTOR**: The Parties acknowledge, understand and agree that Consultant and all persons retained or employed by Consultant are, and shall at all times remain, wholly independent contractors and are not officials, officers, employees, departments or subdivisions of City. Consultant shall be solely responsible for the negligent acts and/or omissions of its employees, agents, contractors, subcontractors and subconsultants. Consultant and all persons retained or employed by Consultant shall have no authority, express or implied, to bind City in any manner, nor to incur any obligation, debt or liability of any kind on behalf of, or against, City, whether by contract or otherwise, unless such authority is expressly conferred to Consultant under this Agreement or is otherwise expressly conferred by City in writing.

### III. INSURANCE

- 3.1 **DUTY TO PROCURE AND MAINTAIN INSURANCE**: As more specifically set forth below under this Article, Consultant agrees that it shall procure and maintain for the term of this Agreement (and for such extended period of time as may be required under this Article) insurance against claims for death or injuries to persons or damages to property that may arise from or in connection with Consultant's performance of this Agreement. Consultant shall also procure and maintain such other types of insurance as may be required under this Article, below. City shall not, and shall be under no obligation to, issue a Notice to Proceed until Consultant has provided evidence satisfactory to City that it has procured all insurance required under this Article III (Insurance).
- 3.2 **REQUIRED COVERAGES**: Consultant agrees that it shall procure and maintain the following insurance coverage, at its own expense, for the duration for this Agreement or any extended period set forth herein:

- A. Commercial General Liability Insurance: Consultant shall procure and maintain Commercial General Liability Insurance ("CGL Coverage") as broad as Insurance Services Office Commercial General Liability coverage (occurrence Form CG 0001). Such CGL Coverage shall have minimum limits of no less than One Million Dollars (\$1,000,000.00) per occurrence for bodily injury, personal injury, property damage, operations, products and completed operations, and contractual liability. The general aggregate limit of the CGL Coverage shall either apply separately to the work and services to be performed under this Agreement; or the general aggregate limit shall be twice the required occurrence limit;
- B. Automobile Liability Insurance: Consultant shall procure and maintain Automobile Liability Insurance as broad as Insurance Services Office Form Number CA 0001 covering Automobile Liability, Code 1 (any auto). Such Automobile Liability Insurance shall have minimum limits of no less than One Million Dollars (\$1,000,000.00) per accident for bodily injury and property damage.
- C. Workers' Compensation Insurance/ Employer's Liability Insurance: Consultant shall procure and maintain Workers' Compensation Insurance affording coverage at least as broad as that required by the State of California with Employer's Liability Insurance with minimum limits of no less than One Million Dollars (\$1,000,000.00) per accident for bodily injury or disease. The Workers' Compensation insurer shall also agree to waive all rights of subrogation against City and City's elected and appointed officials, officers, employees, agents and volunteers for losses paid under the terms of the insurance policy. Workers' Compensation insurance shall also provide or be endorsed to provide: There will be no cancellation, suspension, reduction or voiding of coverage without thirty (30) calendar days prior written notice by certified mail, return receipt requested, to City. If any reduction of coverage occurs, Consultant shall furnish City with information regarding such reduction at Consultant's earliest possible opportunity and in no case later than five (5) calendar days after Consultant is notified of the change in coverage. Any failure to comply with reporting or other provisions of the policy, including breaches of warrants, shall not affect the coverage provided to City and City's elected or appointed officials, officers, employees, agents or volunteers.
- D. Professional Liability Insurance: For the full term of this Agreement and for a period of three (3) years thereafter, Consultant shall procure and maintain Errors and Omissions Liability Insurance appropriate to Consultant's profession. Such coverage shall have minimum limits of no less than One

Million Dollars (\$1,000,000.00) per claim and shall be endorsed to include contractual liability.

- 3.3 **ADDITIONAL INSURED REQUIREMENTS:** The CGL Coverage and the Automobile Liability Insurance shall contain an endorsement naming the City and City's elected and appointed officials, officers, employees, agents and volunteers as additional insureds. As to the CGL Coverage, the additional insured endorsement shall be made using Insurance Service Office form CG20 10 1185, CG 20 10 10 01 or CG 37 10 01.
- 3.4 **REQUIRED CARRIER RATING:** All varieties of insurance required under this Agreement shall be procured from insurers licensed in the State of California and authorized to issue policies directly to California insureds. Except as otherwise provided elsewhere under this Article, all required insurance shall be procured from insurers, who according to the latest edition of the Best's Insurance Guide have an A.M. Best's rating of no less than A:VII. City may also accept policies procured by insurance carriers with a Standard & Poor's rating of no less than BBB according to the latest published edition the Standard & Poor's rating guide.
- 3.5 **PRIMACY OF CONSULTANT'S INSURANCE:** All policies of insurance provided by Consultant shall be primary to any coverage available to the City, the City's elected or appointed officials, officers, employees, agents or volunteers. Any insurance or self-insurance maintained by the City or City's elected or appointed officials, officers, employees, agents or volunteers shall be in excess of Consultant's insurance and shall not contribute with it.
- 3.6 **WAIVER OF SUBROGATION:** All insurance coverage provided pursuant to this Agreement shall not prohibit Consultant or Consultant's officers, employees, agents, subcontractors or subconsultants from waiving the right of subrogation prior to a loss. Consultant hereby waives all rights of subrogation against City.
- 3.7 **VERIFICATION OF COVERAGE:** Consultant acknowledges, understands and agrees that City's ability to verify the procurement and maintenance of the insurance required under this Article is critical to safeguarding the City's financial well-being. Accordingly, Consultant warrants, represents and agrees that it shall furnish City with original certificates of insurance and endorsements evidencing the coverage required under this Article on forms satisfactory to City in its sole and absolute discretion. **The certificates of insurance 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 provided by the City if requested.** All certificates of insurance and endorsements shall be received and approved by City as a condition precedent to Consultant's commencement of any work or any of the Work. Upon City's written request, Consultant shall also provide City with certified copies of all required insurance policies as a condition precedent to the commencement of any work or any of the Work. City shall not, and shall be under no obligation to, issue a Notice to Proceed until Consultant fully

complies with this Section. The requirements of this Section cannot be waived and any attempted waiver shall be void, invalid and non-binding upon City.

- 3.8 FAILURE TO ADHERE TO INSURANCE PROVISIONS: In addition to any other remedies City may have under this Agreement or at law or in equity, if Consultant fails to comply with any of the requirements set forth in this Article, City may, but shall not be obligated to: (a) Order Consultant to stop any and all work under this Agreement or withhold any payment, which becomes due to Consultant hereunder, or both stop work and withhold any payment, until Consultant demonstrates compliance with the requirements hereof; or (b) terminate this Agreement. City's exercise of any of the foregoing remedies, shall be in addition to any other remedies City may have and is not the exclusive remedy for Consultant's failure to comply with the insurance requirements set forth under this Article.
- 3.9 SUBCONTRACTORS INSURANCE COVERAGE: Consultant shall include all persons and entities performing work on its behalf as insureds (including all contractors, subcontractors and subconsultants) or, in the alternative, shall furnish separate certificates of insurance and endorsements for each such persons or entities evidencing their independent procurement of insurance. All coverages for such persons or entities shall be identical to the requirements imposed upon Consultant under this Article.
- 3.10 NO LIMITATION ON LIABILITY: Consultant's procurement of insurance shall not be construed as a limitation of Consultant's liability or as full performance of Consultant's indemnification duties set forth under Article V of this Agreement.

#### IV. INDEMNIFICATION

- 4 The CONSULTANT shall indemnify, defend and hold harmless the CITY its elected and appointed officers, employees, agents and volunteers ("CITY Indemnitees") from and against any and all liability, including but not limited to demands, claims, actions, fees, costs and expenses (including attorney and expert witness fees), arising from and/or relating to the CONSULTANT'S performance under this contract, except to the extent that such loss or damage arises from the negligence or willful misconduct of the CITY Indemnitees.
- 4.1 City shall have the right to offset against the amount of any compensation due Consultant under this Agreement any amount due City from Consultant as a result of Consultant's failure to pay City promptly any indemnification arising under this Article and related to Consultant's failure to either (i) pay taxes on amounts received pursuant to this Agreement or (ii) comply with applicable workers' compensation laws.
- 4.2 This Article and all provisions contained herein (including but not limited to the duty to indemnify, defend and hold free and harmless) shall survive the termination or normal

expiration of this Agreement and is in addition to any other rights or remedies which the City may have at law or in equity.

V.  
TERMINATION

- 5.1 TERMINATION WITHOUT CAUSE: City may, by written notice to Consultant, immediately terminate this Agreement at any time for convenience and without cause by giving written notice to Consultant of such termination, which notice shall specify the effective date of such termination. Upon termination, Consultant shall be compensated only for the Work which has been adequately rendered to City, and Consultant shall be entitled to no further compensation. Consultant may not terminate this Agreement except for breach of this Agreement. If this Agreement is terminated as provided herein, City may require Consultant to provide all finished or unfinished Documents and Data, as defined in Section 6.1 below, and other information of any kind prepared by Consultant in connection with the performance of the Work. Consultant shall be required to provide such documents and other information within fifteen (15) calendar days of the request. In the event this Agreement is terminated in whole or in part as provided herein, City may procure, upon such terms and in such manner as it may determine appropriate, Work similar to that terminated.
- 5.2 DEFAULT, BREACH AND TERMINATION IN THE EVENT OF BREACH: In the event either Party fails to perform, or adhere to, any applicable duty, obligation or standard of conduct set forth under this Agreement (or fails to perform or adhere to any such duty, obligation or standard of conduct at the time, place or manner set forth in this Agreement), an event of default (hereinafter, "Event of Default") shall have occurred. Except as otherwise provided in this Agreement, if an Event of Default remains uncured by the defaulting Party for a period in excess of fourteen (14) calendar days from the date upon which the non-defaulting Party issues notice of default (hereinafter, a "Default Notice") to the defaulting Party, then the default shall constitute a breach of this Agreement. If a Party is in breach of this Agreement, the non-breaching Party may pursue any and all remedies available to it at law or in equity. If Consultant is in breach (whether or not such breach is caused by Consultant or Consultant's officials, officers, employees, agents, contractors, subcontractors or subconsultants), City may, in its sole and absolute discretion (and without obligation), terminate this Agreement upon the issuance of five (5) calendar days' prior written notice of termination on the grounds of breach (a "Breach-Termination Notice"). City's ability to terminate this Agreement as provided in this Section shall be in addition to any other remedies City may have at law or in equity in the event of breach and shall not be in lieu of such other remedies.
- 5.3 SCOPE OF WAIVER: No waiver of any default or breach under this Agreement shall constitute a waiver of any other default or breach, whether of the same or other covenant, warranty, agreement, term, condition, duty or requirement contained in this Agreement. No waiver, benefit, privilege, or service voluntarily given or performed by a Party shall give the other Party any contractual rights by custom, estoppel, or otherwise.

- 5.4 SURVIVING ARTICLES, SECTIONS AND PROVISIONS: The termination of this Agreement pursuant to any provision of this Article or by normal expiration of its term or any extension thereto shall not operate to terminate any Article, Section or provision contained herein which provides that it shall survive the termination or normal expiration of this Agreement.

VI.  
MISCELLANEOUS PROVISIONS

- 6.1 DOCUMENTS & DATA; LICENSING OF INTELLECTUAL PROPERTY: All Deliverables shall be and remain the property of City without restriction or limitation upon their use or dissemination by City. For purposes of this Agreement, the term "Deliverables" means and includes all reports, assembled by or on behalf of Consultant in the performance of this Agreement and fixed in any tangible medium of expression, including but not limited to Deliverable assorted digitally, magnetically and/or electronically. This Agreement creates, at no cost to City, a perpetual license for City to copy, use, reuse, disseminate and/or retain any and Deliverables. Consultant shall require all subcontractors and subconsultants working on behalf of Consultant in the performance of this Agreement to agree in writing that City shall be granted the same right to copy, use, reuse, disseminate and retain Documents and Data prepared or assembled by any subcontractor or subconsultant as applies to Documents and Data prepared by Consultant in the performance of this Agreement.
- 6.2 CONFIDENTIALITY: All ideas, memoranda, specifications, plans, procedures, drawings, descriptions, computer program data, input recorded data, written information, and other like information either created by or provided to Consultant in connection with the performance of this Agreement shall be held confidentially by Consultant. Such materials shall not, without the prior written consent of City, be used by Consultant for any purposes other than the performance of the Work; nor shall such materials be disclosed to any person or entity not connected with the performance of the Work. Nothing furnished to Consultant which is otherwise known to Consultant or is generally known, or has become known, to the related industry shall be deemed confidential. Consultant shall not use City's name or insignia, photographs, or any publicity pertaining to the Work in any magazine, trade paper, newspaper, television or radio production or other similar medium without the prior written consent of City.
- 6.3 NOTICES: All notices permitted or required under this Agreement shall be given to the respective Parties at the following addresses, or at such other address as the respective Parties may provide in writing for this purpose:

**CONSULTANT:**

**CITY:**

Vasquez & Company  
Attn: Roger A. Martinez  
801 S. Grand Ave., Suite 400  
Los Angeles, CA 90017-4646  
Phone: (213) 873-1703  
Fax: (213) 873-1777  
Email:[ramartinez@vasquezcpa.com](mailto:ramartinez@vasquezcpa.com)

City of Cudahy  
Attn: Jose E. Pulido, City Manager  
5220 Santa Ana Street  
Cudahy, California 90201  
Tel: (323) 773-5143, ext. 240  
Fax: (323) 771-2072

Such notices shall be deemed effective when personally delivered or successfully transmitted by facsimile as evidenced by a fax confirmation slip or when mailed, forty-eight (48) hours after deposit with the United States Postal Service, first class postage prepaid and addressed to the Party at its applicable address.

- 6.4 **COOPERATION; FURTHER ACTS:** The Parties shall fully cooperate with one another, and shall take any additional acts or sign any additional documents as are reasonably necessary, appropriate or convenient to achieve the purposes of this Agreement.
- 6.5 **SUBCONTRACTING:** Consultant shall not subcontract any portion of the Work required by this Agreement, except as expressly stated herein, without the prior written approval of City. Subcontracts (including without limitation subcontracts with subconsultants), if any, shall contain a provision making them subject to all provisions stipulated in this Agreement, including provisions relating to insurance requirements and indemnification.
- 6.6 **CITY'S RIGHT TO EMPLOY OTHER CONSULTANTS:** City reserves the right to employ other consultants in connection with the various projects worked upon by Consultant.
- 6.7 **PROHIBITED INTERESTS:** Consultant warrants, represents and maintains 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 and represents 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 member, 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.
- 6.8 **TIME IS OF THE ESSENCE:** Time is of the essence for each and every provision of this Agreement.

- 6.9 **FORCE MAJEURE:** Any prevention, delay, nonperformance or stoppage due to any of the following causes shall excuse nonperformance for a period equal to such obligations imposed by this Agreement. The causes referred to above are strikes, walkouts, labor disputes, failure of power, irresistible superhuman cause, acts of public enemies of the State or United States, riots, insurrections, civil commotion, inability to obtain labor or material or reasonable substitutes for either, governmental restrictions or regulations or controls (except those reasonably foreseeable in connection with the uses contemplated by this Agreement), casualties not contemplated by insurance provisions of this agreement, or other causes beyond the reasonable control of the party obligated to perform.
- 6.10 **GOVERNING LAW AND VENUE:** This Agreement shall be interpreted and governed according to the laws of the State of California. In the event of litigation between the Parties, venue, without exception, shall be in the Los Angeles County Superior Court of the State of California. If, and only if, applicable law requires that all or part of any such litigation be tried exclusively in federal court, venue, without exception, shall be in the Central District of California located in the City of Los Angeles, California.
- 6.11 **ATTORNEY'S FEES:** If either Party commences an action against the other Party, whether legal, administrative or otherwise, arising out of or in connection with this Agreement, the prevailing Party in such litigation shall be entitled to have and recover from the losing Party reasonable attorneys' fees and all other costs of such action.
- 6.12 **SUCCESSORS AND ASSIGNS:** This Agreement shall be binding on the successors and assigns of the Parties.
- 6.13 **NO THIRD PARTY BENEFIT:** There are no intended third party beneficiaries of any right or obligation assumed by the Parties. All rights and benefits under this Agreement inure exclusively to the Parties.
- 6.14 **CONSTRUCTION OF AGREEMENT:** This Agreement shall not be construed in favor of, or against, either Party but shall be construed as if the Parties prepared this Agreement together through a process of negotiation and with the advice of their respective attorneys.
- 6.15 **SEVERABILITY:** If any portion of this Agreement is declared invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions shall continue in full force and effect.
- 6.16 **AMENDMENT; MODIFICATION:** No amendment, modification or supplement of this Agreement shall be valid or binding unless executed in writing and signed by both Parties, subject to City approval. The requirement for written amendments, modifications or supplements cannot be waived and any attempted waiver shall be void and invalid.

- 6.17 CAPTIONS: The captions of the various articles, sections and paragraphs are for convenience and ease of reference only, and do not define, limit, augment, or describe the scope, content, or intent of this Agreement.
- 6.18 INCONSISTENCIES OR CONFLICTS: In the event of any conflict or inconsistency between the provisions of this Agreement and any of the exhibits attached hereto, the provisions of this Agreement shall control.
- 6.19 ENTIRE AGREEMENT: This Agreement including all attached exhibits is the entire, complete, final and exclusive expression of the Parties with respect to the matters addressed herein and supersedes all other agreements or understandings, whether oral or written, or entered into between City and Consultant prior to the execution of this Agreement. No statements, representations or other agreements, whether oral or written, made by any Party which are not embodied herein shall be valid or binding. No amendment, modification or supplement to this Agreement shall be valid and binding unless in writing and duly executed by the Parties pursuant to Section 6.16, above.
- 6.19.1 COUNTERPARTS: This Agreement shall be executed in three (3) original counterparts each of which shall be of equal force and effect. One counterpart shall be delivered to Consultant and the two remaining counterparts shall remain with the City for archiving and day-to-day reference by the department responsible for administering the Agreement on the City's behalf. No handwritten or typewritten amendment, modification or supplement to any one counterpart shall be valid or binding unless made to all three counterparts in conformity with Section 6.16, above.

[SIGNATURE PAGE TO FOLLOW]

**AS OF THE DATE FIRST WRITTEN ABOVE**, the Parties evidence their agreement to the terms of this Agreement by signing below:

**CITY:**  
**City of Cudahy,**  
**a municipal corporation**

APPROVED AS TO FORM:

By: \_\_\_\_\_  
Jose E. Pulido, City Manager

By: \_\_\_\_\_  
Isabel Birrueta, Assistant City Attorney

**CONSULTANT:**  
**Vasquez & Company, LLP:**

By: *Roger Martinez*

Print: ROGER MARTINEZ

Title: PARTNER

**EXHIBIT "A"**  
**[SCOPE OF WORK]**

**Submission of Financial Transaction Report to State Controller's Office (SCO)**

**1) 2013-14 Cities Financial Transactions Report ("FTR")**

Consultant shall prepare and submit

- A. Financial Transactions Report
- B. U.S. Bureau of Census survey form

City will prepare and provide to Consultant for inclusion in the reporting package to the SCO

- A. Government Compensation in California ("GCC") Report
- B. Gann Limit amount and appropriation subject to the limit
- C. Items related to any housing assets/functions transferred to the City due to the dissolution of a redevelopment agency ("RDA")
- D. General information
- E. Spreadsheets of all City Funds Balance Sheets and Income Statements that are searchable and can be coded for the FTR
- F. PDF of 2012-13 FTR
- G. Updated Fixed Asset Reports
- H. Explanations for differences in fund balance reported on the FTR 2012-13 and the ending balance on the FY 2012-13 audited financial statements.

**2) 2013-14 Special Districts Financial Transactions Report ("FTR")**

Cudahy Financing Authority

Consultant will prepare and submit

- A. Financial Transactions Report
- B. U.S. Bureau of Census survey form

**EXHIBIT “B”**  
**(SCOPE OF WORK)**

Identify if the Cudahy Economic Development Corporation (CEDC) used tax exempt bond proceeds that it received from the Cudahy Redevelopment Agency (RDA) to purchase properties. If so, identify which properties CEDC purchased with tax exempt bond proceeds and the dates for each purchase.

Identify how much of the tax exempt bond proceeds were used to purchase each of the subject properties.

Identify how many properties were purchased with tax exempt bond proceeds and what is the total of amount of tax exempt bond proceeds that were used to purchase CEDC properties.

Identify the source of the \$2,584,744 in cash that was transferred by the RDA to CEDC, if this case is derived from earnings and if so what did RDA or CEDC do with the earnings.

Identify how the remaining cash from 2011 bond proceeds were spent.

Determine if the properties transferred to the CEDC were acquired with tax-exempt bond proceeds.

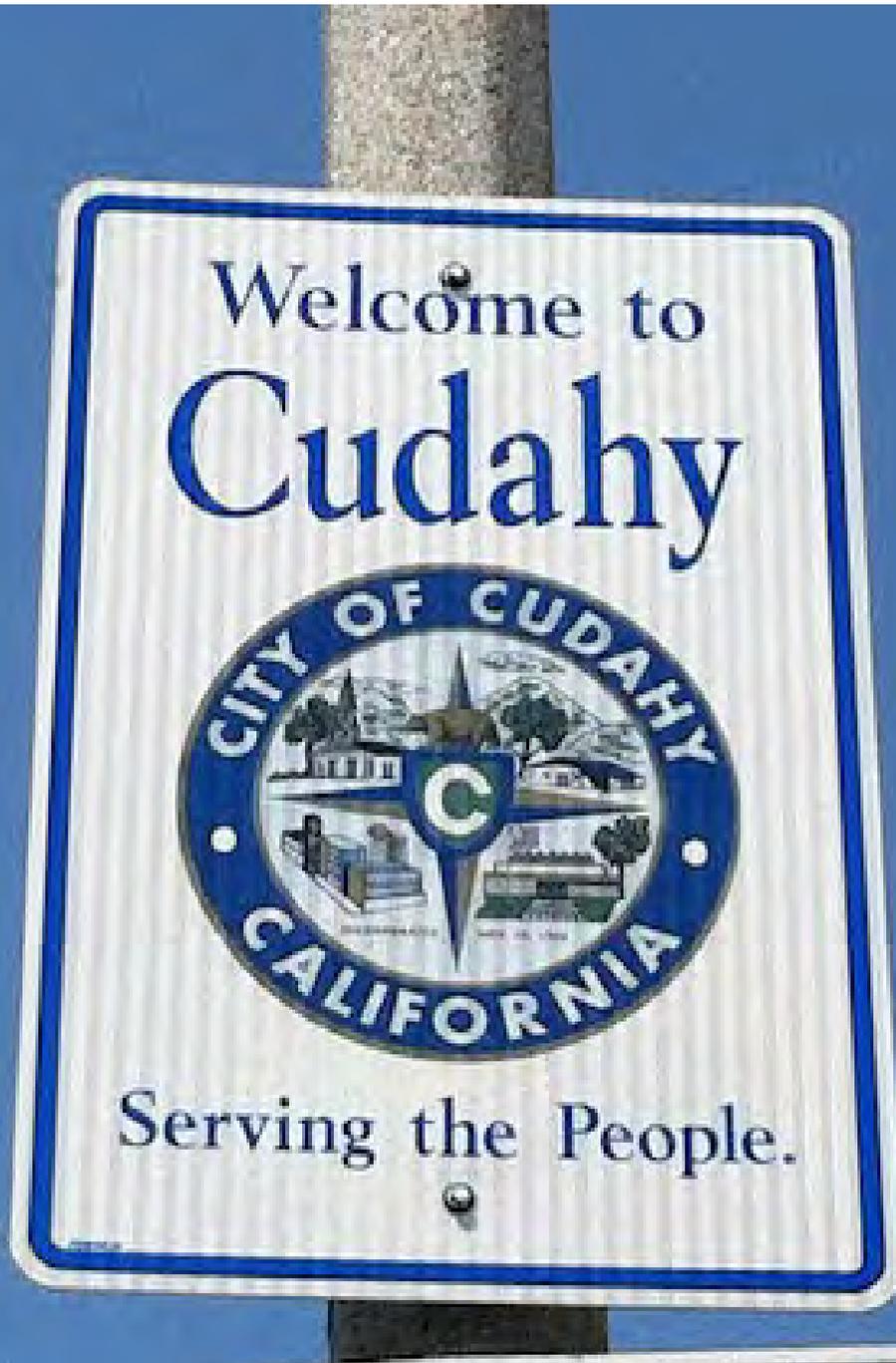
EXHIBIT "B"  
[AUDIT SERVICES PLANNING CALENDAR]

<b>Due date for Proposals</b>	<b>October 10, 2014</b>
City Council Award of Contract	November 18, 2014
Interim Audit	December 2014/January 2015

**CAFR and Single Audit**

Year End Field Work Begins	January 8, 2015
Draft Financials Submitted to City	February 28, 2015
Final reports submitted to City	March 31, 2015

# PROPOSAL FOR AUDIT SERVICES (REVISED)



Submitted by:  
Roger A. Martinez, CPA  
801 S. Grand Avenue  
Suite 400  
Los Angeles, CA 90017-4646  
Tel: 213-873-1703  
Fax: 213-873-1777  
[www.vasquezcpa.com](http://www.vasquezcpa.com)  
Date: 11/19/2014

An Independently Owned Member  
**McGLADREY ALLIANCE**



Members AICPA Division of Firms Center for Public Company Audit Firms ♦ Associate member Government Finance Officers Association  
Member of Association of Local Government Auditors ♦ Member of the California Special Districts Association

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## TRANSMITTAL LETTER

October 9, 2014

Mr. Jose Pulido  
City Manager  
City of Cudahy  
5220 Santa Ana Street  
Cudahy, CA 90201

### **RE: Request for Proposal for Audit Services**

Vasquez & Company LLP (Vasquez) appreciates the opportunity to respond to the City of Cudahy's (City) request for proposal to audit its financial statements for the fiscal year ending June 30, 2014. Our direct experience as a former auditor of the City and our hands-on commitment to superior service, integrity and knowledge make us particularly qualified to provide the professional services requested.

**Experienced Leaders:** The team to be assigned to the City engagement will be led by two partners both of whom were previously partners with KPMG. Margaret McBride is a former KPMG partner-in-charge of government advisory services to the Western Region and Roger Martinez is a former KPMG national office practice partner who served as a quality technical reviewer of governments at a national level.

**Largest Government Practice in Los Angeles County:** The Vasquez Government Industry Group is the largest such group of any accounting firm in Los Angeles County. Our government expertise includes audit and advisory services to many local municipalities in Los Angeles County including Carson, El Monte, Huntington Park, Lynwood, Montebello and Norwalk among others.

**Anticipating your needs:** Our professionals, with extensive experience in government, will bring an unbiased, fresh perspective to the City's systems, operations and practices. Our experience will allow us to assess risk and compare existing policies and procedures to those used by other efficient, reputable municipalities. We will focus on critical areas such as separation of funds, compliance with program/federal/and state requirements), safeguarding of assets and authorized expenditure of resources. Our observations and suggestions for improvement, where applicable, will be shared with management on a timely basis in order that corrective action can be implemented expeditiously.

**Communication with the City:** The value of a talented, knowledgeable and experienced engagement team is directly dependent on the City's access to and interaction with the team members. Our established practice, which is also our plan for the City's audit, is to hold regular scheduled status meetings with partner, manager and in-charge in attendance. These meetings include detailed agendas, meaningful status reports and active participation by the Vasquez team in presenting the audit results, responding to City observations and questions, and developing effective solutions to identified challenges. These meetings are supplemented by regular ongoing less formal communication and the availability of all team members, including the engagement partner and quality control partner, on a year-around basis.

**Addressing critical accounting matters:** As your accounting and business advisor, we embrace a forward-thinking approach on upcoming accounting pronouncements and will work with the City to facilitate timely implementation. We provide guidance and training to your personnel on the implementation of new GASB and SAS requirements and specifics of Federal and State of California regulations as they pertain to local government accounting early so that City personnel will be able to provide the necessary information that will allow for an efficient and cost effective audit.

**Team continuity:** Beyond partner leadership and support, an audit is only as good as the people doing the bulk of the work on a day-to-day basis. We are committed to providing a staff resource pool that embodies the attributes that you expect of your auditor, including technical expertise and softer skills such as respect, empathy, and timely response to questions. Each team member that we have allocated to serve the City brings relevant experience and receives industry training through our Continuing Professional Education program. We are committed to maintaining the engagement continuity you require, and we can back this up with our impressive staff retention rate of 96% for the calendar year ended December 31, 2013. However, in the event some of our staff leaves the firm for other career opportunities, you can be assured that through our industry training, we have the resources to provide you an appropriate replacement.

**Timeliness:** At Vasquez we understand and appreciate the importance of adhering to agreed-upon timelines and meeting deadlines. We recognize that you must meet the reporting requirements of the federal and state governments, as well as those of your Governing Board. Therefore, we structure our audit approach to include year around involvement which allows us to recognize issues early, plan for the orderly completion of our work and avoid end-of-the-audit surprises.

**Providing an effective and efficient audit:** Audit quality is fundamental to our firm. Our risk-based approach, our high caliber management team and experienced staff ensure that critical issues are not overlooked but instead are promptly identified, communicated to you and resolved to the City's satisfaction. This proposal is a firm and irrevocable offer for a minimum of not less than 180 days from the submission date.

We thank you for this opportunity to present our firm's professional qualifications to the City. We trust that you will find Vasquez uniquely qualified to provide the City with professional auditing services. Should you have any questions or desire further assistance, please contact me at the information below.

VASQUEZ & COMPANY LLP



Roger A. Martinez, CPA  
Partner  
801 S. Grand Avenue, Suite 400  
Los Angeles, CA 90017-4646  
t) 213-873-1703  
f) 213-873-1777  
e) [rmartinez@vasquezcpa.com](mailto:rmartinez@vasquezcpa.com)

## INDEPENDENCE

Vasquez meets the independence requirements of the auditing standards generally accepted in the United States of America and the *Government Auditing Standards*, 2011 revision, published by the United States General Accounting Office ("Yellow Book") as it relates to the City and its component units.

It is our profession's nature to be objective and unbiased. People depend on the opinions of Certified Public Accountants and look upon their reports as fair and accurate representations. The nature of our work is detailed and analytical, yet highly cognizant of the overall perspective. It is also one of our professional tenets to be independent and impartial in expressing our opinions. We have often been placed in the position of being the bearer of unpleasant news in situations of non-compliance. It is our strict policy to be straightforward and impartial whether the news is favorable or unfavorable.

## CONFLICT OF INTEREST

Vasquez & Company LLP has had no professional relationships involving the City or any of its component units/agencies, for the past five (5) years. We further covenant that in the performance of this work, no subcontractor persons having such an interest shall be employed. We will provide written notice to the City of any professional relationships entered into during the period of this agreement.

### Independence Policies and Monitoring Programs

One of the primary objectives of our system of quality control is to provide reasonable assurance that our firms and personnel comply with relevant ethical requirements when discharging professional responsibilities. Relevant ethical requirements include independence, integrity and objectivity.

Our firms satisfy this objective by establishing and maintaining policies and enforcing specific procedures relative to the following:

- Personnel adherence to relevant ethical requirements such as those in regulations, interpretations and rules of the AICPA, Securities and Exchange Commission, Department of Labor, Public Company Accounting Oversight Board, U.S. Government Accountability Office, state CPA societies, state boards of accountancy, state statutes and any other applicable regulators.
- Communicating independence requirements to firm personnel and, where applicable, others subject to them.
- Identifying and evaluating possible threats to independence and objectivity, including the familiarity threat that may be created by using the same senior personnel on an audit or attest engagement over a long period of time, and to take appropriate action to eliminate those threats or reduce them to an acceptable level by applying safeguards.
- Withdrawing from engagements if effective safeguards to reduce threats to independence to an acceptable level cannot be applied.
- Written confirmation, at least annually, of compliance with policies and procedures on independence from all firm personnel required to be independent by relevant requirements.
- Confirming the independence of another firm or firm personnel in associated member firms who perform part of an engagement.
- Rotating personnel for audit or attest engagements where regulatory or other authorities require such rotation after a specified period.
- Advising acquired practice units of our policies related to independence, integrity and objectivity.

