



JOINT MEETING OF THE MILPITAS CITY COUNCIL & HOUSING AUTHORITY COMMISSION

For assistance in the following languages, you may call:

Đối với Việt Nam, gọi 408-586-3122
Para sa Tagalog, tumawag sa 408-586-3051
Para español, llame 408-586-3232

AGENDA

TUESDAY, JANUARY 15, 2019
CITY COUNCIL CHAMBERS, 455 E. CALAVERAS BLVD., MILPITAS, CA
6:00 PM (CLOSED SESSION)
7:00 PM (PUBLIC BUSINESS)

CALL MEETING TO ORDER by Mayor and ROLL CALL by City Clerk

ADJOURN TO CLOSED SESSION

CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION

Pursuant to California Government Code Section 54956.9(d)(1)

Tom Williams v. City of Milpitas, et al. - American Arbitration Case No. 01-17-0003-5823

CLOSED SESSION ANNOUNCEMENT: Report on action taken in Closed Session, if required per Government Code Section 54957.1, including the vote or abstention of each member present

PLEDGE OF ALLEGIANCE

INVOCATION (Councilmember Nuñez)

PRESENTATION

Commend Nithurhan Carthikeyan, Milpitas Library e-waste recycling coordinator

PUBLIC FORUM

Those in the audience are invited to address City Council on any subject not on tonight's agenda. Speakers must come to the podium, state their name and city of residence for the Clerk's record, and limit spoken remarks to three minutes. As an item not listed on the agenda, no response is required from City staff or the Council and no action can be taken. Council may instruct the City Manager to place the item on a future meeting agenda.

ANNOUNCEMENTS

ANNOUNCEMENT OF CONFLICT OF INTEREST AND CAMPAIGN CONTRIBUTIONS

APPROVAL OF AGENDA

CONSENT CALENDAR

Consent calendar items are considered to be routine and will be considered for adoption by one motion. There will be no separate discussion of these items unless a City Councilmember, member of the audience or staff requests the Council to remove an item from (or be added to) the consent calendar. Any person desiring to speak on any item on the consent calendar should ask to have that item removed from the consent calendar. If removed, this item will be discussed in the order in which it appears on the agenda.

C1. Approve City Council calendar for January 2019 (Staff Contact: Mary Lavelle, 408-586-3001)

Recommendation: Approve City Council calendar for January 2019.

C2. Approve City Council Meeting Minutes of December 18 and 19, 2018 (Staff Contact: Mary Lavelle, 408-586-3001)

Recommendation: Approve City Council Meeting Minutes of December 18 and 19, 2018.

C3. Waive the Second Reading and Adopt Ordinance No. 298 to Prohibit Commercial Cannabis in the City and Regulate Cultivation of Cannabis for Personal Use (Staff Contact: Ned Thomas, 408-586-3273)

Recommendation: Waive the Second Reading and Adopt Ordinance No. 298 to Prohibit Commercial Cannabis in the City and Regulate Cultivation of Cannabis for Personal Use.

C4. Adopt a Resolution Amending the Classification Plan, Adding Three Firefighter Positions and One Fire Battalion Chief to the City's Authorized Positions List, and Appropriating Funding Necessary to Support the Incremental Costs of One Fire Battalion Chief (Staff Contact: Liz Brown, 408-586-3086)

Recommendation: Adopt a resolution amending the Classification Plan by establishing the classifications of Entry Firefighter and Entry Firefighter Paramedic, authorizing the addition of three (3) Full Time Equivalent (FTE) Firefighter Paramedic positions and one (1) Full Time Equivalent (FTE) Fire Battalion Chief to the City's Authorized Positions List and approve a budget amendment to appropriate \$60,000 in the Fire Department's FY 2018-19 General Fund Operating Budget to fund the incremental salary and benefits for one (1) Fire Battalion Chief position over and above what the SAFER Grant will support.

C5. Adopt a Resolution Approving the Sole Source Purchase of Two (2) JWC Environmental Channel Monster Model CDD6020 Grinders for the Public Works Department from MISCOWater for the Not-To-Exceed Amount of \$226,250 (Staff Contacts: Tony Ndah, 408-586-2602 and Chris Schroeder, 408-586-3161)

Recommendation: Adopt a resolution approving the sole source purchase of two (2) JWC Environmental Channel Monster Model CDD6020 Grinders for the Public Works Department from MISCOWater for the not-to-exceed amount of \$226,250.

C6. Adopt a Resolution Approving a Professional Services Agreement with Cayenta, a Division of N. Harris Computer Corporation Inc., as the Sole Source Vendor to Implement an Upgrade of the

Financial and Utility Billing Software Systems for a Total Not-to-Exceed Amount of \$419,892 (Staff Contact: Mike Luu, 408-586-2706)

Recommendations: 1) Adopt a resolution approving a Professional Services Agreement with Cayenta, a Division of N. Harris Computer Corporation Inc., as the sole source vendor to implement an upgrade of the Financial and Utility Billing Software Systems for a total not-to-exceed amount of \$419,892. 2) Authorize the City Manager to execute the agreement, subject to any revisions deemed necessary by the City Attorney.

C7. Receive Recommendation to Appoint Energy and Environmental Sustainability Commissioner as the Community Representative to the South Bay Odor Stakeholders Group (Staff Contact: Steve Erickson, 408-586-3301)

Recommendation: Receive recommendation from the Energy and Environmental Sustainability Commission (EESC) and appoint EESC Commissioner Chia Ling Kong as Community Representative to the South Bay Odor Stakeholders Group.

C8. Approve the Community Advisory Commission 2019 Work Plan (Staff Contact: Avery Stark, 408-586-3288)

Recommendation: Approve the Community Advisory Commission 2019 Work Plan

C9. Approve the Energy and Environmental Sustainability Commission 2019 Work Plan (Staff Contact: Elaine Marshall, 408-586-2603)

Recommendation: Approve the Energy and Environmental Sustainability Commission 2019 Work Plan

C10. Approve the Library and Education Advisory Commission 2018-19 Work Plan (Staff Contact: John Macon, 408-586-3226)

Recommendation: Approve Library and Education Advisory Commission FY 2018-19 Work Plan

C11. Receive and Approve the Science, Technology & Innovation Commission work plan 2018-19 (Staff Contact: Eliren Pasion, 408-5832730)

Recommendation: Approve the Science Technology and Innovation Commission Work Plan 2018-19.

C12. Approve Out of State travel for three (3) Milpitas Fire Department personnel to conduct a final inspection of the new Tiller Truck Fire Apparatus at the Pierce Factory in Appleton, WI (Staff Contact: Brian Sherrard, 408-586-2811 and Rick Frawley, 408-586-2824)

Recommendation: Approve Out of State travel for three Milpitas Fire Department personnel to conduct a final inspection of the new Tiller Truck Fire Apparatus at the Pierce Factory in Appleton, WI for the dates of January 21 - 24, 2019.

C13. Approve Final Map Tract No. 10408 for a Mixed Use Development at 1646 Centre Pointe Drive (Staff Contact: Steve Erickson, 408-586-3301)

Recommendation: Approve Final Map Tract No. 10408 Centre Pointe at 1646 Centre Pointe Drive, Acceptance of All Offers of Dedications as Stated and Depicted on the Final Map upon Completion and Acceptance of Improvements.

C14. Authorize the City Manager to Execute a Stormwater Management Facilities Operation and Maintenance Agreement for McCarthy Center Holdings LLC for Development at 400-940 North McCarthy Boulevard (Staff Contact: Steve Erickson, 408-586-3301)

Recommendation: Authorize the City Manager to Execute a Stormwater Management Facilities Operation and Maintenance Agreement for McCarthy Center Holdings LLC for development at 400-940 North McCarthy Boulevard.

- C15. Award the Bid for IFB No. 2281 to Crayon Software Experts, LLC for the Purchase of 500 Microsoft 365 Licenses for the Information Services Department, in an Amount Not to Exceed \$277,620.00 for a Three-year License Period and Approve the First Year Payment of \$84,780 (Staff Contact: Mike Luu, 408-586-2706)**

Recommendations: Award the Bid for IFB No. 2281 to Crayon Software Experts, LLC for the purchase of 500 Microsoft 365 Licenses for the Information Services Department for a Three-year license period in the not-to-exceed amount of \$277,620.

Authorize the Purchasing Agent to pay for year two and three without further City Council action except for appropriation of funds.

- C16. Approve and Authorize the City Manager to Execute an Agreement with Kinsale Insurance Company to Provide Employment Practices Liability Coverage to the City of Milpitas and Appropriate \$129,103.20 in the FY 2018-19 General Fund Operating Budget for this Purpose (Staff Contact: Will Fuentes, 408-586-3111)**

Recommendation: Approve and Authorize the City Manager to Execute an Agreement with Kinsale Insurance Company to Provide Employment Practices Liability Coverage to the City of Milpitas and Appropriate \$129,103.20 in the FY 2018-19 General Fund Operating Budget for this Purpose.

- C17. Award the Bid and Authorize the City Manager to Execute the Letter Agreement with Casey Printing, Inc. for the City Manager's Office Printing Services for the Annual Not-To-Exceed Amount of \$50,176 and the Five-Year Contract Maximum of \$250,880 (Staff Contact: Jennifer Yamaguma, 408-586-3055)**

Recommendation: 1) Award the Bid and Authorize the City Manager to Execute the Letter Agreement with Casey Printing, Inc. for the City Manager's Office Printing Services for the Annual Not-To-Exceed Amount of \$50,176 and the Five-Year Contract Maximum of \$250,880. 2) Authorize the Purchasing Agent to exercise the option year in accordance per the terms of the agreement and without further City Council Action, except for appropriation of funds.

- C18. Receive Preview List for Next Regular Council meeting: February 5, 2019 (Staff Contact: Mary Lavelle, 408-586-3001)**

COMMUNITY DEVELOPMENT

- 19. HOUSING AUTHORITY: Receive Report on Housing Program Status and Provide Direction (Staff Contacts: Sharon Goei, 408-586-3260 and Robert Musallam, 408-586-3275)**

Recommendation: Receive report on Housing Program Status; direct staff to research a commitment level up to \$6.5 million of Housing Authority Funds for Affordable Housing Construction at 355 Sango Court; direct staff to initiate research to develop Affordable Housing on Housing Authority and City-Owned Properties on South Main Street; and direct staff to review future development entitlement proposal for 308 Sango Court along with Sources and Uses of Funds, and authorize staff to process the predevelopment loan application for future City Council/Housing Authority Commission consideration.

- 20. HOUSING AUTHORITY: Adopt a Joint Resolution Authorizing the Executive Director of the Housing Authority to Prepare and Execute Loan Documents to Forego the First Ten Years of**

Residual Receipts Loan Payments for the MonteVista Apartments at 1001 South Main Street (Staff Contacts: Sharon Goei, 408-586-3260 and Robert Musallam, 408-586-3275)

Recommendation: Adopt a Joint Resolution of the City Council, Housing Authority and Successor Agency authorizing the Executive Director of the Housing Authority to prepare and execute loan documents to forego the first 10 years of residual receipts loan payments for the MonteVista Apartments located at 1001 South Main Street in Milpitas.

21. Receive Report and Provide Direction Regarding Potential Amendments to Milpitas Municipal Code Section XI-10-13.08 ("Second Family Unit") Regarding Accessory Dwelling Units (Staff Contact: Rozalynne Thompson, 408-586-3278)

Recommendation: Receive report and provide direction regarding potential amendments to the City of Milpitas Municipal Code on zoning related to Accessory Dwelling Units.

22. Receive Report and Provide Direction on Residential Short-Term Rental Regulation Options (Staff Contact: Daniel Degu, 408-586-3054)

Recommendation: Discuss and provide direction regarding potential regulation for residential short-term rentals.

LEADERSHIP AND SUPPORT SERVICES

23. Adopt an Urgency Zoning Ordinance No. 299 to Prohibit Commercial Cannabis in the City and Regulate Cultivation of Cannabis for Personal Use (Staff Contact: Ned Thomas, 408-586-3273)

Recommendations:

- a) Receive comments from the public, if any.
- b) Following a reading aloud of the title of Urgency Ordinance No. 299 by the City Attorney, move to waive the reading beyond the title.
- c) Adopt Urgency Zoning Ordinance No. 299 to prohibit commercial cannabis in the City and regulate cultivation of cannabis for personal use, by a 4/5 vote of the City Council.

REPORTS OF MAYOR & COUNCILMEMBERS - from the assigned Commissions, Committees and Agencies

24. Consider Mayor's Appointments of City Councilmembers as liaisons to City Commissions, and Outside Agency Boards and Committees (Contact: Mayor Rich Tran, 408-586-3029)

Recommendation: Consider Mayor's appointments of City Councilmembers to serve as liaisons to City Commissions and outside agencies, committees, and boards, and move to confirm those appointments.

ADJOURNMENT

NEXT REGULAR CITY COUNCIL MEETING

FEBRUARY 5, 2019

KNOW YOUR RIGHTS UNDER THE OPEN GOVERNMENT ORDINANCE

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions and other agencies of the City exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and the City operations are open to the people's review.

For more information on your rights under the Open Government Ordinance or to report a violation, contact the City Attorney's office at Milpitas City Hall, 455 E. Calaveras Blvd., Milpitas, CA 95035
e-mail: cdiaz@ci.milpitas.ca.gov / Phone: 408-586-3040

The Open Government Ordinance is codified in the Milpitas Municipal Code as Title I Chapter 310 and is available online at the City's website www.ci.milpitas.ca.gov by selecting the Milpitas Municipal Code link.

Materials related to an item on this agenda submitted to the City Council after initial distribution of the agenda packet are available for public inspection at the City Clerk's office at Milpitas City Hall, 3rd floor 455 E. Calaveras Blvd., Milpitas and on the City website. All City Council agendas and related materials can be viewed online here: www.ci.milpitas.ca.gov/government/council/agenda_minutes.asp
(select meeting date)

APPLY TO SERVE ON A CITY COMMISSION

Commission application forms are available online at www.ci.milpitas.ca.gov or at Milpitas City Hall. Contact the City Clerk's office at 408-586-3003 for more information.

If you need assistance, per the Americans with Disabilities Act, for any City of Milpitas public meeting, please call the City Clerk at 408-586-3001 or send an e-mail to mlavelle@ci.milpitas.ca.gov prior to the meeting. You may request a larger font agenda or arrange for mobility assistance. For hearing assistance, headsets are available in the City Council Chambers for all meetings.