## LICENSE TO PRACTICE IN CALIFORNIA

Vasquez and all assigned key professional staff are properly licensed to conduct public accounting in California. Furthermore, Vasquez holds valid business permits and other documents as required by the City, County, State, and other governmental and/or regulatory bodies to legally engage in and perform the services requested. We further assure that management-level engagement team members are properly licensed Certified Public Accountants in California. Vasquez certifies that upon notification, it will inform the City of any suspension, termination, lapse, non-renewals, or restrictions of its licenses, certificates, or other required documents.

STATE OF CALIFORNIA  
**dca**  
DEPARTMENT OF CONSUMER AFFAIRS

CALIFORNIA BOARD OF ACCOUNTANCY  
2000 EVERGREEN STREET, SUITE 250  
SACRAMENTO, CA 95815-3832  
TELEPHONE: (916) 263-3680  
FACSIMILE: (916) 263-3672

**RENEWAL CERTIFICATE**

**CERTIFIED PUBLIC ACCOUNTANT PARTNERSHIP**

REGISTRATION PAR 6286  
RECEIPT NO. 32070007

VALID UNTIL JULY 31, 2015

VASQUEZ & CO LLP  
801 S GRAND AVE #400  
LOS ANGELES CA 90017-4646

In accordance with the provisions of Chapter 1, Division 3 of the Business and Professions Code, the firm named hereon is duly registered and entitled to practice as a Partnership.

09/03/13  
09/03/13

----- POST IN PUBLIC VIEW -----

WABPAR 05/08/09

## FIRM'S QUALIFICATIONS AND EXPERIENCE

Vasquez & Company LLP is a full service Certified Public Accounting firm comprised of 72 professionals and administrative staff. Founded in 1967, the Firm has over 40 years' experience in performing financial and compliance audits for all types of governmental entities, nonprofit organizations, privately held and publicly traded companies. As a local firm, we are able to offer timely, personalized attention. Our professionals deliver innovative yet practical solutions that help clients gain competitive advantage. The following represents a partial list of benefits that would accrue to the City as a client of the firm:

- Specialty and expertise in the government sector
- Knowledge of Government "best practices"
- Extensive partner involvement
- Keeping up with current trends
- Routine consultation
- Cutting-edge technology utilized to minimize audits costs to you
- Quality assurance

## OUR STRATEGIES TO ADDRESS YOUR NEEDS

Our approach to your audit will take into account the following strategies outlined below and described in more detail in the sections to follow:

- Communication throughout the year
- Advanced planning of the audit process to ensure there are no surprises
- Detailed examination of your internal controls
- Well planned and executed audit fieldwork
- Full understanding of local government issues
- Extensive quality control procedures

As a client of Vasquez you will have unlimited access to the many resources our firm has to offer. Your complete client service team is available to consult with the City throughout the year, whenever questions or issues arise. Day-to-day contact between the staff at the City and Vasquez ensures that the audit is efficient, focused appropriately on risk areas, and functioning to keep management well informed.

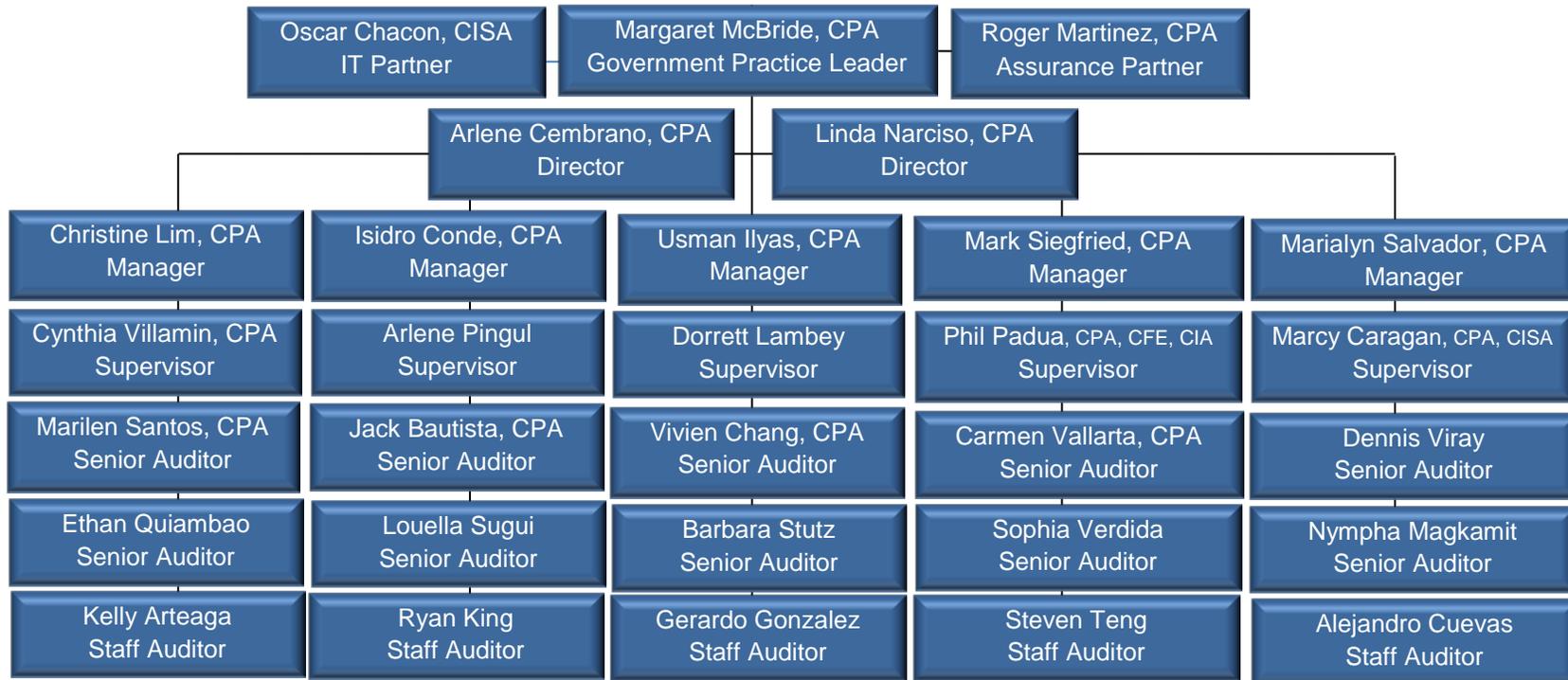
## PERSONNEL RESOURCES

The Vasquez staff is comprised of 72 professionals and administrative staff as follows:

Partners	9
Directors	2
Managers	6
Supervisors	11
Senior Auditors	18
Staff Auditors	22
Professionals	68
Administrators	4
Total	72

### GOVERNMENT PRACTICE GROUP

Vasquez has been providing professional services to governmental entities for over 40 years. Our government practice includes local municipalities, utilities including water districts, K-12 local education agencies, community college districts, transportation authorities, joint powers authorities and other special districts. For the City engagement the number of professionals on a full-time basis will be four (4). Our Government Practice Group is structured as follows:



## GOVERNMENT FINANCE OFFICERS ASSOCIATION (GFOA)

Margaret McBride, Vasquez Government Practice Leader has served as a reviewer for the GFOA's Certificate of Achievement for Excellence in Financial Reporting program. In working with our clients in an audit engagement, when we review the CAFR in connection with the issuance of our audit opinion, we often bring in our subject matter specialists to assist with technical questions and offer a "cold review" as to "what would the review committee say" about a particular position or issue. We often begin our review by analyzing the GFOA's prior year comments to insure that the City has been able to correct and implement. We also utilize the GFOA's preparation checklist as our review checklist to ensure that the CAFR has met all of the requirements and incorporate any additional recommendations into our review comments provided to the City to provide recommendation and assistance to insure that the Certificate can be maintained.

We support the City's goal to have the CAFR completed and issued to meet the statutory deadline to obtain the GFOA's Certificate of Achievement for Excellence in Financial Reporting. To accomplish this, Vasquez will:

- Review the closing process with the City, including required materials from all City agencies and outside providers
- Develop a timeline with critical milestones to measure our collective process
- Seek prompt approval of the audit plan and scope from the Audit Committee
- Develop dual tests of internal controls and compliance
- Implement interim fieldwork testing as soon as possible
- Provide training in new GASB and SAS standards to identify potential issues early
- Coordinate weekly status calls with the team leaders and City management.

## GOVERNMENT CLIENTS

The Vasquez team has performed numerous audits of governmental organizations subject to financial and compliance audits. These audits were performed in accordance with auditing standards generally accepted in the United States, Government Auditing Standards, OMB Circular A-133 and its Compliance Supplement (when applicable), and the Office of the State Controller's Minimum Audit Requirements and Reporting Guidelines for California Special Districts (when applicable). Below is a list of governments served by members of the Vasquez team:

Government Type		Financial Audit	A-133 Audit
Counties	County of Los Angeles	x	x
	County of San Diego	x	x
	County of Riverside	x	x
	County of Orange	x	x
Cities	City of Anaheim	x	x
	City of Baldwin Park	x	x
	City of Pasadena	x	x
	City of San Diego	x	x
	City of Riverside	x	x
	City of Santa Ana	x	x
	City of Huntington Beach	x	x
	City of Orange	x	x

Government Type		Financial Audit	A-133 Audit
	City of Carson	x	x
	City Corona	x	x
	City of Colton	x	x
	City of Cudahy	x	x
	City of El Monte	x	x
	City of Gardena	x	x
	City of Hawthorne	x	x
	City of Huntington Park	x	x
	City of Montebello	x	x
	City of Norwalk	x	x
	City of Ontario		
	City of Pico Rivera	x	x
	City of La Puente	x	x
	City of La Verne	x	
	City of Lynwood	x	x
	City of San Fernando	x	x
	City of South Gate	x	x
	City of Temple City	x	x
	City of Vernon	x	x
	Utilities	Central Basin Municipal Water District	x
Metropolitan Water District of Southern California		x	x
Upper San Gabriel Valley Municipal Water District		x	x
Water Replenishment District of Southern California		x	
Walnut Valley Water District		x	
Valley County Water District		x	
Municipal Water District of Orange County		x	x
Riverside Flood Control District		x	x
Eastern Municipal Water District		x	x
El Toro Water District		x	
Garden Grove Public Works, Water Division		x	
Pasadena Water & Power		x	
Anaheim Public Utilities		x	x
Riverside Public Utilities		x	
Needles Public Utility Authority		x	
Los Angeles Department of Water and Power		x	x
San Gabriel Basin Water Company		x	
Transportation	Los Angeles County Metropolitan Transportation Authority	x	
	Foothill Transit	x	x

Government Type		Financial Audit	A-133 Audit
	OMNITRANS – San Bernardino County	x	
	Monterey-Salinas Transit	x	
	Sun Tran – Tucson, Arizona	x	
	Antelope Valley Transit Authority	x	
	Alameda Corridor Transportation Authority	x	
	San Diego Metropolitan Transit System	x	x
	San Diego Metropolitan Transportation Development Board	x	
	San Diego County Regional Airport Authority	x	x
	Oakland International Airport	x	x
	Orange County Transportation Authority	x	x
	McCarran International Airport	x	x
	Phoenix Sky Harbor International Airport	x	x
	City of Santa Monica Big Blue Bus	x	
	Joint Powers Authorities	Alameda Corridor East Construction Authority	x
San Gabriel Valley Council of Governments		x	
Southern California Association of Governments		x	x
Harbor Activities	Port of Los Angeles	x	
	Port of San Diego	x	

**GASB**

Our firm encourages early adoption of all applicable Government Accounting Standards Board (GASB) statements. Some of these standards have been monumental in establishing new financial reporting requirements for state and local governments throughout the United States, and restructured much of the information that had been presented in the past. In prior years, the major focus has been Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments; Statement No. 35, Basic Financial Statements and Management's Discussion and analysis- for public colleges and universities. Statement No. 37, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments: Omnibus; Statement No. 38, Certain Financial Statement Note Disclosures and GASB Interpretation No. 6, Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements. In addition, the challenges posed by Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions have strained educational accounting staff to great lengths.

In the future, the City will face the challenges of implementing standards for the recording of unfunded pension and post-employment benefit liabilities. Our professionals will assist the City in determining the impact of these statements on the City's financial statements, developing informative disclosures and communicating the significance of these standards to the governing body and the citizenry upon request.

We take a proactive approach in assisting our clients understand GASB activities from exposure drafts to implementation of new standards. We accomplish this through our collaborations with GASB, GFOA, ASBO, AICPA Government Audit Quality Center, and by taking the time to sit down with clients to discuss and plan for the impact of new GASB standards.

### OMB Circular A-133

A large number of our government and nonprofit clients receive federal funds. Our success in effectively serving these entities is based in part, on our significant knowledge and experience with U.S. Office of Management and Budget (OMB) Circular No. A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Our successful audits include those for large complex engagements such as the County of Los Angeles Single Audit, with more than \$3.5 billion in federal expenditures, the Community Development Commission of the County of Los Angeles with over \$300 million in federal expenditures and Los Angeles Community College District with approximately \$200 million of federal funds.

We are proposing for the City an engagement team with substantial experience in auditing governmental entities for both financial audits and compliance audits. Our industry-focused staff has undergone training courses dedicated to governmental accounting, auditing and financial reporting, as well as specialized training in the compliance requirements of OMB Circular A-133 and the new OMB Super Circular regarding changing Single Audit requirements. A summary of our qualifications is as follows:

- Vasquez has performed the OMB Circular A-133 Single Audit of the County of Los Angeles consisting of \$3.5 billion in federal expenditures.
- We have performed over 250 Single Audits in the past five years.
- We audit entities with large funding (such as the Community Development Commission of the County of Los Angeles consisting of over \$300 million in federal expenditures)
- We are familiar with all the funding sources and federal agency guidelines.

### Management Letter Comments

Recent changes to the Statement on Auditing Standards (SAS) have made identifying and communicating weaknesses in internal controls around reliable financial reporting noted during the course of the audit, a presumptive requirement. Vasquez makes value-added management letter comments a high priority. Our clients have realized many benefits including: improved operational efficiencies, security and proactive prevention of potential future audit issues. Value-added recommendations to strengthen the administration and internal controls through meaningful management letter comments that meet AICPA standards are provided to all our audit clients at no additional cost.

Our Management Letter Comments are issued in the form of a report and presented as part of the exit conference, during the exit conference we will list the current year's comment(s) and management's response(s); we will also review the prior year's management comments and advise on the status of the implementation of recommendations.

### **OFFICE LOCATION**

The location of the office from which the work on this engagement will be performed is at 801 S. Grand Avenue, Suite 400, Los Angeles, CA 90017.

### **RANGE OF SERVICES**

Vasquez provides audit, consulting, tax, financial advisory, review and compilation services. Our audit services include financial statement audits of companies in private, nonprofit and public sectors.



## QUALITY CONTROL

Vasquez has an extensive quality control program designed to monitor compliance with the audit and accounting professional standards and firm policies. Our client service approach requires the active involvement of experienced partners and managers in the audit process to make sure that critical issues are identified and resolved on a timely basis. In fact, every audit engagement requires the following supervisory reviews:

- In-charge auditor review
- Comprehensive review by the audit manager
- Engagement partner review
- Report review by a designated Yellow Book specialist partner (if applicable)

### Quality Control History

Vasquez is very proud of its record of quality professional service throughout its over 40-year history of professional service and we state with pride that our firm has:

- Never had any disciplinary actions filed against it with the California Board of Accountancy or any other State regulatory body,
- Never received a negative desk or field review from any of our clients' cognizant agencies.

### Performance Monitoring and Assessment

The objective of the engagement performance element of our quality control is to provide reasonable assurance that:

- Engagements are consistently performed in accordance with applicable professional standards and regulatory and legal requirements
- Our firm or engagement partner issues reports that are appropriate in the circumstances

Policies and procedures for engagement performance address all phases of the design and execution of the engagement, including engagement performance, supervision responsibilities and review responsibilities. Policies and procedures require that consultation takes place when appropriate. Also, our firm has established criteria against which all engagements are to be evaluated to determine whether an engagement quality control review should be performed.

We satisfy the above objectives by establishing and maintaining the following policies and procedures:

- Planning for engagements meets professional, regulatory and firm requirements.
- Qualified engagement team members review work performed by other team members on a timely basis.
- The firm has criteria for determining whether an engagement quality control review should be performed; evaluates all engagements against the criteria; performs an engagement quality control review for all engagements that meet the criteria; and completes the review before the report is released.
- The firm establishes procedures addressing the nature, timing, extent and documentation of the engagement quality control review.
- The firm establishes criteria for the eligibility of engagement quality control reviewers.
- The firm requires that consultation take place when appropriate; that sufficient and appropriate resources are available to enable appropriate consultation to take place; that all the relevant facts known to the engagement team are provided to those consulted; that the nature, scope and conclusions of such consultations are documented; and that conclusions resulting from such consultations are implemented.
- Management follow-up procedure internally called “Voice of the Client” to set tone of “how we did” and “where can we improve”.

## PEER REVIEW REPORT

Vasquez is a member of the American Institute of Certified Public Accountants (AICPA) Division of Firms and received an unqualified opinion from the AICPA on its peer review, dated July 18, 2013. This review covered several government engagements comparable in size and audit scope to the City. A copy of the peer review opinion follows:



American Institute of CPAs  
220 Leigh Farm Road  
Durham, NC 27707-8110

January 13, 2014

Gilbert R. Vasquez, CPA  
Vasquez & Company, LLP  
801 S Grand Ave Ste 400  
Los Angeles, CA 90017

Dear Mr. Vasquez:

It is my pleasure to notify you that on January 8, 2014 the National Peer Review Committee accepted the report on the most recent system peer review of your firm. The due date for your next review is June 30, 2016. This is the date by which all review documents should be completed and submitted to the administering entity.

As you know, the report had a peer review rating of pass. The Committee asked me to convey its congratulations to the firm.

Sincerely,

A handwritten signature in cursive script that reads "Betty Jo Charles".

Betty Jo Charles  
Chair, National Peer Review Committee  
nprc@aicpa.org 919 402-4502

cc: Federico Llarenas Quinto; Burton Howard Armstrong

Firm Number: 10138115

Review Number 344067

Letter ID: 854834

T 1 919 402 4502 | F 1 219 402 4978 | nprc@aicpa.org



# BROWN ARMSTRONG

*Certified Public Accountants*

## SYSTEM REVIEW REPORT

July 18, 2013

To the Partners  
Vasquez & Company, LLP  
and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Vasquez & Company, LLP, (the firm) applicable to non-SEC issuers in effect for the year ended December 31, 2012. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. As a part of our peer review, we considered reviews by regulatory entities, if applicable, in determining the nature and extent of our procedures. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at [www.aicpa.org/prsummary](http://www.aicpa.org/prsummary).

As required by the standards, engagements selected for review included engagements performed under *Government Auditing Standards* and audits of employee benefit plans.

In our opinion, the system of quality control for the accounting and auditing practice of Vasquez & Company, LLP, applicable to non-SEC issuers in effect for the year ended December 31, 2012, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Vasquez & Company, LLP, has received a peer review rating of *pass*.

BROWN ARMSTRONG  
ACCOUNTANCY CORPORATION

*Brown Armstrong*  
*Accountancy Corporation*

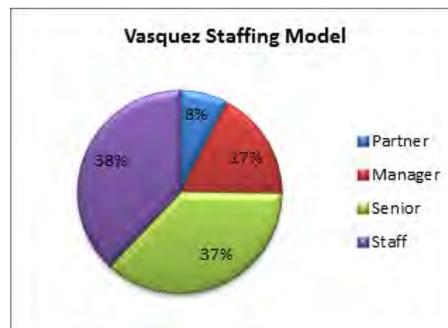
## PARTNER, SUPERVISORY AND STAFF QUALIFICATIONS AND EXPERIENCE

Vasquez is able to assemble and manage multi-disciplinary teams of highly qualified and experienced professionals, drawing upon audit staff resources and the complementary capabilities of technical advisory groups. Based on our many years of experience, we are able to integrate the roles and functions of professional, administrative, and supporting staff into a common effort.

### PARTNER INVOLVEMENT

Our structure ensures that senior engagement team members are able to spend time on-site, checking the quality of our work, not just verifying we are on target to meet deadlines. Our senior engagement team members are responsible for ensuring delivery of quality work. Our senior members will engage in regularly scheduled meetings with you to answer questions, provide guidance, and help ensure issues are identified and resolved in a timely manner. With our partners on site, informal meetings can more readily occur, and issues get resolved in front of your desk rather than behind ours.

Vasquez has built its reputation on close partner involvement and maintaining strong client relationships. The ultimate success of our client relationships is largely attributable to one key component – our people. We have structured our engagement team with extensive partner involvement. You will find our average partner-to-staff leverage ratio is higher than most other firms. Our budgeted hours include higher partner involvement than what you may have experienced in years past.



### **CONTINUING PROFESSIONAL EDUCATION PROGRAM**

To ensure that our professional staff remains up to date on the latest audit and accounting developments, and to meet the requirements for maintaining active licensure in good standing, we see to it that our professional staff receives the required number of CPE hours within the established period. The Firm also conducts in-house seminars for the professional staff. Our team is held to a high standard of quality, we offer the following CPE Programs for our staff:

- Continuing Education offered by the American Institute of Certified Public Accountants (AICPA), which the firm sponsors live, in-house seminars for its staff and clients conducted by highly qualified professionals from the AICPA and the California CPA Education Foundation,
- Attend conferences and seminars related to government accounting sponsored by the Government Finance Officers Association, the Association of Local Government Auditors and the California Society of Municipal Finance Officers and various other professional associations.
- A wide array of in person and webinar training courses offered by the McGladrey Alliance. The available curriculum includes auditing, accounting, performance measurement, risk assessment and management, information technology, and person development.

Following is a list of CPE course provided by Vasquez & Company LLP for the past three (3) years:

Course	Provider	Date	Hours
GAAP Update-HO1	CalCPA Education Foundation	4/21/2014	2
Audits of Health & Welfare Plans 2014	McGladrey	4/24/2014	2
EBP – Considerations of Law and Regulations	McGladrey	5/06/2014	3
Advanced Auditing of HUD Assisted Projects: Common Pitfalls	CalCPA Education Foundation	1/30/2014	8
HUD Audits of Multifamily Housing	Vasquez	1/16/2014	8
Government Update 2014 Accounting, Auditing & Risk Management	Vasquez	7/24/2014	8
Designing and Performing Analytical Procedures	McGladrey	12/18/2013	2
Government and Not-for-Profit Entities Accounting and Auditing Update	AICPA	8/20/2013	8
New Substantive Testing Policies	McGladrey	8/06/2013	2
Q2 Emerging Topics in Auditing 2013	McGladrey	7/24/2013	2
Q2 Current Accounting Topics Quarterly Update	McGladrey	7/16/2013	2
Introduction to the Single Audit 2013	McGladrey	7/12/2013	2
Introduction to Government Auditing Standards	McGladrey	7/11/2013	2
Introduction to Governmental Audit and Accounting Issues 2013	McGladrey	7/10/2013	3
2013 Not-for-Profit Organizations Conference	CalCPA Education Foundation	5/16/2013	8
McGladrey's Risk Assessment Process	McGladrey	5/16/2013	2
Q1 Emerging Topics in Auditing – 2013	McGladrey	5/16/2013	2
Introduction to MAPS and CaseWare Working Papers	AICPA	5/10/2013	12
Techniques to Improve Audit Management and Execution	AICPA	4/26/2013	4
New Directions in Auditing Construction and Public Works Projects	ALGA	4/09/2013	1
What Auditors Can Learn from Lean Processes	ALGA	3/12/2013	1.5
Not-for-Profit Workshop: What's New in A&A and A-133	CalCPA Education Foundation	7/30/2012	8
Avoiding Problems in Conducting Single Audits	CalCPA Education Foundation	7/23/2012	8
Governmental Accounting and Auditing Update	AICPA	6/29/2012	8

## COMMITMENT TO STAFF CONTINUITY

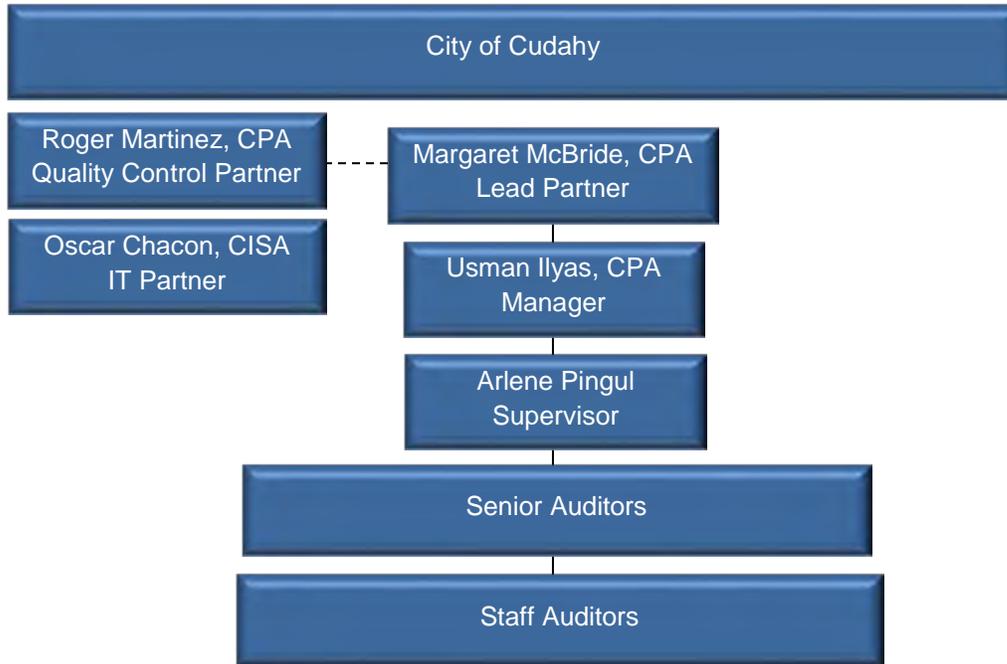
Our commitment to long-term engagement continuity is accomplished through early planning and thorough management which increases audit efficiency and streamlines the audit process for the City. We consider it imperative that the selected engagement team:

- Possess and demonstrate the necessary technical skills to perform their assigned tasks in an efficient manner,
- Establish a “track record” of effective coordination among each other and with the client in order to meet the stated audit objective, and
- Establish continuity of effort from year to year and among each other in order to avoid “retraining” our personnel in subsequent years.

The engagement team we propose for the City’s audits has been chosen based on the above criteria and their prior experience on similar engagements. A synopsis of the team members and their respective roles followed by their resumes is as follows:

Team Member	Role
<b>Margaret J. McBride, CPA</b> Lead Partner	Margaret (Peggy) McBride, Vasquez Government Practice Leader and former KPMG partner-in-charge of government advisory services to the Western Region with over thirty (30) years of public accounting experience will be responsible for leading our delivery of services to the City. She will develop our engagement strategy, provide on-site direction to our team, work closely with City management and be available throughout the year to ensure proactive issue identification and service delivery.
<b>Roger A. Martinez, CPA</b> Engagement Quality Control	Roger Martinez, Vasquez Quality Control Partner and former KPMG national office partner with sixteen (16) years of public accounting experience will have the responsibility of technical reviewer for the City engagement. He will be the professional standards reviewer of reports issued and will work closely with the Lead Partner in reviewing workpapers and financial reports prior to release.
<b>Oscar Chacon, CISA</b> I.T. Partner	Oscar Chacon, Vasquez Information Technology Partner and former KPMG Information Risk Management Practice Manager with over fifteen (15) years of public accounting consulting and corporate management in the areas of information systems audit/assurance will oversee our audit of the City’s financial systems.
<b>Usman Ilyas, CPA</b> Manager	Usman Ilyas, Manager with the Vasquez Government Practice Group with eleven (11) years of comprehensive experience in audit and advisory services to local governments will work closely with the Lead Partner in planning, coordinating and reviewing the fieldwork for the City engagement. He will manage the day-to-day activities and task accomplishments, monitoring progress, and ensure schedule compliance.
<b>Arlene Ibañez-Pingul</b> Supervisor	Arlene Ibañez-Pingul, Supervisor with the Vasquez Government Practice Group with fifteen (15) years of public accounting and auditing experience will work closely with engagement management on planning and performing audit procedures, report preparation for the City engagement. Arlene has been associated with the City audit in prior years and possesses valuable understanding of the City’s operations, systems and processes.

### TEAM ORGANIZATION





## MARGARET J. MCBRIDE, CPA

### Lead Partner

Margaret (Peggy) McBride; Vasquez Government Practice Leader and former KPMG partner-in-charge of government advisory services for the Western Region with over thirty (30) years of public accounting experience will oversee our delivery of service to the City. Peggy will develop our engagement strategy, provide on-site direction to our team, work closely with the City and will be available throughout the year to ensure proactive issue identification and service delivery.

### Areas of Expertise

Peggy has worked principally in the governmental (federal, state, municipal, special district including water districts and primary and secondary education districts, public colleges and universities) and not-for-profit industries (foundations, private schools and universities, health and welfare and arts organizations).

### Representation of Experience

- City of Riverside
- City of Los Angeles
- City of Long Beach
- City of Anaheim
- City of Baldwin Park
- City of Brea
- City of Carson
- City of Colton
- City of Corona
- City of Compton
- City of Dana Point
- City of Encinitas
- City of Huntington Beach
- City of Irvine
- City of Laguna Beach
- City of Las Vegas
- City of Lynwood
- City of Newport Beach
- City of Norwalk
- City of Oakland
- City of Orange
- City of Pasadena
- City of Phoenix
- City of Pico Rivera
- City of Redlands
- City of San Francisco
- City of Santa Ana
- City of Temple City
- County of Los Angeles
- County of Riverside
- County of San Bernardino
- County of San Diego
- County of Santa Barbara
- County of Orange

### Professional Background and Affiliations

Peggy served as the Assistant Director of Finance for the City of Columbia, Missouri prior to joining KPMG. In that capacity she participated in the implementation of a financial accounting system, supervised the municipal accounting and reporting functions, implemented the City's cash and investment management program, and developed and implemented debt management strategies. She served on the State Board of Directors of the California Society of Certified Public Accountants and as the Chairperson of its Audit Committee, and as President of its Orange/Long Beach Chapter. She has also served as a review for the Government Finance Officers Association (GFOA)'s Certificate of Achievement for Excellence in Financial Reporting program.

### Educational Background

Peggy received her Bachelor of Business Administration degree from the University of Missouri-Columbia. She remains current on accounting and general financial business activities by participating in conferences, seminars and webinars. Peggy meets the Firm and professional CPE requirements.

## Continuing Professional Education

Following are the continuing professional education courses completed by Margaret McBride in the past three years:

Course Title	Subject Code	Date	Hours
Governmental Update Conference	GV	7/24/2014	12
Fair Labor Standards Act	RR	6/26/2014	1
Auditing for Fraud in a Governmental Environment	GV	4/18/2014	8
The New A-133 Super Circular Grant Reform	AA	1/30/2014	2
Designing and Performing Analytical Procedures	AA	12/18/2013	2
Fraud Update	FR	5/30/2013	8
Ethics for California CPAs	E	5/28/2013	4
California Regulatory Review	RR	5/27/2013	2
Introduction to MAPS and CaseWare Working Papers	AA	5/10/2013	12
Government Audit Efficiencies	AA	4/26/2013	8
Techniques to Improve Audit Management and Execution	AA	4/26/2013	4
Government Auditing Update 2013	AA	3/23/2013	8
County Audit Training	AA	4/20/2012	8
2011 Yellow Book Training	AA	4/02/2012	8
Government Training	GV	3/23/2012	8
Government Training – Instructor Preparation	G	3/22/2012	6



## ROGER A. MARTINEZ, CPA

### Quality Control Partner

Roger Martinez, Vasquez Quality Control Review Partner and former KPMG national office practice partner dealing with some of the most complex audit, accounting, and risk management issues at a national level will have the responsibility of technical reviewer for the City engagement. He will be the professional standards reviewer of reports issued and will work closely with the Lead Partner in reviewing and evaluating the fieldwork.

### Areas of Expertise

Roger's areas of expertise include overseeing all aspects of financial and compliance audits including internal control reviews, single audits performed in accordance with OMB Circular A-133, program specific audits, financial statement reviews, compilations, forecasts and projections to some of the largest and most complex governmental or regulated entities in California. His expertise also includes serving as a quality technical reviewer of utilities at a national level, ARRA accounting and compliance and acting as an instructor on accounting, auditing and reporting issues in the public sector throughout the United States.

### Representation of Experience

- City of Long Beach
- City of Vernon
- City of Adelanto
- California State University System
- Chicago Heights Park District
- Township of Addison
- Village of Hillside
- Village of Posen
- Village of River Grove
- Los Angeles Department of Water and Power
- Los Angeles World Airports
- The Port of Los Angeles
- Southern California Association of Governments
- Los Angeles Unified School District
- The Metropolitan Water District
- Imperial Irrigation District
- Foothill Transit

### Professional Background and Affiliations

Roger's professional background includes partner in KPMG National Office for a total of 17 years in the profession. Roger has served an extensive number of special purpose governments concentrated in the Western region of the United States. He has provided professional audit and consulting services to some of the largest, most complex governmental entities in California. He is a member of the American Institute of Certified Public Accountants, the California Society of Certified Public Accountants, Los Angeles Chamber of Commerce, Association of Latino Professionals in Finance and Accounting and the Rotary Club of Los Angeles. He is a former member of the board of directors for the Los Angeles Economic Development Corporation and currently serves on the board of directors for LINC Housing, the Salvation Army and the Los Angeles County Medical Association.

### Educational Background

Roger received his Bachelor of Arts, Major in Economics and Minor in Accounting from the University of California, Los Angeles.

### Continuing Professional Education

Following are the continuing professional education courses completed by Roger Martinez in the past three years:

Course Title	Subject Code	Date	Hours
McGladrey Audit Training Levels 2 and 3	AA	8/15/2014	8
Governmental Update Conference	GV	7/24/2014	12
SEC and Financial Reporting institute Conference	AA	7/5/2014	7
Designing and Performing Analytical Procedures	AA	12/18/2013	2
Audit Sampling Self-Study	AA	7/06/2013	3
Introduction to Government Audit and Accounting Issues	G	7/10/2013	1.5
Q2 Emerging Topics in Auditing 2013	AA	7/23/2013	2
New Substantive Testing Policies	AA	8/09/2013	2
Private Foundations and Form 990	T	8/23/2013	1
Techniques to Improve Audit Management and Execution	AA	4/26/2013	4
Introduction to MAPS and CaseWare Working Papers	AA	5/10/2013	12
School District Conference Webcast	AA	5/08/2013	8
PDM 2012 – A&A Busy Season Reminders	AA	01/08/2013	1
Oil and Gas Industry – Accounting for Derivatives	AA	1/08/2013	1.5
December 2012 Oil and Gas Audit Update	AA	01/08/2013	2
Audit Planning, Evaluating and Testing Controls	AA	06/11/2012	2
How to Conduct a Review Under AICPA Practice-Monitoring Program	T	11/28/2012	16
School District Conference Webcast	G	5/08/2013	
Intermediate A-133 Training	G	6/08/2012	6
LEA State Compliance Training	G	4/06/2012	9



## OSCAR CHACON, CISA

### Information Technology Principal

Oscar Chacon, Vasquez Information Technology Partner and former KPMG Information Risk Management Practice Manager with over fifteen (15) years of public accounting consulting and corporate management in the areas of information systems audit/assurance, information security, financial auditing and professional consulting services will oversee our IT audit procedures including our evaluation of IT General Controls and application controls.

### Area of Expertise

Oscar's practice is focused on the evaluation of technology related processes and controls and overseeing the implementation of technology assurance and information security initiatives. His expertise covers the development of work standards and methodologies in conducting information system control reviews. He is a bank regulatory controls specialist for information technology. Other areas of Mr. Chacon's expertise are in: Internal Audit Outsourcing and Co-sourcing, Sarbanes-Oxley Readiness, Bank Regulatory Compliance, Third Party Assurance Services under SSAE 16, and Information Security Architectures.

### Representation of Experience

- Los Angeles World Airports
- Alameda Corridor Transportation Authority
- Burlington Northern Santa Fe Railroad
- Union Pacific Rail Road
- Los Angeles County Museum of Art
- Southern California Association of Governments
- Sterling Savings Bank
- City National Bank

### Professional Background and Affiliations

Oscar's experience includes eight years with KPMG LLP's Information Risk Management Practice, and head of information security for Citi National Bank. He was commended by the Comptroller of the Currency for key information security initiatives at the largest private bank in California. Oscar is a Certified Systems Information Auditor, certified by the Information Systems Audit Control Association.

### Educational Background

Oscar received his Bachelor of Science degree in Computer Information Systems, emphasis in Systems Analysis and a Bachelor of Science degree in Business Administration, emphasis in Accounting with a Minor in Economics from California State University, Los Angeles. He holds a certificate in EDP Auditing/Quality Assurance from University of California, Los Angeles.

## Continuing Professional Education

Following are the continuing professional education courses completed by Oscar Chacon in the past two years:

Course Title	Subject Code	Date	Hours
Government Accounting Principles	G	2013	9
Audits of State and Local Governmental Units	G	2013	8
Computer Security Concepts, UCLA Extension	OT	2012	40
Presentation on IT Risk Management	OT	2012	10
Computer Security – Preventing Computer Crimes	OT	2011	14
Applications for Cyberspace Technology	OT	2011	10



## USMAN ILYAS, CPA

### Manager

Usman Ilyas, Manager with the Vasquez Government Practice Group with eleven (11) years of comprehensive experience in providing audit and advisory services to local governments will work closely with the Lead Partner in planning, coordinating and reviewing the fieldwork for the City engagement. He will manage the day-to-day activities and task accomplishments, monitoring progress, and ensure schedule compliance. He will also work to ensure on-going timely communication among all levels of the engagement team and will spend significant time on-site, ensuring the smooth operation of our audit process.

### Areas of Expertise

Usman's expertise is in managing audits of government agencies and nonprofit organizations; preparation of comprehensive annual financial reports, State Controller's reports, and compliance reviews and single audits in accordance with OMB Circular A-133.

### Representation of Experience

- City of Baldwin Park
- City of Hawthorne
- City of Huntington Park
- City of Lynwood
- City of Rolling Hills Estates
- City of Santa Monica
- City of Vernon

### Professional Background and Affiliations

Usman's professional background includes senior consultant, internal audit division PwC and audit manager positions with Macias Gini & O'Connell and Stanislawski and Harrison.

He is a Certified Public Accountant licensed to practice in the states of California and Illinois. He is a member of the American Institute of Certified Public Accountants. He remains current by attended numerous courses; seminars and conferences related to accounting and general financial business activities.

### Educational Background

Usman received his Bachelor of Science in Accounting from Purdue University.

## Continuing Professional Education

Following are the continuing professional education courses completed by Usman Ilyas in the past three years:

Course Title	Subject Code	Date	Hours
Auditing for Fraud in the Government Environment webcast	GV	4/18/2014	8
Fair Labor Standards Act	AA	6/26/2014	1
CCH Accounting and Research Manager (ARM) Training	AA	7/09/2014	2
Existence of Fraud in Auditing	AA	7/16/2014	1
Governmental Accounting Update	GV	7/24/2014	9
Q2 Current Accounting Topics Q Update – 2013	AA	7/23/2013	1.5
Introduction to Single Audit Webcast	AA	7/12/2013	2
Introduction to Government Auditing Standards Webcast	G	7/11/2013	2
Introduction to Government Audit and Accounting Issues Webcast	G	7/10/2013	3
Introduction to Not-for-Profit Audit and Accounting Issues Webcast	AA	7/09/2013	3
Student Financial Aid Training	AA	6/28/2013	4
Introduction to CaseWare and MAPS	AA	5/16/2013	8
Audit Documentation	AA	5/15/2013	2
Audit Sampling	AA	6/14/2013	2
Not-for-Profit Workshop: What's New in A&A and A-133	AA	7/30/2012	8
Avoiding Problems in Conducting Single Audits	AA	7/23/2012	8
Government Accounting and Auditing Updates	G	4/12/2012	16



## ARLENE IBAÑEZ-PINGUL

### Supervisor

Arlene Ibañez-Pingul, Supervisor with the Vasquez Government Practice Group with fifteen (15) years of public accounting and auditing experience will work closely with engagement management on planning and performing audit procedures, report preparation for the City engagement.

### Areas of Expertise

Arlene's expertise is in financial and compliance audits and internal control review of governmental entities and nonprofit organizations. Her expertise includes single audits performed in accordance with OMB Circular A-133, audit planning, conducting fieldwork, ascertaining client's compliance with applicable requirements, discussing findings with management, and preparing and finalizing audit reports.

### Representation of Experience

- City of Lynwood
- City of Carson
- City of La Puente
- City of Hawthorne
- City of Huntington Park
- City of Norwalk
- Community Development Commission of Los Angeles County
- City of Cerritos
- City of Temecula
- City of Irvine
- City of San Juan Capistrano
- City of Lake Elsinore
- City of Santa Clarita
- City of Healdsburg

### Professional Background

Arlene's professional background includes auditor positions with Diehl Evans & Company LLP.

### Educational Background

Arlene received her Bachelor of Science in Business Administration in Accounting from Tarlac State University. She earned her Masters of Business Administration from De La Salle University. She remains current on accounting and auditing matters by attending numerous seminars, conference and continuing education courses.

## Continuing Professional Education

Following are the continuing professional education courses completed by Arlene Pingul in the past three years:

Course Title	Subject Code	Date	Hours
Auditing for Fraud in the Governmental Environment – webcast	GV	4/18/2014	8
Q1 Emerging Topics in Auditing 2014 – webcast	AA	4/23/2014	2
Fair Labor Standards Act	GV	6/26/2014	2
Accounting Research Manager Training	AA	7/09/2014	1
Introduction to Government Auditing & Accounting Issues	GV	7/09/2014	3
Introduction to Government Auditing Standards	GV	7/10/2014	2
Introduction to Single Audit	GV	7/11/2014	2
Existence of Fraud in Auditing	GV	7/16/2014	2
Government Accounting Update	GV	7/24/2014	8
Techniques to Improve Audit Management and Execution	AA	4/26/2013	4
Introduction to MAPS and CaseWare Working Papers	AA	5/10/2013	12
Advanced Governmental Accounting	GV	1/25/2012- 1/27/2012	20
Government Training	GV	3/23/2012	8
Government Accounting and Auditing Update	GV	5/11/2012	8
Nonprofit Auditing and Accounting Update	AA	5/18/2012	8
School District Conference	GV	5/24/2012	8
Avoiding Problems in Conducting Single Audits	AA	7/23/2012	8
Not-for-Profit Workshop: What's New in A&A	AA	7/30/2012	8
Government Accounting and Auditing Update	AA	5/12/2011	8
School District Conference	GV	5/25/2011	8
Government Accounting and Auditing Update	GV	6/09/2011	8
Everyday Ethics – Doing Well by Doing Good	E	7/13/2011	4
Everyday Ethics – Doing Well by Doing Good	RR	7/13/2011	2
Accountants Responsibility for Fraud	F	8/11/2011	8

## SIMILAR ENGAGEMENTS WITH OTHER GOVERNMENT ENTITIES

Financial statement and compliance audits of governmental entities, particularly large municipal governments have been and continue to be a key focus area for Vasquez and its professionals. As a firm, Vasquez has or is currently auditing more than 15 cities in Los Angeles County. We also provide audit services to a number of special districts and nonprofit organizations, including the Los Angeles Economic Development Corporation, the Los Angeles County Employees Retirement Association (LACERA), and we recently concluded a performance audit of the Los Angeles World Airports which includes LAX, Ontario, Burbank and Van Nuys airports.

### PERFORMANCE HIGHLIGHTS

#### Large governmental compliance audits

Margaret McBride, Vasquez Government Practice Leader and former KPMG partner-in-charge of government advisory services to the Western Region has overseen the audits of the cities of: Riverside, Ontario, Corona, Colton, Long Beach, Los Angeles, Anaheim and Santa Ana among many other local municipalities within California. Roger Martinez Vasquez Quality Control Partner and former KPMG national office department of professional practice partner has experience with the audits of the cities of Long Beach and Vernon, and its enterprise operations, Los Angeles World Airports, Port of Los Angeles, Los Angeles Department of Water and Power and the California State University System.

Our governmental audit experience includes our conduct of the OMB Circular A-133 audit for the County of Los Angeles, with more than \$3.5 billion of federal funds and 17 major programs, the Community Development Commission of the County of Los Angeles with more than \$300 million in federal fund and 5 major programs, and the Los Angeles Community College District with approximately \$187 million of federal funds and 5 major programs. We conduct numerous audits of local municipalities/successor agencies and special districts including the Consolidated Audit of the 88 cities that receive Department of Transportation Funds, Proposition A and C funds for the Los Angeles County Metropolitan Transportation Authority. Our experience with large, complex engagements in the government industry is significant and qualifies us to readily help you address the accounting, auditing and financial reporting issues pertinent to City.

### REFERENCES

The following firm clients are available to the city to use as references.

Client/Contact/Address	Nature of Engagement	Partners	Total Hours
<b>Community Development Commission of Los Angeles County (CDC)</b> Mr. David Chang Director Financial Management Division (626) 943-3898	Annual financial, compliance audit for inclusion in the CDC CAFR prepared in conformance with the GASB 34 requirements, Single Audit (OMB A-133), Rental Housing Construction Programs audit, CDC Foundation audit, Cannon Apartments Project audit, Intra County Housing Corporation audit. <b>GFOA Award.</b>  2005 to 2008 and 2010 to present	M. McBride R. Martinez	990
<b>City of Norwalk</b> Ms. Jana Stuard Director of Finance (562) 929-5700	Annual financial, compliance audit for inclusion in the City's CAFR prepared in conformance with the GASB 34 requirements, Single Audit (OMB A-133), Norwalk Facilities Financing Authority, Norwalk Transit System Fund, I-5 Consortium, and AQMD audits, calculation of GANN Appropriations Limit, State Controller's Report. <b>GFOA Award.</b>	M. McBride R. Martinez	950

Client/Contact/Address	Nature of Engagement	Partners	Total Hours
	2008 to present		
<b>City of Hawthorne</b> Ms. Lani Emmich Finance Manager (310) 349-2920	Annual financial, compliance audit for inclusion in the City's CAFR prepared in conformance with the GASB 34 requirements, Single Audit (OMB A-133) AQMD Compliance, South Bay Workforce Investment Board. <b>GFOA Award.</b> 2011 to present	M. McBride R. Martinez	880
<b>City of Vernon</b> Mr. William Fox Finance Director (323) 583-8811	Annual financial, compliance audit for inclusion in the City's CAFR prepared and in conformance with the GASB 34 requirements, Single Audit (OMB A-133), Vernon Light and Power, calculation of GANN Appropriations Limit, State Controller's Report. <b>GFOA Award.</b> 2013 to present	M. McBride R. Martinez	775
<b>City of Temple City</b> Ms. Tracey Hause City Manager 9701 Las Tunas Dr. Temple City, CA 91780 (626) 285-2171	Annual financial, compliance audit for inclusion in the City's CAFR prepared in conformance with the GASB 34 requirements, Single Audit (OMB A-133), Temple City Financing Authority, review of GANN Appropriations Limit, State Controller's Report. <b>GFOA Award.</b>	M. McBride R. Martinez	470

## SPECIFIC AUDIT APPROACH

At Vasquez & Company LLP we want to build strong relationships with our clients and continuously seek to understand ways in which we can ensure the services we are providing are in alignment with their needs. We believe it is important to strive for continuous improvement in the ways we interact with and deliver services to clients. We do this, in part, by adhering to defined client service standards and seeking feedback on our performance from our clients. Vasquez utilizes several key technology systems to improve audit efficiency and effectiveness. Our use of technology in the audit process benefits you in the following ways:

- **Efficiency.** Your audit files are designed with you in mind including planning forms, audit programs and procedures. This promotes efficiency and allows for easy documentation, exchange and review of information.
- **Communication.** When you have a question, all client information is at our fingertips to access at any time no matter where we are located, even from prior year audits. Questions on workpapers or other issues can be accumulated and sent via e-mail in order to reduce the number of interruptions to your daily routine during audit fieldwork.
- **Technical Information.** In addition to our extensive industry experience, the ARM system allows us to provide up-to-date technical information quickly. Accounting standards and support can be provided to management at any time during the audit process.

## ACCOUNTING RESEARCH MANAGER

Accounting Research Manager (ARM) is a comprehensive online database of expert-written analytical accounting, auditing, as well as primary source data. It includes the full suite of publications from the Governmental Accounting Standards Board, the GAO, Financial Accounting Standards Board, Emerging Issues Task Force, Securities and Exchange Commission, American Institute of Certified Public Accountants, and International Accounting Standards Board. In addition, interpretive analyses are provided in many areas.

## PAPERLESS AUDIT SYSTEM

Vasquez utilizes CaseWare audit software tool. This paperless audit system helps to ensure quality and uniformity in the audit process.

## FILE INTERROGATION SOFTWARE

We use IDEA software to analyze data in unique ways and for the audit sampling process. Some examples of procedures we can perform with IDEA include:

- Merging, analyzing and evaluating large amounts of data
- Perform statistical sampling over a population for effective analysis
- Search for duplicate testing (vendors, invoices, checks, adjustments, etc.) in minutes
- Matching vendors with employee addresses for any unusual activity
- Efficient and effective search for purchase stringing
- Gap detection testing to ensure that the data is complete when we perform our analysis
- Search for related parties
- Search for payments to vendors, right below bid requirement amounts
- Sort all payments after year-end, by amount, to look for material unrecorded liabilities/expenses
- Sort all cash receipts after year-end, by amount, to look for material unrecorded assets/revenues



## SAMPLING

Sampling is one of the methods we use to obtain efficiency in the audit process. In designing and implementing a sample plan, we consider the specific audit objective to be achieved and determine that the audit procedures to be applied will achieve that objective. We will:

- Define the objective of the test
- Define the population to be sampled, the element of the population to be examined (sampling unit), and what an error is
- Determine which sampling technique is most appropriate
- Determine an appropriate sample size and select a sample that is intended to be representative of the population
- Examine each sample item to determine whether it is an error.

## DATA FLOW

To assist in managing the flow of data for our testing, we intend to utilize our Vasquez FTP PORTAL, a secure and regulatory compliant tool to more effectively and efficiently manage the many requests for information necessary to conduct an engagement of this size. The Vasquez FTP Portal is a secure, web-based repository that allows our auditors to post requests for audit information and for client personnel to respond (most often uploading and downloading attachments). All requests/responses and questions/answers are maintained in an easy-to-access website. Requests are tracked by assigned individual and notifications are received via e-mail. This will allow both the agency being audited and the audit team to easily monitor the audit progress and quickly address any issues in the audit information request/response process. The Vasquez FTP Portal will be a valuable tool for Foothill to monitor the status of our progress throughout this engagement. Finally, it eliminates the sometimes non-secure data exchange through the use of thumb drives, CD ROMS and paper.

## CRITICAL AUDIT AREAS

Critical Audit Area	Background and Audit Considerations
<b>Financial Reporting</b>	<p><b>Background.</b> Governments have unique requirements for financial reporting—that is, how they present information in their entity-wide financial statements, fund financial statements, notes to those financial statements and other required supplementary information.</p> <p><b>Audit Considerations.</b> We will work closely with management to ensure we understand and evaluate the controls in place over the financial reporting process. We will perform a materiality calculation to highlight accounts that are considered material at the financial statement level. We will perform a major fund determination at the planning and final stage of the audit to ensure that all funds are reported in compliance with the reporting standards. We will analyze potential components units to determine the nature of their reporting in the comprehensive annual financial report. We will evaluate and review the government’s control process and entries involved in the conversion from the fund level to the entity-wide level in compliance with GASB 34. In the event the City elects to apply for the GFOA Certificate of Achievement for Excellence in Financial Reporting, we will advise the City of potential areas for consideration.</p>
<b>Financial Instruments</b>	<p><b>Background.</b> Governments have certain unique requirements that apply to their financial instruments including cash; investments such as reverse repurchase agreements, securities lending transactions; and derivative instruments.</p> <p><b>Audit Considerations.</b> We will work with management to gain a full</p>

Critical Audit Area	Background and Audit Considerations
	<p>understanding of the controls and procedures in place over the cash and investments cycle. We will review the City’s investment policy to gain an understanding of the City’s investment objectives. To ensure all financial instruments are recorded on the books, we will confirm cash and investment balances from outside third parties. For more complex investments, we will rely on our due diligence procedures to ascertain the propriety of information reported in the financial statements. We will consider the adequacy of financial statement disclosures for conformance with GASB pronouncements and transparency to users of the financial statements.</p>
<p><b>Revenues and Receivables</b></p>	<p><b>Background.</b> Governments have a variety of revenue and receivable sources that play a significant role in their operations.</p> <p><b>Audit Considerations.</b> We will work with management to gain a full understanding of the controls and procedures in place over the revenues and receivable cycles. We will devise our procedures to ensure that reported revenues represent amounts relating to the period and pertain to the government, revenue transactions and events have been recorded in the correct accounting period and revenue transactions and events have been recorded in the proper accounts. Our tests will include consideration that the reported receivables represent amounts uncollected as of the end of the period, that for grants, the related events have occurred that entitle the City to the related revenue, and receivables are reported at the proper amounts. We will analytically review revenues from budget as well as prior period to identify plausible trends. We will confirm certain receivables (property and certain other taxes, grants, shared revenues) and perform a search of unrecorded receivables by analyzing receipts subsequent to year end.</p>
<p><b>Capital Assets</b></p>	<p><b>Background.</b> Governments usually acquire general capital assets with the resources of the general, special revenue, capital projects, and enterprise funds. A government’s budgeting policies usually affect how the government finances and accounts for general capital asset acquisitions of different sizes and types.</p> <p><b>Audit Considerations.</b> We will gain an understanding of the controls and procedures in place regarding capital assets. We will review the entity’s capital asset policy to ensure the controls in place are in compliance with the prescribed policy. We will consider our tests of construction activity and capital assets inventory controls to support our evaluation of capital asset balances. We will devise our procedures to ensure reported capital expenditures and depreciation and amortization expense represent amounts relating to the period and pertain to the government, have been recorded in the proper accounts and in the correct accounting period.</p>
<p><b>Expenditures and Liabilities</b></p>	<p><b>Background.</b> Expenditures and liabilities represent outflows of resources from the government. Many resource outflows are reported based primarily on events or transactions that require cash disbursements during the current period or shortly thereafter; examples are payroll, rent, utilities etc. Other resource outflows are reported based primarily on known or estimated future-period cash disbursements; examples are compensated absences, and claims and judgments, etc.</p> <p><b>Audit Considerations.</b> We will gain an understanding of the controls and procedures in place to relating to the purchasing and cash disbursements cycle. We will devise our procedures to ensure reported expenditures represent amounts relating to the period and pertain to the government, expenditures have been recorded in the proper accounts and correct accounting period. We will devise our procedures to ensure reported</p>

Critical Audit Area	Background and Audit Considerations
	liabilities represent amounts unpaid as of the end of the period, the financial statements report all liabilities as of the end of the period and liabilities are reported at the appropriate amounts. We will agree selected liabilities to detail ledgers, such as lists of outstanding debt, and to subsequent payments, and we will review subsequent payments to help identify unrecorded liabilities.

**Debt and Debt Service Critical Audit Areas**

Critical Audit Area	Background and Audit Considerations
<p><b>Debt and Debt Service</b></p>	<p><b>Background.</b> Most governments have large financial needs as they seek to grow their economies and provide for social needs of their citizens. In theory, public borrowing is an effective tool for generating economic development and distributing fairly the debt burden between current and future generations of taxpayers. Public borrowing and debt can expand the production and consumption choices of current and future generations, allowing governments to increase productive investments and distribute the tax burden more fairly between current and future generations.</p> <p>However, public borrowing and debt entail significant risks if they are not managed properly. An unsustainable public debt can impair the government’s ability to reduce unemployment and poverty levels precisely when counter-cyclical budget actions are most needed, during an economic recession or financial crisis.</p> <p><b>Audit Objectives.</b> Our objectives are to determine if the debt management function of the City has adequate internal controls in place to ensure that the appropriate processes and procedures are functioning as intended. In order to accomplish this, the scope of our audit includes the following:</p> <ol style="list-style-type: none"> <li>1. Document whether audit procedures for debt and debt service expenditures will be performed across opinion units or for individual opinion units. If procedures will be performed on individual opinion units, identify those opinion units in the documentation.</li> <li>2. Using an analysis of debt and interest activity during the period, perform the following procedures:                         <ol style="list-style-type: none"> <li>(a) Analytically review long-term debt balances by comparing balances in the liability accounts and related interest accounts with those of prior years or other expectations.</li> <li>(b) Compare debt terms and balances as of the balance sheet date to amounts confirmed with standard financial institutions’ confirmations or similar confirmations. Investigate any differences.</li> <li>(c) Select a sample of debt issuances and determine whether they comply with compliance requirements that could have a material effect on the financial statement amounts</li> <li>(d) Review loan and debt agreements, and determine whether assets are pledged and whether there are any restrictive covenants. Identify disclosure points for pledged assets and restrictions.</li> <li>(e) Determine by inquiry, reading minutes or agreements, etc.,</li> </ol> </li> </ol>

Critical Audit Area	Background and Audit Considerations
	<p>whether any new debt issued is an advance refunding transaction resulting in defeasance of debt. If there has been such an advance refunding, determine that the accounting and disclosure requirements of GAAP have been met.</p> <p>(f) Review documentation prepared by the governmental unit, or prepare documentation, supporting compliance with debt covenants, restrictions, etc.</p> <p>(g) Analytically test the reasonableness of interest expenditures/expenses and interest payable.</p> <p>(h) Examine significant lease agreements entered into during the year, and determine whether any leases should be capitalized. Identify disclosure points for both capital and operating leases.</p>

Throughout the audit we will communicate our planned audit approach, by phase and timing, and the results of our audit procedures through regular meetings, status reports and adhoc discussion when merited. We may also modify or expand audit procedures depending on the results of our risk assessments, the results of our tests of internal controls and unexpected issues identified during the audit.

**Recent GASB Pronouncements**

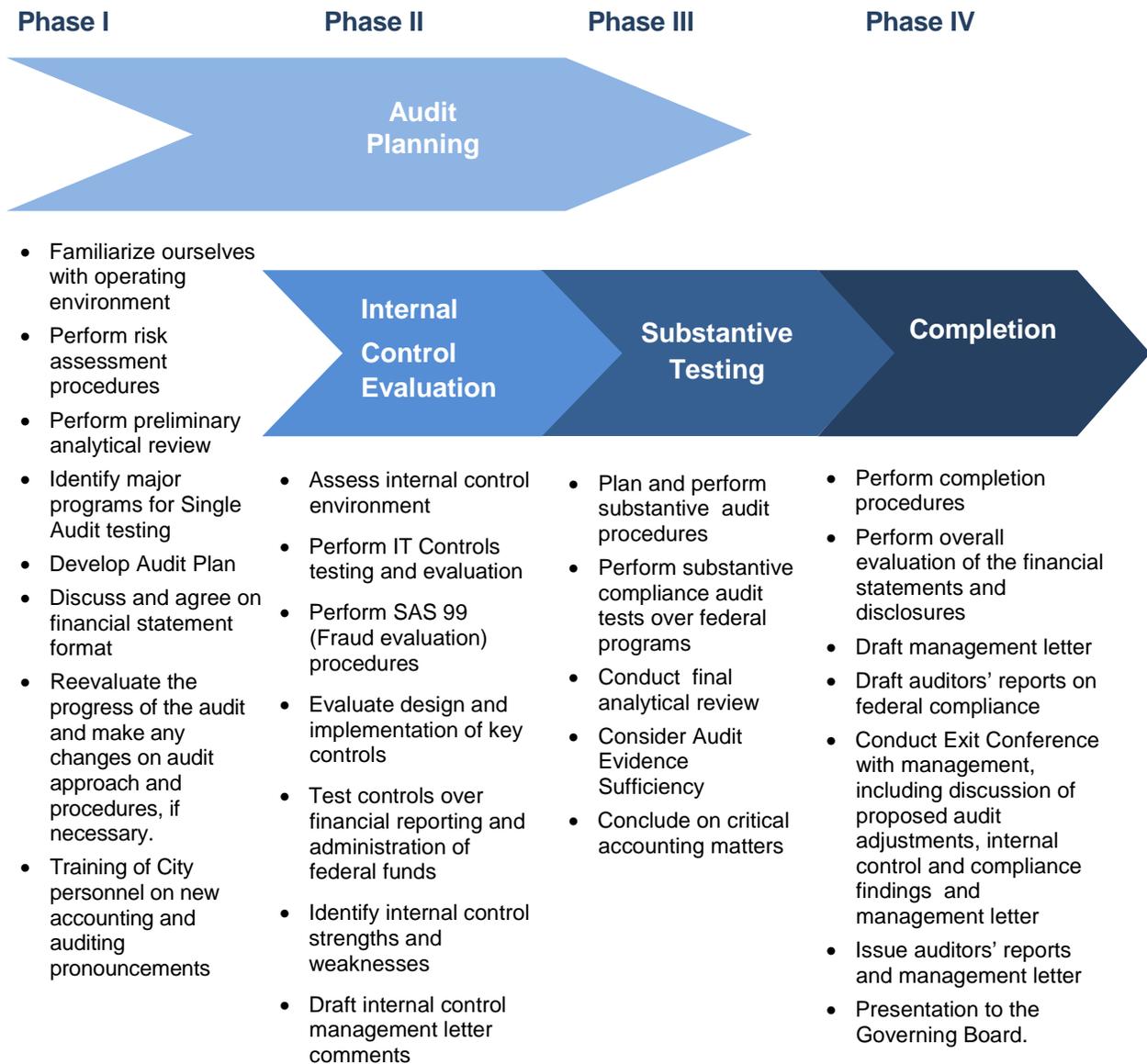
Listed below are the recent accounting and reporting developments and issues impacting the state and local governments relative to the recent pronouncements issued by the Government Accounting Standards Board (GASB):

GASB No. and Effectivity	Background and Audit Considerations
<p><b>GASB No. 65</b>  <i>Items Previously Reported as Assets and Liabilities</i>                      Issued in March 2012                      Effective for periods beginning after December 15, 2012</p>	<p><b>Background.</b> This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. This Statement also provides other financial reporting guidance related to the impact of the financial statement elements deferred outflows of resources and deferred inflows of resources, such as changes in the determination of the major fund classifications and limiting the use of the term <i>deferred</i> in financial statement presentations.</p> <p><b>Audit Considerations.</b> This is not currently required for fiscal year 2012/2013 but earlier application is encouraged. We will closely work with the City management to identify the affected accounts and provide guidance to the City accounting staff on the proper determination and recording of these transactions.</p>
<p><b>GASB No. 66</b>  <i>Technical Corrections – 2012-an amendment of GASB Statements No. 10 and No. 62</i>                      Issued in March 2012                      Effective for periods beginning after December</p>	<p><b>Background.</b> The objective of this Statement is to improve accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54, <i>Fund Balance Reporting and Governmental Fund Type Definitions</i>, and No. 62, <i>Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements</i>. This Statement amends specific provisions of:</p> <ul style="list-style-type: none"> <li>- GASB No. 10 that limits fund-based reporting of risk financing</li> </ul>

GASB No. and Effectivity	Background and Audit Considerations
<p>15, 2012</p>	<p>activities to General Fund and Internal Service Fund by using GASB 54.</p> <ul style="list-style-type: none"> <li>- GASB No. 62 for operating lease payments, purchased loans of groups of loans, servicing fees related to mortgage loans sold.</li> </ul> <p><b>Audit Considerations.</b> We will coordinate with management to determine the applicability of this Statement to the City. If applicable, we will provide guidance to the City on the proper recording and presentation of the transactions.</p>
<p><b>GASB No. 67 and 68</b>  <i>Accounting and Financial Reporting for Pensions and Plans</i>                      Issued in June 2012                      GASB 67 Reporting of Plans effective for periods beginning after June 15, 2013                      GASB 68                      Employer/sponsor accounting/reporting effective for periods beginning after June 15, 2014</p>	<p><b>Background.</b> These Standards address:</p> <ul style="list-style-type: none"> <li>- Changes in governmental accounting and financial reporting, principally the introduction of accrual-based government-wide financial statements.</li> <li>- A perceived need among the users of governmental financial reports for comparable information about pensions.</li> <li>- The continuing development of GASB concepts regarding what constitutes a liability and an outflow of resources.</li> </ul> <p>One of the major accounting change is a government employer will report its financial statements a net pension liability for defined benefit pension equal to the difference between the total pension liability and the value of assets set aside in a pension plan to pay benefits to current employees, retirees, and their beneficiaries.</p> <p><b>Audit Considerations.</b> We will review with City management on its future applicability and provide guidance on the presentation.</p>
<p><b>GASB No. 69</b>  <i>Government Combinations and Disposals of Government Operations</i>                      Issued in January 2013                      Effective for periods beginning after December 15, 2013</p>	<p><b>Background.</b> The Statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations such as mergers, acquisitions, and transfers of operations.</p> <p><b>Audit Considerations.</b> We will coordinate with the City management to determine applicability of this Statement to the City and provide guidance on the valuation, recording and presentation of the transaction in the financial report.</p>
<p><b>GASB No. 70</b>  <i>Accounting and Financial Reporting for Nonexchange Financial Guarantees</i>                      Issued in April 2013                      Effective for periods beginning after June 15, 2013</p>	<p><b>Background.</b> This Statement requires a government that extends a nonexchange financial guarantee to recognize a liability when qualitative factors and historical data, if any, indicate that it is more likely than not that the government will be required to make a payment on the guarantee.</p> <p><b>Audit Considerations.</b> We will closely work with the City management to identify its applicability to the City and provide guidance to management on the proper valuation of the liability.</p>

**1. Proposed segmentation for the engagement.**

We have summarized our planned audit approach and procedures below:



## Phase I – Audit Planning

The planning phase lays the foundation for the direction of our audit efforts. It encompasses the following steps:

- Conducting entrance conferences with the appropriate City management personnel. The agenda would include, but need not be limited to, the following:
  - The application of generally accepted accounting principles
  - Concerns of City management
  - Report requirements, refinements and deadlines
  - Initial audit approach and timing schedule
  - Assistance by City personnel
  - Establishment of principal contacts
  - Progress reporting process
  - Consideration of Fraud in a Financial Statement Audit
  - The auditors' responsibility for fraud prevention
  - Scheduling inquiries of management and others (including non-accounting personnel) about the risk of fraud
- We believe it is important for us to assist the City implement new accounting, auditing and compliance requirements. It is for that reason we intend to schedule training with City personnel involved in all phases of the audit for them to have a clear understanding of the latest technical changes for their respective areas as well as have a clear understanding of the audit requirements and timeline. The training will be provided in the form of live or webcast as desired.
- Expanding our understanding of the City and its operating environments. We will accomplish this by familiarizing ourselves and updating our knowledge of applicable background information pertinent to the City, its grants and fund structure through our review of the following:
  - Applicable state legislation
  - Organizational structure
  - Minutes of meetings
  - Policies and procedures manuals, administrative codes, rules and regulations
  - Description of the City's financial and other information systems
  - Recent financial statements and key operating statistics
  - Contracts and major commitments
  - Grant agreements
  - Cost allocation plans
  - Possible effects on the City of the actions of regulatory agencies
  - Fraud Risk Assessment Process
  - Utility rate ordinances
  - Bond ordinances and offering statements
- Through our background knowledge of the City, and because of our fact-finding process, we will develop an in-depth understanding of the areas of concern. We will be in a position to meet with the City management to discuss areas that might have a significant impact on the timing and completion of the audits or that may be of special concern to management. We will review such areas in-depth to obtain an early understanding and resolution of any "problem" areas that may impede our progress and to develop our overall approach so that the City will have

sufficient time to develop the data necessary for completion of the audit with a minimum amount of disruption of the day-to-day routine.