Backup material for agenda item:

Approve City Council calendar for January 2019 (Staff Contact: Mary Lavelle, 408-586-3001)

Recommendation: Approve City Council calendar for January 2019.

December 2018						
S	M	T	W	T	F	S
	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

Milpitas City Council Calendar

JANUARY 2019

February 2019						
S	M	T	W	T	F	S
	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
		1 CITY HALL CLOSED NEW YEAR'S DAY 	2	3	4	5
6	7	8	9 2:00 PM -Santa Clara VTA Monthly Briefing – Northeast Group (BN) (Santa Clara) 7:00 PM -Silicon Valley Clean Energy Board of Directors (Cupertino) 7:00 PM -Community Advisory Commission	10 4:00 PM -Treatment Plant Advisory Committee (San Jose) 5:00 PM -Milpitas Chamber of Commerce 5:30 PM -Santa Clara VTA Board of Directors (BN) 7:00 PM -Cities Assoc of SCC 7:00 PM -Youth Advisory Commission – City Hall (AP)	11	12
13	14 4:00 PM -Economic Development and Trade Commission (AP) 6:00 PM -Tenant Task Force Meeting 7:00 PM -Science, Technology, and Innovation Commission 7:00 PM -Library and Education Commission	15 6:00 PM -Closed Session 7:00 PM -City Council	16 6:00 PM -Energy and Environmental Sustainability Commission Meeting (BN)	17 4:00 PM -Santa Clara VTA Policy Advisory Committee 6:00 PM -ADU / STR Community Meeting 6:30 PM -Bay Area Water Supply & Conservation Agency (RT) 7:00 PM -Public Safety and Emergency Prep Commission	18	19  LUNAR NEW YEAR CELEBRATION 6:00 PM -Milpitas Community Center
20	21 MARTIN LUTHER KING JR. BIRTHDAY  CITY HOLIDAY	22	23 12:00PM -SCV Water District-Water Commission 6:00 PM -Tenant Protection Task Force 7:00 PM -Planning Commission	24 12:00 PM -Terrace Gardens Board of Directors (BN) 1:30 PM -Santa Clara Co Library Joint Powers Authority Board 4:00 PM -SV Regional Interop. Authority Board of Directors	25	26
27	28 7:00 PM -Arts Commission	29 6:00 PM -Special City Council Study Session – on FY 2019-20 Budget & CIP	30	31		

Backup material for agenda item:

Approve City Council Meeting Minutes of December 18 and 19, 2018 (Staff Contact: Mary Lavelle, 408-586-3001)

Recommendation: Approve City Council Meeting Minutes of December 18 and 19, 2018.

Draft **MEETING MINUTES**
CITY OF MILPITAS

Minutes of:	Regular Meeting of Milpitas City Council
Date:	Tuesday, December 18, 2018
Time:	7:00 PM Open Session
Location:	Council Chambers, Milpitas City Hall, 455 East Calaveras Blvd., Milpitas

CALL TO ORDER

Mayor Tran called the meeting to order at 7:01 PM. City Clerk Mary Lavelle called the roll.

PRESENT: Mayor Tran, Vice Mayor Grilli, Councilmembers Barbadillo and Phan

ABSENT: Councilmember Nuñez was absent at roll call and for the first voting action. He arrived in Chambers prior to the ceremonial swearing-in of elected officials.

PLEDGE

Milpitas Fire Department Explorers led the presentation of colors and pledge of allegiance.

INVOCATION

Vice Mayor Grilli invited Police Chief Armando Corpuz to provide an invocation to start the meeting.

ELECTION RESULTS

City Clerk Mary Lavelle gave an oral report detailing the November 6, 2018 municipal election results. Certified election results provided by the Registrar of Voters of Santa Clara County revealed the successful election of Rich Tran as Mayor, Carmen Montano and Karina Dominguez as Councilmembers, and adoption of Measure R, an ordinance to allow an increase in the Transient Occupancy (hotel) Tax. Voters adopted Ordinance No. 300.

Motion: to adopt Resolution No. 8831 reciting that a General Municipal Election was held on November 6, 2018, confirming the canvass of returns and declaring the results, per California Elections Code Sections 10262-10264, for Mayor, two Councilmembers and Ballot Measure R

Motion/Second: Councilmember Phan/Councilmember Barbadillo

Motion carried by a vote of:	AYES: 4
	NOES: 0
	ABSENT: 1 (Nuñez)

PRESENTATION

City Manager Julie Edmonds-Mares presented words of thanks and appreciation to the two outgoing elected officials, City Councilmember Garry Barbadillo and Vice Mayor Marsha Grilli. Each was presented with a boxed US flag, which had previously flown over Cesar Chavez Plaza and Milpitas City Hall earlier on this date.

A break for a reception in the City Hall lobby was announced, and the new City Council would reconvene after that.

During the break, City Clerk Mary Lavelle issued the official oath of office to the three newly elected officials, together in a group next to the dais: re-elected Mayor of Milpitas Rich Tran, newly elected City Councilmember Carmen Montano and City Councilmember Karina Dominguez. Following their signing of the oaths, Ms. Lavelle handed a signed Certificate of Election to each elected official.

SWEARING IN

Upon return from the break, the ceremonial oath of office was given at the podium to the three newly elected officials, following by individual comments.

For Mayor Rich Tran, the former Mayor and long time resident Denny Weisgerber read the oath and swore in the re-elected Mayor, who then asked his pastor to pray after the oath. Mayor Tran made remarks to the audience, thanking his family, the voters and residents of Milpitas.

For Councilmember Karina Dominguez, the ceremonial oath of office was given by her daughter Larissa Sampreth. Ms. Dominguez gave thanks and made remarks to her supporters, family and audience members.

For Councilmember Carmen Montano, the ceremonial oath of office was issued by Judge Katherine Lucero. Ms. Montano thanked the Judge for swearing her in, gave thanks to her supporters, family and audience members.

At 8:41 PM, Mayor Tran called for a break and invited everyone to enjoy ceremonial cake and music in the City Hall lobby.

The City Council reconvened at 9:14 PM. City Clerk did not conduct a new roll call, while at this point, all five members of the incoming City Council were present at the dais.

PUBLIC FORUM

Alysson McDonald, resident, referred to Sunnyhills residents who were present earlier. She said they wanted to tell the Council that the clock was ticking, regarding an agreement made for assistance to residents of the Sunnyhills Apartments in HUD Section 8 housing. They requested that the City provide a report on how money was being spent, and continued to seek support.

Rob Means, resident, referred to past occasions when a large number of residents had attended City Council meetings. He talked about symbolism of what City Council discussed. He advised a sunset clause in the proposed ban on marijuana to be discussed the following night.

Joseph Weinstein, resident, expressed gratitude to the Mayor and Councilmembers for what they do, serving the community as elected officials.

A representative of Assemblymember Kansen Chu's office discussed AB1975, a bill that failed. Mr. Chu would continue working on odor issues, including the required study. He discussed more action on odor issues related to City of San Jose, BAAQMD, and CalRecycle.

Robert Marini, resident, said he could not attend the meeting the next day regarding marijuana, so he gave his remarks about that issue. Ten dispensaries in Milpitas was too many, and the issue should be on the ballot for local voters.

Tom Valore, resident, spoke about courage of officials, and the need to act appropriately on the vote on a ban on marijuana. He said bans don't work and urged control on that.

Fourteen speakers addressed City Council in opposition to marijuana businesses in Milpitas, a topic that was scheduled on the City Council's agenda for the following evening.

Voltaire Montemayor, resident of Penitencia St, said he was in a caroling group earlier for St. John's. This was a nice meeting tonight (oaths). He discussed champions in Milpitas.

Councilmember Montano asked for a copy of material from the last speaker, who then handed the information to the City Clerk.

ANNOUNCEMENTS

City Manager Julie Edmonds-Mares introduced the City's new Economic Development Director Alex Andrade. She described his background and recent experiences in the public sector. Mr. Andrade thanked her for the opportunity to join the City staff and he gave a few remarks to the Mayor and Council.

Councilmember Phan made remarks of apology to Mayor Tran and his family. He congratulated the incoming Councilmembers on their successful elections, as well as the Mayor's.

**ANNOUNCEMENT OF
CONFLICT OF INTEREST
AND CAMPAIGN
CONTRIBUTIONS**

City Attorney Diaz asked Councilmembers if they had any personal conflicts of interest or reportable campaign contributions. None were reported.

APPROVAL OF AGENDA

Motion: to approve the meeting agenda, with deferral of agenda item No. 19 to a future meeting

Councilmember Nuñez said that on item no. 19/Legislative Agenda, he wanted to remove that item to consider it when doing the budget. The content was something to discuss, at length, and it needed input from both the City Manager and the City Attorney.

City Manager Edmonds-Mares responded that the City would try to address legislative items, before the legislative season kicked in in January. The funding section of the agenda report was to start a dialogue and assess priorities. This could be postponed.

City Attorney Chris Diaz responded to Mr. Nuñez' question, about his law firm's work, following legislation in Sacramento, for the City's interest. His firm did provide regular updates on those items to client cities, and was available to assist Milpitas with its legislative concerns.

Ms. Edmonds-Mares asked Councilmembers to let her know individually where each one was in alignment with legislative priorities, and where gaps existed. Staff could come back in January.

Motion/Second: Councilmember Montano/Councilmember Nuñez

Motion carried by a vote of: AYES: 5
NOES: 0

**ELECTION OF
VICE MAYOR**

Mayor Tran described his view of what a Vice Mayor could be, including becoming Mayor one day. Teamwork was his number one priority for the new term on Council.

Councilmember Montano first learned about Mayor wanting to nominate her on Facebook. She expressed that experience was the best teacher. Therefore, she wanted to recommend new City Councilmember Dominguez for a term as Vice Mayor

Motion: to appoint Councilmember Karina Dominguez to serve as the Vice Mayor of the Milpitas City Council for the two-year period December 2018 to December 2020

Motion/Second: Councilmember Phan/Councilmember Montano

Motion carried by a vote of: AYES: 5
NOES: 0

CONSENT CALENDAR

Motion: to approve the Consent Calendar consisting of agenda items no. 2 – 4, 6 – 8, 10, 12 – 15, and 17 – 18

Motion/Second: Councilmember Nuñez/Councilmember Phan

Motion carried by a vote of: AYES: 5
NOES: 0

* 2. Council Calendars Accepted City Council calendars for December 2018 and January 2019.

* 3. Meeting Minutes Approved City Council meeting minutes of November 29 and December 4, 2018.

* 4. Resolution – flags Adopted Resolution No. 8832 directing staff to fly City Event Celebration and/or Commemorative Flags at various events in Cesar Chavez Plaza for the 2019 calendar year

5. Resolution – Conflict of Interest Code update Councilmember Nuñez removed this item from consent due to a few questions. He sought to know about some positions on the Conflict of Interest Code filers list. City Clerk Mary Lavelle

explained the review of all positions on the list that was necessary bi-annually. It was a list of job classification titles and not specific as to whether those positions were filled or not.

Motion: to adopt Resolution No. 8833 updating the list of employee classifications required to file FPPC Form 700/Statement of Economic Interests and adopting the updated City of Milpitas Conflict of Interest Code

Motion/Second: Councilmember Nuñez/Councilmember Montano

Motion carried by a vote of: AYES: 5
NOES: 0

- * 6. Resolution Adopted Resolution No. 8834 granting acceptance of Street Resurfacing Project 2018, Phase I, Projects No. 4283 and No. 4287 and granting authorization to the City Engineer to file a Notice of Completion, per provisions of Section 9204 of the California Civil Code.
- * 7. Resolution Adopted Resolution No. 8835 granting acceptance of Street Resurfacing Project 2018, Phase II, Projects No. 4284, No. 4287 and No. 4291 and granting authorization to the City Engineer to file a Notice of Completion, per provisions of Section 9204 of the California Civil Code.
- * 8. Resolution Adopted Resolution No. 8836 approving the sole source purchase of one Pierce Velocity Fire Pumper from Golden State Fire Apparatus, Inc. for an amount not to exceed \$870,279.24 and authorize out-of-state travel for Milpitas Fire Department representatives to attend the factory trip for final inspection of the pumper
9. Resolution – Dimension Data N.A. Inc. Councilmember Nuñez asked if this item was for City-wide wi-fi service. Information Services Director Mike Luu came forward to respond. He said that wi-fi was part of the planning that would occur in the planning to be done by contracted consultant. Mr. Nuñez was especially interested in that subject and did want to hear back on that.

Councilmember Montano had a question about how this contract came about. Mr. Luu explained it had been 9 or 10 years since the City's data network was upgraded while the telephone system was about 7 years old. It was past due for both of these significant infrastructure elements of city government.

Purchasing Agent Chris Schroeder came forward to describe the Request for Proposals process and the bids received. Councilmember Montano stated that she wanted the bid information to be included in the agenda packet in the future.

Councilmember Nuñez reported that at the Santa Clara Valley Transportation Authority, the issue they had regarding Cisco equipment, and why BART was held up from opening, was with technology not matching new and old equipment. So he understood the City's request here and wanted to move the staff's recommendation.

Costs identified in the staff report were \$952,244.74 in total, comprised of the following items: \$825,847.04 payable to Dimension Data for network devices, phone system, wireless network, installation, training, an operating system upgrade in year 3, and five years of maintenance; \$39,830 payable to Communication Strategies for project management; and, \$86,567.70 - a 10% project contingency.

Motion: to adopt Resolution No.8837 authorizing the City Manager to:

1. Award the Request for Proposal 2231 to Dimension Data North America, Inc. and enter into an Agreement with Dimension Data for delivery and installation of a Local Area Network, Wide Area Network, Wireless and Telecommunications Upgrade and Replacement, subject to any revisions deemed necessary by the City Attorney,
2. Execute an Amendment to the Agreement with Communication Strategies for System Implementation Services, and
3. Execute Property Schedule 3 to the Master Tax-Exempt Lease/Purchase Agreement with Key Government Finance, Inc. for and to enter into an Agreement and Amend Existing

Related Agreements with Communication Strategies and Key Government Finance for a Telephone System Equipment Purchase and Related Costs.