Our planning process will include a specific review of computer activities performed by the City personnel in order to:

- Determine the organizational and operational controls over the data being processed, including, but not limited to; system development and maintenance controls, hardware controls and access controls
- Evaluate the degree of "control consciousness" among personnel
- Determine the potential impact of general control strengths and weaknesses
- Consider the possibility of management override of controls.

Our principal sources of information for this review will be interviews with responsible accounting and computer operations personnel, reviews of program documentation for the City's system, as well as direct observations made by our audit team.

- The audit team will use our analytical review techniques to identify other areas that may require attention. Until the year-end account balances are finalized, our review will focus on budgets compared to actual/projected information. We can thus identify sensitive areas to determine whether they are indeed areas requiring extra attention. We will also focus on unusual fluctuations occurring within individual funds to identify accounts and areas which merit further investigation.
- Based on our understanding of the City's operating environment, through our analytical review and other planning procedures, we will meet with City personnel to highlight areas to be emphasized during the audit. We will concentrate our efforts on the identified areas of audit concern and areas that we know to be important to City management. Some of our preliminary audit concerns are elaborated as follows:
  - Compliance with applicable laws, regulations and reporting requirements
  - Receipt of all revenue to which the City is entitled
  - Purchases authorizations within budgetary limitations
  - Adequate safeguarding of City cash, investment and inventory assets
- We will work directly with appropriate the City personnel to discuss financial statements and footnotes, in accordance with all authoritative accounting systems and interpretations. Accordingly, we will meet to discuss and agree upon the format for the individual and general purpose financial statements and any additional requirements that may be relevant because of recent or pending professional pronouncements. (See "Phase IV - Completion" for a more in-depth discussion of our financial reporting capabilities.)

### Interim audit testing

Our audit approach is flexible and can be tailored to fit the evolving needs of the City. We will work with you to review the current audit schedule to determine the best approach for the various phases of the financial statement audit. We provide you the option of interim audit effort or after year-end. There are several advantages to performing interim testing, such as:

- It shifts the timing of our testing into less busy periods of the year for your staff and for our staff
- It allows us to focus on the high-risk areas before the year-end close, which provides more time to deal with issues, if any
- It affords us the opportunity to judge the quality of interim period, rather than solely year-end, financial statement information and cut-offs which allows more opportunity for us to identify and City to implement best practices over internal controls and processes.

Clearly there are advantages to performing interim audit testing and, as we stated previously, we will work with you to determine the best approach, and you will control this process.

## Phase II – Control Evaluation

The steps included in this phase are as follows:

- Our systems evaluation approach enables us to obtain a better understanding of the various transaction cycles and sub-cycles and how they relate to each other. By using narrative and flowcharting techniques for each cycle, we will identify the critical points in the flow of financial information. Our basic technique begins with information contained in the financial statements and traces such information back to source data. This process is infinitely superior to the traditional tedious method of going from source data to financial statements.
- We will identify the strengths and weaknesses in each of the transaction sub-cycles and sub-audit areas that have a bearing on the audit objectives. This identification of internal control strengths and weaknesses will enable the audit team to determine the emphasis to be placed on audit testing. It will also serve as a basis for the development of conclusions and recommendations regarding weaknesses in the systems of internal accounting control and opportunities for improving efficiency and effectiveness.
- Our engagement service team will prepare a tailored audit program unique to the City based upon the identification of internal control strengths and weaknesses. Our audit programs are tailored into a unique, efficient and effective document addressing the audit objectives, issues, and systems of the City
- We will inquire of management and others (including non-accounting personnel) to identify fraud risks.
- Our engagement team will discuss and consider the susceptibility of financial statement to fraud and to emphasize professional skepticism. We will obtain information necessary to identify risks of material misstatement due to fraud. We will identify risks that may result in material misstatement due to fraud. We will assess the identified risks after considering an evaluation of the antifraud programs and controls. We will respond to the identified risks.
- We will test transaction cycles using statistical and judgmental sampling methodologies to determine whether the necessary control procedures are prescribed and followed satisfactorily. The sample size for a low risk auditee could range from 11 items to 25 items, depending on how we assess control audit risk and audit detection risk. In addition, if there are any deviations in our sample selection, we will expand the sample size and if the additional sample confirms the deviation problem, we will use statistical techniques to extrapolate the dollar value of the deviation.
- We will obtain reasonable assurance that controls are functioning properly.
- We will identify any failures to execute control procedures and prepare an initial management letter recommendation. In addition to documenting the condition and criteria, we will develop the cause and effect, and propose a recommendation.
- We will communicate and review the initial management letter comments with the City management.
- We will provide periodic written progress reports on the planning and test work performed during the planning and interim fieldwork phases and discuss the schedule to complete the audits in the most economical manner.

## Phase III – Substantive Testing

Sampling is one of the methods we use to obtain efficiency in the audit process. In designing and implementing a sampling plan, we consider the specific audit objective to be achieved and determine that the audit procedures to be applied will achieve that objective. We will:

- Define the objective of the test

- Define the population to be sampled, the element of the population to be examined (sampling unit) and what an error is
- Determine which sampling technique is most appropriate
- Determine an appropriate sample size and select a sample that is intended to be representative of the population
- Examine each sample item to determine whether it is an error

Substantive Testing – The purpose of the substantive tests is to provide reasonable assurance of the validity of the information produced by the accounting system. These tests will include various detail tests and analytical procedures, including ratio analysis, comparisons of actual-to-budget information and other procedures. Specifically, tests that we have found to be effective and efficient for City includes tests such as confirmation of cash, grants receivable and loan balances, test of subsequent receipts for selected receivables.

Analytical Review Procedures – Analytical review procedures, consisting of statistical, ratio and trend analyses are performed during every phase of the audit, from planning to reporting. These analytical testing techniques provide feedback on potential areas of audit concern as well as provide comfort concerning the overall reasonableness of the financial statements.

Consideration of Fraud – The primary responsibility for the prevention and detection of fraud rests with both those charged with governance and management. It is important that management, with the oversight of those charged with governance, places a strong emphasis on fraud prevention, which may reduce opportunities for fraud to take place, and fraud deterrence, which could persuade individuals not to commit fraud because of the likelihood of detection and punishment. This involves a commitment to creating a culture of honesty and ethical behavior, which can be reinforced by active oversight by those charged with governance. Oversight by those charged with governance includes considering the potential for override of controls or other inappropriate influence over the financial reporting process, such as efforts by management to manage.

We are responsible for obtaining reasonable assurance that the financial statements are free from material misstatement whether caused by fraud or error. As part of our audit planning process, we will perform procedures to obtain information that will be used for identifying the risks of material misstatement due to fraud, such the following:

- Discussions with management and others within the City. These discussions would focus on obtaining an understanding of management's: (a) assessment of the risk that the financial statements may be materially misstated due to fraud, including the nature, extent, and frequency of such assessments; (b) process for identifying, responding to, and monitoring the risks of fraud in the City, including any specific risks of fraud that management has identified or that have been brought to its attention, or classes of transactions, account balances, or disclosures for which a risk of fraud is likely to exist; (c) communication, if any, to those charged with governance regarding its processes for identifying and responding to the risks of fraud in the City; and (d) communication, if any, to employees regarding its views on business practices and ethical behavior. We will also make inquiries of management, and others within the City as appropriate, to determine whether they have knowledge of any actual, suspected, or alleged fraud affecting the City.
- Discussions with those charged with governance. We will obtain an understanding of how those charged with governance exercise oversight of management's processes for identifying and responding to the risks of fraud in the City and the internal control that management has established to mitigate these risks.
- Evaluation of unusual or unexpected relationships identified. Unusual or unexpected relationships, variances or balances that we may identify during our preliminary analytical review procedures will be evaluated for indication of risks of material misstatement due to fraud.
- Discussions among our audit team members. This discussion will involve an exchange of ideas or brainstorming among our audit team members about how and where the City's financial

statements might be susceptible to material misstatement due to fraud, how management could perpetrate and conceal fraudulent financial reporting, and how assets of the City could be misappropriated.

**Adjusting Journal Entries** – Adjusting journal entries proposed by our auditors, if any, will be discussed and explained to the Chief Financial Officer/Financial Services and Compliance. It is our practice to discuss issues and proposed audit entries with the program manager or management personnel immediately responsible for the program to ensure that we have not misunderstood that particular situation. This will ensure that the proposed entry or management comment and recommendation are accepted by the immediate manager in charge, and will ensure that the recommendation is feasible and makes business sense. It is also our policy to address issues and resolve them as they arise, rather than at the end of the audit. In short, there will not be any surprises.

The final element in our work plan is the continual reporting to City management personnel in order to apprise them of our progress. We believe communication is vital. We have stressed the importance of continuous close relationships throughout this proposal and have indicated the various points where we will meet for specific discussions and decision.

### **Phase IV – Completion**

The last phase of our audit involves preparation of the Independent Auditors' Reports and management letter comments. Because of our emphasis on early problem resolution and ongoing communication throughout the audit, the reporting phase will be mainly concerned with reviewing the fair presentation of the final numbers that will appear in the annual financial reports.

All audit engagements are reviewed by report review specialist not otherwise associated with the engagements. Prior to commencement of fieldwork and as the engagement progresses toward completion, the report review specialist will aid the partner and the audit team in resolving difficult accounting, auditing and reporting issues. Upon completion of the partner review and before release of the report, the report review specialist will review the financial statements, our report thereon, and the letter communicating reportable control structure conditions and any other special reports or letters to be issued.

#### **Management letter**

At the completion of our audit, separate from any significant internal control deficiencies or items of noncompliance we may have identified and included in the respective auditors' reports, we will also provide our comments and observations for improvements to operating, accounting and business practices. The diverse experience of our personnel, the fresh perspectives of our team members, combined with their independent and objective viewpoints will likely yield valuable information. The findings and other comments will contain, as warranted and appropriate:

- Specific recommendations for improvement of the accounting practices and procedures and the internal accounting and administrative controls
- Comments on the design, controls and audit trails of new and redesigned automated systems, along with suggestions to improve processing methods and procedures
- Suggestions for operational improvements or cost efficiencies noted during the course of our examination
- Comments relative to ensuring compliance with the applicable laws, rules and regulations
- Comments regarding implementation of the new FASB pronouncements
- Other comments, recommendations or observations regarding best practices that we believe may be of interest.

This approach will not only allow us to render an opinion on the financial statements and on compliance pursuant to regulatory requirements; it also permits us to add value to our audit services and share the knowledge gained from surveying a wide range of organizations.

## Risk Assessment

We will also perform risk assessment procedures in accordance with SAS No. 109, *Understanding the Entity and Its Environment and Assessing the Risks of Material Misstatement* sufficient to obtain an understanding of the entity and its environment, including its internal control to establish a frame of reference to determine whether any of the assessed risks are significant risks that require special audit consideration or risks for which substantive procedures alone will not provide sufficient appropriate audit evidence.

Based on the understanding obtained from our SAS No. 109 procedures, we will design and perform audit procedures in response to the assessed risks identified and audit evidence obtained in accordance with SAS No. 110, *Performing Audit Procedures in Response to Assessed Risks and Evaluating the Audit Evidence Obtained*.

## **INFORMATION SYSTEMS CONTROLS**

Understanding how key systems and processes contribute to your overall processing environment and affect the reliability of financial information is a primary element of our audit approach. Our objective is to assess whether the standards of security, integrity, continuity and control are conducive to reliable processing, consistent with the City's technology standards and appropriate to safeguard your information assets.

### IT general controls

IT general controls are pervasive controls within the IT environment. The following types of IT general controls are typically addressed in our audit approach:

- **Logical security (access to programs and data)**—includes the components of management governance over Information Technology (policies and procedures, monitoring), application configuration (passwords, service accounts, super users, user identification/authentication), and security of the physical assets.
- **Change control management**—assesses program changes (upgrades, service patches, source code) moved into the production environment and the processes applied to ensure the appropriate initiation, authorization, segregation, testing and approval are evident.
- **Data backup and recovery**—reviews that the data backup process and ability to recover data for the financially significant applications, databases, spreadsheets and operating systems for the given opinion period are complete, tested and maintained, including the handling of errors.
- **Job processing**—tests for the completeness of data interfacing into the financially significant applications and the change management processes for handling errors, script changes and interface edits.
- **Security administration**—addresses the user access provisioning (new hire on-boarding, position/role changes, employee separation) for the financially significant applications, databases, spreadsheets and operating systems, along with management's review of access for completeness, segregation of responsibilities and accuracy.

### IT application controls

IT application controls apply to the business processes they support. These controls are embedded within the software applications to prevent or detect unauthorized transactions. When combined with manual controls, application controls verify completeness, accuracy, authorization and validity of processing transactions. Our methodology for assessing application controls is as follows:

- Define materiality by system, using business process mapping as a starting point
- Map various transaction types to clearly identify key controls and determine if the control is an application control or a manual control
- Utilize our proprietary questionnaires to help verify and test various types of automated controls

- Through inquiry, review of written policies and procedures, and on-site testing, evaluate application security controls, which are controls to verify that minimum access to applications is allowed for individuals to perform their job
- Through inquiry, review of written policies and procedures, and on-site testing, evaluate input controls which ensure that transactions are initially recorded, entered and accepted by the application accurately and completely
- By developing and testing a sample of transactions, evaluate processing controls, which ensure that transactions are processed by the application programs accurately and completely
- Through inquiry and review of written policies and procedures, evaluate output controls, which ensure that output is complete and is delivered (standard or customized) to the appropriate parties in an appropriate manner
- Through inquiry, review of written policies and procedures and tests of a sample of transactions, evaluate interface controls, which ensure that transactions between multiple systems are secure and integrity of the information transmitted is maintained, accurate and complete

IT Systems Review

In addition to the previous page, we will document our understanding of specific elements related to the City's key applications. The following graph illustrates our approach:



- |  |  |  |
|--|--|--|
| <ul style="list-style-type: none"> <li>• Application Security</li> <li>• Operating Security</li> <li>• Database Security</li> <li>• Interface Security</li> <li>• Network Security</li> <li>• Rules, Roles and Routings for workflows</li> <li>• Control and configurations of the key System Catalog and Application Data Tables</li> <li>• Job Scheduling &amp; Batch Processing</li> <li>• System maintenance &amp; upgrade</li> <li>• Backup &amp; recovery</li> </ul> | <ul style="list-style-type: none"> <li>• Facilitated Sessions for building process maps and narratives</li> <li>• Capture COSO Objective, Financial assertions, Risk Control Activities</li> <li>• Capture Control types, control category control method</li> <li>• Interface with the finance team and audit team in building the process maps and understanding application control implemented</li> <li>• Identify gaps</li> </ul> | <ul style="list-style-type: none"> <li>• Compile a list of best practice recommendations for remediating each control gap identified</li> <li>• Include recommendations for technical configurations and policy &amp; process improvements</li> <li>• Classify each recommendation as technical, administrative or business process related</li> </ul> |
|--|--|--|

In summary, our IT-focused team will utilize its in-depth risk and controls knowledge and experience to identify and assess key controls and comment on opportunities to enhance the benefits available from the system, using efficient and effective testing approaches.

## **SINGLE AUDIT APPROACH**

Single Audit procedures will be employed in the event the City is required to have a Single Audit of their Federal programs. We would utilize an integrated audit approach. This means we will coordinate the Single Audit testing of major federal programs with the testing of internal controls and systems in conjunction with the financial statement audit. Each major program requires a separate opinion on compliance with federal rules and regulations. The scope of our testing will be sufficient and specific enough to allow opinions on each of the City's major programs. We will perform risk assessment procedures including:

- Review of prior years' reported findings, and
- Consideration of the extent of continuing or new personnel assigned to administer each major federal program.

Our procedures for testing major federal programs will be performed as follows:

- Hold a planning meeting with the accounting managers and grant administrators
- Make a preliminary assessment of the condition of the records and controls and determine the procedures necessary to more fully document the systems
- Obtain copies of the grant agreements under which federal financial assistance is provided
- Document any program-specific compliance requirements contained in the agreements beyond those included in the OMB Compliance Supplement
- Review reports completed to meet the federal financial reporting requirement
- Document our understanding of program requirements, and other laws and regulations
- Establish detailed work plans, and audit timetables in conjunction with management
- Schedule regular status meetings to monitor the audit process
- Review the inventory of grants and other federal and state assistance
- Test the completeness and accuracy of the schedule of expenditures of federal awards
- Examine any external, state and federal audit reports for control weaknesses, compliance exceptions or questioned costs.

The extent of testing and sampling depends on many factors, including environmental controls, previous audits and the number of locations at which controls are administered. Our sampling plan will be in conformity with the AICPA's guidance for testing compliance.

## **SIGNIFICANT ACCOUNTS OR CLASSES OF TRANSACTIONS**

Grant Accounting – Accounting for the various types of grants can be complex. We would select a sample of grant awards for the year, read the grant agreement and determine if the receivables, revenues and resulting net assets are recorded in accordance with GASB Statements 33 and 36.

Claims and Judgments – Because the City is self-insured for its risks of loss, we will obtain an understanding of the process the City uses to determine and measure all known risks, and report them in the financial statements. Our analysis will also include the estimate of incurred but not reported claims. We will perform a retrospective review of prior estimates to determine if there appears to be bias in the development of these estimates. A McGladrey professional liability actuary assists the engagement team

in assessing the qualifications of actuaries used by clients, actuarial assumptions used, and the reasonableness of valuation methodologies.

Pension and other Post-employment Benefits – Vasquez has access to actuaries who assist the engagement team with reviewing the reputation and qualifications of actuaries used by clients, actuarial assumptions used, and the overall valuations. Additionally, we will test the information provided to the various actuaries to ensure it reflects current and complete data.

Personnel Services Expenses – We will select individual payroll transactions for testing monetary accuracy and compliance with key controls. Control characteristics which will be tested include:

- Accuracy of initial payroll information
- Supervisory approval of payroll transactions
- Payroll department's audit of payroll change notices
- Proper distribution of checks to employees
- Labor distribution into the payroll files for the classification and accumulation of payroll changes to the various departments
- Hours charged or allocated to federal programs were accurate
- Personnel files are properly documented and employee classified as the department and fund

Revenues – Our test of revenues will focus on the key controls to ensure that:

- All revenues earned have been recorded in the appropriate amount
- Revenues are recorded in the proper accounts and funds
- Revenues are recorded in the appropriate fiscal period
- Revenue transactions are in compliance with policies and procedures
- Accruals have been reversed

Other Than Personnel Services Expenditures – We will test transactions to ensure that they were:

- Properly authorized
- Monetarily accurate
- Properly classified
- In compliance with department and City control procedures

The audit tests will also be designed to determine whether charges to federal and state awards:

- Were necessary and reasonable for the proper administration of the program
- Conformed to any limitations or exclusions in the award
- Were given consistent accounting treatment and applied uniformly to both federally-assisted and other recipient activities
- Were net of applicable credits
- Did not include costs properly chargeable to other federally-assisted programs
- Were properly recorded (i.e., correct amount, date) and supported by source documentation
- Were approved in advance, if subject to prior approval
- Were incurred in accordance with the competitive purchasing procedures
- Were allocated equitable to benefiting activities, including nonfederal activities

Cash – Our audit procedures will include:

- Confirmation of balances with financial institutions
- Review of bank reconciliations with detail tests of selected reconciliation items
- Detail tests of selections from subsequent bank statements
- Proper financial statement disclosure, including whether or not there are restrictions on the cash accounts

Investments – Our audit procedures will include:

- Review Investment Policy and oversight process
- Assess asset allocation, hiring of advisors, authorizations for sales and purchases
- Evaluation and testing of due diligence process
- Derivatives – confirm activities, to test existence; access valuation methodology
- Confirmation of investments held and transactions for the period with custodian
- Confirmation of alternative investments with fund managers, when applicable
- Examination of agreements with investment managers and investment policies
- Fair value testing
- Detail and analytical tests of investment income and unrealized and realized gains and losses
- Alternative investments – confirm balances, review contracts, partnership/operating agreements, and investment reports; assess reasonableness of valuations, review external audit reports.
- Fee and investment expense testing
- Proper breakout between cash equivalents and investments
- Review of compliance of overall portfolio with City policies and guidelines

Receivables – Our audit procedures will include:

- Examination of reconciliation to ledger and sub ledger and tests of reconciliation items
- Analytical review of significant fluctuations in account balances
- Confirmation of balances, as practical
- Detail tests of subsequent cash receipts for selections
- Analytical tests of aging analysis and reserve requirements
- Tests of accounts receivable allowances through independent estimates using historical reimbursement and write-off experience
- Detail testing of accrued income receivable
- Review detail for transactions with related parties, credit balances, etc.
- Examine revenue recognition policies • Proper financial statement disclosure

Capital Assets: – Our procedures for the audit of capital assets will be based on the manner in which the City manages its capital assets, rather than based on the manner in which the City accounts for those transactions and activities. We will also ensure that adequate procedures are performed related to the activity and balances in each of those opinion units with material capital assets-related transactions. Our audit procedures could include:

- Review of underlying documentation (such as, statutes and regulations, governing board minutes, grant contracts, donor letters, and contracts to lease or sell capital assets) and inquiry of management to determine any legal and contractual provisions relating to capital assets and related accounts that could have a direct and material effect on the determination of financial statement amounts.

- Analytical review of construction work-in-progress to identify projects that have been completed and need to be placed in service and depreciated or projects that may have been abandoned and need to be evaluated for impairment.
- Compare budgeted and actual capital outlays for the period and investigate significant variances.
- Evaluation of support for reported fair values of any significant donated capital assets
- Determination whether the City has satisfactory title to capital assets or other evidence supporting the reporting of infrastructure assets and certain intangible assets (patents, copyrights, and trademarks), whether any liens exist, or whether any capital assets have been pledged.
- Evaluation of whether depreciation expense is properly charged to the various functions.
- Evaluation of whether capital asset impairments have been properly reported.
- Evaluation of whether transfers of capital assets and related debt between funds, component units, and other entities have been properly reported.
- If eligible infrastructure assets are accounted for using the modified approach, a determination of whether the asset management system and the documentation of the condition of the assets comply with the standards in GASB Statement No. 34, as amended,
- Review of financial statement disclosures for capital assets and related accounts.

Accounts Payable and Accrued Expenses – Our audit procedures will include:

- Analytical review of significant fluctuations in account balances
- Tests of management's methodology and assumptions
- Subsequent disbursements testing
- Test of reconciliation between ledger and sub ledger and test of reconciliation items
- Examination of detail for credit balances, related party transactions, aging, etc.
- Comparison of prior year estimates against actual to assess adequacy of prior year reserves.

Debt: Our audit procedures will include:

- Confirmation of balances with financial institutions and other debtors
- Comparison of roll forward to ledger and agreements
- Recalculation of carrying amount of loans
- Testing of capital lease agreements
- Analytical and detail tests of interest expense and accrued interest
- Examination of classification and detail testing of activity
- Proper financial statement disclosure

Net Position: Our audit procedures will include:

- Testing of restricted nature of net position
- Compliance with legal or regulatory restrictions and reporting requirements
- Proper financial statement disclosure including:
  - Net investment in capital assets
  - Restricted
  - Nonexpendable
    - Expendable
    - Unrestricted

## **CITY PARTICIPATION IN THE AUDIT PROCESS**

Our audit approach assumes that representatives of the City staff will fully participate in the planning, fieldwork, and completion of the audit process. Full participation means that the City will provide the resources necessary to allow Vasquez to complete the audit in a timely and effective manner while meeting your deadlines. We anticipate that the management and staff of the City will participate and assist in the following areas:

- Participating in audit planning sessions to provide perspective on risk areas in the audit;
- Assisting in the documentation of internal controls;
- Providing information such as expenditure reports prior to commencing year end fieldwork.
- Participation in fact finding interviews with various City staff and consultants, as necessary.
- Encouraging the free exchange of information between the City staff and Vasquez staff;
- Committing to a year round audit approach and interaction with the auditors;
- Providing open access to the City management
- Timely responses to information requests and audit resolution issues

## **Sample size and the extent to which statistical sampling is to be used in this engagement**

We will test transaction cycles using statistical and judgmental sampling methodologies to determine whether the necessary control procedures as prescribed are followed satisfactorily. The sample size will range from 10 items to 25 items, depending on how we assess control audit risk and audit detection risk. In addition, if there are any deviations in our sample selection, we will expand the sample size and if the additional sample confirms the deviation problem, we will use statistical techniques to extrapolate the dollar value of the deviation.

## **Type and extent of analytical procedures to be used in the engagement**

Analytical review techniques will be utilized to identify other areas that might require attention. Until the year-end account balances are finalized, our review will focus on budgets compared to actual/projected information. We can thus, identify certain sensitive areas to determine whether they are indeed areas requiring extra attention. We will also focus on unusual fluctuations occurring within individual funds to identify accounts and areas which merit further investigation.

Based on our understanding of the City's operating environment, through our analytical review and other planning procedures, we will meet with the City personnel to highlight areas to be emphasized during the audit. We will concentrate our efforts on the identified areas of audit concern and areas we know are important to the City Officials. Some of our preliminary audit concerns are elaborated as follows:

- Compliance with applicable laws, regulations and reporting requirements
- All matters of compliance with GASB statements and interpretations
- Receipt of all revenue to which the City is entitled
- Purchases are authorized and within budgetary limitations
- Encumbrances and liabilities are recorded and charged to proper budgetary accounts
- Proper accounting and disclosure of developer agreements and similar commitments
- Proper accounting for fixed assets including infrastructure assets
- Proper recording of outstanding obligations

### **Approach to be taken to gain and document an understanding of the City's internal controls structure**

To gain and document our understanding of the City's internal control structure, we will review the City's policies and procedures, meet with appropriate management personnel to ascertain actual operation of policies and procedures and carry out compliance tests to document internal control strengths and weaknesses. In reviewing controls over EDP systems emphasis would be placed on the following:

- Determination of the organizational and operational controls over the data being processed including but not limited to, system development and maintenance controls, hardware controls, and access controls
- Evaluation of the degree of "control consciousness" among personnel
- Determination of the potential impact of general control strengths and weaknesses
- Consideration of the possibility of management override of controls

### **Approach to be taken in determining laws and regulations that will be subject to audit test.**

In planning for a single audit we would perform the following:

- The City would be requested to prepare a schedule that lists each grant program it administered during the audit period. The grants should be categorized by grantor agency and grant numbers. The compliance requirements to be tested will be identified for all major grant programs received by the City. The compliance requirements for the major grants will be extracted from "Major Compliance Features of Programs Administered by State and Local Governments" for grants covered in that document.
- Compliance with Laws and Regulations -The purpose of testing compliance with laws and regulations is to determine whether the City is complying with laws and regulations, specifically as they apply to state and federal financial assistance. Compliance procedures will include reviewing state and federal grant requirements, applicable laws and regulations, allowable costs, eligibility, and other specific agency requirements.

### **Approach to be taken in drawing audit samples for purposes of test of compliance**

Vasquez utilizes statistical sampling whenever possible to reduce the number of test items selected and to increase the reliability of our testing procedures. The decision whether or not to utilize statistical sampling, in many instances, depends upon the degree of reliance to be placed on internal accounting controls. The stronger the internal controls, the more likely statistical sampling can and will be used. Statistical sampling is most often employed in our compliance testing procedures during the Single Audit.

## COST PROPOSAL

Our fees for the services outlined in this proposal are based on our estimates of the time needed to complete the project at our standard hourly rates. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. The fees are based on the assumption that unexpected circumstances will not be encountered during the audit along with the following:

**Engagement Assumptions:** The proposed fees assume the following:

1. Staff availability to answer questions within the agreed timeframe.
2. Audit fieldwork procedures conducted at a centralized location.
3. No instances of fraud that will require additional procedures.
4. Staff to prepare all financial statements/schedules.
5. All information requested provided within agreed timeframe.
6. No major programs subject to Single Audit Act for 2014 and one major program for 2015 and all subsequent years.
7. Information provided is complete and correct for the year being audited.
8. Other unforeseen events such as:
  - a. Accounting problems.
  - b. Litigation.
  - c. Changes in your business or business environment.
  - d. Contractual difficulties with suppliers, third-party service providers or clients.

The cost proposal contains all pricing information relative to performing the audit engagement as described in this Request for Proposal. The total all-inclusive maximum price contains all direct and indirect costs including all out-of-pocket expenses.

### EXHIBIT A

#### Total Maximum Price Fiscal Year

	2013-14	2014-15	2015-16	2016-17	2017-18	Total
City Audit	\$ 74,258	46,765	47,700	48,654	49,627	\$ 267,005
Single Audit	0	9,997	10,197	10,401	10,609	41,204
Gann Limit	1,071	993	1,013	1,033	1,054	5,164
SCO Report	0	3,014	3,074	3,136	3,198	12,423
Low Mod Report	2,500	2,550	2,601	2,653	2,706	13,010
<b>Total</b>	<b>\$ 77,829</b>	<b>63,319</b>	<b>64,585</b>	<b>65,877</b>	<b>67,195</b>	<b>\$ 338,805</b>

*\* All inclusive total for services, out-of-pocket expenses, meals, lodging, transportation, printing, and other costs (should tie to maximum price on Exhibit B.)*

### Contract Authorization

The undersigned bidder acknowledges that he/she has thoroughly reviewed all pages for this request for proposal. Bidder further acknowledges that he/she is aware of all the requirements of these documents and agrees to same. The bidder shall be bound to furnish the services specified according to requirements herein, upon acceptance by City of Cudahy.