Motion/Second: Councilmember Nuñez/Councilmember Montano

Motion carried by a vote of: AYES: 5
NOES: 0

11. City Council Handbook

Councilmember Nuñez asked the City Manager if there was going to be an upcoming planning session scheduled. Ms. Edmonds-Mares, replied yes, as she recommend to the City Council to have a retreat in late February. She listed various upcoming meetings.

Councilmember Nuñez wanted to hold the Handbook discussion until that time. It guides how the City Council did business, and they had made some changes. He wanted the brand new City Council to have a chance to review what the prior City Council Subcommittee recommended in the Handbook.

City Manager Julie Edmonds-Mares noted that the existing Handbook was rather unwieldy. She proposed that Council accept use of the Handbook as to how they would interact with each other, and also review it further in detail later.

Vice Mayor Dominguez felt as a new member, that this was a living document. Once passed, it was hard to retract. She wanted to take time to review it, the guiding manual, and to know how it acts on future policy. She requested a copy of the past handbook, even with crossouts. Staff replied that it would be provided, including in redline copy.

Ms. Dominguez wanted to clarify if the Handbook Committee had looked at other cities. Mr. Diaz gave some background history. She asked for copies of other cities' Council handbooks, as examples. Staff could work with City Clerk's office to gather those and provide to the Council.

Councilmember Montano would like to wait on this Handbook. She liked the idea of going over it at retreat. She wanted to make a motion to deny this item.

City Attorney Diaz offered specific recommended language for a motion.

Motion: to defer action on this item and to ask staff to bring it back at a retreat, direct staff to reach out to surrounding cities to get handbook examples, and provide a copy of the existing/previous Council Handbook

Motion/Second: Councilmember Nuñez/Councilmember Montano

Motion carried by a vote of: AYES: 5
NOES: 0

***12. Grant Funds - MPD**

1. Authorized the City Manager (or her designee) to accept the Santa Clara County Health Department Grant in the amount of \$30,866.
2. Approved a budget appropriation in the amount of \$29,430 for the Police Department overtime budget and \$1,436 for the Police Department supplies budget from grant revenue.

***13. Commissioners**

Approved the following appointments.

Arts Commission: Reappointed Nicole Phan to a term to expire in October 2020.

Parks, Recreation and Cultural Resources Commission: Reappointed Bhupinder Singh to a term to expire in June 2020. Approved moving Commissioner Kristal Caidoy from the Bicycle Pedestrian Advisory Commission to the Parks, Recreation and Cultural Resources Commission to a term to expire in June 2020.

Senior Advisory Commission: Reappointed Patrick Yung to a term to expire in December 2019 and Deborah Langley to a term to expire in December 2020.

- *14. Fee Waiver
Waived the City fee of \$1200 for the Kiwanis Club rental of Community Center Auditorium for fundraising event on Friday, February 8, 2019.
- *15. Agreement with M. McGrath Architects
Approved and authorized the City Manager to execute a Design Services Agreement with Mary McGrath Architects in an amount not to exceed \$260,128 for the Main Fire Station No. 1 Assessment, Project No. 3442, and the Police/Public Works Buildings Assessment, Project No. 3444.
- 16. City Hall 3rd floor office layout proposals**
Councilmember Nuñez asked City Engineer Steve Erickson where the \$300,000 was coming from. Staff reported that the funds were from an approved project within the adopted CIP. Mr. Nuñez asked about more specifics of the plan. Mr. Erickson displayed plans, and then Mr. Nuñez asked about the location of the City Attorney and his support staff. He wanted to ensure City Attorney was centrally located.
- Councilmember Phan was not okay with the proposed new design. He spoke of existing conference rooms and even offered to give up his office if needed. The City Attorney needed to remain always on the 3rd floor of City Hall.
- Mayor Tran asked about the CIP and source of funds for this project. The City Engineer said it was within a general building improvement project, No. 3406, for needs all across the City, which contained more than \$700,000 (general government CIP funds).
- Mayor Tran stated he did not support City Attorney Chris Diaz moving out from his current location (next door to Mayor's office).
- Councilmember Montano would like to see this presentation information in the agenda binder next time, including bids and results, when it came back to Council. She did not support moving the City Attorney farther away, as he needed to be on the third floor.
- Councilmember Nuñez felt a consensus, not a cost problem, while it was that the City Attorney belonged in the third floor suite with the City Manager. It seemed he'd been slowly getting moved out of that area. Mr. Nuñez wanted to see the plan for the City Attorney and support staff staying in the main City Manager office area.
- Councilmember Phan wanted the City Attorney's office to remain on the third floor.
- Motion:** to approve proceeding with making plans and the proposed dollar amount, directing that the City Attorney and his staff remain in the City Manager's suite proper on third floor of City Hall, and to come back to Council with final layout plans; and, to include plans for future items - like this one - in the agenda packets
- Motion/Second: Councilmember Nuñez/Councilmember Montano
- Motion carried by a vote of: AYES: 5
NOES: 0
- *17. Repair of UPS unit and pay invoices
1. Received report from the Public Works Director on the emergency repair and replacement of the uninterruptable power supply unit at the Police Department/Public Work building.
2. Authorized staff to pay invoices in the amount of \$249,613.08.
- *18. Repair Work at Pump Stations & pay invoices
1. Received report from Public Works Director on emergency work at City's Pump Stations.
2. Authorized staff to pay invoices in the amount of \$11,936 for emergency pump repairs at Tularcitos and Country Club Pump Stations.
3. Authorized staff to pay invoices in the amount of \$6,794.00 for emergency pump repairs at the Main Lift Pump Station.

LEADERSHIP

19. Legislative Framework This matter was deferred to a future date.

REPORT

Councilmember Montano said that the previous weekend, she'd attended IAFF's Toys for Tots event helping families and she enjoyed going on the tire truck "Jing-along" in Milpitas neighborhoods.

Mayor Tran said he looked forward to the future, working toward happier times.

NEXT AGENDA

Received the list of agenda topics anticipated for January 15, 2019.

ADJOURNMENT

Mayor Tran adjourned the meeting at 11:13 PM.

*Meeting minutes respectfully drafted and submitted by
Mary Lavelle, City Clerk*

***Draft* MEETING MINUTES**
CITY OF MILPITAS

Minutes of: Special Meeting of Milpitas City Council
Date: Tuesday, December 19, 2018
Time: 6:00 PM
Location: Council Chambers, Milpitas City Hall,
 455 East Calaveras Blvd., Milpitas

CALL TO ORDER

Mayor Tran called the meeting to order at 6:00 PM. City Clerk Mary Lavelle called the roll.

PRESENT: Mayor Tran, Vice Mayor Dominguez, Councilmembers Montano and Nuñez

ABSENT: Councilmember Phan

Councilmember Nunez participated by telephone conference from his hotel in Buena Park, CA as listed on the meeting agenda.

PLEDGE

Vice Mayor Dominguez led the pledge of allegiance.

PUBLIC FORUM

None

ANNOUNCEMENT OF CONFLICT OF INTEREST

City Attorney Chris Diaz asked Councilmembers if they had any personal conflicts of interests or reportable campaign contributions. Each member replied individually and none were reported.

AND CAMPAIGN CONTRIBUTIONS

APPROVAL OF AGENDA

Motion: to approve the meeting agenda, as submitted

Motion/Second: Councilmember Montano/Vice Mayor Dominguez

Motion carried by a vote of:

	AYES: 4
	NOES: 0
	ABSENT: 1 (Phan)

PUBLIC HEARING

1. Cannabis/marijuana ban
Ordinance No. 298

Assistant City Manager Ashwini Kantak spoke briefly to the City Council, providing background information and status of the staff recommendation to Council to introduce an ordinance that would ban commercial cannabis and regulate personal use. She described work of the City Council Ad Hoc Subcommittee on Cannabis. If an ordinance was introduced at this meeting, it could be adopted on January 15, 2019.

Mayor Tran opened the public hearing.

Ron Lind, 40 year resident of Milpitas, said the Council was about to make a bad decision. He urged continuing the subcommittee's work and to come up with regulations.

Evelyn Chua, resident and Milpitas Planning Commission alternate member, referred to the last Planning Commission meeting. She read two conditions in the recommendation made at the Commission's meeting on this topic and urged Council to vote for the ban.

Following Ms. Chua, 96 persons – many were City residents - addressed the City Council at this public hearing, who were all opposed to marijuana and to potential cannabis businesses in the City, and were in favor of the Council adopting an ordinance to ban these.

(1) Motion: to close the public hearing, following 98 speakers, nearly all of whom spoke in opposition to marijuana businesses and in favor of the ban by ordinance

Motion/Second: Councilmember Montano/Vice Mayor Dominguez

Motion carried by a vote of: AYES: 4
NOES: 0
ABSENT: 1 (Phan)

Mayor Tran commented, starting with freedom and democratic rights for people. He would support permanent ban on commercial cannabis.

Councilmember Montano said she heard the audience speakers loud and clear, and made a lot of notes from speakers. She spoke of the minute man statute out in front of Milpitas City Hall, and the long ago effort of San Jose trying to take over Milpitas. She made the analogy that the marijuana industry was trying to take over the town. There were problems happening in Colorado. Many people had concerns about when BART comes in to the City. She stated she would vote to ban it.

Vice Mayor Dominguez thanked all the audience members for coming to the meeting and being part of the democratic process. She had some questions, based on her work for crime prevention program at a law enforcement agency. Councilmembers represented all Milpitas residents not only those people present. She felt the urgency to act on this issue, but had a lot of questions. Ms. Dominguez asked the City Attorney about legislation on delivery of marijuana products.

City Attorney Chris Diaz responded, noting that City Attorneys have differing views on whether local cities could decide to have delivery or to ban it. The State of California was saying that in mid-2018, from the Bureau of Cannabis Control, that cities cannot prohibit delivery operations in their boundaries. So, Milpitas would need to abide by that.

Vice Mayor Dominguez was concerned about enforcement related to delivery of marijuana in the city. She asked what were the limits on quantities and total limit on cash in the delivery driver's car, up to \$5,000 or \$10,000 maximum. She worried about robberies and then said she would support what was recommended this evening.

City Attorney Diaz read aloud the title of Ordinance No. 298, "An Ordinance of the City Council of the City of Milpitas Adding Subsection XI-10-13.15 Entitled "Cannabis Uses" and Amending Subsection XI-10-13.05 Entitled "Home Occupation" of the Milpitas Municipal Code, Title XI, Chapter 10, Section 13, to Regulate Cannabis Cultivation for Personal Uses, and Making Findings of Exemption from Environmental Review Pursuant to CEQA Guidelines Sections 15060(C)(3) and 15061(b)(3)."

(2) Motion: to waive the first reading beyond the title and introduce Ordinance No. 298

Motion/Second: Councilmember Montano/Councilmember Nunez

Motion carried by a vote of: AYES: 4
NOES: 0
ABSENT: 1 (Phan)

Councilmember Montano thanked everyone for coming out. This was what America was all about with local residents stating opinions in a democracy.

ADJOURNMENT

Mayor Tran adjourned the special meeting at 8:24 PM.

*Meeting minutes respectfully drafted and submitted by
Mary Lavelle, City Clerk*

Backup material for agenda item:

Waive the Second Reading and Adopt Ordinance No. 298 to Prohibit Commercial Cannabis in the City and Regulate Cultivation of Cannabis for Personal Use (Staff Contact: Ned Thomas, 408-586-3273)

Recommendation: Waive the Second Reading and Adopt Ordinance No. 298 to Prohibit Commercial Cannabis in the City and Regulate Cultivation of Cannabis for Personal Use



CITY OF MILPITAS AGENDA REPORT (AR)

Item Title:	Waive the Second Reading and Adopt Ordinance No. 298 to Prohibit Commercial Cannabis in the City and Regulate Cultivation of Cannabis for Personal Use
Category:	Consent Calendar-Community Development
Meeting Date:	1/15/2019
Staff Contact:	Ned Thomas, 408-586-3273
Recommendation:	Waive the Second Reading and Adopt Ordinance No. 298 to Prohibit Commercial Cannabis in the City and Regulate Cultivation of Cannabis for Personal Use

Background: Ordinance No. 298 was introduced following waiving of the first reading beyond the title at the December 19, 2018 Council meeting. This Ordinance would prohibit all medical and adult-use commercial cannabis activities, including but not limited to, commercial cultivation, delivery, distribution, manufacturing, microbusinesses, retail/dispensaries and testing laboratories. The proposed ordinance would also regulate indoor cultivation of cannabis for personal use and prohibit outdoor cultivation of cannabis for personal use as permitted by State Law. The Ordinance was introduced following almost two years of City Council Cannabis Subcommittee, City Council, and Planning Commission discussions as well as extensive community outreach.

Fiscal Impact: No fiscal impact as a direct result of this recommendation, however, there may be additional enforcement costs related to illegal commercial or personal cannabis activity. Depending on the level of enforcement required, staff may bring forward recommendations for specific penalties that differ from the default penalties under the zoning code.

Recommendation: Waive the second reading and adopt Ordinance No. 298 to prohibit commercial cannabis in the City and regulate cultivation of cannabis for personal use.

Attachment: Ordinance No. 298

REGULAR

NUMBER: 298

TITLE: A ZONING ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MILPITAS ADDING SUBSECTION XI-10-13.15 ENTITLED “CANNABIS USES” AND AMENDING SUBSECTION XI-10-13.05 ENTITLED “HOME OCCUPATION” OF THE MILPITAS MUNICIPAL CODE, TITLE XI, CHAPTER 10, SECTION 13, TO REGULATE CANNABIS CULTIVATION FOR PERSONAL USE AND TO PROHIBIT ALL COMMERCIAL CANNABIS USES, AND MAKING FINDINGS OF EXEMPTION FROM ENVIRONMENTAL REVIEW PURSUANT TO CEQA GUIDELINES SECTIONS 15060(C)(3) AND 15061(b)(3)

HISTORY: This Ordinance was introduced (first reading) by the City Council at its meeting of December 19, 2018, upon motion by Councilmember Montano, and was adopted (second reading) by the City Council at its meeting of _____, upon motion by _____. The Ordinance was duly passed and ordered published in accordance with law by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

Mary Lavelle, City Clerk

Rich Tran, Mayor

APPROVED AS TO FORM:

Christopher J. Diaz, City Attorney

RECITALS AND FINDINGS:

WHEREAS, the City of Milpitas, California (the “City”) is a municipal corporation, duly organized under the constitution and laws of the State of California; and

WHEREAS, California Government Code Section 65800 et seq. authorizes the adoption and administration of zoning laws, ordinances, rules and regulations by cities as a means of implementing the General Plan; and

WHEREAS, in 1996, the voters of the State of California approved the Compassionate Use Act of 1996 (“CUA”) (codified as Health and Safety Code, § 11362.5 et seq.) to enable seriously ill Californians to legally possess, use, and cultivate marijuana for personal medical use free from prosecution under enumerated provisions of State law; and

WHEREAS, in 2003, the California Legislature adopted the Medical Marijuana Program Act (“MMP”) (codified as Health and Safety Code, § 11362.7 et seq.), which permits qualified patients and their primary caregivers to associate collectively or cooperatively to cultivate marijuana for medical purposes without being subject to criminal prosecution under State law, however certain exemptions from criminal prosecution will expire on or about January 9, 2019 (Health & Safety Code, § 11362.775); and

WHEREAS, in 2013, the California Supreme Court issued its decision in *City of Riverside v. Inland Empire Patients Health and Wellness Center, Inc.* (2013) 56 Cal. 4th 729, holding that nothing in the CUA or MMP preempted cities’ authority to regulate or ban outright medical marijuana land uses; and

WHEREAS, in 2015, the California Legislature enacted the Medical Cannabis Regulation and Safety Act (MCRSA), which for the first time in the State’s history adopted comprehensive regulations and licensing for medical marijuana businesses; and

WHEREAS, in 2016, California voters approved Proposition 64, the Control, Regulate and Tax Adult Use of Marijuana Act (AUMA), which legalized the non-medical use of marijuana by adults over 21 years of age, and provides for State licensing of adult-use marijuana businesses; and

WHEREAS, Senate Bill 94 (“SB 94”), signed by the Governor on June 27, 2017 to take effect immediately, repealed the MCRSA, and amended AUMA to consolidate the State licensing scheme applicable to both medical and adult-use commercial cannabis activity under a new law entitled the Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA); and

WHEREAS, MAUCRSA recognizes, preserves and does not supersede or limit the authority of a local jurisdiction to adopt and enforce local ordinances that regulate licensed cannabis businesses, including, but not limited to, completely prohibiting the establishment or operation of one or more types of businesses licensed under MAUCRSA within the local jurisdiction (Business and Professions Code, § 26200); and

WHEREAS, AUMA, as amended by MAUCRSA, legalizes cultivation of not more than six living cannabis plants per property by persons 21 years of age or older for personal use; and

WHEREAS, AUMA, as amended by MAUCRSA, provides that a city shall not completely prohibit personal cultivation of cannabis inside a private residence or inside an accessory structure to a private residence that is fully enclosed and secure, but that a city may completely prohibit personal cultivation of cannabis outdoors (Health and Safety Code, § 11362.2); and

WHEREAS, on January 17, 2017, the City Council adopted Urgency Ordinance No. 291 pursuant to Government Code Section 65858, establishing a forty-five (45) day moratorium on all marijuana uses to the extent allowed by law in light of the passage of Proposition 64 in the State of California; and

WHEREAS, on February 21, 2017, the City Council adopted Urgency Ordinance No. 291.1 pursuant to Government Code Section 65858, extending the moratorium on all marijuana uses for a period of 10 months and 15 days; and

WHEREAS, in January 2017, the City Council adopted Urgency Ordinance No. 291.2 pursuant to Government Code Section 65858, extending the moratorium for an additional 12-month period for the full two years authorized under State law, to allow the City to complete its study of potential cannabis regulations; and

WHEREAS, a City Council subcommittee, City staff and the City Council have conducted numerous meetings, community outreach, polling and analysis to determine what types of regulations, if any, the City would like to impose on marijuana/cannabis uses in light of the passage of AUMA and MAUCRSA in the State of California; and

WHEREAS, as a result of that study, and in accordance with Business and Professions Code, Section 26200, this Ordinance effects zoning limitations that prohibit the physical establishment or operation of all commercial cannabis uses within Milpitas, including all commercial cultivators, manufacturers, testing laboratories, retailers/dispensaries, delivery services, distributors and microbusinesses that are or will be licensed by the State of California pursuant to the MAUCRSA, as the best course of action for the City's citizens and the community at large.

NOW, THEREFORE, the City Council of the City of Milpitas does ordain as follows:

SECTION 1. RECORD AND BASIS FOR ACTION

The City Council has duly considered the full record before it, which may include but is not limited to such things as the City staff report, testimony by staff and the public, and other materials and evidence submitted or provided to the City Council. Furthermore, the recitals set forth above are found to be true and correct and are incorporated herein by reference.

SECTION 2. MUNICIPAL CODE AMENDMENT

The City Council hereby adds Subsection XI-10-13.15 entitled "Cannabis Uses" to the Milpitas Municipal Code, Title XI, Chapter 10, Section 13, as set forth on Exhibit A, attached hereto and incorporated herein by this reference.

SECTION 3. MUNICIPAL CODE AMENDMENT

The City Council hereby amends and restates Subparagraph (B)(9) of Subsection XI-10-13.05 entitled "Home Occupation" of the Milpitas Municipal Code, Title XI, Chapter 10, Section 13, as follows:

"9. The occupations listed below shall not be considered incidental and secondary to the residence because they will change the residential character of the dwelling and because they change the character of the neighborhood:

- a. Barber and beauty shops or similar cosmetology establishments;
- b. Kennels and other boarding for pets;
- c. Mechanical and auto repairs;
- d. Medical and dental offices;
- e. Retail sales (excluding retail sales in which all products are sold over the phone or internet and shipped to the customer);
- f. Commercial cannabis uses. See Subsection XI-10-13.15."

All other provisions contained in Subsection XI-10-13.05 of the Milpitas Municipal Code shall remain in full force and effect.

SECTION 4. MUNICIPAL CODE AMENDMENT

The City Council hereby repeals and reserves Chapter 5 of the Milpitas Municipal Code, Title XI.

SECTION 5. CALIFORNIA ENVIRONMENTAL QUALITY ACT

This Ordinance is not a project within the meaning of Section 15378 of the State of California Environmental Quality Act (“CEQA”) Guidelines, because it has no potential for resulting in physical change in the environment, directly or indirectly, and therefore is exempt from environmental review pursuant to CEQA Guidelines, Section 15060(c)(3). The City Council further finds that if this Ordinance is deemed to be a project, it is nonetheless exempt from further environmental review under the general rule stated in CEQA Guidelines, Section 15061(b)(3), that CEQA applies only to projects which have the potential for causing a significant effect on the environment. The Ordinance prohibits commercial cannabis businesses and outdoor personal cannabis cultivation from establishing or occurring in the City and therefore will maintain current development levels. Accordingly, the City Council finds that this Ordinance is categorically exempt from further CEQA review because it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment.

SECTION 6. SEVERABILITY

If any section, subsection, subdivision, sentence, clause, phrase, or portion of this Ordinance for any reason is held to be invalid or unconstitutional by the 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 adopted this Ordinance, and each section, subsection, subdivision, sentence, clause, phrase, or portion thereof, irrespective of the fact that any one or more sections, subsections, subdivisions, sentences, clauses, phrases, or portions thereof be declared invalid or unconstitutional.

SECTION 7. CUSTODIAN OF RECORDS

The documents and materials that constitute the record of proceedings on which this Ordinance is based are located at the City Clerk’s office located at 455 East Calaveras Blvd., Milpitas, CA 95305. The custodian of these records is the City Clerk.

SECTION 8. RESTATEMENT OF EXISTING LAW

The adoption of this Ordinance shall not in any manner affect the prosecution for violations of ordinances, which violations were committed prior to the effective date hereof, nor be construed as a waiver of any license or penalty or the penal provisions applicable to any violation thereof.

SECTION 9. EFFECTIVE DATE

Pursuant to Government Code, Section 36937, this Ordinance shall take effect thirty (30) days after its final passage.

SECTION 10. CERTIFICATION

The City Clerk shall certify as to the adoption of this Ordinance and shall cause it to be published within fifteen (15) days of the adoption and shall post a certified copy of this Ordinance, including the vote for and against the same, in the Office of the City Clerk, in accordance with California Government Code Section 36933.

SECTION 11. FILING WITH STATE

The City Clerk shall submit a copy of this Ordinance to the Bureau of Cannabis Control as provided by Business and Professions Code, Section 26055.

EXHIBIT A

XI-10-13.15 - Cannabis Uses

- A. Purpose. The purpose of this Subsection is to prohibit the establishment and operation of all commercial cannabis uses within the City of Milpitas, including all cannabis dispensaries, cannabis retailers, cannabis manufacturers, cannabis microbusinesses, cannabis testing laboratories, cannabis distribution, cannabis cultivation, and delivery of cannabis. It is also the intent of this Subsection to regulate indoor cannabis cultivation, and to prohibit all outdoor cultivation, for personal use, including by qualified patients and primary caregivers.
- B. Definitions. For purposes of this Subsection, the following definitions shall apply:
1. “Cannabis” means all parts of the plant *Cannabis sativa* Linnaeus, *Cannabis indica*, or *Cannabis ruderalis*, whether growing or not; the seeds thereof; the resin, whether crude or purified, extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or resin. “Cannabis” also means the separated resin, whether crude or purified, obtained from marijuana. “Cannabis” includes “cannabis” as defined in Business and Professions Code, Section 26001 and in Section 11018 of the Health and Safety Code.
 2. “Cannabis cultivation” means any activity involving the planting, growing, harvesting, drying, curing, grading, or trimming of cannabis.
 3. “Cannabis delivery” means the commercial transfer of cannabis or cannabis products to a customer. “Cannabis delivery” also includes the use by a cannabis retailer of any technology platform that enables customers to arrange for or facilitate the commercial transfer by a licensed retailer of cannabis or cannabis products.
 4. “Cannabis distribution” means the procurement, sale, and transport of cannabis and cannabis products and any other activity allowed under the State distributor license(s), including, but not limited to, cannabis storage, quality control and collection of State cannabis taxes.
 5. “Cannabis manufacture” means to compound, blend, extract, infuse, or otherwise make or prepare a cannabis product. Cannabis manufacture includes the production, preparation, propagation, or compounding of manufactured cannabis, or cannabis products either directly or indirectly or by extraction methods, or independently by means of chemical synthesis or by a combination of extraction and chemical synthesis at a fixed location that packages or repackages medical cannabis or cannabis products or labels or relabels its container.
 6. “Cannabis microbusiness” means a commercial cannabis business that must engage in at least three of the following commercial cannabis activities: cultivation, manufacturing using nonvolatile solvents, distribution, and/or retail.
 7. “Cannabis products” means cannabis that has undergone a process whereby the plant material has been transformed into a concentrate, including, but not limited to, concentrated cannabis, or an edible or topical product containing cannabis or concentrated cannabis and other ingredients. Cannabis products include “cannabis products” as defined in Business and Professions Code, Section 26001.
 8. “Cannabis retailer” means a facility where cannabis or cannabis products are offered, either individually or in any combination, for retail sale, including an establishment that delivers cannabis and cannabis products as part of a retail sale or conducts sales exclusively by delivery. The term “cannabis retailer” includes any nonprofits that may be licensed under Business and Professions Code, Section 26070.5. For purposes of this Chapter, “cannabis retailer” also includes medical cannabis dispensaries, patient collectives and cooperatives operating, or proposing to operate, pursuant to the Compassionate Use Act (Health and Safety Code, § 11362.5) and/or the Medical Marijuana Program (Health and Safety Code, § 11362.7 et seq.), as may be amended.

9. “Cannabis testing laboratory” means a facility, entity, or site in the State that offers or performs tests of cannabis or cannabis products.
10. “Commercial cannabis use” includes all cannabis cultivation, cannabis manufacture, cannabis distribution, cannabis testing laboratories, cannabis microbusinesses, cannabis retailers, cannabis delivery, and sale of cannabis and/or cannabis products, whether intended for medical or adult-use, and whether or not such activities are carried out for profit. Commercial cannabis uses includes “commercial cannabis activity” as defined in Business and Professions Code, Section 26001, and includes any activity that requires, or may require in the future, a license from a State licensing authority pursuant to the Medicinal and Adult-Use Cannabis Regulation and Safety Act (Business and Professions Code, Division 10), as may be amended. Commercial cannabis use does not include those activities allowed for personal use by persons 21 years of age or older, without any compensation whatsoever, in strict accordance with Health and Safety Code, Section 11362.1 and does not include the activities of a qualified patient or a primary caregiver that are exempt from State licensure pursuant to Business and Professions Code, Section 26033.
11. “Indoor” means any location that is totally contained within a fully enclosed and secure private residence or accessory building located on the grounds of the private residence.
12. “Personal cultivation” means cannabis cultivation for a natural person’s own personal use and possession in accordance with this Code and state law, including but not limited to Health and Safety Code Sections 11362.1 and 11362.2, as may be amended, and such person does not sell or distribute cannabis to any other person. “Personal use” also means and includes cultivation of medical cannabis conducted by a qualified patient exclusively for his or her personal medical use, and cultivation conducted by a primary caregiver for the personal medical purposes of no more than five specified qualified patients for whom he or she is the primary caregiver, in accordance with state law, including Health and Safety Code Sections 11362.7 and 11362.765, as may be amended. Except as herein defined, personal cultivation does not include, and shall not authorize, any cultivation conducted as part of a business or commercial activity, including cultivation for compensation or retail or wholesale sales of cannabis.
13. “Private residence” means a house, an apartment unit, accessory dwelling unit, a mobile home, or other similar dwelling occupied for residential purposes.
14. “Outdoor” means any location that is not totally contained within a fully enclosed and secure accessory building or primary residence.

C. Personal Cultivation of Cannabis.

1. Indoor Personal Cultivation. The indoor personal cultivation of cannabis is prohibited except in compliance with the following:
 - a. Cannabis cultivation shall only occur indoors at a private residence, or inside an accessory structure located upon the grounds of a private residence.
 - b. Cannabis cultivation shall be limited to six plants total per residence, whether immature or mature, regardless of how many residents reside at the private residence.
 - c. Persons engaging in indoor cultivation must comply with all State and local laws regarding fire safety, water use, electrical wiring, buildings, and indoor cultivation, and with Health and Safety Code Sections 11362.1 and 11362.2.
 - d. The use of gas products (CO₂, butane, propane, natural gas, etc.) or generators for cultivation of cannabis is prohibited. Use of gas products shall be limited to those allowed by the California Building, Electrical, and Fire Codes as adopted and amended by the City of Milpitas.