Vasquez & Company LLP	801 S. Grand Avenue	Los Angeles	90017
Cor	Address	City	Zip Code
		Partner	10/09/2014
Signature of Authorized Representative		Title	Date
Federal Tax ID Number	33-0700332		

**EXHIBIT B**

**Schedule of Professional Fees and Expenses**

**Scope of Service: City Audit**

**Fiscal Year: 2013-14**

	<b>Rate</b>	<b>Hours</b>	<b>Cost</b> <b>(rate x hours)</b>
<b>Partners</b>	\$ 285	80	\$ 22,800
<b>Managers</b>	\$ 136	150	\$ 20,400
<b>Supervisory Staff</b>	\$ 101	160	\$ 16,160
<b>Staff</b>	\$ 78	191	\$ 14,898
<b>Other (Specify)</b>	\$ -	0	\$ -
<b>Subtotal Staff</b>		<u>581</u>	<u>\$ 74,258</u>
<b>Billable Expenses</b>			
<b>Meals &amp; Lodging</b>	\$ -		
<b>Transportation</b>	\$ -		
<b>Other (Specify)</b>	\$ -		
<b>Subtotal Billable Expenses</b>	<u>\$ -</u>		
<b>Total Maximum Cost</b>			<u>\$ 74,258</u>

**Scope of Service: Gann Limit**

**Fiscal Year: 2013-14**

	<b>Rate</b>	<b>Hours</b>	<b>Cost</b> <b>(rate x hours)</b>
<b>Partners</b>	\$ 285	1	\$ 285
<b>Managers</b>	\$ 136	2	\$ 272
<b>Supervisory Staff</b>	\$ 101	2	\$ 202
<b>Staff</b>	\$ 78	4	\$ 312
<b>Other (Specify)</b>	\$ -	0	\$ -
<b>Subtotal Staff</b>		<u>9</u>	<u>\$ 1,071</u>
<b>Billable Expenses</b>			
<b>Meals &amp; Lodging</b>	\$ -		
<b>Transportation</b>	\$ -		
<b>Other (Specify)</b>	\$ -		
<b>Subtotal Billable Expenses</b>	<u>\$ -</u>		
<b>Total Maximum Cost</b>			<u>\$ 1,071</u>

**Scope of Service: Low Mod Audit Report      Fiscal Year: 2013-14**

	<b>Rate</b>	<b>Hours</b>	<b>Cost (rate x hours)</b>
<b>Partners</b>	\$ 285	2	\$ 570
<b>Managers</b>	\$ 136	4	\$ 544
<b>Supervisory Staff</b>	\$ 101	6	\$ 606
<b>Staff</b>	\$ 78	12	\$ 936
<b>Other (Specify)</b>	\$ -	0	\$ -
<b>Subtotal Staff</b>		<u>24</u>	<u>\$ 2,656</u>
<b>Billable Expenses</b>			
<b>Meals &amp; Lodging</b>	\$ -		
<b>Transportation</b>	\$ -		
<b>Other (Discount)</b>	<u>\$ (156)</u>		
<b>Subtotal Billable Expenses</b>	<u>\$ -</u>		
<b>Total Maximum Cost</b>	<u>\$ 2,500</u>		

“Our proposed fees for fiscal year 2014 reflect additional audit hours associated with the following circumstances:

1. The prior auditors’ disclaimed on the City’s financial statements as of June 30, 2013. Accordingly, additional hours will be required to audit and satisfy ourselves as to the material accuracy of the account balances for the beginning of fiscal year 2014.
2. The City did not have adequate time to correct, in 2014, the various internal control weaknesses existing and reported upon for fiscal year 2013. Accordingly, internal controls cannot be relied upon in some areas, and additional substantive audit tests will have to be performed.
3. Transactions between the Successor Agency and the City may require additional time to audit due to their complexity and evolving guidance as to appropriate accounting and reporting.
4. The changes in key personnel and the internal control deficiencies cited in prior years will render the City a “high risk” audit, resulting in additional hours expended testing recorded transactions and balances.
5. Additional hours will be required to audit the Low-Mod Fund which will be reported in the City’s CAFR.
6. As a new client, additional hours will be incurred to update our assessment of the City’s systems and controls and to create templates for financial reporting purposes.

**EXHIBIT B**

**Schedule of Professional Fees and Expenses**

**Scope of Service: City Audit**

**Fiscal Year: 2014-15**

	<b>Rate</b>	<b>Hours</b>	<b>Cost (rate x hours)</b>
<b>Partners</b>	\$ 285	25	\$ 7,125
<b>Managers</b>	\$ 136	90	\$ 12,240
<b>Supervisory Staff</b>	\$ 101	140	\$ 14,140
<b>Staff</b>	\$ 78	170	\$ 13,260
<b>Other (Specify)</b>	\$ -	0	\$ -
<b>Subtotal Staff</b>		<u>425</u>	<u>\$ 46,765</u>
<b>Billable Expenses</b>			
<b>Meals &amp; Lodging</b>	\$ -		
<b>Transportation</b>	\$ -		
<b>Other (Specify)</b>	\$ -		
<b>Subtotal Billable Expenses</b>	<u>\$ -</u>		
 <b>Total Maximum Cost</b>			<u><u>\$ 46,765</u></u>

**Scope of Service: Single Audit**

**Fiscal Year: 2014-15**

	<b>Rate</b>	<b>Hours</b>	<b>Cost (rate x hours)</b>
<b>Partners</b>	\$ 285	5	\$ 1,425
<b>Managers</b>	\$ 136	25	\$ 3,400
<b>Supervisory Staff</b>	\$ 101	18	\$ 1,818
<b>Staff</b>	\$ 78	43	\$ 3,354
<b>Other (Specify)</b>	\$ -	0	\$ -
<b>Subtotal Staff</b>		<u>91</u>	<u>\$ 9,997</u>
<b>Billable Expenses</b>			
<b>Meals &amp; Lodging</b>	\$ -		
<b>Transportation</b>	\$ -		
<b>Other (Specify)</b>	\$ -		
<b>Subtotal Billable Expenses</b>	<u>\$ -</u>		
 <b>Total Maximum Cost</b>			<u><u>\$ 9,997</u></u>

**Scope of Service: Gann Limit**

**Fiscal Year: 2014-15**

	<b>Rate</b>	<b>Hours</b>	<b>Cost (rate x hours)</b>
<b>Partners</b>	\$ 285	1	\$ 285
<b>Managers</b>	\$ 136	2	\$ 272
<b>Supervisory Staff</b>	\$ 101	2	\$ 202
<b>Staff</b>	\$ 78	3	\$ 234
<b>Other (Specify)</b>	\$ -	0	\$ -
<b>Subtotal Staff</b>		8	\$ 993
<b>Billable Expenses</b>			
<b>Meals &amp; Lodging</b>	\$ -		
<b>Transportation</b>	\$ -		
<b>Other (Specify)</b>	\$ -		
<b>Subtotal Billable Expenses</b>	\$ -		
<b>Total Maximum Cost</b>	\$ 993		

**Scope of Service: State Controller's Report Fiscal Year: 2014-15**

	<b>Rate</b>	<b>Hours</b>	<b>Cost (rate x hours)</b>
<b>Partners</b>	\$ 285	2	\$ 570
<b>Managers</b>	\$ 136	4	\$ 544
<b>Supervisory Staff</b>	\$ 101	8	\$ 808
<b>Staff</b>	\$ 78	14	\$ 1,092
<b>Other (Specify)</b>	\$ -	0	\$ -
<b>Subtotal Staff</b>		28	\$ 3,014
<b>Billable Expenses</b>			
<b>Meals &amp; Lodging</b>	\$ -		
<b>Transportation</b>	\$ -		
<b>Other (Specify)</b>	\$ -		
<b>Subtotal Billable Expenses</b>	\$ -		
<b>Total Maximum Cost</b>	\$ 3,014		

**Scope of Service: Low Mod Audit Report      Fiscal Year: 2014-15**

	<b>Rate</b>	<b>Hours</b>	<b>Cost (rate x hours)</b>
<b>Partners</b>	\$ 285	2	\$ 570
<b>Managers</b>	\$ 136	4	\$ 544
<b>Supervisory Staff</b>	\$ 101	6	\$ 606
<b>Staff</b>	\$ 78	12	\$ 936
<b>Other (Specify)</b>	\$ -	0	\$ -
<b>Subtotal Staff</b>		<u>24</u>	<u>\$ 2,656</u>
<b>Billable Expenses</b>			
<b>Meals &amp; Lodging</b>	\$ -		
<b>Transportation</b>	\$ -		
<b>Other (Discount)</b>	\$ (106)		
<b>Subtotal Billable Expenses</b>	<u>\$ -</u>		
<b>Total Maximum Cost</b>			<u>\$ 2,550</u>

**Scope of Service: City Audit Fiscal Year: 2015-16**

	<b>Rate</b>	<b>Hours</b>	<b>Cost (rate x hours)</b>
<b>Partners</b>	\$ 293	25	\$ 7,325
<b>Managers</b>	\$ 140	90	\$ 12,600
<b>Supervisory Staff</b>	\$ 104	140	\$ 14,560
<b>Staff</b>	\$ 80	170	\$ 13,600
<b>Other (Specify)</b>	\$ -	0	\$ -
<b>Subtotal Staff</b>		425	\$ 48,085
<b>Billable Expenses</b>			
<b>Meals &amp; Lodging</b>	\$ -		
<b>Transportation</b>	\$ -		
<b>Other (Discount)</b>	\$ (385)		
<b>Subtotal Billable Expenses</b>	\$ -		
<b>Total Maximum Cost</b>			\$ 47,700

**Scope of Service: Single Audit Fiscal Year: 2015-16**

	<b>Rate</b>	<b>Hours</b>	<b>Cost (rate x hours)</b>
<b>Partners</b>	\$ 293	5	\$ 1,465
<b>Managers</b>	\$ 140	25	\$ 3,500
<b>Supervisory Staff</b>	\$ 104	18	\$ 1,872
<b>Staff</b>	\$ 80	43	\$ 3,440
<b>Other (Specify)</b>	\$ -	0	\$ -
<b>Subtotal Staff</b>		91	\$ 10,277
<b>Billable Expenses</b>			
<b>Meals &amp; Lodging</b>	\$ -		
<b>Transportation</b>	\$ -		
<b>Other (Discount)</b>	\$ (80)		
<b>Subtotal Billable Expenses</b>	\$ -		
<b>Total Maximum Cost</b>			\$ 10,197

**Scope of Service: Gann Limit Fiscal Year: 2015-16**

	<b>Rate</b>	<b>Hours</b>	<b>Cost (rate x hours)</b>
Partners	\$ 293	1	\$ 293
Managers	\$ 140	2	\$ 280
Supervisory Staff	\$ 104	2	\$ 208
Staff	\$ 80	3	\$ 240
Other (Specify)	\$ -	0	\$ -
<b>Subtotal Staff</b>		<b>8</b>	<b>\$ 1,021</b>

<b>Billable Expenses</b>	
Meals & Lodging	\$ -
Transportation	\$ -
Other (Discount)	\$ (8)
<b>Subtotal Billable Expenses</b>	<b>\$ -</b>

**Total Maximum Cost** \$ 1,013

**Scope of Service: State Controller's Report Fiscal Year: 2015-16**

	<b>Rate</b>	<b>Hours</b>	<b>Cost (rate x hours)</b>
Partners	\$ 293	2	\$ 586
Managers	\$ 140	4	\$ 560
Supervisory Staff	\$ 104	8	\$ 832
Staff	\$ 80	14	\$ 1,120
Other (Specify)	\$ -	0	\$ -
<b>Subtotal Staff</b>		<b>28</b>	<b>\$ 3,098</b>

<b>Billable Expenses</b>	
Meals & Lodging	\$ -
Transportation	\$ -
Other (Discount)	\$ (24)
<b>Subtotal Billable Expenses</b>	<b>\$ -</b>

**Total Maximum Cost** \$ 3,074

**Scope of Service: Low Mod Audit Report      Fiscal Year: 2015-16**

	<b>Rate</b>	<b>Hours</b>	<b>Cost</b> <b>(rate x hours)</b>
<b>Partners</b>	\$ 293	2	\$ 586
<b>Managers</b>	\$ 140	4	\$ 560
<b>Supervisory Staff</b>	\$ 104	6	\$ 624
<b>Staff</b>	\$ 80	12	\$ 960
<b>Other (Specify)</b>	\$ -	0	\$ -
<b>Subtotal Staff</b>		<u>24</u>	<u>\$ 2,730</u>
<b>Billable Expenses</b>			
<b>Meals &amp; Lodging</b>	\$ -		
<b>Transportation</b>	\$ -		
<b>Other (Discount)</b>	\$ (129)		
<b>Subtotal Billable Expenses</b>	<u>\$ -</u>		
<b>Total Maximum Cost</b>			<u>\$ 2,601</u>

**Scope of Service: City Audit Fiscal Year: 2016-17**

	<b>Rate</b>	<b>Hours</b>	<b>Cost (rate x hours)</b>
<b>Partners</b>	\$ 302	25	\$ 7,550
<b>Managers</b>	\$ 144	90	\$ 12,960
<b>Supervisory Staff</b>	\$ 107	140	\$ 14,980
<b>Staff</b>	\$ 82	170	\$ 13,940
<b>Other (Specify)</b>	\$ -	0	\$ -
<b>Subtotal Staff</b>		<u>425</u>	<u>\$ 49,430</u>
<b>Billable Expenses</b>			
<b>Meals &amp; Lodging</b>	\$ -		
<b>Transportation</b>	\$ -		
<b>Other (Discount)</b>	\$ (776)		
<b>Subtotal Billable Expenses</b>	<u>\$ -</u>		
<b>Total Maximum Cost</b>			<u>\$ 48,654</u>

**Scope of Service: Single Audit Fiscal Year: 2016-17**

	<b>Rate</b>	<b>Hours</b>	<b>Cost (rate x hours)</b>
<b>Partners</b>	\$ 302	5	\$ 1,510
<b>Managers</b>	\$ 144	25	\$ 3,600
<b>Supervisory Staff</b>	\$ 107	18	\$ 1,926
<b>Staff</b>	\$ 82	43	\$ 3,526
<b>Other (Specify)</b>	\$ -	0	\$ -
<b>Subtotal Staff</b>		<u>91</u>	<u>\$ 10,562</u>
<b>Billable Expenses</b>			
<b>Meals &amp; Lodging</b>	\$ -		
<b>Transportation</b>	\$ -		
<b>Other (Specify)</b>	\$ (161)		
<b>Subtotal Billable Expenses</b>	<u>\$ -</u>		
<b>Total Maximum Cost</b>			<u>\$ 10,401</u>

**Scope of Service: Gann Limit Fiscal Year: 2016-17**

	Rate	Hours	Cost (rate x hours)
Partners	\$ 302	1	\$ 302
Managers	\$ 144	2	\$ 288
Supervisory Staff	\$ 107	2	\$ 214
Staff	\$ 82	3	\$ 246
Other (Specify)	\$ -	0	\$ -
<b>Subtotal Staff</b>		<b>8</b>	<b>\$ 1,050</b>

<b>Billable Expenses</b>	
Meals & Lodging	\$ -
Transportation	\$ -
Other (Discount)	\$ (17)
<b>Subtotal Billable Expenses</b>	<b>\$ -</b>

**Total Maximum Cost** \$ 1,033

**Scope of Service: State Controller's Report Fiscal Year: 2016-17**

	Rate	Hours	Cost (rate x hours)
Partners	\$ 302	2	\$ 604
Managers	\$ 144	4	\$ 576
Supervisory Staff	\$ 107	8	\$ 856
Staff	\$ 82	14	\$ 1,148
Other (Specify)	\$ -	0	\$ -
<b>Subtotal Staff</b>		<b>28</b>	<b>\$ 3,184</b>

<b>Billable Expenses</b>	
Meals & Lodging	\$ -
Transportation	\$ -
Other (Discount)	\$ (48)
<b>Subtotal Billable Expenses</b>	<b>\$ -</b>

**Total Maximum Cost** \$ 3,136

**Scope of Service: Low Mod Audit Report      Fiscal Year: 2016-17**

	<b>Rate</b>	<b>Hours</b>	<b>Cost (rate x hours)</b>
<b>Partners</b>	\$ 302	2	\$ 604
<b>Managers</b>	\$ 144	4	\$ 576
<b>Supervisory Staff</b>	\$ 107	6	\$ 642
<b>Staff</b>	\$ 82	12	\$ 984
<b>Other (Specify)</b>	\$ -	0	\$ -
<b>Subtotal Staff</b>		<u>24</u>	<u>\$ 2,806</u>
<b>Billable Expenses</b>			
<b>Meals &amp; Lodging</b>	\$ -		
<b>Transportation</b>	\$ -		
<b>Other (Discount)</b>	<u>\$ (153)</u>		
<b>Subtotal Billable Expenses</b>	<u>\$ -</u>		
<b>Total Maximum Cost</b>			<u><u>\$ 2,653</u></u>

**Scope of Service: City Audit Fiscal Year: 2017-18**

	<b>Rate</b>	<b>Hours</b>	<b>Cost (rate x hours)</b>
<b>Partners</b>	\$ 310	25	\$ 7,750
<b>Managers</b>	\$ 148	90	\$ 13,320
<b>Supervisory Staff</b>	\$ 110	140	\$ 15,400
<b>Staff</b>	\$ 84	170	\$ 14,280
<b>Other (Specify)</b>	\$ -	0	\$ -
<b>Subtotal Staff</b>		425	\$ 50,750
<b>Billable Expenses</b>			
<b>Meals &amp; Lodging</b>	\$ -		
<b>Transportation</b>	\$ -		
<b>Other (Discount)</b>	\$ (1,123)		
<b>Subtotal Billable Expenses</b>	\$ -		
<b>Total Maximum Cost</b>	\$ 49,627		

**Scope of Service: Single Audit Fiscal Year: 2017-18**

	<b>Rate</b>	<b>Hours</b>	<b>Cost (rate x hours)</b>
<b>Partners</b>	\$ 310	5	\$ 1,550
<b>Managers</b>	\$ 148	25	\$ 3,700
<b>Supervisory Staff</b>	\$ 110	18	\$ 1,980
<b>Staff</b>	\$ 84	43	\$ 3,612
<b>Other (Specify)</b>	\$ -	0	\$ -
<b>Subtotal Staff</b>		91	\$ 10,842
<b>Billable Expenses</b>			
<b>Meals &amp; Lodging</b>	\$ -		
<b>Transportation</b>	\$ -		
<b>Other (Discount)</b>	\$ (233)		
<b>Subtotal Billable Expenses</b>	\$ -		
<b>Total Maximum Cost</b>	\$ 10,609		

**Scope of Service: Gann Limit Fiscal Year: 2017-18**

	<b>Rate</b>	<b>Hours</b>	<b>Cost (rate x hours)</b>
Partners	\$ 310	1	\$ 310
Managers	\$ 148	2	\$ 296
Supervisory Staff	\$ 110	2	\$ 220
Staff	\$ 84	3	\$ 252
Other (Specify)	\$ -	0	\$ -
<b>Subtotal Staff</b>		<b>8</b>	<b>\$ 1,078</b>

<b>Billable Expenses</b>	
Meals & Lodging	\$ -
Transportation	\$ -
Other (Discount)	\$ (24)
<b>Subtotal Billable Expenses</b>	<b>\$ -</b>

**Total Maximum Cost** \$ 1,054

**Scope of Service: State Controller's Report Fiscal Year: 2017-18**

	<b>Rate</b>	<b>Hours</b>	<b>Cost (rate x hours)</b>
Partners	\$ 310	2	\$ 620
Managers	\$ 148	4	\$ 592
Supervisory Staff	\$ 110	8	\$ 880
Staff	\$ 84	14	\$ 1,176
Other (Specify)	\$ -	0	\$ -
<b>Subtotal Staff</b>		<b>28</b>	<b>\$ 3,268</b>

<b>Billable Expenses</b>	
Meals & Lodging	\$ -
Transportation	\$ -
Other (Discount)	\$ (70)
<b>Subtotal Billable Expenses</b>	<b>\$ -</b>

**Total Maximum Cost** \$ 3,198

**Scope of Service: Low Mod Audit Report Fiscal Year: 2017-18**

	Rate	Hours	Cost (rate x hours)
<b>Partners</b>	\$ 310	2	\$ 620
<b>Managers</b>	\$ 148	4	\$ 592
<b>Supervisory Staff</b>	\$ 110	6	\$ 660
<b>Staff</b>	\$ 84	12	\$ 1,008
<b>Other (Specify)</b>	\$ -	0	\$ -
<b>Subtotal Staff</b>		24	\$ 2,880
<b>Billable Expenses</b>			
<b>Meals &amp; Lodging</b>	\$ -		
<b>Transportation</b>	\$ -		
<b>Other (Discount)</b>	\$ (174)		
<b>Subtotal Billable Expenses</b>	\$ -		
<b>Total Maximum Cost</b>	\$ 2,706		

## ORDINANCE NO. 634

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CUDAHY, CALIFORNIA, APPROVING ZONE TEXT AMENDMENT 14-01 TO ADD NEW DEFINITIONS TO SUBSECTION 20.08.10 ADDING “EMERGENCY SHELTERS” AND “TARGET POPULATION” AND “TRANSITIONAL AND SUPPORTIVE HOUSING,” MODIFYING CMC SUBSECTION 20.64.040 TO ADD “TRANSITIONAL AND SUPPORTIVE HOUSING,” AND MODIFYING CMC SUBSECTION 20.68.080 TO ADD “EMERGENCY SHELTERS.”**

**WHEREAS**, the Cudahy City Council, pursuant to law, on November 4, 2014 conducted a public hearing and first reading of Ordinance No. 634; and

**WHEREAS**, the Cudahy City Council has carefully considered all oral and written testimony offered at the public hearing; and

**WHEREAS**, the Cudahy City Council, pursuant to law, on November 25, 2014 approved a second reading of Ordinance No. 634; and

**WHEREAS**, The Cudahy Planning Commission heard on March 17, 2014 the proposed modifications and recommended approval of Resolution 14-04, approving Zone Ordinance Amendment No. 14-01.

**WHEREAS**, California (“State”) Senate Bill 2 (“SB 2”), also known as the “Fair Share Zoning Bill” became effective as January 1, 2008, and generally requires that every city and county identify in the Housing Element of its General Plan at least one zoning district in which homeless shelters are allowed as a permitted use, without a conditional use permit, or other discretionary review. Each zone or zones must be sufficient to accommodate the locality’s identified need for emergency shelter; provided that regardless of actual need determined, each local jurisdiction must identify at least one zone that can accommodate at least one year-round jurisdiction must identify at least one zone that can accommodate at least one year-round emergency shelter. SB 2 was intended to disperse homeless services, shelters, and housing issues to be “fairly shared” among all California communities in order to share responsibility for the State’s homeless problems.

**WHEREAS**, SB 2 does not mandate that cities and counties build or fund homeless projects, only that there is zoning in place that permits development by right without a conditional use permit process or other discretionary review. SB 2 does not mandate where homeless shelter uses should be allowed in a city or county, but does require every city and county to identify actual zone or zones and site or sites that can accommodate the locality’s actual unmet need.

**WHEREAS**, The proposed amendment to the Zoning Code will bring the City into compliance with State Law outlined in SB 2, as well as allow Cudahy to obtain proper certification of its Housing Element. This code amendment is one of the actions that must be completed for the City to qualify for an eight-year review cycle rather than four years.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF CUDAHY DOES FIND AND ORDAIN AS FOLLOWS:**

**Section 1:** City Council held a first reading of Ordinance No. 634 and opened the public hearing on November 4, 2014 to consider the zone text amendment. All evidence, both written and oral, presented during said public hearing was considered by the Planning Commission in making its determination, and

A public hearing was held before the City Council of the City of Cudahy on November 18, 2014 to consider the zone text amendment. All evidence, both written and oral, presented during November 4, 2014 first reading, and public hearing was considered by the Planning Commission in making its determination.

**Section 2:** A record of the public hearing indicates that the City Council of the City of Cudahy hereby finds and determines as follows:

- A. That the proposed amendments to Title 20 (Zoning) are consistent with the goals, policies, and objectives of the General Plan; and
- B. That the proposed amendments will not adversely affect properties in the City of Cudahy.

**Section 3:** Based upon the findings contained in this Ordinance and on all other written and oral evidence in the record, the City Council hereby approves the zone text amendment based on the amendment's ability to meet the findings stated above and approves Section 20.08.010, Section 20.64.040, and Section 60.68.080 to read as follows:

**Section 20.08.010: Definitions.**

This chapter includes definitions for specific terms used herein. This list of terms is designed to clarify the zoning code's intent as it relates to land uses and development requirements. The word "shall" indicates a mandatory requirement, except when used in connection with an action or decision of the city council or any city commission, board, or official. In these latter instances, the word "shall" shall be directory only. Whenever used in this zoning code, the word "day" shall mean a single calendar day.

"Abut" or "abutting" means the same as "adjoining."

“Access” means the place, or way, by which pedestrians and vehicles are provided adequate and usable ingress and egress to a property or use as required by this zoning code.

“Accessory use” means a use incidental to, related, and clearly subordinate to the principal use established on the same lot or parcel of land where such accessory use is located.

“Adjacent” means two or more lots or parcels of land separated by an alley, street, highway or recorded easement, or two or more objects located near or in close proximity to each other.

“Adjoining” means two or more lots or parcels of land sharing a common boundary line, or two or more objects in physical contact with each other.

“Affordable unit” refers to a housing development project in which 80 percent of the units shall be designated for very low-income households and 20 percent reserved for low-income households as those terms are defined in the health and safety code.

“Alley” means a public or private right-of-way, other than a street or highway, permanently reserved as a secondary means of vehicular access to adjoining properties.

“Amendment” means a change in the wording, Context, content, or substance of this zoning code or in the zoning map. Such changes must be adopted by ordinance by the city council in the manner prescribed by law.

“Amusement arcade” means any place open to the public where five or more amusement games are maintained for use by the public. When only a portion of the premises is used for the operation of amusement games, only that portion shall be considered as an amusement arcade.

“Amusement game” means any entertainment device for which a fee is paid to play, including, but not limited to, pinball, video or other electronic games.

“Animals – retail sales” means the retail sales of small animals (such as dogs, cats, birds, and fish), provided such activities take place within an entirely enclosed building.

“Antique shop” means an establishment primarily engaged in the sale of antiques.

“Apartment house” means a building, or a portion of a building, designed or used for occupancy by three or more households living independently of each other and containing three or more individual dwelling units within a single structure.

“Apartment unit” means a room or suite of two or more rooms with a single kitchen in a multiple family dwelling, suitable for occupancy as a dwelling unit for one household.

Arcade. See “Amusement arcade.”

“Artists’ studio” means a building containing work space and retail sales space for artists and artisans producing individual one-of-a-kind works of art, including individuals practicing a fine art, or skilled in an applied art or craft; provided, that the use does not impact any other use or property with noise, odor, dust, vibration, or other nuisance. This classification includes, but is not limited to, painters’ studios, ceramic studios, and custom jewelry studios.

“Assessor” means the assessor of the county of Los Angeles.

“Atlantic Boulevard Corridor” refers to a specific portion of the city located adjacent to, or in the vicinity of, Atlantic Boulevard as shown on the map on file in the office of the city clerk, entitled

“Atlantic Boulevard Corridor Map.”

“Automobile wrecking or automobile dismantling” means a business establishment engaged in the dismantling and/or wrecking of used motor vehicles or trailers, and/or the storage, sale, or dumping of dismantled, partially dismantled, obsolete, or wrecked vehicles or parts.

“Awning” means a roof-like cover supported entirely from the exterior wall of a building, and installed over or in front of openings or windows in a building, and consisting of a fixed or movable frame and a top of canvas or other similar material covering the entire space enclosed between the frame and the building.

“Balcony” means a platform that projects from the wall of a building, typically above the first level, and is surrounded by a rail, balustrade, or parapet on at least one side.

“Balcony, unenclosed” means a balcony open to the sky and not fully enclosed on more than two sides.

“Balloon” means a floating air-filled or gas filled object tethered to a fixed location (also see “Sign, balloon”).

“Banks and savings and loans” means a state or federally chartered financial institution that provides retail banking services to individuals and businesses.

“Bars” and “cocktail lounges” means establishments where alcoholic beverages are sold for consumption on the premises. This classification excludes restaurants and commercial recreation uses that may serve alcoholic beverages incidental to the primary use.

“Basement” means that portion of a building located between the ground level or first floor of a structure.

“Billiard parlor” means an establishment that provides five or more billiard and/or pool tables.

“Building” means any structure having a roof supported by columns or by walls and intended for the shelter, housing, or enclosure of persons, animals, or property of any kind.

“Building – accessory” means a detached subordinate building, the use of which is incidental to that of the primary building or to the principal use of the land, and which is located on the same lot or parcel of land with the main building or principal use of the land.

“Building height” or “height” means the vertical distance as measured continuously along a line at existing grade bisecting the width of the lot to the highest point of a building or structure, except as provided elsewhere in this zoning code.

“Building – main” means a building in which is conducted a principal use of the lot or parcel of land upon which it is situated. In a residential or agricultural zone, any residential unit shall be deemed to be a main building upon the lot or parcel of land on which it is situated.

“Building material sales” means an establishment engaged in retailing or wholesaling of building supplies or equipment. This classification includes lumber yards and tool and equipment sales, but excludes businesses engaged in the retail sales of paint and hardware, building contractor’s yards, and activities classified under “equipment leasing and rentals.”

“Building wall” means the vertical surface, or any element thereof, including any structural member or group of structural members attached to the vertical surface that defines the exterior boundaries of a building.

“Business and trade school” means an establishment which provides on-site training of business, commercial, and/or trade skills such as accounting, data processing, and computer repair. This classification excludes establishments providing training in an activity that is not otherwise permitted in the applicable zone. Incidental instructional services in conjunction with another primary use shall not be considered a business and trade school.

“Camp – day” means a facility with an organized daytime program involving the supervision and care of children.

“Canopy” has the same meaning as “awning” as defined in this chapter, except that a canopy contains separate supporting posts and is not supported entirely from the exterior wall of a building.

“Carport” means a permanently roofed structure with no more than two enclosed sides, used or intended to be used for automobile shelter and storage. Cellar. See “Basement.”

“Center-line” means the center-line of any street, as established by the city engineer by official surveys, and on file in the office of the city engineer.

“Check-cashing” means a business that, for compensation, engages in the business of cashing checks, warrants, drafts, money orders, or other commercial

paper serving the same purpose. This classification does not include a state or federally chartered bank, savings association, credit union, or industrial loan company. Further, this classification does not include establishments selling consumer goods where the cashing of checks or money orders is incidental to the main purpose of the business.

“Church” means a facility used for religious worship and incidental religious education and/or activities, but not including private schools as defined in this chapter.

“Child care center” means a facility that provides nonmedical care to children under 18 years of age in need of personal services, supervision, or assistance essential for sustaining the activities of daily living or for the protection of the individual on less than a 24-hour basis. “Child care center” includes day care centers and family day care homes.

“City” means the city of Cudahy, state of California, referred to in this zoning code as “city,” and everyone acting on behalf of the city of Cudahy, including employee, associate, attorney, accountant, representative, officer, city manager, director, or agent of the city of Cudahy.

“Club, private” means any building or premises used by an association of persons, whether incorporated or unincorporated, organized for some common purpose, but not including a group organized solely or primarily to render a service customarily carried on as a commercial enterprise. This definition does not include “adult” business establishments.

“Clubs and lodges” means private or nonprofit organizations providing meeting, recreational, or social facilities primarily for use by members and/or guests.

“Commercial printing” means a business providing printing, blueprinting, photocopying, engraving, binding, or related services.

“Commercial vehicle” means a vehicle which, when operated on a street, is required to be registered as a commercial vehicle under the State Vehicle Code, and which is used or maintained for the transportation of persons for hire, compensation, or profit, or which is designed, used, or maintained primarily for the transportation of property.