- e. The residence shall maintain fully functional and usable kitchen, bathroom, and bedroom areas for their intended use by the resident(s), and the premises shall not be used primarily or exclusively for cannabis cultivation.
 - f. All areas used for cannabis cultivation shall be located within a fully enclosed and secure structure. “Fully enclosed and secure structure” means a space within a building, greenhouse or other legal structure which has a complete roof enclosure supported by connecting walls extending from the ground to the roof, which is secure against unauthorized entry, provides complete visual screening, and which is accessible only through one or more lockable doors and inaccessible to minors.
2. Outdoor Personal Cultivation Prohibited. Outdoor personal cultivation of cannabis is prohibited in all zoning districts in the City of Milpitas.

D. Commercial Cannabis Uses.

- 1. Commercial Cannabis Uses Prohibited. All medical and adult-use commercial cannabis uses as defined herein are prohibited from establishing or operating within the City of Milpitas. No use permit, variance, building permit, or any other entitlement or permit, whether administrative or discretionary, shall be approved or issued for the establishment or operation of a commercial cannabis use in any zoning district, and no person shall otherwise establish such businesses or operations in any zoning district.
- 2. Deliveries. To the fullest extent allowed by State law, the ban on commercial cannabis uses also prohibits the operation of a cannabis delivery service to customers in the City of Milpitas, including those deliveries originating from a physical location outside of the City.
- 3. This section shall not be construed to prohibit use of the public roads pursuant to Business and Professions Code, Section 26090 or those activities allowed by Section 26054, subdivisions (c) or (d).

E. Public Nuisance; Effect of State Law.

- 1. It is hereby declared to be a public nuisance for any person owning, leasing, occupying, or having charge or possession of any real property in the City to cause or allow such real property to be used for a commercial cannabis use or for the cultivation of cannabis except in strict compliance with this Chapter. Any condition caused or permitted to exist in violation of any of the provisions of this Chapter may be abated as a public nuisance as provided in this Code and/or under State law.
- 2. In the event of any conflict between the penalties enumerated under this Code and any penalties set forth in State law, the maximum penalties allowable under State law shall govern. The City Attorney or prosecuting attorney has the authority to declare and prosecute the violation as the maximum penalty permitted by State law, including but not limited to, those penalties prescribed by California Health & Safety Code, Section 11362.4. To the extent certain conduct is immune from arrest and criminal liability pursuant to State law, including the Compassionate Use Act of 1996 (Health and Safety Code Section 11362.5) or the Medical Marijuana Program (Health and Safety Code Section 11362.7 et seq.), criminal penalties shall not apply.

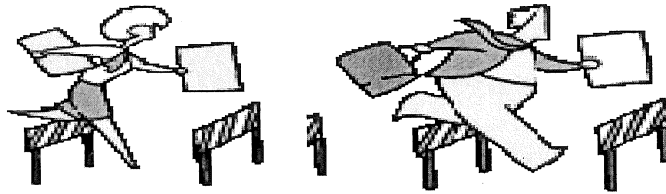


CITY OF MILPITAS

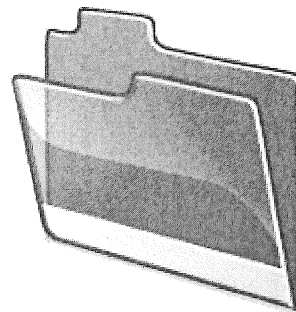
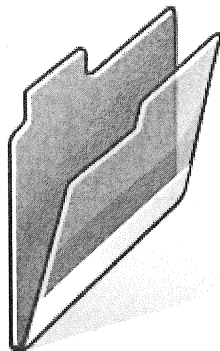
455 EAST CALAVERAS BOULEVARD, MILPITAS, CALIFORNIA 95035-5479
GENERAL INFORMATION: 408-586-3000, www.ci.milpitas.ca.gov

1/15/2019

Agenda Items No. 3 & 23



ATTACHMENT RELATED TO AGENDA ITEM AFTER AGENDA PACKET DISTRIBUTION



Mary Lavelle

From: Esguerra Diane <diane_esguerra@yahoo.com>
Sent: Monday, January 14, 2019 2:28 PM
To: Mary Lavelle
Subject: Marijuana Dispensaries

To whom it may concern:

I am e-mailing to let you know that I am against legalizing recreational marijuana in Milpitas, California. The only time marijuana should be used is when prescribed by a board certified physician when there is no other kind of medicine that would cure the condition, and if it is approved by the FDA. I am against any dispensaries here in Milpitas.

Sincerely,
Diane Esguerra

=====
This is an **EXTERNAL EMAIL**.

Please do not open unexpected attachments or those sent by unknown senders.
=====

City Clerk's Office
JAN 14 2019
RECEIVED

Mary Lavelle

From: Maruthi Veldandi <mveldandi@gmail.com>
Sent: Sunday, January 13, 2019 10:56 AM
To: Mary Lavelle
Subject: [BULK] No Marijuana Businesses in Milpitas

Importance: Low

Hi

I am Milpitas resident and US citizen. Please do **not** allow Marijuana Businesses in Milpitas as I believe it will have negative effects on Minors, safety of the community etc.

Thanks,
Maruthi Veldandi

=====
This is an **EXTERNAL EMAIL**.

Please do not open unexpected attachments or those sent by unknown senders.
=====

City Clerk's Office

JAN 14 2019

RECEIVED

Mary Lavelle

From: Guangde Chen <guangde.chen@gmail.com>
Sent: Tuesday, January 15, 2019 11:28 AM
To: Karina Dominguez
Cc: Mary Lavelle
Subject: [BULK] Yes to Ban MJ business at Milpitas today.

Importance: Low

City Clerk's Office
JAN 15 2019
RECEIVED

Dear Karina,

I have been living in PineWood for more than 4 years. I am working at LinkedIn. My background is to help building models for different purpose. For example, we built models to accurately predict the elected governor for Wisconsin in 2010 when I was a Ph.D student at the University of Wisconsin at Madison.

I learned about MJ last year around Nov. 10. After that, I went over to the Pinewood Park and my neighborhood to read people's opinion. I found that

1. Clearly, family with Kids/baby all like to ban MJ businesses
2. Most of Family without kids at home do not like MJ at all. They hate drug as well.
3. For the younger family (no kids) with good jobs do not like MJ business at Milpitas. Clearly, they will have baby in the next few years.

For the better of Milpitas, please vote Yes to ban MJ business at Milpitas today.

I appreciate your vote on 12/19.

Have a great day.

Guangde Chen

This is an **EXTERNAL EMAIL**.

Please do not open unexpected attachments or those sent by unknown senders.

Backup material for agenda item:

Adopt a Resolution Amending the Classification Plan, Adding Three Firefighter Positions and One Fire Battalion Chief to the City's Authorized Positions List, and Appropriating Funding Necessary to Support the Incremental Costs of One Fire Battalion Chief (Staff Contact: Liz Brown, 408-586-3086)

Recommendation: Adopt a resolution amending the Classification Plan by establishing the classifications of Entry Firefighter and Entry Firefighter Paramedic, authorizing the addition of three Full Time Equivalent (FTE) Firefighter Paramedic positions and one Full Time Equivalent (FTE) Fire Battalion Chief to the City's Authorized Positions List and approve a budget amendment to appropriate \$60,000 in the Fire Department's FY 2018-19 General Fund Operating Budget to fund the incremental salary and benefits for one Fire Battalion Chief position over and above what the SAFER Grant will support.



CITY OF MILPITAS AGENDA REPORT (AR)

Item Title:	Adopt a Resolution Amending the Classification Plan, Adding Three Firefighter Positions and One Fire Battalion Chief to the City's Authorized Positions List, and Appropriating Funding Necessary to Support the Incremental Costs of One Fire Battalion Chief.
Category:	Consent Calendar-Leadership and Support Services
Meeting Date:	1/15/2019
Staff Contact:	Liz Brown, Director of Human Resources
Recommendation:	Adopt a resolution amending the Classification Plan by establishing the classifications of Entry Firefighter and Entry Firefighter Paramedic, authorizing the addition of three (3) Full Time Equivalent (FTE) Firefighter Paramedic positions and one (1) Full Time Equivalent (FTE) Fire Battalion Chief to the City's Authorized Positions List and approve a budget amendment to appropriate \$60,000 in the Fire Department's FY 2018-19 General Fund Operating Budget to fund the incremental salary and benefits for one (1) Fire Battalion Chief position over and above what the SAFER Grant will support

Background:

On September 18, 2018, the City Council adopted Resolution No. 8818 to approve the acceptance of the Department of Homeland Security's FEMA SAFER grant of \$1,520,523 awarded to the City of Milpitas. This action included approving the grant terms, appropriating grant funding to the FY 2018-19 Fire Department operating budget, and transferring the City's FY 2018-19 local match amount to the Fire Department's operating budget from the Non-Departmental operating budget and the Unassigned General Fund Reserve Balance. The Grant of \$1,520,523 is to cover personnel costs, including salary and benefits associated with hiring four new Milpitas firefighters. These new personnel will help the City address service needs relating to anticipated population growth and will allow for the addition of a fourth firefighter on the truck company as well as staffing of the ambulance that will be placed in service in early 2019. The City's required cost match over the three (3) year term of the grant is \$945,189.

On October 16, 2018, the City Council adopted a Resolution approving a new Memorandum of Understanding between the City of Milpitas and the International Association of Firefighters (IAFF) Local 1699 for the period of July 1, 2018 to June 30, 2022. Included in the agreement was the creation of two new classifications: Entry Firefighter and Entry Firefighter/Paramedic, which provide cost savings to the City and enhance career development and growth opportunities within the Fire Department. The City's classification plan needs to be updated to add these two (2) classifications and the authorized positions list needs to be amended to add three (3) Full Time Equivalent Firefighter positions. The three (3) Firefighter positions will initially be filled as Firefighter Trainees or Firefighter/Paramedic Trainees. After completion of the Firefighter Academy, in approximately four (4) months, the Firefighter Trainee and/or Firefighter/Paramedic Trainee will begin their 12 month probationary period as an Entry Firefighter or Entry Firefighter/Paramedic. Provided they pass probation, they would then promote to Firefighter or Firefighter/Paramedic. The Fire Department has also identified the need for one (1) Fire Battalion Chief position to support fire suppression and emergency response operations. This position will support increasing needs for personnel management and command and control of emergency incidents. The SAFER grant will pay for the costs of up to four (4) Firefighters for suppression and emergency response operations. The City though can choose to add a higher level position such as a Fire Battalion Chief as long as it fully supports suppression and emergency response operations. Thus, staff recommends amending the City's authorized positions list to add three (3) Firefighter positions and one (1) Fire Battalion Chief position; with incremental funding necessary for the

higher level Fire Battalion Chief position coming from City funds since the SAFER Grant will not support the incremental cost above a Firefighter position.

Analysis:

The City's classification plan needs to be updated to add the classification of Entry Firefighter and Entry Firefighter Paramedic. In addition the City's authorized positions list needs to be amended to reflect the addition of three (3) Firefighter positions and one (1) Fire Battalion Chief position. There is also a need to appropriate \$60,000.00 to fund the incremental cost of the Fire Battalion Chief position over what the SAFER Grant will fund for a Firefighter position for the remainder of FY 2018-19.

Fiscal Impact:

The SAFER grant provides \$1,520,523 in funding over three (3) years to support costs up to those for four (4) Firefighter positions; with the required City cost match equaling \$945,189 over that same three (3) year time period. Acceptance of the SAFER Grant and the City's cost match were approved by City Council on September 18, 2018 via Resolution No. 8818. No additional appropriations are necessary should the City choose to hire four (4) Firefighter positions per the grant award. However, staff instead recommends hiring three (3) Firefighter positions and one (1) Fire Battalion Chief position instead. Therefore, the incremental cost of \$60,000 above what the SAFER grant will support the Fire Battalion Chief position. Funds will need to be appropriated to the Fire Department's FY 2018-19 General Fund Operating Budget should Council approve staff recommendations. This amount will fund 5 months of incremental costs in FY 2018-19. Ongoing annual incremental costs for the Fire Battalion Chief position above what the SAFER grant will support are approximately \$144,000 and will be programmed into future year operating budget requests.

California Environmental Quality Act:

Exempt from CEQA

Recommendation:

1. Adopt a resolution amending the Classification Plan by establishing the classifications of Entry Firefighter and Entry Firefighter Paramedic,
2. Authorize adding three (3) additional Full Time Equivalent (FTE) Firefighter Paramedic positions and one (1) Full Time Equivalent (FTE) Fire Battalion Chief to the City's Authorized Positions List and
3. Approve a budget amendment to appropriate \$60,000 in the Fire Department's FY 2018-19 General Fund Operating Budget to fund the incremental salary and benefits for one (1) Fire Battalion Chief position over and above what the SAFER Grant will support.

Attachments: Resolution to Amend Classification Plan

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILPITAS AMENDING RESOLUTION NO. 1626, THE CLASSIFICATION PLAN, TO ESTABLISH NEW CLASSIFICATIONS AND SALARY RANGES AND FOR BUDGETARY POSITION AUTHORIZATIONS

WHEREAS, the City of Milpitas has a Classification Plan adopted as Resolution No. 1626 on December 17, 1968, which has been amended from time to time, and which is in accordance with the Personnel Rules and Regulations of the City of Milpitas (Resolution No. 792 as amended); and

WHEREAS, amendments to the Classification Plan are necessary to account for changes within the organization, transfer of duties, new job responsibilities, and adjustments to salary ranges; and

WHEREAS, the annual mid-year budget process necessitates new classifications and salary ranges and changes in position authorizations that will result in modifications to the Classification Plan.

NOW THEREFORE, the City Council of the City of Milpitas hereby finds, determines, and resolves as follows:

1. The City Council has considered the full record before it, which may include but is not limited to such things as the staff report, testimony by staff and the public, and other materials and evidence submitted or provided to it. Furthermore, the recitals set forth above are found to be true and correct and are incorporated herein by reference.
2. Resolution No. 1626, as amended, is hereby amended effective January 15, 2019, as follows:

A. Establish new classifications with the following titles and salary ranges:

Title	Proposed Salary Range	Bargaining Unit
Entry Firefighter	\$93,350.66 - \$97,084.78	(IAFF) International Association of Firefighters
Entry Firefighter/Paramedic	\$104,552.76 - \$108,735.12	(IAFF) International Association of Firefighters

B. Authorize the following positions:

- Three (3) Firefighter/Paramedic positions to the 2018/2019 Fire Department General Fund Operating Budget
- One (1) Battalion Chief position to the 2018/2019 Fire Department General Fund Operating Budget

3. The City Council directs the Human Resources Director to create job descriptions for the above new classifications to include in the Classification Plan and submit them to the City Manager for approval on or before the date of position activation.

PASSED AND ADOPTED this _____ day of _____, 2019, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

ATTEST:

APPROVED:

Mary Lavelle, City Clerk

Rich Tran, Mayor

APPROVED AS TO FORM:

Christopher J. Diaz, City Attorney

Backup material for agenda item:

Adopt a Resolution Approving the Sole Source Purchase of Two (2) JWC Environmental Channel Monster Model CDD6020 Grinders for the Public Works Department from MISCOWater for the Not-To-Exceed Amount of \$226,250 (Staff Contacts: Tony Ndah, 408-586-2602 and Chris Schroeder, 408-586-3161)

Recommendation: Adopt a resolution approving the sole source purchase of two (2) JWC Environmental Channel Monster Model CDD6020 Grinders for the Public Works Department from MISCOWater for the not-to-exceed amount of \$226,250



CITY OF MILPITAS AGENDA REPORT (AR)

Item Title:	Adopt a Resolution Approving the Sole Source Purchase of Two (2) JWC Environmental Channel Monster Model CDD6020 Grinders for the Public Works Department from MISCOwater for the Not-To-Exceed Amount of \$226,250 (Staff Contacts Tony Ndah, 408-586-2602 and Chris Schroeder, 408-586-3161)
Category:	Consent Calendar-Community Services and Sustainable Infrastructure
Meeting Date:	1/15/2019
Staff Contact:	Tony Ndah, 408-586-2602 and Chris Schroeder, 408-586-3161
Recommendation:	Adopt a resolution approving the sole source purchase of two (2) JWC Environmental Channel Monster Model CDD6020 Grinders for the Public Works Department from MISCOwater for the not-to-exceed amount of \$226,250

Background:

The City of Milpitas owns and operates its municipal sewer collection system consisting of 175 miles of gravity pipe and 5 miles of force main. The system also includes two pump stations: the Venus station, which lifts sewage out of the low-lying Pines neighborhood and the Main Lift Station, which pumps all City sewage through dual 2.5 mile force mains to the San Jose/Santa Clara Water Pollution Control Plant for treatment.

The Main Lift station has four (4) JWC Environmental Channel Monster Model CDD 6020 grinders, which were originally installed in 2007. Each grinder is located in an individual concrete channel and influent sewage flows passes through each grinder before the sewage is pumped to the wastewater treatment plant. Following an assessment by staff, the JWC Environmental Channel Monster Model CDD6020 grinder units at the Main Lift station were found to be out of service and in need of replacement. During Phase I of the project, two (2) JWC Environmental Channel Monster Grinders in channel's #1 and #4 were replaced in late 2017. The remaining two (2) JWC Environmental Channel Monster Model CDD6020 Grinders units in channel's #2 and #3 at the Main Lift station are in need of replacement as part of Phase II of the project, in order to match the functionality of the existing grinders.

Analysis:

Grinders are used to reduce a wide variety of materials collected in the sewer system including sanitary wipes, rags, wood, paper, shoes, sludge and more. These units are proven to reduce pump clogging, protect processing equipment, reduce solids and keep wastewater systems running properly. The grinders at the Main Lift pump stations get heavy use and are a critical part of the City's wastewater collection system. When grinders break down or need replacement parts, it is important to service them and get them operational again quickly, to avoid more costly problems such as clogged pumps in the system.

Staff conducted a review of different grinder models and the JWC Environmental Channel Monster Model CDD6020 is the only grinder on the market in the size range capable of processing the high flows and capable of fitting through the existing concrete channels without requiring significant modifications to the existing infrastructure at the Main Lift Station. The wet wells of the Main Lift Station were specifically designed to hold these grinders at the time the station was built in 2007. In addition to the size of the existing concrete channel, the Main Lift Station is comprised of the following components that are unique to the dimensions of the JWC Environmental Channel Monster Model CDD6020 grinders.

- Mounting brackets and guide rails installed in the concrete channels.

- Existing PC2220 grinder controllers.
- Lifting mechanisms sized for the weight and metal conduits fitted with electrical power and control cables specifically sized for the load of the grinders.
- The access hatches for each grinder system are custom sized, installed at grade level and embedded in the concrete.

Policy Alternatives:

Go out to bid and switch to another brand of grinder.

Reason not recommended: Switching to another brand of grinder would require substantial structural changes to the Main Lift Station, which would cause lengthy delays and significant cost increases for the replacement of the grinders. Pursuant to Municipal Code section I-2-3.09 “Sole Source Procurement,” staff has determined that the JWC Environmental Channel Monster Model CDD6020 Grinder is the only grinder model that meets the specifications for this replacement. MISCOwater is the exclusive representative of JWC Environmental in the State of California.

Fiscal Impact:

The total not-to-exceed cost for the purchase, installation, and 5-year preventative maintenance program for the two (2) JWC Environmental Channel Monster Model CDD6020 Grinders is \$226,250.00. \$189,250 is the cost for the grinders, and \$37,000 is for the five-year preventative maintenance. There are sufficient funds in the FY 2018-19 Capital Improvement Program for project Project No. 6125 (Sewer Pump Station Treatment Improvements) for this purchase. No further appropriations are requested at this time.

California Environmental Quality Act:

This action is not considered a project under CEQA as there will be no direct, or reasonably foreseeable indirect physical change in the environment.

Recommendation:

Adopt a resolution approving the sole source purchase of two (2) JWC Environmental Channel Monster Model CDD6020 Grinders for the Public Works Department from MISCOwater for the not-to-exceed amount of \$226,250.

Attachments:

- 1) MISCOwater Project proposal MP-44688
- 2) Terms and Conditions
- 3) Resolution

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILPITAS APPROVING THE
SOLE SOURCE PURCHASE OF TWO CHANNEL MONSTER CDD6020 GRINDERS FROM
MISCOWATER FOR A TOTAL NOT-TO-EXCEED AMOUNT OF \$226,250.00**

WHEREAS, section I-2-3.09 of the Milpitas Municipal Code authorizes the City Council to award contracts without competition when the Purchasing Agent determines that there is only one source for the required supply or service; and

WHEREAS, the City of Milpitas owns and operates its municipal sewer collection system consisting of 175 miles of gravity pipe and 5 miles of force main. The system also includes two pump stations: the Venus Station, which lifts sewage out of the low-lying Pines neighborhood, and the Main Lift Station, which pumps all City sewage through dual 2.5 mile force mains to the San Jose/Santa Clara Water Pollution Control Plant located in San Jose at 700 Los Esteros Road for treatment; and

WHEREAS, the Main Lift Station had four (4) JWC Environmental Channel Monster Model CDD6020 grinders originally installed in 2007. Each grinder is located in an individual concrete channel and influent sewage flows pass through each grinder before the sewage is pumped to the wastewater treatment plant. Following an assessment by staff, the JWC Environmental Channel Monster Model CDD6020 Grinder units at the Main Lift Station were found to be out of service and in need of replacement. During Phase I of the project, two (2) JWC Environmental Channel Monster Grinders in channels #1 and #4 were installed in 2017. Following the original assessment by staff, the remaining two (2) of the JWC Environmental Channel Monster Model CDD6020 Grinder units in channels #2 and #3 at the Main Lift Station are Phase II of the project and in need of replacement to match the functionality of the existing grinders; and

WHEREAS, staff conducted a review of different grinder models and determined that JWC Environmental Channel Monster Model CDD6020 is the only grinder on the market in the size range capable of processing the high flows and capable of fitting through the existing concrete channels without requiring significant modifications to existing infrastructure at the Main Lift Station. The wet wells of the Main Lift Station were specifically designed to hold these grinders at the time the station was built in 2007; and

WHEREAS, in addition to the size of the existing concrete channels, the Main Lift Station is comprised of the following components that are unique to the dimensions of the JWC Environmental Channel Monster Model CDD6020:

- Mounting brackets and guide rails installed in the concrete channels.
- Existing PC2220 controllers are specific for the grinders.
- Lifting mechanisms sized for the weight and metal conduits fitted with electrical power and control cables specifically sized for the power load of the grinders.
- The access hatches for each grinder system are custom sized, installed at grade level and embedded in the concrete; and

WHEREAS, switching to another brand of grinders would require substantial structural changes to the Main Lift Station and would incur a lengthy delay and significant cost increase; and

WHEREAS, MISCOWater is the exclusive representative of JWC Environmental in the State of California; and

WHEREAS, after conducting a good faith review of the Public Works Department's research, available sources and pursuant to Milpitas Municipal Code Section I-2-3.09, the City's Purchasing Agent has determined that MISCOwater is the only source for the JWC Environmental Channel Monster Model CDD6020 grinder; and

WHEREAS, the price for two (2) JWC Environmental Channel Monster Model CDD6020 grinders, including purchase, 5-year Preventative Maintenance Program, installation and tax, is a combined total not-to-exceed amount of \$226,250.00.

NOW, THEREFORE, the City Council of the City of Milpitas hereby finds, determines, and resolves as follows:

1. The City Council has considered the full record before it, which may include but is not limited to such things as the staff report, testimony by staff and the public, and other materials and evidence submitted or provided to it. Furthermore, the recitals set forth above are found to be true and correct and are incorporated herein by reference.
2. The City Council hereby approves the sole source purchase of two (2) JWC Environmental Channel Monster Model CDD6020 grinders, including a 5-year Preventative Maintenance Program, installation and tax, for a combined total not-to-exceed amount of \$226,250.00

PASSED AND ADOPTED this _____ day of _____, 2019, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

APPROVED:

Mary Lavelle, City Clerk

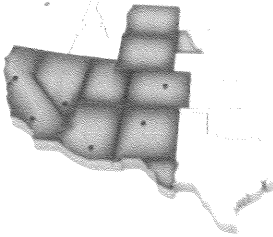
Rich Tran, Mayor

APPROVED AS TO FORM:

Christopher J. Diaz, City Attorney



Collaborative Delivery Solutions



Project Proposal MP-44688

The City of Milpitas
Derek Bryan, Collections Superintendent



Milpitas Lift Station Channel Monster Replacement Project - Phase 2



Prepared by:
Matt Tooley
Mark Humberstone

July 12, 2018

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1. MISCOwater P3 Collaborative Delivery Solutions



Furnish & Installation as a Public-Private Partnership

Delivering working, integrated systems utilizing technologies that provide effective water treatment solutions

MISCOwater - P3 is focused on applying the best water and wastewater treatment solutions to our industry's greatest water treatment challenges in partnership with you.

Provide municipalities a cost effective way to implement small to medium sized projects involving installation of new equipment or replacement/rehabilitation of existing equipment.

Complete projects faster than most project procurement mechanisms.

Provide owners with a Project Manager that is a single point-of-contact for successful project implementation.

Contract with manufacturers that use common design and engineering tools to minimize project costs.

Encourage owner participation in the selection of the installer/contractor to foster collaboration and partnership.

Include options for financing, system maintenance, and long-term support.

2. Project Summary

The City of Milpitas operates a sewage pump station located at 1425 N McCarthy Blvd in Milpitas. This station is pumping approximately 6 MGD of untreated domestic sewage to the San Jose-Santa Clara WPCF.

Currently, there are four (4) grinders with electric immersible motors, which were installed in 2006. Grinders Nos. 1 and 4 were recently replaced via a MISCOwater P3 Project. This successful project included the upgrade of the two older, smaller channel grinders with larger, more industrially-designed units. Reference MISCOwater Proposal MP-39780A for project specifics.

The replacement of the remaining two JWC Environmental channel grinders in channel 2 and 3 is being proposed. Refurbishing the remaining two (2) units to now match the existing, upgraded channel grinders will provide the City of Milpitas with years of reliable operation and increased capacity to meet current and future needs.

3. Scope of Work

Project Construction Overview: Remove existing JWC Channel Monster Grinders and replace with MISCOwater-furnished Channel Monster Grinders.

Scope of Work - Option 1 - (1) Channel Grinder

1. Decouple existing Channel Monster grinder from existing immersible motor and cycloidal gear reducer. Motor/reducer shall be reused.
2. Provide crane and rigging to raise the grinder assembly, housings and drums from the bottom of the pump station channel #3.
3. Lower one new grinder and set in place. Reconnect motor/reducer.
4. Lift and place old grinder for transportation to disposal site. Disposal fee included.
5. Provide start-up and training to Milpitas O&M staff to ensure proper operation and long term maintenance.
6. Provide Confined Space Entry Equipment and PPE. Proposal includes allowance for a hole watch, gas monitoring, ventilation and retrieval device, if necessary.
7. Includes Prevailing Wage rates for all craft labor.
8. Work to be performed in one (1) mobilization.

Scope of Work - Option 2 - (2) Channel Grinders

1. Decouple existing Channel Monster grinders from existing immersible motors and cycloidal gear reducers. Motors/reducers shall be reused.
2. Provide crane and rigging to raise the grinder assemblies, housings and drums from the bottom of the pump station channels #2 and #3.
3. Inspect bottom of channel #2 for accumulation of grit or debris and clean as necessary to ensure a reasonably flat bottom surface for placement of the new grinder. Channel #3 assumed to be clean.
4. Lower two new grinders and set in place in channels #2 and #3. Reconnect motors and gear reducers.
5. Lift and place old grinders for transportation to disposal site. Disposal fee included.
6. Provide start-up and training to Milpitas O&M staff to ensure proper operation and long term maintenance.
7. Provide Confined Space Entry Equipment and PPE. Proposal includes allowance for a hole watch, gas monitoring, ventilation and retrieval device, if necessary.
8. Includes Prevailing Wage rates for all craft labor.
9. Work to be performed in one (1) mobilization.