“Commission” refers to the planning commission of the city of Cudahy.

“Communications facility” means an establishment engaged in broadcasting, recording, and other communication services accomplished through electronic or telephonic mechanisms. This classification includes, but is not limited to, radio, television, or recording studios, telephone switching centers, and telegraph offices.

“Communications facilities, wireless” means an unstaffed facility for the transmission or reception of wireless telecommunication services, commonly

consisting of an antenna array, connection cables, a support structure, and ancillary support facilities.

“Community center” means a building, buildings, or portions thereof used for recreational, social, educational, and cultural activities where buildings and associated improvements are owned and/or operated by a public, nonprofit, or public serving group or agency.

“Condominium” means an undivided interest in common in a portion of real property coupled with a separate interest in space called a “unit,” the boundaries of which are described on a recorded final map, parcel map, or condominium plan. The description of the unit may refer to: (a) boundaries described in the recorded final map, parcel map, or condominium plan, (b) physical boundaries, either in existence, or to be constructed, such as walls, floors, and ceilings of a structure or any portion thereof, (c) an entire structure containing one or more units, or (d) any combination thereof. An individual condominium within a condominium project may include, in addition, a separate interest in other portions of the real property. This term shall also include stock cooperative developments.

“Condominium project” means a common interest development consisting of condominiums. The following terms, when used in reference to condominiums or condominium projects, shall be defined as follows:

“Condominium common area” means the entire project excepting all units or common area granted or reserved.

“Condominium documents” means the declaration and the condominium plan.

“Convalescent facilities” means a business establishment engaged in providing care on a 24-hour basis for persons requiring regular medical attention, but excluding facilities providing surgical or emergency medical services.

“Convalescent home” means a home or establishment offering or providing lodging, meals, nursing, dietary, or other personal services to five or more convalescents, invalids, or aged persons, but shall not include surgery or the care of persons with contagious or communicable diseases.

“Conversion (condominium)” means a change in the type of ownership of a parcel or parcels of land, together with the existing structures, from rental housing, as defined in this chapter, to a condominium, community apartment, planned development, stock cooperative, or common interest development.

“County” refers to the county of Los Angeles.

“Court” means an open, unoccupied space, bounded on two or more sides by the walls of a building. “Inner court” is a court entirely enclosed within the exterior walls of a building. All other courts are referred to as outer courts.

“Day care center, adult” means a state-licensed facility designed to provide necessary care and supervision to persons 18 years of age or older on less than a 24-hour basis. “Adult day care centers” include the various types of adult day services as defined under state law that include “adult day care facilities,” “adult social day care facilities,” and “adult day health care facilities.”

“Day care center, children” means a state licensed facility, other than a family day care home, providing nonmedical care and supervision to children under 18 years of age on less than a 24-hour basis. “Child day care centers” shall include “day care centers” as defined under state law, which include infant centers, preschools, and extended day care facilities.

“Deck” means a platform other than a balcony, either freestanding or attached to a building, without a roof, that is supported by pillars, posts, or walls.

“Director,” “director of planning” and “planning director” refers to the community development director or his or her designee.

Drive-Thru. See “Establishment with drive-up service.”

“Driveway” means an appropriately paved and privately owned surface or road that provides access to off-street parking or loading facilities.

“Duplex” means a structure consisting of two dwelling units.

“Dwelling” or “dwelling unit” means a building, or portion thereof, consisting of one or more rooms, including a kitchen, which is designed and used or available for use exclusively as a single residence and which otherwise conforms to the provisions of this zoning code.

“Dwelling, multiple-family” or “multifamily residential development” means one or more buildings located on a lot containing a total of two or more dwellings within a structure.

“Dwelling, single-family” means a structure consisting of one dwelling unit, designed exclusively for the occupancy of a single household, no portion of which shall be rented, leased, or otherwise conveyed as additional dwelling units.

***“Emergency Shelter” Emergency Shelter means housing with minimal supportive services for homeless persons that is limited to occupancy of six months or less by a homeless person. No individual or household may be denied emergency shelter because of an inability to pay.***

“Establishment with drive-up service” means a business or institution providing services accessible to persons who remain in their automobiles.

“Facilities maintenance and construction shops” means business establishments or activities supporting the maintenance of facilities on the same site as the primary use, including, but not limited to, machine shops, carpenter shops, electric shops, sheet metal shops, and mechanical and plumbing shops.

“Family” means an individual or two or more persons related by blood, marriage, or adoption, or a group of not more than five persons, excluding servants, who need not be related by blood, marriage, or adoption, living together in a dwelling unit, but not including limited residential care facilities.

“Family day care home – large” means a dwelling that regularly provides care, protection, and supervision for 12 or fewer children under the age of 10, in the provider’s own home, for periods of less than 24 hours per day.

“Family day care home – small” means a dwelling that regularly provides care, protection, and supervision for one to six children, inclusive, including children under the age of 10.

“Fire arm sales or rearms business” means an establishment having at least 25 percent of its gross floor area devoted to the sale of fire arms, ammunition and ammunition components, and hunting or shooting equipment.

“Floor area, gross” means the total horizontal area of all the floors of a building included within the surrounding walls, exclusive of vent shafts and courts.

“Floor area, net” means the total usable floor area within all floors of a building included within the surrounding walls.

“Floor area ratio” means the numerical value obtained through dividing the gross floor area of a building or buildings by the total area of the lot or parcel of land on which such building or buildings are located.

“Food and beverage sales” means a business establishment where the primary use involves the retail sales of food and beverages for off-site preparation and consumption. Typical uses include grocery markets and delicatessens. This category does not include liquor stores.

“Food manufacturing” means a business establishment engaged in manufacturing, processing, and/or packaging of food products for wholesaling and distribution. This use may include incidental direct sale to consumers of the products manufactured on site, souvenirs, and ancillary tasting facilities for the public.

“Garage, common parking garage” means a structure with a common vehicular entrance and exit which is used to park vehicles in parking spaces and which otherwise conforms to the requirements of this zoning code.

“Garage, private” means a detached accessory building, or a portion of a main building on the same lot, enclosed on three sides and with a door capable of enclosing the fourth side, for the parking or temporary storage of vehicles owned by the occupants of the premises.

“General plan” means the general plan of the city of Cudahy, consisting of the general plan and map, adopted by the city council.

“Grade, existing” means the surface of the ground or pavement at a specific location as it existed prior to disturbance in preparation for a construction project.

“Grade, finished” means the finished surface elevation of the ground or pavement at a specific location after the completion of a construction project.

“Grade, ground level” means the average level of the finished ground surface surrounding a building, measured at the center of all walls of the building.

“Gradient” means the rate of vertical change of a ground surface expressed in a percentage and determined by dividing the vertical distance by the horizontal distance.

“Guest house” refers to living quarters, having no kitchen facilities, located within an accessory building located on the same premises with a main building and occupied solely by members of the family, temporary guests, or persons permanently employed on the premises.

“Hazardous waste” means any waste, or combination of wastes, which because of its quantity, concentration, or physical, chemical, or infectious characteristics may: (a) exhibit toxicity, corrosivity, flammability, and/or reactivity; (b) cause, or significantly contribute to, an increase in serious irreversible, or incapacitating reversible, illness; or (c) present a substantial present or potential hazard to human health or the environment when improperly treated, stored, transported, or disposed of, or otherwise managed.

“Hazardous waste facility” means all contiguous land, structures, other appurtenances, and improvements within a property, used for handling, treating, storing, or disposing of hazardous wastes.

“Health and physical fitness clubs” means private athletic clubs and gymnasiums including, but not limited to, weight training facilities, aerobic exercise floors, racquetball courts, swimming pools, and similar athletic facilities.

Height. See “Building height.”

“Home occupation” means an occupational activity carried on by the occupant(s) of a residential dwelling as a secondary use in connection with which there is no display, no walk-in customers, no stock-in-trade, nor commodity sold upon the premises, no person employed, and no mechanical equipment used, except such as is necessary for housekeeping purposes.

“Hospital” means a facility providing medical, surgical, psychiatric, and/or emergency medical services to sick or injured persons, primarily on an in-patient basis. This classification includes incidental facilities for out-patient treatment, as well as training, research, and administrative services for patients and employees.

“Hotel” or “motel” means one or more buildings containing guest rooms or dwelling units, with one or more such rooms or units having a separate entrance leading directly from the outside of the building or from an interior court. Such facilities are designed to be used, or intended to be used, rented, or hired out for temporary or overnight accommodations for guests, and are offered primarily to patrons by signs or other advertising media. This classification may contain public meeting rooms and eating, drinking, and banquet services associated with the facility.

“Household” means a single individual or group of individuals, unrelated or related by blood or marriage, residing in a dwelling unit.

“Household pet” means a domesticated animal commonly maintained within a residence.

“Junk yard” means the use of a lot, or the use of any portion of a lot, for the dismantling of machinery or for the storage or keeping for sale of parts and equipment resulting from such dismantling or wrecking, or for the storage or keeping of junk, including scrap metals or other scrap materials.

“Kennel” means any lot or premises on which four or more dogs or cats at least four months of age are boarded or trained.

“Kitchen” means a room in a building or dwelling unit that is used in the cooking or preparation of food.

“Laboratory” means an establishment providing analytical or testing services, including, but not limited to, chemical labs, dental-medical labs, optical labs, and labs conducting mechanical, electrical, physical, or environmental tests, as well as research and development.

“Landscaping” means the planting and maintenance of live trees, shrubs, ground cover, and lawn areas, including the installation of irrigation systems required by the provisions of this zoning code. “Landscaping” may include inorganic decorative materials of natural or manmade origin if used to accent or complement, but in no case imitate, the natural vegetation. Inorganic decorative materials used in landscaping may include rock, stone, wood, waterfalls, fountains, pools, sculptures, benches, and architectural screens, walls, and fences.

“Liquor store” means a business establishment having at least 50 percent of its gross floor area used for the sale of alcoholic beverages intended for off-site consumption.

“Loading space” means an off-street space on the same lot with a main building, or contiguous to a group of buildings, for the temporary parking of commercial vehicles while loading or unloading, and which has access from a street, alley, or other permanent means of ingress and egress.

“Lot” means real property with a separate and distinct number or other designation shown on a plat recorded in the office of the county recorder as a part of an approved subdivision.

“Lot area” means the total area, measured in a horizontal plane, included within the lot lines of a lot or parcel of land.

“Lot, corner” means a lot located at the intersection of two or more streets at an angle of not more than 135 degrees. If the angle is greater than 135 degrees, the lot shall be considered an interior lot.

“Lot, cul-de-sac” means a lot fronting on, or with more than one-half (50 percent) of its lot frontage, on the turnaround end of a cul-de-sac street.

“Lot depth” means the horizontal distance between the front and rear lot lines, measured in the mean direction of the side lot lines.

“Lot, interior” means a lot other than a corner or reversed corner lot.

“Lot, key” means any lot where the side property line abuts the rear property line of one or more lots, and where such lots are not separated by an alley or any public way.

“Lot line” means any line bounding a lot as defined in this chapter.

“Lot line, exterior” means a lot line abutting a street.

“Lot line, front” means, on an interior lot, the front lot line of the property line abutting the street, except in those cases where the latest tract deed restrictions specify another line as the front lot line. On a corner or reversed corner lot, the front lot line is the shorter property line abutting a street. On a through lot, or a lot with three or more sides abutting a street, or a corner or reversed corner lot with lot lines of equal length, the zoning administrator shall determine which property line shall be the front lot line for purposes of compliance with the setback provisions of this zoning code.

“Lot line, interior” means a lot line not abutting a street.

“Lot line, rear” means a lot line not abutting a street that is opposite and most distant from the front lot line. For triangular lots where there is no rear lot line, the rear lot line shall be defined as the point at which the side lot lines intersect.

“Lot line, side” means any lot line that is not classified as a front lot line or rear lot line.

“Lot line, zero” means a lot line that does not have any side yard setback.

“Lot, reversed corner” means a corner lot, the side line of which is substantially a continuation of the front lot lines of the lot to its rear.

“Lot, through” means a lot having frontage on two parallel or approximately parallel streets. A through lot may have no rear lot line.

“Lot width” means the horizontal distance between the side lot lines measured at right angles to the lot depth line at a distance located midway between the front and rear lot lines.

Exhibit 20.08-1

Illustration of “Lot” Definitions\*

\* Code reviser’s note: Exhibit 20.08-1 is on file in the office of the city clerk.

“Main building” means a building that is designed, and used for, or intended to be used, to accommodate the principal use on the lot. In residential zones, any dwelling shall be considered the main building on the lot.

“Maintenance and repair services” means an establishment providing household appliance repair, furniture repair, office machine repair, bicycle repair, or building maintenance services. This classification excludes maintenance and repair of motor vehicles, boats, or ships.

“Mansard” or “mansard roof” means a roof having two slopes on all sides with the lower slope steeper than the upper one.

“Manufactured housing” means a mobile home, or manufactured housing unit, as defined by and installed in accordance with California Health and Safety Code Sections 18008 and 18551, respectively, and factory-built housing as defined by California Health and Safety Code Section 19971.

“Medical clinic” means any facility providing physical or mental health service, and medical or surgical care of the sick or injured, but shall not include in-patient or overnight accommodations. Activities included within this definition are health centers, health clinics, and doctors’ offices.

“Mini-warehouse” or “self-storage facilities” means a warehouse operation serving the public where customers rent or lease, and have direct access to, individual storage areas, compartments, or rooms within a larger structure or structures provided for storage use. This use may also include limited caretaker facilities.

“Mortuary” means an establishment providing services such as preparing the deceased for burial, and arranging and managing funerals and related services, and may include limited caretaker facilities. This classification excludes cemeteries, crematoriums, and columbariums.

Motel. See “Hotel.”

“Nonconforming improvement” means a building and/or improvement, or portion thereof, which does not conform to current zoning code regulations.

“Nonconforming structure, lawful or legal” means any structure or improvement that was lawfully established and in existence at the time this zoning code or any amendment became effective, but no longer complies with all of the applicable regulations and standards of the zone in which the structure or improvement is located.

“Nonconforming use, lawful or legal” means any use of land or property that was lawfully established and in effect at the time this zoning code or any amendment became effective, but no longer complies with all of the applicable regulations and standards of the zone in which the use is located.

“Offices, government” means administrative, clerical, or public contract offices of a government agency, including postal facilities, together with incidental storage and maintenance of vehicles.

“Offices, medical” means offices or health facilities providing health services, including without limitation preventative and rehabilitation treatment, diagnostic services, and testing and analysis, but excluding in-patient services and overnight accommodations. This classification includes without limitation offices providing medical, dental, surgical, rehabilitation, podiatric, optometric, chiropractic, and psychiatric services, and medical or dental laboratories incidental to such offices.

“Offices, professional” means offices for firms or organizations providing professional, executive, management or administrative services, such as architectural, engineering, real estate, insurance, investment, or legal offices. This classification excludes savings and loan associations, banks, and medical offices.

“Off-street parking facility” means a lot, or portion thereof, improved and used for the parking of vehicles, including, but not limited to, enclosed garages and parking structures, open parking areas, aisles, driveways, and appurtenant landscaped planters and their improvements.

“Outdoor advertising” means the use of signs or other measures soliciting public support or directing public attention to the sale, lease, hire, or use of any objects, products, services, or functions which are not produced, sold, or otherwise available on the premises where such signs are erected or maintained.

“Outdoor living space” means either an open passive landscaped area specifically designed, improved, and maintained to enhance the architectural design, privacy, and general environmental quality of a residential development or an easily accessible public or private activity area specifically designed, improved, and maintained for outdoor living and/or recreation by occupants of the residential development.

“Parcel” means a contiguous quantity of land owned by, or recorded as the property of, the same claimant or person.

“Parking space” means a space within an off street parking facility that has the minimum attributes of size, location, and design specified in Chapter 20.80 CMC (Off-Street Parking and Loading Requirements).

“Parks and recreation facilities” uses include, but are not limited to, land and interests in land; swimming pools; tennis, volleyball and basketball courts; baseball grounds; play areas; turf; sprinkler systems; community center buildings; recreation buildings; and other works, properties, structures, and facilities necessary or convenient for public park, playground, or recreation purposes.

“Pawn shop” means a business establishment engaged in the buying or selling of new or secondhand merchandise and offering loans secured by personal property.

“Performance art facilities” means a public building used for theatrical performances, concerts, recitals, and similar entertainment. This classification excludes commercial cinemas or theaters.

“Personal convenience service” means a business establishment providing recurrently needed services of a personal nature. This classification includes, but is not limited to, barber and beauty shops, seamstresses, tailors, shoe repair shops, photocopying, retail dry cleaning establishments (excluding wholesale dry cleaning plants), self-service laundromats, and similar services. This classification excludes massage parlors, tattoo parlors, and/or skin piercing establishments.

“Personal improvement service” means a business establishment providing instructional services or facilities, including, but not limited to, photography, fine arts, crafts, dance or music studios, driving schools, modeling agencies, reducing salons, and health or physical fitness clubs. Incidental instructional services associated with a retail use shall be classified as “retail sales” rather than “personal improvement services.”

“Planned unit development” means the planning, construction, or implementation and operation of any use or structure, or a combination of uses and structures, on a single parcel of land based on a comprehensive and complete design or plan treating the entire complex of land, structures, and uses as a single project.

“Plant nursery” means a site used to raise trees, shrubs, flowers, and other plants for sale or for transplanting, and where all merchandise (other than plants) is kept within an enclosed building or fully screened enclosure, and fertilizer of any type is stored and sold in package form only.

“Public building” means a building owned and operated by a public agency for public use.

“Public safety facility” means a public facility providing public safety and emergency services, including police and fire protection, and associated support and training facilities.

“Public utility facility” means a building or structure used by any public utility including, but not limited to, any gas treatment plant, reservoir, tank, or other storage facility, water treatment plant, well, reservoir, tank or other storage facility, electric generating plant, distribution or transmission substation, telephone switching or other communications plant, earth station or other receiving or transmission facility, any storage yard for public utility equipment or vehicles, and any parking lot for parking vehicles or automobiles to serve a public utility. The term “public utility” shall include every gas, electrical, telephone and water corporation serving the public or any portion thereof for which a certificate of public convenience and necessity has been issued by the state Public Utility Commission.

“Recreational facility” means a publicly owned and operated recreational structure or building, such as a tennis court, swimming pool, multipurpose community building, or similar use.

“Recyclable material” means a reusable material, including, but not limited to, metals, glass, plastic, and paper, and which is intended for reuse, remanufacture, or reconstitution for the purpose of using the altered form. “Recyclable material” shall not include refuse or hazardous materials. “Recyclable material” may include used motor oil collected and transported in accordance with Section 25250.11 and Section 25143.2(b)(4) of the State Health and Safety Code.

“Recycling facility” means a center for the collection and/or processing of recyclable materials. “Certified recycling facility” or “certified processor” refers to a recycling facility certified by the State Department of Conservation as meeting the requirements of the State Beverage Container Recycling and Lifter Reduction Act of 1986. A “recycling facility” does not include storage containers or processing activities located on the premises of a residential, commercial, or manufacturing use, and used solely for the recycling of material generated by such residential property, business, or manufacturer.

“Recycling, collection facility” means a center for the acceptance of recyclable materials from the public by donation, redemption, or purchase.

“Recycling, processing facility” means a building or enclosed space used for the collection and processing of recyclable materials. “Processing” means the preparation of material for efficient shipment, or to an end user’s specifications, by such means as baling, briquetting, compacting, flattening, grinding, crushing, mechanical sorting, shredding, cleaning, and remanufacturing.

“Rental unit” means a housing unit leased for the occupancy of a residential household.

“Residence” means one or more rooms designed, used, or intended to be used as permanent living quarters for a household, and not as temporary or overnight accommodations.

“Residential care facility, limited” means a business establishment providing 24-hour nonmedical care for six or fewer persons in need of personal services, supervision, protection, or assistance essential for sustaining the activities of

daily living. This classification includes only those services and facilities licensed by the state of California.

Rest Home. See “Convalescent home.”

“Restaurant, delivery” means a business establishment that is maintained, operated, and/or advertised or held out to the public as a place where orders for food and beverages may be placed in person or by telephone, facsimile, copier, or other off-site means of communication, from a limited menu, and which orders are delivered to a location directed by the customer.

“Restaurant, fast-food” means a business establishment that is maintained, operated, and/or advertised or held out to the public as a place where food and beverages are served to customers from a serving counter in disposable containers or wrappers and where food and meals are generally prepared in advance for immediate sale, and which may include inside seating, drive-through service, delivery service, and take-out/carry-out service.

“Restaurant, sit-down” means a business establishment that is maintained, operated, and/or advertised or held out to the public as a place where food and beverages are served to the public on demand from a menu during stated business hours, served in and on reusable containers and dinnerware, to be consumed on the premises primarily inside the building at tables, booths, or counters, with chairs, benches, or stools. This use may include incidental delivery service utilizing no more than two delivery vehicles.

“Restaurant, take-out” means a business establishment that is maintained, operated, and/or advertised or held out to the public as a place where food and beverages are served in disposable containers or wrappers from a serving counter for consumption exclusively off the premises.

“Retail sales” means a business establishment engaged in the retail sale of merchandise not specifically listed under another use classification as defined in this chapter. This classification includes, but is not limited to: department stores, clothing stores, furniture stores, and businesses retailing the following goods: toys, hobby materials, handcrafted items, jewelry, cameras, photographic supplies, books, electronic equipment, records, sporting goods, kitchen utensils, hardware, appliances, antiques, art supplies, paint and wallpaper, carpeting and floor covering, office supplies, bicycles, and new automotive parts and accessories (excluding service and installation). This classification excludes thrift shops and pawnshops.

“Room” means an unsubdivided portion of the interior of a dwelling, excluding bathrooms, kitchens, closets, hallways, and service porches.

“School, private” means an educational institution having a curriculum comparable to that required in the public schools of the state of California.

“Secondary residential unit” means a detached dwelling unit that provides complete, independent living facilities for one or more persons. A secondary

residential unit shall include permanent provisions for living, sleeping, eating, cooking, and sanitation on the same lot on which the primary unit is situated.

“Senior housing project” means a housing development in which 100 percent of the project rental units are intended to be occupied by persons who are 62 years of age or older, or married couples, of which one spouse is over 62 years of age.

Service Station. See “Vehicle – service station.”

“Setback” means a required open space on an improved lot that is unoccupied by buildings and unobstructed by structures from the ground upward, except for projections and accessory buildings permitted by the provisions of this zoning code. Setbacks shall be measured as the shortest distance between a property line and the nearest vertical support or wall of the building, enclosed or covered porch, or other structure.

Exhibit 20.08-2

Illustration of “Setback” Definitions\*

\* Code reviser’s note: Exhibit 20.08-2 is on file in the office of the city clerk.

“Setback, between buildings” or “setback between dwelling units” means a required open space between separate buildings or between separate dwelling units on the same lot or building site. Such setback shall be measured as the minimum distance between the nearest vertical support or wall of each building or enclosed or covered porch.

“Setback, exterior side” means a side setback abutting a street.

“Setback, front” means a setback extending across the full width of the front of the lot, the minimum and/or average dimensions of which are determined by the property development standard of the applicable zone in which such lot is located.

“Setback, rear” means a setback extending across the full width of the rear of a lot, the minimum and/or average dimensions of which are determined by the property development standards of the applicable zone in which such lot is located.

“Setback, side” means a setback extending from the required front setback to the required rear setback, or to the front and/or rear property lines where no front and/or rear setback is required by the provisions of this zoning code, the minimum and average dimensions of which are determined by the property development standards of the applicable zone in which such lot is located.

“Sign” means any device used for visual communication that includes any announcement, declaration, demonstration, display, illustration, or insignia, visible from the outside, and which is used to advertise or promote the interests of any person, business, group, or enterprise.

Exhibit 20.08-3  
Illustration of "Sign" Definitions\*

\* Code reviser's note: Exhibit 20.08-3 is on file in the office of the city clerk.

"Sign, A-frame" means a freestanding sign usually hinged at the top or attached in a similar manner, and widening at the bottom to form a shape similar to the letter "A." Such signs are usually designed to be portable, and are not considered to be permanent signs or displays.

"Sign, animated" means any sign that uses movement or change in lighting, either natural or artificial, to depict action or create a special effect or scene. "Animated signs" shall include, but are not limited to: any sign, all or a portion of which rotates, moves, or appears to move in some manner by mechanical, electrical, natural, or other means; and flashing riders, arrows, and other similar attachments which, by method or manner of illumination or lighting, flash on or off, wink, or blink, with varying light intensity, show motion or create the illusion of motion, or revolve in a manner to create the illusion of being on or off. "Animated signs" do not include time-temperature signs.

"Sign, area" means the entire area within a single continuous perimeter that encloses the extreme limits of writing, representation, emblem or any figure of similar character, together with any frame, background area of sign, structural trim, or other material or color forming an integral part of the display or used to differentiate such sign from the background against which it is placed. Those portions of the sign that support (or the base) and that do not function as a sign shall not be considered part of the sign area.

"Sign, awning or canopy" means a nonelectric sign that is printed on, painted on, or attached to an awning or canopy.

"Sign, balloon" means one or more balloons used as a permanent or temporary sign or as a means of directing attention to any business or profession, or to a commodity or service sold, offered, or manufactured, or to any entertainment.

"Sign, banner or flag" means any cloth, bunting, plastic, paper, or similar material used for advertising purposes attached to or pinned on or from any structure, staff, pole, line, framing, or vehicle, but not including official national, state, or municipal flags.

"Sign, billboard" means a structure of any kind erected or used for promoting or advertising an interest other than that of a business, individual, products, or service available on the premises where the sign is located. Signs of an official nature are not considered billboard signs.

"Sign, construction" means a temporary sign erected on the lot on which construction is taking place, indicating the names of the architects, engineers, contractors, painters, and similar artisans, and the owner, financial supporters, sponsors, and similar individuals or firms having a major role or interest with respect to the structure or project.

"Sign copy" means the words, letters, or symbols displayed on a sign.

“Sign, directional” means a sign designed solely to provide direction or guidance to pedestrians or vehicular traffic.

“Sign, directory” means a sign listing the tenants or occupants and their suite number of a building or center.

“Sign, freestanding” means a sign that is completely supported by structures or other supports that are placed on or anchored in the ground and are independent from any building or other structure.

“Sign, hanging” means any sign which is supported or suspended from the underside of an awning, canopy, parapet overhang of a building, or pedestrian arcade.

“Sign, identification” means a sign providing the name, address, and lawful use of the activity to which it relates and contains no other form of advertisement.

“Sign, information” means a sign which provides a service, direction, or courtesy information intended to assist the public and which is not displayed for the general purpose of advertising products or services. Information signs shall include the location of business facilities (e.g., store entrances, walk-up windows, self-service operations); and courtesy information (hours of operation, menus, “credit cards accepted,” restrooms, “no solicitors”). “Information signs” do not include fuel price signs or traffic directorial signs, nor shall they be part of any sign whose primary function is business identification.

“Sign, logo” means a symbol, design, or graphic representation, separate from the sign text that identifies a business, activity, product, or company.

“Sign, menu board” means a portable or freestanding sign displaying the type and price of food and beverages sold in connection with permitted outdoor dining, or a freestanding sign permanently affixed to the ground in connection with drive through restaurant service. This definition is not meant to apply to signs displaying menu information that are attached to a building (such signs are included within definitions for wall or projecting signs, whichever the case may be).

“Sign, monument” means an independent structure other than a pole sign supported from grade to the bottom of the sign with the appearance of having a solid base.

“Sign, pennant” means any all-weather lightweight plastic, fabric, or other material, whether or not containing a message of any kind, suspended from a rope, wire, or string, usually in series, designed to move in the wind.

“Sign, pole” means a freestanding sign permanently affixed to the ground by a single pole.

“Sign, political” means a temporary sign supporting or opposing political candidates, ballot propositions, or issues of national, state, or local concern.

“Sign, portable” means any sign not permanently attached to the ground or other permanent structure, or a sign designed to be transported, including, but not limited to, signs designed to be transported by means of wheels; A-frames; sandwich board signs; and umbrellas used for advertising.

“Sign, projecting” means any sign which projects from and is supported by a wall of a building with the display surface of the sign perpendicular to the building wall.

“Sign, pylon” means a freestanding sign other than a pole sign, permanently affixed to the ground by supports, but not having the appearance of a solid base.

“Sign, reader board and changeable copy” means a sign announcing events, or containing text and/or graphics, the message of which is periodically changed.

“Sign, real estate” means a temporary sign advertising real property for sale, rent, or lease.

“Sign, roof” means a sign erected on a roof or projecting above the eave of a building or coping of a parapet. A sign erected on top of a canopy, arcade, awning, or marquee is a roof sign.

“Sign, temporary” means any sign not constructed or intended for long-term use.

“Temporary signs” include, but are not limited to, banners, flags, pennants, balloons, dirigibles, beacons, and searchlights.

“Sign, time-temperature” means an electronic or mechanical device that indicates time and/or temperature, but contains no business identification or advertising.

“Sign, vehicle” means any sign permanently or temporarily attached to or placed on a vehicle or trailer.

“Sign, wall” means any sign affixed to or painted directly upon a building face or wall in such a manner that the face of the sign is substantially parallel to the plane of the building face or wall.

“Sign, window” means any sign that is displayed on or through a window and which may be viewed from a street, walkway, parking lot, or pedestrian area.

“Snack shop” means a business establishment that is maintained, operated, and/or advertised or held out to the public as serving snack foods, such as donuts, ice cream, yogurt, candy, cookies, bakery items, beverages, and similar items to be consumed either on the premises or off the premises.

“Solid fill” means any noncombustible materials insoluble in water, such as soil, rock, sand, or gravel, that can be used for grading land or filling depressions.

“Story” means “story” as defined in the currently adopted and effective Uniform Building Code of the city.

“Story, half” means a story with at least two of its opposite sides situated immediately under a sloping roof, with the floor area of said story not in excess of two-thirds of the floor area of the floor immediately below it.

“Street” means a public thoroughfare or right-of-way acquired for use as such, or an approved private thoroughfare or right-of-way, other than an alley, which affords the principal means of access to abutting property. “Street” shall include all major and secondary highways, traffic collector streets, and local streets.

Street, Center-Line. See “Center-line.”

“Street line” means the boundary line between the street right-of-way and abutting property.

“Structural alteration” means any change in the supporting members of a building, such as bearing walls, columns, beams, girders, floor joists, ceiling joints, or roof rafters.

“Structure” means any physical improvement constructed or erected, including an edifice or building of any kind, or any piece of work artificially constructed or composed of parts jointed together in some definite manner, and which structure requires location on or in the ground or is attached to another improvement or in the ground, including fences, walls, swimming and wading pools, and patios.

***“Supportive Housing” means housing with no limit on length of stay, that is occupied by the target population, and that is linked to onsite or offsite services that assist the supportive housing resident in retaining the housing, improving his or her health status, and maximizing his or her ability to live and, when possible, work in the community; as defined by Section 50675.14 of the Health and Safety Code. Supportive Housing shall be considered a residential use of property, and shall be subject to only those restrictions that apply to other residential dwellings of the same type in the same zone.***

“Swap meet” means any indoor or outdoor place, location, or activity where new or used goods or secondhand personal property is offered for sale or exchange to the general public by a multitude of individual licensed vendors, usually in compartmentalized spaces; and where a fee may be charged to prospective buyers for admission, or a fee may be charged for the privilege of offering or displaying such merchandise. The term “swap meet” is interchangeable with, and applicable to, flea markets, auctions, open air markets, farmer’s markets, or other similarly named or labeled activities; but the term does not include the usual supermarket or department store retail operations.

“Structure, advertising” means a structure existing, erected, or maintained to serve exclusively as a stand, frame, or background for the support or display of signs.

“Tandem parking” means a sequence of two or more parking spaces, occurring in a single vertical or horizontal row, one behind the other, connected by the smaller side of the parking stall, usually front and back.

***“Target population” means persons, including persons with disabilities, and families who are “homeless,” as that term is defined by Section 11302 of Title 42 of the United States Code, or who are “homeless youth,” as that term is defined by paragraph (2) of subdivision (e) of Section 11139.3 of the Government Code.***

“Thrift shop” means a business establishment primarily engaged in the sale of used clothing, household goods, furniture, or appliances. This classification does not include antique shops.

“Townhouse” means a single-family dwelling which visually appears to share one or more common walls with an adjacent single-family dwelling, but which, in fact, is structurally and functionally independent of any other single-family dwelling.