This scope of work excludes the following items:

- Permits, fees, and/or stamped engineering documents.
- Overtime premiums or weekend work.
- No allowances have been included for snow removal and winter work.
- Offloading and/or storage of replacement parts if delivered when crew is not onsite.
- Assumes adequate lay down and access to work site.
- Installation of (non identified) piping, equipment supports and/or electrical.
- City fo Milpitas to make all reasonable precautions to make safe work space.
- Hazardous material handling or disposal.
- No allowances have been made for Project Labor Agreements (PLA's) or similar requirements.
- Any work not specifically included.

4. Scope of Work



JWC Channel Monster Sewage Grinder

(1 or 2) Model CDD-6020-XDS-2.5 Channel Monster system. Refer to JWC Environmental flow curves for performance data. Scope of supply to include:

Grinder with 60" cutter stack and 20" drums using 11-tooth cam cutters and spacers in alloy steel, Optimum cut control gearing, two rotating perforated drum screen assemblies, tungsten carbide mechanical seals with BUNA-N elastomers rated for 90psi, cork & rubber gaskets, hunter green epoxy coated housing with delta-p side rails and hydraulic torque motor.

Shipping and handling

(1) One day of start up supervision by a factory-authorized representative is included

Frame Assembly

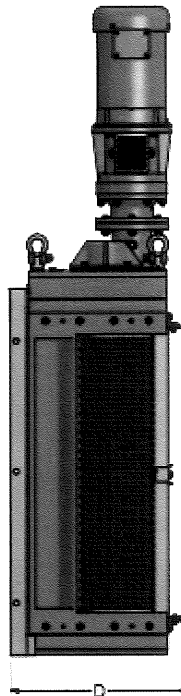
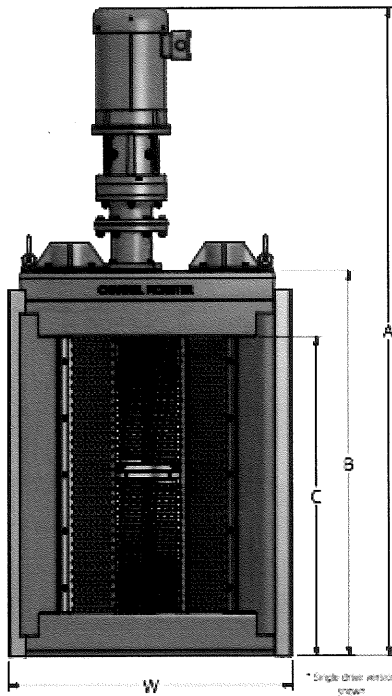
Re-use existing guide frame assembly for the new grinder unit

Clarifications to the MISCOwater Scope of Supply

1. Terms and Conditions per MISCOwater contract with owner.
2. Standard one year warranty is included.
3. Optional MISCOcare Service Plan detailed in MISCOwater proposal



Channel Monster®



OPTIONS AVAILABLE

	2.0 Standard Duty	2.5 Heavy Duty	3.0 Extreme Duty
7 Tooth Cutters	■	■	■
11 Tooth Cutters	■	■	
13 Tooth Cutters	■		
17 Tooth Wipes Ready Cutter	■		
Single Drum	■		
Dual Drum	■	■	■
10" Drums	■	■	
16" Drums	■	■	
20" Drums	■	■	■
Single Drive	■		
Multi-Drive	■	■	■
Alternate Voltage & HP Motors	■	■	■
SS & NEMA 7 Control Enclosures	■	■	■
Explosion Proof Motors	■	■	■
Immersible Motors	■	■	■
Hydraulic Power Pack	■		
Extended Motor Shafts	■	■	■
Custom Mounting Frames	■	■	■
Overflow Bar Screens	■	■	■

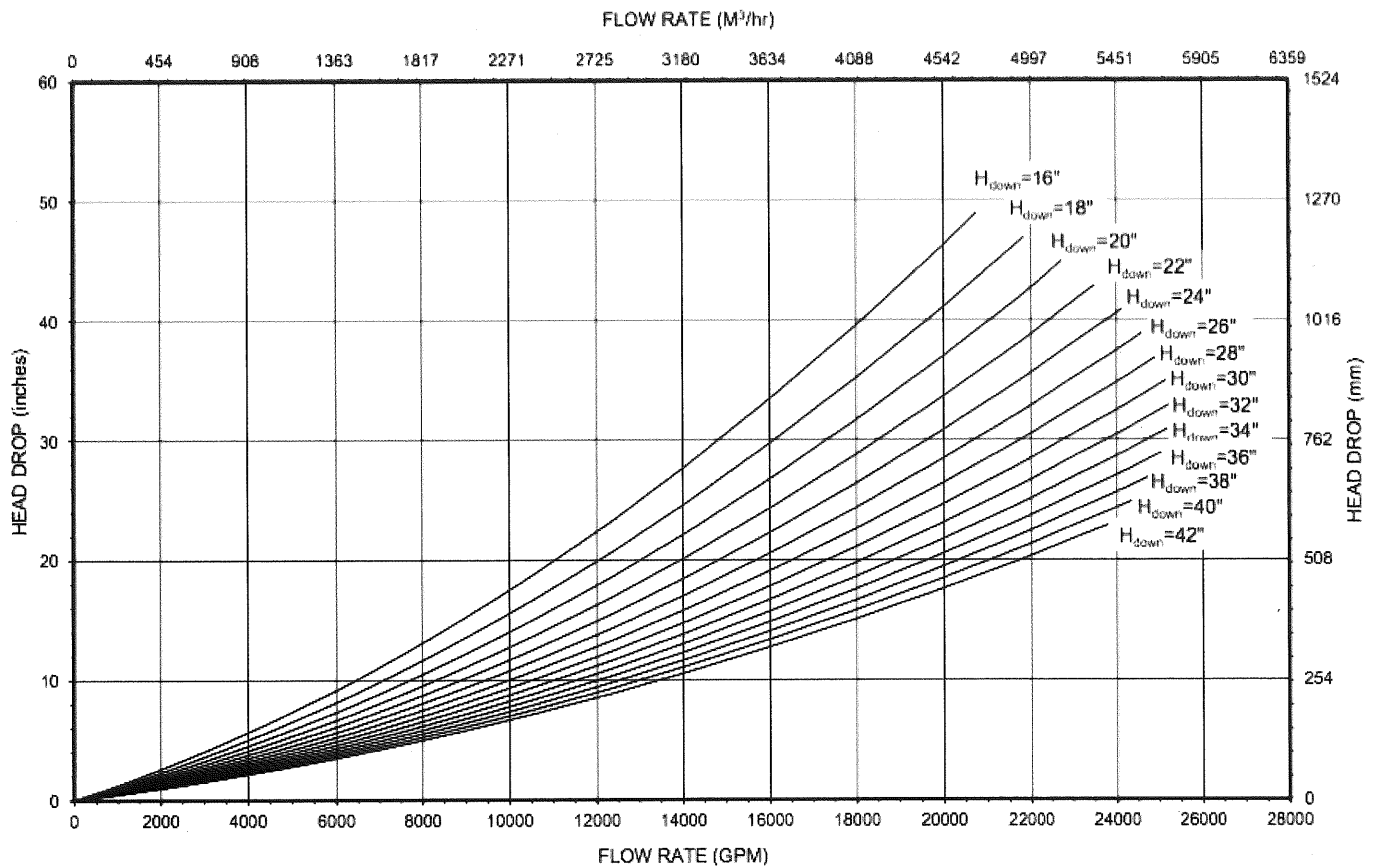
1 Only available on single drive 2.0 models.

DUAL DRUM Model	A* - inches (mm)	B - inches (mm)	C - inches (mm)	D - Min. - inches (mm)	W - Min. Channel Width** - inches (mm)	Max Flow - mgd (m³/hr)	Approximate Net Weight - lbs (kg)
CDD1810-XD2.0	60-5/16 (1538)	30-1/2 (775)	23-1/8 (578)	21-3/4 (552)	30 (762)	3.7 (591)	1480 (671)
CDD2410-XD2.0	66-3/16 (1681)	36-1/8 (918)	28-7/8 (733)	21-3/4 (552)	30 (762)	5.4 (852)	1570 (712)
CDD3210-XD2.0	74-1/16 (1881)	44 (1118)	36-3/4 (933)	21-3/4 (552)	30 (762)	7.9 (1243)	1645 (746)
CDD4010-XD2.0	81-15/16 (2081)	51-7/8 (1315)	44-1/2 (1130)	21-3/4 (532)	30 (762)	10.5 (1650)	1720 (780)
CDD4010-XD2.5	96-3/16 (2443)	57 (1449)	46 (1168)	22-3/4 (578)	30 (762)	10.5 (1650)	4000 (1814)
CDD5010-XD2.5	105-15/16 (2691)	66-3/4 (1695)	55-3/4 (1415)	22-3/4 (578)	30 (762)	13.9 (2195)	4200 (1905)
CDD6010-XD2.5	116-9/16 (2961)	77-3/8 (1965)	66-3/8 (1686)	22-3/4 (578)	30 (762)	17.6 (2775)	4450 (2018)
CDD2416-XD2.0	66-3/16 (1681)	36-1/8 (918)	28-7/8 (733)	26 (660)	42 (1067)	7.1 (1126)	2070 (939)
CDD3216-XD2.0	74-1/16 (1881)	44 (1118)	36-3/4 (933)	26 (660)	42 (1067)	10.6 (1670)	2295 (1041)
CDD4016-XD2.0	81-15/16 (2081)	51-7/8 (1315)	44-1/2 (1130)	26 (660)	42 (1067)	14.2 (2246)	2395 (1086)
CDD4016-XD2.5	96-3/16 (2443)	57 (1449)	46 (1168)	32-3/4 (832)	42 (1067)	14.2 (2246)	4750 (2155)
CDD5016-XD2.5	105-15/16 (2691)	66-3/4 (1695)	55-3/4 (1415)	32-3/4 (832)	42 (1067)	19.2 (3030)	5000 (2268)
CDD6016-XD2.5	116-9/16 (2961)	77-3/8 (1965)	66-3/8 (1686)	32-3/4 (832)	42 (1067)	24.6 (3875)	5300 (2404)
CDD3220-XD2.0	74-1/16 (1881)	44 (1118)	36-3/4 (933)	27-3/4 (705)	54 (1372)	16.6 (2612)	2320 (1052)
CDD4020-XD2.0	81-15/16 (2081)	51-7/8 (1315)	44-1/2 (1130)	27-3/4 (705)	54 (1372)	21.8 (3442)	2395 (1086)
CDD4020-XD2.5	96-3/16 (2443)	57 (1449)	46 (1168)	33-1/2 (851)	54 (1372)	21.8 (3442)	5400 (2449)
CDD5020-XD2.5	105-15/16 (2691)	66-3/4 (1695)	55-3/4 (1415)	33-1/2 (851)	54 (1372)	28.9 (4551)	5675 (2574)
CDD6020-XD2.5	116-9/16 (2961)	77-3/8 (1965)	66-3/8 (1686)	33-1/2 (851)	54 (1372)	36.3 (5730)	6000 (2722)
CDD9020-XD3.0	156-3/8 (3972)	113-3/16 (2875)	97-7/8 (2486)	42 (1066)	54 (1372)	59 (9306)	10,300 (4600)

* Based on use of TEFC motor ** For dual channel construction width please add 2" (50 mm)

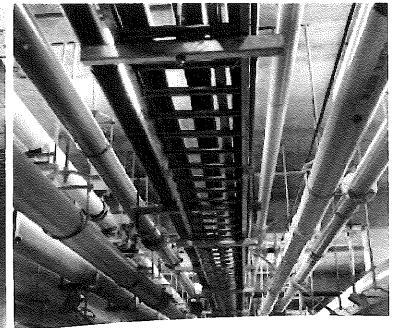
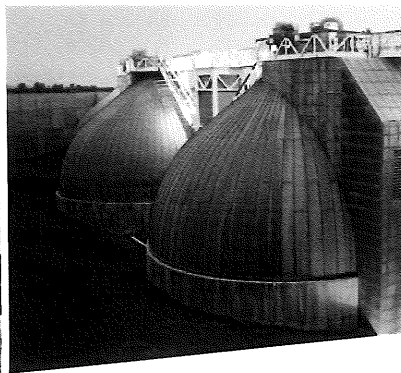
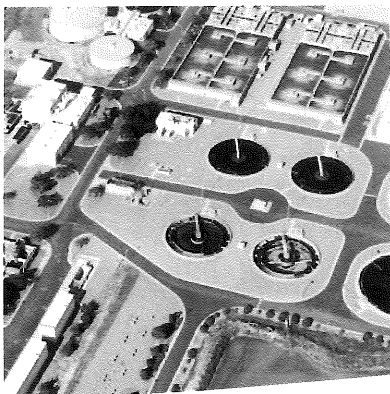
HEAD DROP
MODEL CDD6020-XD2.0
Ø1/2" PERFORATED STAINLESS STEEL DRUM

3-13-15



5. Project Schedule

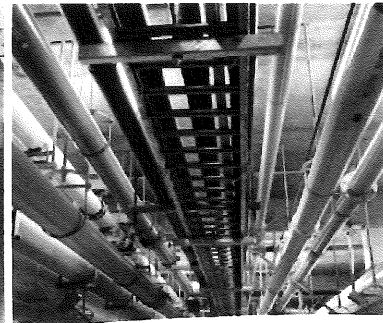
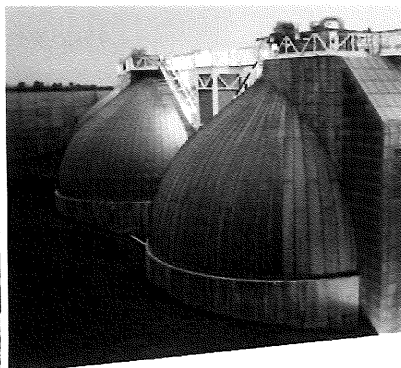
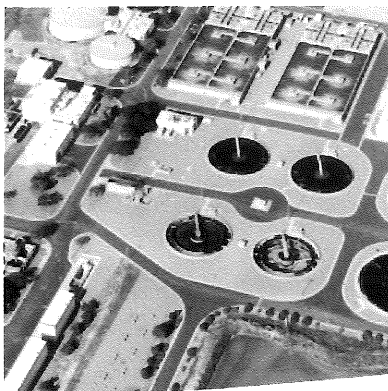
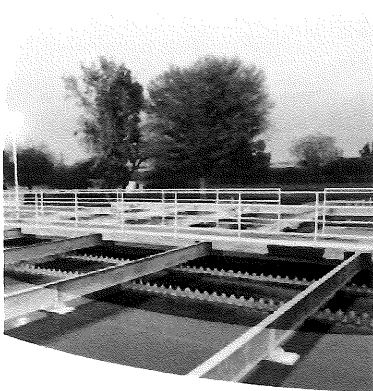
Purchase order received and accepted:	Timeline begins
Fabrication of grinder equipment complete: • Onsite inspection by construction crew • Record submittals completed and submitted • Equipment ships/arrives onsite	Week 10
Installation of equipment complete: • Mobilization of construction crew • Disconnection/removal of existing grinder(s) • Installation/reconnection of new grinder(s)	Week 11
Start-up and training (1 day, 1 trip):	Week 12
Close Project:	Week 13



Project Reference List Wastewater Solutions

City of Watsonville Aeration Upgrade Project

Owner:	Watsonville 500 Clear Water Drive Watsonville, CA 95077 Phone: (831) 768-3170 Contact: Kevin Silvieri
Construction Partner:	GSE Construction Company 6950 Preston Ave Livermore, CA 94551 Phone: (925) 447-0292 Contact: Dennis Gutierrez
Project Amount:	\$530,000
Project Duration:	6 months
Project Team:	Mike Tooley Richard Gndt
Summary:	• Upgraded existing Lamson multistage blower with APG Neuros turbo blower. • Upgraded coarse bubble diffusers in re-aeration and aeration basins with PFTE (Teflon) coated 9-inch disc diffusers. • Testing, commissioning, start up and training.