“Trailer coach” means any vehicle, with or without motor power, designed or used for human habitation and constructed to travel on the public thoroughfares in accordance with the provisions of the California State Vehicle Code.

“Trailer park” or “mobile home park” mean a site designed and equipped for the harboring, parking, or storing of one or more trailers or mobile homes being used as living and/or sleeping quarters.

“Trailer site” means that portion of a trailer park designated for use or occupancy of one trailer coach and including all appurtenant facilities.

“Transfer station, waste” means an area, including any necessary building or structures, for the temporary storage and the salvage of rubbish, garbage, or industrial waste. This definition also includes material recovery facilities.

***“Transitional Housing” means a building or buildings configured as rental housing developments, but operated under program requirements that call for the termination of assistance and recirculation of the assisted unit to another eligible program recipient at some predetermined future point in time, which shall be no less than six months; as defined in Section 50675.2 of the Health and Safety Code. Transitional Housing does not include state licensed residential care facilities, also referred to as care homes. Transitional Housing shall be considered a residential use of property, and shall be subject to only those restrictions that apply to other residential dwellings of the same type in the same zone.***

“Triplex” means a structure containing three individual residential dwelling units.

“Trucking terminal” means a business engaged in the storage and distribution of goods having more than five heavy trucks (having a rating of more than 10,000 pounds and/or an unladen weight of more than 6,000 pounds) on the premises at

any one time, but excluding trucking accessory to another industrial use on the site.

“Use” means the purpose for which land or a building is arranged, designed, or intended, or for which either land or a building is or may be occupied, utilized, or maintained.

“Variance” means a modification of a literal provision of this zoning code, granted by an administrative or quasi-judicial act in accordance with the provisions of this zoning code.

“Vehicle – automobile washing” means a business engaged in the washing, waxing, cleaning, and/or detailing of automobiles or similar light vehicles.

“Vehicle – body and fender shop” means a business establishment involved in the repairing, restoring, and/or painting of the bodies of motor vehicles.

“Vehicle – rentals” means a business engaged in the sale, lease and/or rental of automobiles and light trucks (having a rating of less than 10,001 pounds, an unladen weight of less than 6,001 pounds, and equipped with an open box-type bed less than nine feet in length), including storage and incidental maintenance and repair.

“Vehicle – repair garage” means any site and improvements used for the repair and maintenance of automobiles, motorcycles, light trucks (having a rating of less than 10,001 pounds, an unladen weight of less than 6,001 pounds, and equipped with an open box-type bed less than nine feet in length), or other similar passenger vehicles licensed by the State Department of Motor Vehicles. This classification shall not include the repair or maintenance of motor homes or commercial vehicles as defined in Section 3-7.901 of this zoning code. “Motor vehicle repair garage” shall be construed broadly to include the place where the following types of commonly known garage or shop activities occur: tune-up and muffler work, parts and tire sales and installation, wheel and brake work, engine and transmission overhaul, and installation of car alarms and car stereos. “Motor vehicle repair garage” shall not include automobile wrecking, dismantling, or salvage, motor vehicle body and fender shops, or tire retreading or recapping.

“Vehicle – service station” means a business establishment primarily engaged in the retail sale of vehicle fuel and lubricants. This classification includes facilities having service bays for vehicle service and repair. Such service and repair may include the sale of tires, batteries, and other parts and products related to the operation of a motor vehicle; minor tune-up; lubrication and parts replacement; nonmechanical car-washing, polishing, and waxing; and other light work related to preventive maintenance and upkeep, but may not include maintenance and repair of large trucks or other large vehicles, or body and fender work on any vehicles.

“Vehicle – towing/storage” means a business establishment providing towing and/or storage of operative or inoperative vehicles. This classification includes

the storage of parking tow-aways, impound yards, and storage lots for buses and recreational vehicles, but does not include vehicle dismantling.

“Visual obstruction” means any physical obstruction which limits the visibility of persons in motor vehicles or pedestrians approaching intersecting or intercepting streets, alleys, driveways, or other public rights-of-way.

“Wall” or “fence” means a structure forming a physical barrier, including, but not limited to, concrete, concrete block, wood, or other materials which are solid and are so assembled as to form a barrier.

“Warehouse retail” means an off-price or wholesale retail/warehouse establishment exceeding 70,000 square feet of gross floor area and offering a full range of general merchandise to the public.

“Warehouse retail, specialty” means an off price or wholesale retail/warehouse establishment exceeding 30,000 square feet of gross floor area and offering a limited range of merchandise, serving both wholesale and retail customers.

“Wholesaling, distribution and storage” means a business engaged in storage and distribution, and having five or fewer heavy trucks (having a rating of more than 10,000 pounds and/or an unladen weight of more than 6,000 pounds) on the premises at any one time. Wholesaling establishments may include no more than 10 percent or 1,000 square feet of floor area, whichever is less, for the incidental direct sale to consumers of only those goods distributed wholesale. This classification excludes “mini-warehouse” or “self-storage facilities” and “vehicle – towing/storage.”

“Wholesale dry-cleaning plant” means a dry cleaning establishment having at least 51 percent of its gross sales to licensed dry cleaners. “Without prejudice” is a term used when rights or privileges are not waived or lost.

“Yard” means an open space on a lot or parcel of land, other than a court, unoccupied and unobstructed by a building from the ground upward.

“Yard, front” means a yard extending across the full width of the lot or parcel of land. The depth of a required front yard shall be a specified horizontal distance between the front lot line, where the front lot line is coterminous with the street line, and the front elevation of the structure located on the parcel.

“Yard, rear” means a yard extending across the full width of the lot or parcel of land. The depth of a required rear yard shall be a specified horizontal distance between the rear lot line and a line parallel thereto on the lot or parcel of land.

“Yard, side” means a yard extending from the required front yard, or the front lot line where no front yard is required, to the required rear yard or the rear lot line where no rear yard is required. The width of a required side yard shall be a specified horizontal distance between each side lot line and a line parallel thereto on the lot or parcel of land. Where a side yard is bounded by a street, the width of such required side yard shall be a specified horizontal distance between the

side lot line on the street side, where said side lot line is coterminous with the street line of a fully widened street or the ultimate street line of a partially widened street, and a line

Exhibit 20.08-4  
Illustration of "Yard" Definitions

\* Code reviser's note: Exhibit 20.08-4 is on file in the office of the city clerk.

"Zoning map" means the official zoning map delineating the boundaries of zones within the city of Cudahy. (Ord. 587 § 20-1.0200).

**Section 20.64.040: Principal uses permitted in the Zone LDR district.**

(Corresponding Numbers of subsequent permitted uses will shift accordingly with the addition of "transitional and supportive housing")

Premises in Zone LDR may be used for the following principal uses:

- (1) One-family dwellings, including site-built homes and manufactured housing.
- (2) The growing of nursery stock, field crops, tree, bush and berry crops, and vegetable or flower gardening. The provisions of this section shall not be construed to permit roadside stands, retail sales from the premises, or signs advertising products produced on the premises.
- (3) Parking lots as a transitional use on lots or parcels of land adjoining or across an alley from any commercial or manufacturing zone pursuant to the provisions of CMC 20.76.320, Principal uses subject to special conditions.
- (4) Home occupations; provided, that there is:
  - (a) No display or storage of goods, wares, merchandise, or stock in trade maintained on the premises; and
  - (b) No one, other than one person residing on the lot where the home occupation is located, shall be regularly employed in such occupation; and
  - (c) No equipment used in conjunction with such occupation, which emits dust, fumes, noise, odor, etc., which would or could interfere with the peaceful use and enjoyment of adjacent properties; and
  - (d) Not more than 200 square feet of the floor space of the dwelling devoted to such use; and
  - (e) No appreciable increase of traffic, pedestrian and vehicular, by reason of the dwelling devoted to such use; and
  - (f) No alteration of the structure, nor the use of any signs not otherwise permitted in the zone in which the occupation is located; and
  - (g) Authorization to inspect home offices once a month to assure compliance with the above items. (Ord. 587 § 20-1.1615).

***(5) Transitional and Supportive Housing; subject to the following restrictions:***

***(a) Transitional Housing and Supportive Housing shall be considered a residential use of property, and shall be subject only to those restrictions that apply to other residential dwellings of the same type in the same zone.***

**Section 20.68.080: CC Zone – Principal uses permitted.**

(Corresponding Numbers of Subsequent permitted uses will shift accordingly with the addition of “emergency shelters”).

Premises in Zone CC may be used for the following principal uses, provided all sales are retail only and all retail sales are of new merchandise, except as otherwise listed:

- (1) Antique shops.
- (2) Appliance stores, household.
- (3) Art supply shops.
- (4) Automobile supply stores.
- (5) Bakery shops, including baking only when incidental to retail sales from the premises.
- (6) Barber and beauty shops.
- (7) Bicycle sales.
- (8) Bicycle, scooter, and similar vehicle rentals.
- (9) Blueprint shop.
- (10) Book stores.
- (11) Candy stores.
- (12) Children’s clothing apparel stores.
- (13) Children’s book store.
- (14) Clothing stores.
- (15) Confectionery stores.
- (16) Costume design studios.
- (17) Delicatessens (deli).
- (18) Department stores.
- (19) Dress shops.
- (20) Drug stores.
- (21) Dry goods stores.

***(22) Emergency Shelters; subject to the following restrictions:***

***(a) Occupancy. A maximum of 15 beds or persons may be served nightly, with associated support service not open to the public. Any Emergency Shelter for Homeless with greater than 15 beds shall be subject to approval of a Conditional Use Permit consistent with CMC Chapter 20.44.***

***(b) Parking. One (1) vehicle parking space shall be provided per 5 beds. A covered and secured area for bicycle parking shall be provided for use by staff and clients, commensurate with demonstrated need, but no less than a minimum of eight (8) bike parking spaces.***

***(c) Waiting and Intake Area. A client waiting and intake area shall be provided and contain a minimum of ten (10) square feet per bed provided at the facility. The client waiting and intake area shall be screened from the public right of way by a solid wall of at least six (6) feet in height, and shall be sufficient in size to accommodate all persons waiting to enter the facility.***

***(d) Support Services. Emergency Shelters shall allocate sufficient areas on site, outside of any required landscape areas, to provide the following minimal support services:***

- 1. Food preparation and dining areas***
- 2. Laundry facilities***
- 3. Restrooms and showers***
- 4. Areas to secure and store client belongings***
- 5. Indoor and outdoor recreational facilities and/or open space***
- 6. A private area providing referral services to assist shelter clients in entering programs aimed at obtaining permanent shelter and income. Referral services refers to the initial assessment of a homeless client to identify the areas in which assistance is needed, and connecting clients with appropriate off-site programs and services depending on their need.***

***(e) Hours of Operation. Emergency Shelters for Homeless providing less than 15 beds are not required to be open 24 hours a day. Clients for Emergency Shelters for Homeless shall have a specified check out time as detailed in the Management and Operation Plan, but may remain on the premises to utilize onsite services offered.***

***(f) Length of Stay. The length of stay of an individual client shall not exceed six (6) months within a twelve (12) month period; days of stay need not be consecutive.***

***(g) Management and Operation Plan. The applicant or operator shall submit a Management and Operation Plan for the Emergency Shelter for review during the over the counter approval process for review and feedback by***

***the Community Development Director or designee in consultation with Law Enforcement at the time the project is proposed, prior to issuance of permits. If Site Plan Review applies, then the Management and Operational Plan should be submitted and reviewed concurrently with those applications. The Plan shall remain active throughout the life of the facility, with any changes subject to review and approval by the Community Development Director or designee in consultation with the Chief of Police. The Plan should be based on “Best Practices” and include, but not limited to, a security plan, procedures, lists of services, staff training, “good neighbor” communication plan, client transportation and active transportation plan, ratio of staff to clients, client eligibility and intake and check out process, detailed hours of operation, and an ongoing outreach plan to Cudahy homeless population. The City may inspect the facility at any time for compliance with the facility’s Operational Plan and other applicable laws and standards.***

***(h) Restrooms. The number of toilet and showers shall comply with applicable Building Codes and Plumbing Codes.***

***(i) Trash Enclosure and Loading Zone. Each facility shall have a trash enclosure and loading zone as provided in CMC Chapters 20.64 and 20.80.***

***(j) Applicable Laws. The facility shall comply with all other laws, rules and regulations that apply, including Building and Fire codes and shall be subject to City inspections prior to Operational Plan approval.***

(23) Equipment rental services, including rototillers, power mowers, sanders, power saws, cement mixers, and other similar equipment.

(24) Feed and grain sales.

(25) Fire stations.

(26) Florist shops.

(27) Food markets.

(28) Furniture stores.

(29) Furniture repair and restoration.

(30) Gift shops.

(31) Hardware stores.

(32) Hat cleaning and blocking establishments.

(33) Health food stores.

(34) Hobby supply shops.

(35) Ice cream shops.

(36) Ice sales, not to include ice plants.

- (37) Interior decorating shops.
- (38) Jewelry stores with incidental repairs.
- (39) Knit shops.
- (40) Leather goods stores.
- (41) Libraries.
- (42) Locksmith shops.
- (43) Manager's office, property management office.
- (44) Manicure parlors.
- (45) Manufacturer's agent, carrying no inventory other than samples.
- (46) Meat markets, not to include slaughtering.
- (47) Medical clinics.
- (48) Millinery shops; hats.
- (49) Printing services.
- (50) Mortuaries.
- (51) Museums.
- (52) Music stores.
- (53) Newspaper stores.
- (54) Notions or novelty stores.
- (55) Offices, business and professional.
- (56) Paint and wallpaper stores.
- (57) Parks and playgrounds.
- (58) Pet shops.
- (59) Pet supply shops.
- (60) Photography shops.
- (61) Photography studios.
- (62) Plumbing shops.
- (63) Police stations.
- (64) Post offices.
- (65) Pottery stores.
- (66) Poultry markets, not to include slaughtering.
- (67) Public health centers.
- (68) Radio and television stores.
- (69) Real estate offices.
- (70) Shoe repair shops.
- (71) Shoe stores.
- (72) Sporting goods stores.
- (73) Stationery stores.
- (74) Tailor shops.
- (75) Tile sales, ornamental.
- (76) Tobacco shops.
- (77) Tourist information centers.
- (78) Toy shops.
- (79) Typewriter sales and incidental repairs.
- (80) Watch repair shops.
- (81) Wearing apparel shops.
- (82) Other similar uses that the planning commission finds to fall within the intent and purpose of this zone, that will not be more obnoxious or materially detrimental to the public welfare, and which the planning commission finds to be of a comparable nature and of the same class as the uses enumerated in this section. (Ord. 587 § 20-1.1740).

**Section 4:** In accordance with the California Environmental Quality Act (CEQA) and the State CEQA Guidelines, the adoption of this ordinance is exempt from CEQA review pursuant to California Code of Regulations section 15061(b)(3), in that the proposed amendment to the Zoning Code will not have a significant effect on the environment. A Notice of Exemption will be filed upon adoption of this ordinance.

**Section 5:** Any provision of the Cudahy Municipal Code or appendices thereto that conflicts with the provisions of this Ordinance, to the extent of such conflict and no further, is hereby repealed or modified to the extent necessary to affect the provisions of this Ordinance.

**Section 6:** If any section, subsection, subdivision, paragraph, sentence, clause or phrase of this Ordinance, or any part thereof is for any reason held to be invalid or unconstitutional by a decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance or any part thereof. The City Council hereby declares that it would have passed each section, subsection, subdivision, paragraph, sentence, clause or phrase thereof, irrespective of the fact that any one or more section, subsection, subdivision, paragraph, sentence, clause or phrase would be subsequently declared invalid or unconstitutional.

**Section 7:** The Mayor shall sign and the City Clerk shall attest to the passage of this Ordinance. The City Clerk shall cause the same to be published once in the official newspaper within fifteen (15) days after its adoption. This Ordinance shall become effective thirty (30) days after adoption.

**PASSED, APPROVED AND ADOPTED** at a special meeting of the City Council of the City of Cudahy on this 2<sup>nd</sup> day of December, 2014.

\_\_\_\_\_  
Chris Garcia  
Mayor

ATTEST

\_\_\_\_\_  
Donna G. Schwartz, CMC  
Interim City Clerk

CERTIFICATION

STATE OF CALIFORNIA        )  
COUNTY OF LOS ANGELES    )     SS:  
CITY OF CUDAHY             )

I, Donna G. Schwartz, Interim City Clerk of the City of Cudahy, hereby certify that Ordinance 634 was introduced at a regular meeting of the City Council of the City of Cudahy on 4<sup>th</sup> day of November, 2014, and adopted and passed at a regular meeting of the City Council of the City of Cudahy held on the 2nd day of December, 2014, by the following vote:

AYES:            Council Member(s):

NOES:            Council Member(s):

ABSTAIN:         Council Member(s):

ABSENT:          Council Member(s):

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Donna G. Schwartz, CMC  
Interim City Clerk



Item Number

**10G**

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## STAFF REPORT

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**Date:** December 2, 2014  
**To:** Honorable Mayor/Chair and City Council/Agency Members  
**From:** Jose E. Pulido, City Manager/Executive Director  
**Subject:** **Renewal of the City-County Municipal Services Agreement with the County of Los Angeles Department of Animal Care and Control for Fiscal Year (FY) 2014-15 Service Level Request**

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### **RECOMMENDATION**

The City Council is requested to approve a services agreement with the County of Los Angeles Department of Animal Care and Control for animal control services effective July 1, 2014 through June 30, 2019 and FY 2014-15 Service Level Request - Billing Rates.

### **BACKGROUND**

1. On November 18, 2013 a one-year contract (effective July 1, 2013 to June 30, 2014) was signed with the County of Los Angeles Department of Animal Care and Control.
2. On March 31, 2014 the City received correspondence from the County of Los Angeles Department of Animal Care and Control Administrative Office. The letter advised the City that our one-year contract was due to expire June 30, 2014. At that time they advised us that the County Auditor-Controller was developing the contract city billing rates for Fiscal Year (FY) 2014-15. (See attachment A)
3. On September 24, 2014 staff requested a copy of the new service agreement effective July 1, 2014 through June 30, 2019 and new billing rates for FY 2014-15. (See attachment B and C) An email was provided to us with the service contract on the same day.

### **ANALYSIS**

Services are provided by the Department of Animal Care and Control Administrative through a General Services Agreement (five-year contract set for renewal June 30, 2015) with the County of

Los Angeles. This service agreement specifies that the County Auditor-Controller will determine rates with all County of Los Angeles services.

The Department of Animal Care and Control provides the City kennel services, dog license processing, dead animal disposal, field services and animal license enforcement. The current five-year City-County Municipal Services Agreement for the above mentioned services expired June 30, 2014.

Staff intends to lower animal control costs for Animal License Enforcement Services since one hundred percent of revenue collected through License Enforcement (which the City intends to coordinate an increase in the City) on behalf of the City is credited to our monthly invoice, this includes license fees, penalties, and field enforcement fees.

Additionally, if needed the City may terminate this Agreement as of the first day of July of any year upon notice in writing to the other party of not less than 60 days prior thereto. The agreement may also be terminated at anytime, with or without cause, by either party upon written notice given to the other party at least 180 days before the date specified for such termination.

### **CONCLUSION**

If the service agreement is not approved the City will not receive animal care and control services such as kennel services, dog license processing, dead animal disposal, field services or animal license enforcement.

If the service agreement is approved, staff will work closely with the County to agree on a time and scope of service to assure animal license enforcement services take place in the City to ensure program costs fit within our budget parameters.

### **FINANCIAL IMPACT**

As noted in the FY 2014-15 City Budget, \$30,000 from the General Fund has been allocated for animal regulation.

### **ATTACHMENTS**

- A. Services Agreement Correspondence, March 31, 2014
- B. City-County Municipal Services Agreement County of Los Angeles Department of Animal Care and Control and City of Cudahy
- C. City-County Municipal Services Agreement County of Los Angeles Department of Animal Care and Control and City of Cudahy FY 2014-15 Service Level Request - Billing Rates
- D. County of Los Angeles General Services Agreement (five-year contract/expiration June 30, 2015)



Marcia Mayeda  
Director

County of Los Angeles  
Department of Animal Care and Control  
Administrative Office  
5898 Cherry Avenue  
Long Beach, California 90805  
(562) 728-4610 • Fax (562) 422-3408  
<http://animalcare.lacounty.gov>



March 31, 2014

**Animal Care Center  
(ACC) Locations**

Agoura ACC  
29525 Agoura Rd.  
Agoura, CA 91301  
(818) 991-0071

Baldwin Park ACC  
4275 N. Elton St.  
Baldwin Park, CA 91706  
(626) 962-3577

Carson/Gardena ACC  
216 W. Victoria St.  
Gardena, CA 90248  
(310) 523-9566

Castaic ACC  
31044 N. Charlie Cyn.  
Road  
Castaic, CA 91384  
(661) 257-3191

Downey ACC  
11258 S. Garfield Ave.  
Downey, CA 90242  
(562) 940-6898

Lancaster ACC  
5210 W. Avenue I  
Lancaster, CA 93536  
(661) 940-4191

Mr. Hector Rodriguez  
City Manager  
City of Cudahy  
5220 Santa Ana Street  
Cudahy, CA 90201

Dear Mr. Rodriguez:

**SERVICES AGREEMENT**

The current five-year City-County Municipal Services Agreement (Agreement) for animal control services is due to expire on June 30, 2014. The County of Los Angeles (County) Department of Animal Care and Control (Department), in conjunction with the County Auditor-Controller, is developing the contract city billing rates for Fiscal Year (FY) 2014-15. Once the billing rates are approved, the Department will present the Contract City Agreement to the Board of Supervisors for approval. Once approved, the duration of the new Agreement will be effective July 1, 2014, through June 30, 2019.

**FISCAL IMPACT TO YOUR JURISDICTION**

A review of our methodology for allocating costs to establish fees has resulted in a correction to appropriately capture costs incurred by the County to provide care to city animals. As a result, we anticipate that the new billing rate for the sheltering of animals is likely to increase. This correction is to account for the cost of the provision of shelter medicine.

Shelter medicine is the practice of providing essential medical services to stray, relinquished, and abandoned animals brought in from the city's jurisdiction by Animal Control Officers and the public. It provides examinations, vaccinations, and necessary treatment to animals during their stay at the care centers. Additionally, veterinarians ensure adherence to biosecurity and disease prevention protocols (vaccination, parasitic treatment and prevention, vermin control, cleaning, and sanitation). This level of shelter medicine has been provided for some time by the Department but the costs incurred were not formerly captured in the fee analysis process.

Because fees are set by averaging costs over three years, your city will only see 33 percent of the impact in the FY 2014-15 sheltering rates, 66 percent the following fiscal year, and by FY 2016/17 the full recovery for this service will be reflected in the sheltering rate. We will provide you the specific impact to your city before the end of the fiscal year and once rates have been finalized.

### **LOWERING YOUR JURISDICTION PROGRAM COSTS**

To minimize fiscal impact to your city, your jurisdiction may wish to consider adjusting your animal license fees to offset a portion of any projected increase in annual costs. In addition, your city may want to opt for Animal License Enforcement Services (License Enforcement). One hundred percent of revenue collected through License Enforcement on behalf of your city is credited to your monthly invoice (including license fees, penalties, and field enforcement fees). Other options that your jurisdiction may wish to consider to reduce program costs include: adopting mandatory spay/neuter and microchip ordinances to reduce impounds, and to shift the responsibility for nuisance barking dog complaint calls to your city's designated staff to reduce field service costs. Please let us know if you intend to make any of these changes.

### **OTHER CONTRACT CHANGES**

The Department anticipates only one change to the language of the Agreement from the 2009 version and will present the revision to the County Board of Supervisors for approval. The change is as follows:

Section 9.1: The County, through the County of Los Angeles Department of Animal Care and Control, shall render to said City within ~~ten (10)~~ **15** days after the close of each calendar month a summarized invoice which covers all services performed during said month, and said City shall pay County for all undisputed amounts within 30 days after date of said invoice.

This change extends the time for preparation of the invoice by five days and is made in recognition of necessary staff time to prepare invoices.

Mr. Hector Rodriguez  
March 31, 2014  
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If you have any questions, please contact me or our Contract City Liaison, Ms. Whitney Duong at (562) 256-2412 or wduong@animalcare.lacounty.gov. We look forward to continuing to work with you and your staff in an effort to provide you with effective and caring service.

Sincerely,



MARCIA MAYEDA  
Director

MM:BW  
PM:WD:rm  
2014-15 Bill Rates3.14

c: Animal Care Board Deputies

CITY-COUNTY MUNICIPAL SERVICES AGREEMENT

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COUNTY OF LOS ANGELES DEPARTMENT OF ANIMAL CARE  
AND CONTROL AND CITY OF CUDAHY

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CITY-COUNTY MUNICIPAL SERVICES AGREEMENT  
COUNTY OF LOS ANGELES DEPARTMENT OF ANIMAL CARE  
AND CONTROL AND CITY OF CUDAHY

THIS AGREEMENT is made by and between the COUNTY OF LOS ANGELES, hereinafter referred to as County, and the CITY OF CUDAHY, hereinafter referred to as City.

RECITALS

- a. The City is desirous of contracting with the County for the performance of animal care and control functions described herein by the County.
- b. The County of Los Angeles is agreeable to rendering such services on the terms and conditions set forth in this Agreement.
- c. Such contracts are authorized and provided for by the provisions of Section 56-1/2 and 56-3/4 of the Charter of the County of Los Angeles and Section 51300 et seq. of the Government Code of the State of California.

1.0 AGREEMENT TO PROVIDE SERVICES UNDER STATE AND LOCAL STATUTES

- 1.1 The County agrees, through the County Department of Animal Care and Control, to provide general animal care and control services within the corporate limits of the City to the extent and in the manner hereinafter set forth.
- 1.2 Except as otherwise specifically set forth in this Agreement, such services shall only encompass duties and functions of the type coming within the jurisdiction of and customarily rendered by the County under the Charter of the County and the Statutes of the State of California and under the municipal codes of the City. The County will provide services in accordance with the provisions of Title 10, Animals of the Los Angeles County Code, and all amendments thereto, except as otherwise agreed by the parties in the attached Service Level Request.

2.0 ADMINISTRATION OF PERSONNEL

- 2.1 The rendition of the services performed by the County, the standards of performance, the discipline of officers and staff, and the matters incident to the performance of such services and the control of personnel so employed shall remain with the County.
- 2.2 In the event of a dispute between the parties to this contract as to the extent of the duties and functions to be rendered hereunder, or the

minimum level or manner of performance of such service, the City shall be consulted and a mutual determination thereof shall be made by both the County and the City.

- 2.3 With regard to Sections 2.1 and 2.2, the County, in an unresolved dispute, shall have final and conclusive determination as between the parties hereto.
- 2.4 All City employees who work in conjunction with the County's Department of Animal Care and Control pursuant to this Agreement shall remain employees of the City and shall not have any claim or right to employment, civil service protection, salary, or benefits or claims of any kind from the County based on this Agreement. No City employee as such shall become employees of the County unless by specific additional agreement in the form of a merger contract which must be concurrently adopted by the City and County. To the extent the County provides the City with animal licensing services, City employees or their agents shall not perform any function related to the licensing of animals, including collection of license fees, penalties, or field enforcement fees, except as otherwise agreed to by the parties in the attached Service Level Request of other prior written agreement. Field enforcement fees will only be collected for services performed by employees of the County of Los Angeles Department of Animal Care and Control.
- 2.5 For the purpose of performing services and functions, pursuant to this Agreement and only for the purpose of giving official status to the performance thereof, every County officer and/or employee engaged in performing any such service and function shall be deemed to be a contracted officer or employee of the City while performing such service for the City, as long as the service is within the scope of this Agreement and in a municipal function.
- 2.6 The contracting City shall not be called upon to assume any liability for the direct payment of any County Department of Animal Care and Control salaries, wages, or other compensation to any County personnel performing services hereunder for said City. Except as herein otherwise specified, the City shall not be liable for compensation or indemnity to any County employee or agent of the County for injury or sickness arising out of his/her employment as a contract employee of the City.
- 2.7 As part of its compliance with all applicable laws and regulations relating to employee hiring, the County agrees that the County Civil Services Rules to which it is subject and which prohibit discrimination on the basis of non-merit factors, shall for purposes of this contract be read and understood to prohibit discrimination.

### 3.0 DEPLOYMENT OF PERSONNEL

- 3.1 Services performed hereunder and specifically requested by the City shall be developed in conjunction with the County Department of Animal Care and Control.
- 3.2 The City agrees to complete a Service Level Request form annually (Attachment A) and the level of service to be provided and contract sum shall be signed and authorized by the City and the County Department of Animal Care and Control or his/her designee and shall be attached to this contract as an amendment.
- 3.3 The City may request a change in level of service and complete an additional Service Level Request form and submit such form to the County Department of Animal Care and Control. The revised level of service to be provided and contract sum shall be signed and authorized by the City and the County Department Animal Care and Control or his/her designee and attached to this contract as an amendment to the level of service and the contract sum.
- 3.4 The City is not limited to the foregoing services indicated, but may also request any other services in the field of public safety, animal welfare, or related fields within the legal power of the Director of Animal Care and Control to provide.

### 4.0 PERFORMANCE OF CONTRACT

- 4.1 For the purpose of performing said functions, County shall furnish and supply all necessary labor, supervision, equipment, communication facilities, and supplies necessary to maintain the agreed level of service to be rendered hereunder.
- 4.2 Notwithstanding the foregoing, the City may provide additional resources for the County to utilize in performance of the services.
- 4.3 Notwithstanding the foregoing, it is mutually agreed that in all instances where special supplies, stationery, notices, forms, and the like must be issued in the name of said City, the same shall be supplied by the City at its own cost and expense.

### 5.0 INDEMNIFICATION

- 5.1 The parties hereto have executed an Assumption of Liability Agreement approved by the Board of Supervisors on December 27, 1977, and/or a Joint Indemnity Agreement approved by the Board of Supervisors on October 8, 1991, and/or a revised Joint Indemnity Agreement approved by the Board of Supervisors on August 9, 1993. Whichever of these documents the City has signed later in time is currently in effect and

hereby made a part of and incorporated into this Agreement as if set out in full herein.

- 5.2 In the event the Board of Supervisors later approves a revised Joint Indemnity Agreement and the City executes the revised agreement, the subsequent agreement as of its effective date shall supersede the Joint Indemnity Agreement previously in effect between the parties hereto.

## 6.0 TERM OF CONTRACT

- 6.1 Unless sooner terminated as provided for herein, this Agreement shall be effective July 1, 2014, and shall remain in effect until June 30, 2019.
- 6.2 At the option of the Board of Supervisors and with the consent of the City Council, this Agreement may be renewable for successive periods not to exceed five years each.

## 7.0 RIGHT OF TERMINATION

- 7.1 Either party may terminate this Agreement as of the first day of July of any year upon notice in writing to the other party of not less than 60 days prior thereto.
- 7.2 Notwithstanding any provision herein to the contrary, the City may terminate this Agreement upon notice in writing to the County given within 60 days of receipt of hereunder, and in such an event this Agreement shall terminate 60 calendar days from the date of the City's notice to the County.
- 7.3 This Agreement may be terminated at anytime, with or without cause, by either party upon written notice given to the other party at least 180 days before the date specified for such termination.
- 7.4 In the event of a termination, each party shall fully discharge all obligations owed to the other party accruing prior to the date of such termination, and each party shall be released from all obligations which would otherwise accrue subsequent to the date of termination.

## 8.0 CONTRACT SUM

- 8.1 The City shall pay for the services provided under the terms of this service agreement at the rate established by the County's Department of Animal Care and Control and approved by the Auditor-Controller.
- 8.2 The rates indicated in the Service Level Request form shall be readjusted by the County annually effective the first day of July each year to reflect the cost of such service in accordance with the policies and procedures for

the determination of such rate as adopted by the County Board of Supervisors.

8.3 The City shall be billed based on the service level provided within the parameters of the Service Level Request form.

8.4 The cost of other services requested pursuant to this Agreement and not set forth in the Service Level Request form shall be determined by the County's Department of Animal Care and Control and in accordance with the policies and procedures established by the County Board of Supervisors.

## 9.0 PAYMENT PROCEDURES

9.1 The County, through the County of Los Angeles Department of Animal Care and Control, shall render to said City within 15 days after the close of each calendar month a summarized invoice which covers all services performed during said month, and said City shall pay County for all undisputed amounts within 30 days after date of said invoice.

9.2 If such payment is not delivered to the County office which is described on said invoice within 60 days after the date of the invoice, the County is entitled to recover interest thereon. For all disputed amounts, the City shall provide County with written notice of the dispute including the invoice date, amount, and reasons for dispute within 15 days after receipt of the invoice. The parties shall memorialize the resolution of the dispute in writing. For any disputed amounts, interest shall accrue if payment is not received within 60 days after the dispute resolution is memorialized.

9.3 Interest shall be calculated at the rate of seven percent (7%) annually or any portion thereof, calculated from the last day of the month in which the services were performed, or in the case of disputed amounts, calculated from the date the resolution is memorialized.

9.4 Notwithstanding the provisions of Government Code Section 907, if such payment is not delivered to the County office which is described on said invoice within 60 days after the date of the invoice, or in the case of disputed amounts, from the date the resolution is memorialized, the County may satisfy such indebtedness, including interest thereon, from any funds of the City on deposit with the County without giving further notice to City of County's intention to do so.

## 10.0 ENTIRE AGREEMENT

10.1 This Agreement and Attachment A hereto, constitute the complete and exclusive statements of the parties which supersedes all previous agreements, written or oral, and all communications between the parties relating to the subject matter hereof. All changes or amendments to this





CITY-COUNTY MUNICIPAL SERVICES AGREEMENT

COUNTY OF LOS ANGELES  
DEPARTMENT OF ANIMAL CARE AND CONTROL

AND

THE CITY OF

CUDAHY

FY 2014-15 SERVICE LEVEL REQUEST

**Part One: Billing Rates for the period July 1, 2014, through June 30, 2015**

Kennel Services*	
Dog and Cat per day	\$20.07
Other animals per day	\$ 9.95
Observation per day	\$24.08
Dog license processing per license	\$ 2.45
Dead animal disposal per animal	\$12.84
Field Services per hour	\$85.02
Animal License Field Enforcement per hour	\$67.34
Liability Trust Fund (applied to <b>Field Services</b> and <b>Animal License Field Enforcement</b> hourly amounts only)	4%

**Part Two: Annual/Amended Service Request Approval**

\_\_\_\_\_  
Authorized Representative (Printed Name)      Authorized Signature (Signature)      Date

\_\_\_\_\_  
Title      Telephone Number

**Part Three: Annual Service Level**

**Standard Shelter Services:**

**Full Service** - All animals acquired in the field, within the boundaries of the City or determined to have originated within the boundaries of the City, may be impounded at a County animal care center. Impounded animals will be vaccinated and provided medical care, food, and shelter. The animal's picture will generally be posted on the Department's website to assist residents in reclaiming a lost or missing pet. Residents may also visit the associated animal care center to find their lost or missing pet. The hours of operation of each animal care center are scheduled at the discretion of the Department. **See Part One for the associated shelter services billing rates.**  
**Primary animal care center\*: (Downey Animal Care Center)**

\*The Department shall take reasonable action to shelter all animals at this location. There may be circumstances in which the Department must shelter animals at an alternate location. In general, such sheltering shall be temporary and animals shall subsequently be transferred to the primary animal care center.

Contract cities are charged for the first five days of care for animals impounded within the city's jurisdiction. If an animal leaves our care earlier for any reason, cities will be charged based upon the actual number of days (1-4). If an animal is redeemed, the redemption fees collected from owners will be credited to the city up to the maximum number of days that would otherwise be billed. The County assumes liability and disposition of these animals after five days with the exception of animals held as a result of a seizure or criminal case, abandoned animals, observation animals (quarantine), potentially dangerous or vicious dogs, and return to owner animals.

Below are the kennel services maximum number of days billed and the description:

<b>*Kennel Services Description</b>	<b>Maximum number of days billed</b>
<b>Kennel Services:</b> Stray or relinquished animals.	5 days
<b>Private Veterinarian:</b> If the owner is unable to be located and the injury or condition is life threatening and the scene of the incident is not in the vicinity of a County animal care center, or if the medical staff at the animal care center are not available, the animal will be taken to the nearest private contract veterinarian. Cities will be charged for the private contracted veterinarian visit.	5 days
<b>Observation Animals:</b> Animal bite that causes any penetration of the skin by teeth which requires a bite report be taken and the animal quarantined. The animal will be placed in quarantine confinement and observed for ten (10) days minimum from the date of the bite at the discretion of the Department of Veterinary Public Health.	10 days
<b>Return to Owner Animal:</b> The owner or person entitled to the custody of any animal impounded can redeem such animal by paying impound and boarding fees accruing up to the time of such redemption.	10 days
<b>Abandoned Animals:</b> Hold at least fifteen (15) calendar days; determine whether the owner had an agreement with someone to care for the animal in their absence, post a Form 58 (Notice of Impoundment) at the premises for the owner if they return, and mail a registered or certified letter to the last address	15 days
<b>Special Intake:</b> Confiscated, Court Case, Police Request, Owner Arrested, Potentially Dangerous or Vicious Dog	Unlimited days

**Field Services:**

The County will provide the services set forth below in accordance with the provisions of the Los Angeles County Code, Title 10 - Animals, and all amendments, except as otherwise agreed to by the parties in this Service Level Request.

- Standard Service Plan - Includes answering calls for service (24 hours per day, daily); dispatching or assigning field staff; and performance of duties in the field based on priority, location, and availability of staff.
  
- Limited Standard Service Plan:
  - Daily between the hours of \_\_\_\_ (a.m./p.m.) and \_\_\_\_ (a.m./p.m.)
  - Weekend days and holidays
  - Emergency Services - As needed
  - Humane Investigations and Prosecution - As needed

Regular Business hour contact information:

Department Name: \_\_\_\_\_

Telephone: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**Outreach and Enforcement Services:**

County will enforce the fees set forth in Los Angeles County Code Section 10.90.010 et seq. unless the City provides an alternate fee schedule approved by the City and provided to the County.

**Animal License Field Enforcement**

License Enforcement Services - Provides for dedicated staff to perform license enforcement activities (issuing new licenses, license renewals, collecting delinquency charges and other fees) in the field.

- Authorized Animal License Enforcement Services
  - County and City shall subsequently agree to the time and scope of this service.
  
- No Animal License Enforcement Services
  - Note: All license enforcement revenue collected will be contributed toward offsetting the cost of services

### Animal Facility Licensing

Animal Facility Licensing Services - Provides for dedicated staff to perform animal facility inspection and licensing to any lot, building, structure, enclosure, or premises for any animal related business or organization which is required to be licensed. The animal facility licensing staff inspects animal related facilities annually and when otherwise necessary, to ensure the health and safety of the public and animals. Businesses are provided a letter grade based on the results of the inspection. Animal facility licenses are generally valid for one year from the date of issue. The Department will inspect animal facilities and any revenues collected will offset services.

- Animal Facility Licensing
  - Licensing and Inspection/Grading Services
- No Animal Facility Licensing

### Clinic(s)

In addition to the vaccination and licensing services provided in all County Animal Care Centers, the city may request the following additional services in its jurisdiction by checking the applicable box(es):

- Request County to provide or arrange for vaccination clinic(s) in its jurisdiction;
- If a vaccination clinic(s) is/are requested by checking the box above, the City also requests County to provide personnel to license animals during the vaccination clinic.

**Part Four: License Information (required if the Department manages City licensing)**

**Standard Licensing Services:**

License renewal notices are mailed or transmitted to the animal owner of record, the renewal and payment is received and processed annually on a fee per license basis. Licenses will be required before an animal will be released to a resident of a City participating in the Standard Licensing Services program. Fees from licenses collected will be credited to the City monthly in arrears.

- City has adopted the license fees outlined in Title 10 of the Los Angeles County Code

Altered Dog	\$ <u>20.00</u>	Altered Cat	\$ <u>5.00</u>
Unaltered Dog	\$ <u>60.00</u>	Unaltered Cat	\$ <u>10.00</u>
Senior* Dog	\$ <u>7.50</u>	*Senior age is defined as <u>60</u> years.	
Delinquency Charge	\$ <u>Equal to Amount of License</u>		
Delinquency Charge applies after: <u>10 days</u>			
Field Enforcement Fee	\$ <u>40.00</u> (licensing initiated in the field)		

- City has adopted the following license fees:

Altered Dog	\$ _____	Altered Cat	\$ _____
Unaltered Dog	\$ _____	Unaltered Cat	\$ _____
Senior* Dog	\$ _____	Senior* Cat	\$ _____
_____	\$ _____	_____	\$ _____

\*Senior age is defined as \_\_\_\_\_ years.

Delinquency Charge \$ \_\_\_\_\_

Delinquency Charge applies after: \_\_\_\_\_ days.

Field Enforcement Fee \$ \_\_\_\_\_ (licensing initiated in the field)

Current license fees adopted by the City on \_\_\_\_\_, 20\_\_\_\_\_.

- No Animal Licensing Services



**Records:**

Upon reasonable notice, the Department shall make available to authorized representatives of City of Cudahy, for examination, audit, excerpt, copy, or transcription, any pertinent transaction, activity, or other record relating to this Agreement. The City of Cudahy shall ensure such records are handled in a manner consistent with all applicable privacy laws and all related to public records, including, but not limited to the Public Records Act (Government Code § 6250 et. seq.).

**Part Six: Contact Information**

**Primary Contact**

Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
\_\_\_\_\_  
Telephone: (\_\_\_\_) \_\_\_\_\_  
Alt. Telephone: (\_\_\_\_) \_\_\_\_\_  
E-mail: \_\_\_\_\_

**Alternate Contact**

Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
\_\_\_\_\_  
Telephone: (\_\_\_\_) \_\_\_\_\_  
Alt. Telephone: (\_\_\_\_) \_\_\_\_\_  
E-mail: \_\_\_\_\_

WD: FY 2014-15 Service Level Request DR

**GENERAL SERVICES AGREEMENT**

THIS AGREEMENT, dated for purposes of reference only, June 18, 2010, is made by and between the County of Los Angeles, hereinafter referred to as the "County", and the City of Cudahy, hereinafter referred to as the "City."

**RECITALS:**

(a) The City is desirous of contracting with the County for the performance by its appropriate officers and employees of City functions.

(b) The County is agreeable to performing such services on the terms and conditions hereinafter set forth.

(c) Such contracts are authorized and provided for by the provisions of Section 56½ of the Charter of the County of Los Angeles and Section 51300, *et seq.*, of the Government Code.

**THEREFORE, THE PARTIES MUTUALLY AGREE AS FOLLOWS:**

1. The County agrees, through its officers and employees, to perform those City functions, which are hereinafter provided for.

2. The City shall pay for such services as are provided under this agreement at rates to be determined by the County Auditor-Controller in accordance with the policies and procedures established by the Board of Supervisors.

These rates shall be readjusted by the County Auditor-Controller annually effective the first day of July of each year to reflect the cost of such service in accordance with the policies and procedures for the determination of such rates as adopted by the Board of Supervisors of County.

3. No County officer or department shall perform for said City any function not coming within the scope of the duties of such officer or department in performing services for the County.

4. No service shall be performed hereunder unless the City shall have available funds previously appropriated to cover the cost thereof.

5. No function or service shall be performed hereunder by any County officer or department unless such function or service shall have been requested in writing by the City on order of the City Council thereof or such officer as it may designate and approved by the Board of Supervisors of the County, or such officer as it may designate, and each such service or function shall be performed at the times and under circumstances which do not interfere with the performance of regular County operations.

6. Whenever the County and City mutually agree as to the necessity for any such County officer or department to maintain administrative headquarters in the City, the City shall furnish at its own cost and expense all necessary office space, furniture, and furnishings, office supplies, janitorial service, telephone, light, water, and other utilities. In all instances where special supplies, stationery, notices, forms and the like must be issued in the name of the City, the same shall be supplied by the City at its expense.

It is expressly understood that in the event a local administrative office is maintained in the City for any such County officer or department, such quarters may be used by the County officer or department in connection with the performance of its duties in territory outside the City and adjacent thereto provided, however, that the performance of such outside duties shall not be at any additional cost to the City.

7. All persons employed in the performance of such services and functions for the City shall be County employees, and no City employee as such shall be taken over by the County, and no person employed hereunder shall have any City pension, civil service, or other status or right.

For the purpose of performing such services and functions, and for the purpose of giving official status to the performance hereof, every County officer and employee engaged in performing any such service or function shall be deemed to be an officer or employee of said City while performing service for the City within the scope of this agreement.

8. The City shall not be called upon to assume any liability for the direct payment of any salary, wages or other compensation to any County personnel performing services hereunder for the City, or any liability other than that provided for in this agreement.

Except as herein otherwise specified, the City shall not be liable for compensation or indemnity to any County employee for injury or sickness arising out of his employment.

9. The parties hereto have executed an Assumption of Liability Agreement approved by the Board of Supervisors on December 27, 1977 and/or a Joint Indemnity Agreement approved by the Board of Supervisors on October 8, 1991. Whichever of these documents the City has signed later in time is currently in effect and hereby made a part of and incorporated into this agreement as set out in full herein. In the event that the Board of Supervisors later approves a revised Joint Indemnity Agreement and the City executes the revised agreement, the subsequent agreement as of its effective date shall supersede the agreement previously in effect between the parties hereto.

10. Each County officer or department performing any service for the City provided for herein shall keep reasonably itemized and in detail work or job records covering the cost of all services performed, including salary, wages and other compensation for labor; supervision and planning, plus overhead, the reasonable rental value of all County-owned machinery and equipment, rental paid for all rented machinery or equipment, together with the cost of an operator thereof when furnished with said machinery or equipment, the cost of all machinery and supplies furnished by the County, reasonable handling charges, and all additional items of expense incidental to the performance of such function or service.

11. All work done hereunder is subject to the limitations of the provisions of Section 23008 of the Government Code, and in accordance therewith, before any work is done or services rendered pursuant hereto, an amount equal to the cost or an amount 10% in excess of the estimated cost must be reserved by the City from its funds to insure payment for work, services or materials provided hereunder.

12. The County shall render to the City at the close of each calendar month an itemized invoice which covers all services performed during said month, and the City shall pay County therefore within thirty (30) days after date of said invoice.

If such payment is not delivered to the County office which is described on said invoice within thirty (30) days after the date of the invoice, the County is entitled to recover interest thereon. Said interest shall be at the rate of seven (7) percent per annum or any portion thereof calculated from the last day of the month in which the services were performed.

13. Notwithstanding the provisions of Government Code Section 907, if such payment is not delivered to the County office which is described on said invoice within

thirty (30) days after the date of the invoice, the County may satisfy such indebtedness, including interest thereon, from any funds of any such City on deposit with the County without giving further notice to said City of County's intention to do so.

14. This contract shall become effective on the date herein-above first mentioned and shall run for a period ending June 30, 2015, and at the option of the City Council of the City, with the consent of the Board of Supervisors of County, shall be renewable thereafter for an additional period of not to exceed five (5) years.

15. In event the City desires to renew this agreement for said five-year period, the City Council shall not later than the last day of May 2015, notify the Board of Supervisors of County that it wishes to renew the same, whereupon the Board of Supervisors, not later than the last day of June 2015, shall notify the City Council in writing of its willingness to accept such renewal. Otherwise such agreement shall finally terminate at the end of the aforescribed period.

Notwithstanding the provisions of this paragraph herein-above set forth, the County may terminate this agreement at any time by giving thirty (30) days' prior written notice to the City. The City may terminate this agreement as of the first day of July of any year upon thirty (30) days' prior written notice to the County.

16. This agreement is designed to cover miscellaneous and sundry services which may be supplied by the County of Los Angeles and the various departments thereof. In event there now exists or there is hereafter adopted a specific contract between the City and the County with respect to specific services, such contract with respect to specific services shall be controlling as to the duties and obligations of the parties anything herein to the contrary notwithstanding, unless such special contract adopts the provisions hereof by reference.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officers.

Executed this 11<sup>TH</sup> day of MAY 2010.

APPROVED AS TO FORM

The City of Cudahy

By Dandy Oliver  
City Attorney

By Paul M. [Signature]  
Mayor

ATTEST:

City Clerk

THE COUNTY OF LOS ANGELES

By Jerry Galvan  
Deputy 3/6/10

By Gloria Molina  
Chair Board of Supervisors

ATTEST:

SACHI A. HAMAI  
Executive Officer/Clerk  
of the Board of Supervisors



**ADOPTED**

BOARD OF SUPERVISORS  
COUNTY OF LOS ANGELES

**18** MAY 11 2010

By [Signature]  
Deputy **JUN 11 2010**

Sachi A. Hamai  
SACHI A. HAMAI  
EXECUTIVE OFFICER

APPROVED AS TO FORM:

ANDREA SHERIDAN ORDIN  
County Counsel

By [Signature]  
Deputy



Item Number

**11A**

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## STAFF REPORT

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**Date:** December 2, 2014

**To:** Honorable Mayor/Chair and City Council/Agency Members

**From:** Jose E. Pulido, City Manager/Executive Director  
By: Jennifer Hernandez, Acting Human Resources Specialist

**Subject:** **A Resolution of the City of Cudahy City of Cudahy Approving Projects/ Programs for Community Development Block Grant (CDBG) Funding During the Fiscal Year 2015-16**

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### **RECOMMENDATION**

The City Council is requested to:

1. Conduct a public hearing;
2. Consider all public testimony; and
3. Adopt Resolution No. 14-85, approving Projects/Programs for Community Development Block Grant (CDBG) Funding during the Fiscal Year (FY) 2015-16.

### **BACKGROUND**

1. The Federal Department of Housing and Urban Development (HUD) is responsible for administering the CDBG program. In order to receive funds, a city must submit an annual application to HUD. In the case of Cudahy, the City submits its application through the Los Angeles County Community Development Commission (CDC). The primary national objectives of the CDBG program are to undertake activities that benefit low and moderate-income persons, and/or eliminate slum and blight conditions. The program requires that a minimum of 70 percent of the program funds be expended on activities that benefit low and moderate-income persons.
2. Prior to each new fiscal year, the CDC notifies the City of its final CDBG allocation for the coming fiscal year. At this time, the CDC also distributes the forms that the City must submit to receive these CDBG funds and conduct training sessions on the preparation of these forms.

3. On November 14, 2014, City Staff reviewed a variety of projects and prepared the recommendation list of projects/programs/activities.
4. On November 19, 2014, a public hearing notice soliciting suggestions and recommendations for the use of CDBG funds for FY 2015-16 was posted at City Hall and other public buildings within the City. The public hearing notice informed the community that the Community Development Advisory Board/Planning Commission would consider the various suggestions it receives at this public hearing prior to recommending specific projects and budgets for approval by the City Council.

### **ANALYSIS**

The purpose of this public hearing is to review the City's current use of CDBG funds and, more importantly, to determine the projects to be undertaken using CDBG funds during the coming fiscal year. It would be appropriate for the Community Development Advisory Board/Planning Commission to open the public hearing and receive suggestions from the public for the use of the available CDBG funds. After receiving such suggestions, the Board should close the public hearing, deliberate on the public testimony, and ultimately determine the projects it wishes to recommend to the City Council for the use of these funds.

### ***ELIGIBLE ACTIVITIES FOR FUNDING***

The types of activities that can be funded under the program, provided that they meet one of the national objectives stated above, include the following:

- Land acquisition and disposition;
- Development of, and improvements to, public facilities;
- Street and other infrastructure improvements;
- Demolition and clearance of property improvements;
- Code enforcement;
- Public service activities;
- Housing and commercial rehabilitation;
- Economic development activities; and
- Program administration.

### ***INELIGIBLE ACTIVITIES***

On the other hand, there are certain activities or projects for which CDBG funds cannot be used. These ineligible activities include:

- Construction of city halls, county administrative buildings, or other facilities in which the legislative, judicial, or general administrative affairs of the government are conducted;

- Purchase of equipment, unless otherwise required for program purposes;
- Operating and maintenance expenses;
- General government expenses; and
- Political activities.

The CDC has notified the City that its preliminary CDBG allocation for the 2015-16 fiscal year is approximately \$335,610. In considering potential projects/programs for funding, it should be pointed out that up to 15 percent of the coming year's allocation, or \$50,341, can be budgeted for public services. Administrative delivery services for the Housing Rehabilitation Programs are not to exceed 20 percent of their recommended budgets.

### ***PROPOSED PROJECTS***

The CDBG Projects/Budgets being proposed to the City Council for the 2015-16 Program Year are as follows:

### ***ONGOING PROGRAMS/PROJECTS*** (funded in previous years)

- **Clara Street Park Food Distribution Program**

Activity Summary - This continuing program will provide a monthly food distribution for Cudahy residents. Once a month, households will receive various food products. The food will be distributed at Clara Street Park. This program will provide food supplies to approximately 800 clients and will have up to 3000 clients over the course of the fiscal year. Activity Accomplishments for 2014-15: 2,159 units

- **Business Assistance Program**

Activity Summary - This is a continuing project that will provide funds to assist 28 existing/potential new business owners in retaining, expanding, or opening a business in the City of Cudahy. The program offers assistance with completing applications for permits and business licenses and will provide technical assistance through one-to-one consultations, trainings, and workshops to address the needs of the City's business community. Topics will include, but not be limited to business expansion plans, how to market your business, how to obtain a business loan and how to strengthen your business. These services will be delivered to the business community by City staff, long-time business owners and commercial bank personnel.

Activity Accomplishments for 2014-15: 26 Clients

- **Code Enforcement Program**

This continuing project aids in arresting the decline of primarily residential and neighborhood commercial businesses located in the following designated areas: Census

Tracts 5343.01, 5343.02, 5343.03, 5344.03, 5344.04, 5344.05, and 5344.06, which have been deemed deteriorating or deteriorated. This program together with CDBG-funded City program Single-Unit Housing Rehabilitation is expected to prevent the decline of the area. The following are the most common violations that will be addressed through this CDBG-funded activity: prohibited conditions, unsightliness, and violation of building code.

- **Single Unit Housing Rehabilitation Program**

This is a continuing project, offering grants (up to \$10,000 each for single-family homes and up to \$8,000 for mobile homes), below market interest rate loans (no maximum amount, interest rates from 3% to 6%), deferred loans (up to \$3,000 each, interest rates 0% to 3%), and emergency grants (up to \$1,500). Programs may be used in combination. These programs are designed to assist existing low-to-moderate income households with the repair or rehabilitation of owner-occupied units. Mobile home units affixed to the foundation and part of the City's permanent housing stock will only be assisted through the grant program.

Activity Accomplishments for 2014-15: 4 Rehabilitated Units

## ***NEW PROJECTS***

- **ADA Compliance in Public City Facilities/Parking Lots**

This is a one-time project, which includes the construction of a new ADA compliant ramp, re-striping of handicap parking stalls and installation of ADA required signage in the Cudahy Park (5220 Santa Ana Street) parking lot, the installation of ADA compliant doors at all public City buildings (includes automatic sliding doors and panic bars at existing doors) and an ADA Transition Plan Study/Assessment to be carried out by a consultant.

## **CONCLUSION**

The City Council has a limited time frame to approve the proposed Community Development Block Grant (CDBG) projects. Projects that are not Council approved and submitted to the Los Angeles County Community Development Commission's CDBG Grants Management Unit by the end of January 2015 generally run significant risk of not receiving a receiving a July 1, 2015 program start date. Not receiving a July 1, 2015 start date can delay program start dates, which could temporarily suspend project services, or potentially impact the City's General Fund.

## **FINANCIAL IMPACT**

At the moment, is it estimated that the CDBG funding allocation for FY 2015-16 will be approximately \$335,610. Additionally, the unallocated funding balance remaining from the FY 2014-15 program year is currently \$184,950. In total, the City has approximately \$520,650 in Federal funding to put towards CDBG Projects for the FY 2015-16 Program Year.

**ATTACHMENTS**

- A. Resolution No. 14-85, approving Projects/Programs for Community Development Block Grant Funding during the 2015-16 Fiscal Year.

**RESOLUTION NO. 14-85**

**A RESOLUTION OF THE CITY OF CUDAHY CITY  
COUNCIL APPROVING PROJECTS/PROGRAMS FOR  
COMMUNITY DEVELOPMENT BLOCK GRANT  
FUNDING DURING THE 2015-16 FISCAL YEAR**

WHEREAS, on August 22, 1974, the President of the United States signed into law the Housing and Community Development Act of 1974 (Act); and

WHEREAS, the primary goals of Title I of the Act are the development of viable urban communities by providing decent housing and a suitable living environment, and expanding economic opportunities, principally for persons of low and moderate income; and

WHEREAS, the City of Cudahy ("City") has been designated an "Entitlement City" by the United States Department of Housing and Urban Development, which entitles the City to receive an annual allocation of Community Development ("CDBG") funds to implement housing and community development projects throughout the City; and

WHEREAS, the City has received notification of the availability of \$335,610 in federal CDBG funds to further the attainment of these goals during Fiscal Year 2015-16; and

WHEREAS, community-based and other local non-profit organizations that serve the residents of Cudahy have been invited to submit proposals for the utilization of these funds; and

WHEREAS, the Cudahy City Council has published information regarding eligible activities under the Act and has conducted a public hearing to solicit suggestions from the community for the utilization of these funds.

NOW, THEREFORE, BE IT RESOLVED, that the Cudahy City Council hereby allocates the City's available CDBG funds for the following purposes:

Single Unit Housing Rehabilitation	\$ 100,000
ADA Compliance in Public Facilities/Parking Lots	\$ 171,816
Business Assistance Program	\$ 23,403
Code Enforcement	\$ 175,000
Parenting Classes/ JADE	\$ 21,730
Clara Street Park Food Distribution	\$ 28,611
Total	\$ 520,560

**PASSED, APPROVED AND ADOPTED** by the City Council of the City of Cudahy at its regular meeting on this 2<sup>nd</sup> day of December, 2014.

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Chris Garcia, Mayor

ATTEST:

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Donna G. Schwartz, CMC  
Interim City Clerk

## GREATER LOS ANGELES COUNTY VECTOR CONTROL DISTRICT

12545 Florence Avenue, Santa Fe Springs, CA 90670  
Office (562) 944-9656 Fax (562) 944-7976  
Email- [info@glacvcd.org](mailto:info@glacvcd.org) Website: [www.glacvcd.org](http://www.glacvcd.org)

**PRESIDENT***Pedro Aceituno, Bell Gardens***VICE PRESIDENT***Steve Tye, Diamond Bar***SECRETARY-TREASURER***Harold Williams, Carson*

September 30, 2014

**GENERAL MANAGER***Truc Dever***ARTESIA***Sally Flowers***BELL***Ali Saleh***BELLFLOWER***Ray T. Smith***BURBANK***Dr. Jeff D. Wasseem***CERRITOS***Mark W. Bollman***COMMERCE***Tina Baca Del Rio***CUDAHY***Josué Barrios***DOWNEY***Roger C. Brossmer***GARDENA***Rachel C. Johnson***GLENDALE***Armine Perian***HAWAIIAN GARDENS***Barry Bruce***HUNTINGTON PARK***Elba Guerrero***LA HABRA HEIGHTS***Jim Remington***LAKEWOOD***Steve Croft***LA MIRADA***Pauline Deal***LONG BEACH***Robert Campbell***LOS ANGELES CITY***Steven Appleton***LOS ANGELES COUNTY***Martin H. Kreisler***LYNWOOD***Salvador Alatorre***MAYWOOD***Eddie De La Riva***MONTEBELLO***Christina Cortez***NORWALK***Cheri Kelley***PARAMOUNT***Tom Hansen***PICO RIVERA***Bob J. Archuleta***SAN FERNANDO***Nina Herrera***SAN MARINO***Clifton Jenkins***SANTA CLARITA***Robert Newman***SANTA FE SPRINGS***Michael Madrigal***SIGNAL HILL***Dr. Hazel Wallace***SOUTH EL MONTE***Hector Delgado***SOUTH GATE***Maria Davila***WHITTIER***Ower, Newcomer*

Mr. Jose E. Pulido  
City Manager  
5220 Santa Ana St.  
Cudahy, CA 90201

Re: Appointment/Re-appointment of representative of the Greater Los Angeles County Vector Control District Board of Trustees

Dear Mr. Pulido:

This correspondence is to inform you that the term of the office of Trustee Josue Barrios as a member of the Board of Trustees of the Greater Los Angeles County Vector Control District will expire on January 5, 2015. Pursuant to Section 2024 of the State Health and Safety Code (SHSC) governing the dates of term of office of members appointed to the Board of Trustees, the City Council may consider reappointing Trustee Josue Barrios or appointing a new trustee for a 2 or 4 year term of the office, commencing at noon on the first Monday of January (i.e. January 5, 2015) **Please note, per the State Health and Safety Code that representatives must be appointed to serve a full 2 or 4 year term commencing on January 5, 2015 and should not be appointed on a yearly basis. Furthermore, the District does not accept or recognize the appointment of alternate representatives.**

Please review all subsections of the SHSC 2022 (i.e. a-e). Subsections a and b require that each person appointed by a board of supervisors or by a city council shall be a voter and resident within the respective county or city of the appointing body. Section 2022 (c) incorporates language that clarifies the issue over the doctrine of Incompatibility of office, exempting and enabling an appointee who holds elected offices to also simultaneously serve on the District's Board of Trustees. Trustees represent the mission and interests of the District at large rather than the individual interests of the appointing body. **Once appointed, the representative cannot be removed at-will by the appointing city or county. The representative will serve until the expiration of his/her term unless he/she resigns, vacates the office due to absences, or is no longer a voter and resident within the respective county or city of the appointing body.**

Representatives are expected to attend the District's general board meetings held monthly on the 2<sup>nd</sup> Thursday of the month. Pursuant to California Government Code Section 1770(g), the Trustee's seat will be considered abandoned if the person holding the office ceases to discharge the duties of that office for a period of three consecutive months, except when prevented by sickness or specified excuses.

Please make your appointment/reappointment prior to January 5, 2015 as stipulated in the SHSC.

A CALIFORNIA GOVERNMENTAL AGENCY

Should you have any questions regarding this appointment, please contact Kelly Middleton,  
Director of Community Affairs at 562-944-9656 ext. 510

Sincerely,



Truc Dever  
General Manager

Enclosure: Sections 2022 & 2024 of the SHSC  
cc: Josue Barrios  
City Clerk



**HEALTH AND SAFETY CODE - HSC**

**DIVISION 3. PEST ABATEMENT [2000 - 2910]**

*(Heading of Division 3 amended by Stats. 1957, Ch. 205.)*

**CHAPTER 1. Mosquito Abatement and Vector Control Districts [2000 - 2093]**

*(Chapter 1 added by Stats. 2002, Ch. 395, Sec. 6.)*

**ARTICLE 3. Boards of Trustees and Officers [2020 - 2030]**

*(Article 3 added by Stats. 2002, Ch. 395, Sec. 6.)*

**2022.**

(a) Each person appointed by a board of supervisors to be a member of a board of trustees shall be a voter in that county and a resident of that portion of the county that is within the district.

(b) Each person appointed by a city council to be a member of a board of trustees shall be a voter in that city and a resident of that portion of the city that is within the district.

(c) Notwithstanding any other provision of law including the common law doctrine that precludes the simultaneous holding of incompatible offices, a member of a city council may be appointed and may serve as a member of a board of trustees if that person also meets the other applicable qualifications of this chapter.

(d) It is the intent of the Legislature that persons appointed to boards of trustees have experience, training, and education in fields that will assist in the governance of the districts.

(e) All trustees shall exercise their independent judgment on behalf of the interests of the residents, property owners, and the public as a whole in furthering the purposes and intent of this chapter. The trustees shall represent the interests of the public as a whole and not solely the interests of the board of supervisors or the city council that appointed them.

*(Added by Stats. 2002, Ch. 395, Sec. 6. Effective January 1, 2003.)*

**2024.**

(a) Except as provided in Section 2023, the term of office for a member of the board of trustees shall be for a term of two or four years, at the discretion of the appointing authority. Terms of office commence at noon on the first Monday in January.

(b) Any vacancy in the office of a member appointed to a board of trustees shall be filled pursuant to Section 1779 of the Government Code. Any person appointed to fill a vacant office shall fill the balance of the unexpired term.

*(Added by Stats. 2002, Ch. 395, Sec. 6. Effective January 1, 2003.)*

[http://leginfo.legislature.ca.gov/faces/codes\\_displaySection.xhtml?lawCode=HSC&sectionNum=2022.](http://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?lawCode=HSC&sectionNum=2022)