MISCO
WATER

Collaborative Delivery Solutions



Project Reference List Wastewater Solutions

Silicon Valley Clean Water Aeration Upgrade Project

Owner:

Silicon Valley Clean Water
1400 Radio Rd
Redwood City, CA 94065
Phone: (650) 591-7121
Contact: Arvind Akela, Chuck Fenton

Construction Partner:

Monterey Mechanical Co.
8275 San Leandro St
Oakland, CA 94621
Phone: (510) 632-3173
Contact: Ed Moore

Project Amount:

\$2,200,000

Project Duration:

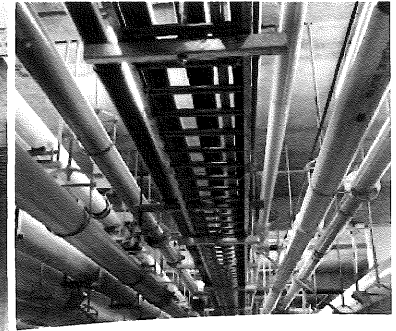
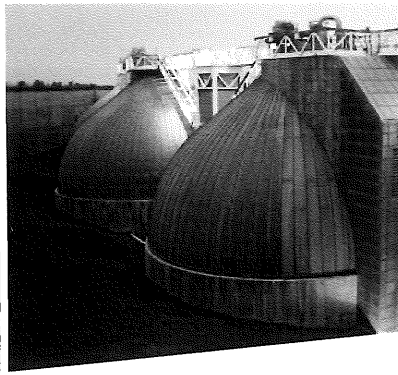
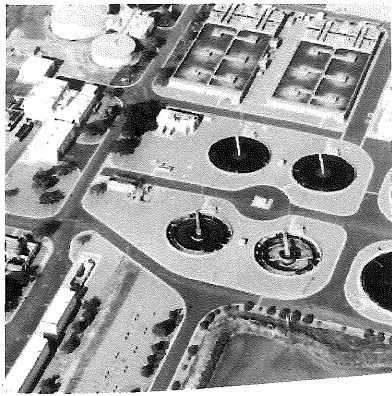
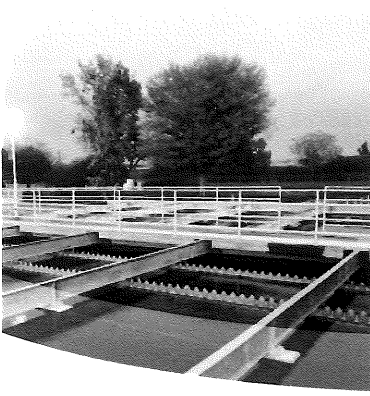
2 weeks

Project Team:

Mike Tooley
Dwight Craig
Richard Gmandt
Matt Tooley

Summary:

- Upgraded existing mechanical mixers with efficient Invent Mixer/ Aerators including drop leg air headers, air spargers, and integrated controls.
- SOTE Testing, commissioning, start up and training.



MISCO
WATER

Collaborative Delivery Solutions



Project Reference List Wastewater Solutions

Woodland Water Pollution Control Facility Band Screen Installation

Owner:

Woodland WPCF
42929 County Road 24
Woodland, CA 95776
Phone: (530) 661-20690
Contact: Chris Fong

Construction Partner:

GSE Construction Company
6950 Preston Ave
Livermore, CA 94551
Phone: (925) 447-0292
Contact: Dennis Gutierrez

Project Amount:

\$704,000

Project Duration:

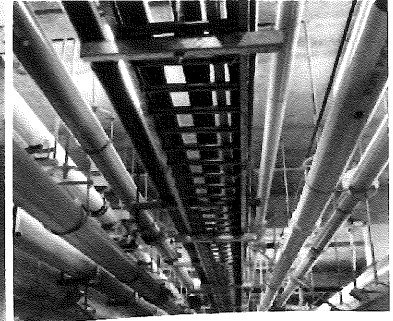
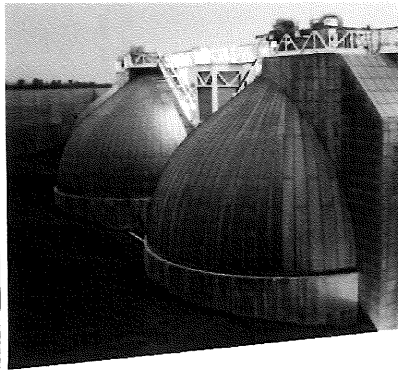
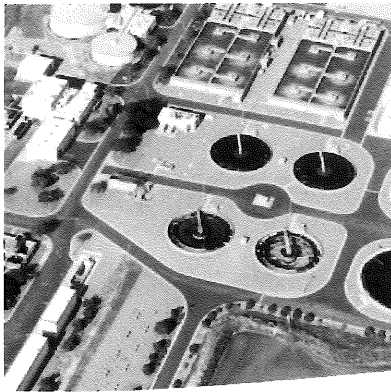
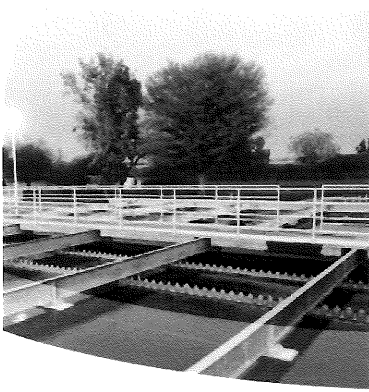
6 months

Project Team:

Mike Tooley
Richard Gmandt
Mark Humberstone

Summary:

- Installation of (2) band screens and (4) FRP headworks gates
- Removal of old equipment.
- Testing, commissioning, start up and training.



MISCO
WATER

Collaborative Delivery Solutions



Project Reference List Wastewater Solutions

City of Carmel Methane Gas Scrubber Retrofit Project

Owner:

Carmel Area Wastewater District
3945 Rio Rd.
Carmel-by-the-Sea, CA 93922
Phone: (831) 624-1248
Contact: Drew Lander

Construction Partner:

GSE Construction Co.
6950 Preston Ave
Livermore, CA 94551
Phone: (925) 447-0292
Contact: Nelson Cooper

Project Amount:

\$85,000

Project Duration:

2 weeks

Project Team:

Mike Tooley
Matt Tooley

Summary:

- Rehabilitation of existing MARCAB H₂S methane gas scrubber system.
- Replaced iron sponge and carbon media.
- Replaced corroded valves and manual actuators.
- Recoated/painted vessels.
- Removal and disposal of spent media.
- Testing, commissioning, start up and training.

7.MISCOcare Preventive Maintenance Program

MISCOcare
Preventive Maintenance Program

MISCOcare
*Designed to minimize
unexpected
downtime and to
extend the life of your
equipment*

Treatment plants are faced with the increasing challenge of accomplishing more work with less staff, so we offer long-term warranties and preventive maintenance on most equipment that we provide.

MISCOwater, with the assistance of our partner equipment manufacturers, will travel to your site regularly to assess the equipment's overall performance, perform routine maintenance, and provide a detailed report with recommendations to improve operation and extend equipment life. We will also be available to train staff on equipment operation where necessary.

Included in our preventive maintenance program for City of Milpitas:

- Semi-annual visit from a MISCOwater Aftermarket Specialist who will visually inspect the sewage grinders and perform routine maintenance.
- Written field inspection report presented after each visit.
- 3-year and 5-year MISCOcare terms included.

8. Project Pricing

Project Cost - Option 1	Replacement of Channel Monster #3	\$108,200.00
Project Cost - Option 2	Replacement of Channel Monster #2 and #3	\$189,250.00
MISCOcare - Preventive Maintenance Program	2-year MISCOcare term	\$21,000.00
MISCOcare - Preventive Maintenance Program	5-year MISCOcare term	\$37,000.00

*freight and tax included

Terms and Conditions: As defined by MISCOwater standard Terms and Conditions.

9. Terms and Conditions

MISCOWater Terms and Conditions

1. Applicability.

(a) The Purchase Order to which these Terms and Conditions are attached is an offer by TW ASSOCIATES, a California corporation, dba MISCOWater ("Buyer") for the purchase of the goods, materials and/or equipment specified on the Purchase order (the "Goods") from the party to whom the Purchase Order is addressed ("Seller") in accordance with and subject to these Terms and Conditions (the "Terms," and together with the Purchase Order, the "Order"). The Order, together with any plans and specifications, or documents referenced herein, constitutes the sole and entire agreement of the parties with respect to the Order, and supersedes all prior or contemporaneous understandings, agreements, negotiations, representations and warranties, and communications, both written and oral, with respect to the subject matter of the Order. The Terms prevail over any terms or conditions contained in any other documentation and expressly exclude any of Seller's general terms and conditions of sale or any other document issued by Seller in connection with this Order.

(b) The Terms apply to any repaired or replacement Goods provided by Seller hereunder.

(c) Buyer is not obligated to any future purchase obligations under the Order.

2. Acceptance. The Order is not binding on Buyer until Seller accepts the Order in writing or starts to perform in accordance with the Terms. Start of performance shall mean that Seller accepts the Terms and, further, that Seller agrees that the Terms shall control over any other terms and conditions set forth in any invoice, other purchase order, or contract. Buyer may withdraw the Order at any time before it is accepted by Seller.

3. Material. All materials used in the Goods shall be in full accordance with the project's plans and specifications, including all addenda. All Goods, materials and/or equipment proposed for use on the project is subject to approval by the engineer designated by Buyer (the "Engineer"). Seller is responsible for ensuring that it has all plans and specifications necessary to fulfill the Order.

4. Submittal Data and Operation & Maintenance (O&M) Manuals. Submittal data is required for approval for all Goods. Seller is responsible for noting any deviation or exceptions to the plans and specifications on the submittals. Submittals are to be complete and contain sufficient detail to enable proper review by the Engineer. Any Submittals that must be corrected or resubmitted shall be delivered promptly and within the time schedule established by the Engineer. Prior to the shipment of the Goods, Seller shall deliver O&M Manuals in full compliance with the plans and specifications.

5. Commencement of Fabrication. Seller shall not commence fabrication until Buyer provides approvals and notice to proceed in writing.

6. Seismic Requirements. When required by the plans and specifications, the Goods shall be designed in accordance with the provisions of the latest edition of the Uniform Building Code to withstand seismic loads in addition to other loads. Submittals shall be certified by a California design engineer confirm that design is in conformance with the Uniform Building Code and that all applicable loads, including seismic, have been taken in to account in the design.

7. Change Order. In the course of the project, it may become necessary to make changes, additions or deletions to the scope of the Order, as directed by the project owner, general contractor or Buyer. If modifications are necessary, Seller shall not make any modifications until a written change order is received from Buyer and both parties agree on any pricing changes. No change to this Order is binding upon Buyer unless it is in writing, specifically states that it amends this Order and is signed by an authorized representative of Buyer.

8. Coordination and Communication. If coordination with, or assimilation of, equipment provided by third parties is required in connection with the Goods, Seller is responsible to ensure compatibility of the Goods. All coordination, contact, questions, clarifications (whether oral or written) must be made through Buyer.

9. Delivery Date. Seller shall deliver the Goods in the quantities and on the date(s) specified in this Order or as later agreed in writing by the parties (the "Delivery Date"). Timely delivery of the Goods is of the essence. If Seller fails to deliver the Goods in full on the Delivery Date, Buyer may terminate the Order immediately by providing written notice to Seller, and Seller shall indemnify Buyer against any losses, claims, damages, and reasonable costs and expenses directly attributable to Seller's failure to deliver the Goods on the Delivery Date.

10. Delivery Location. All Goods shall be delivered to the address specified in this Order (the "Delivery Location") during Buyer's normal business hours or as otherwise instructed by Buyer.

11. Shipping Terms. Delivery shall be made in accordance with the Terms. The Order number must appear on all documents pertaining to the Order, invoices, packing lists, correspondence, and all shipping documents. Seller shall be solely responsible for and shall pay, all costs of delivering the Goods to the Delivery Location, including, without limitation, all shipping and freight costs and all duties, fees, tariffs or similar analogous taxes on imports/exports of the Goods, and insurance.

12. Title and Risk of Loss. Title passes to Buyer upon delivery of the Goods to the Delivery Location. Seller bears all risk of loss or damage to the Goods until delivery of the Goods to the Delivery Location.

13. Packaging. All Goods shall be packed for shipment according to Buyer's instructions or, if there are no instructions, in a manner sufficient to ensure that the Goods are delivered in undamaged condition. Seller must provide Buyer prior written notice if it requires Buyer to return any packaging material. Any return of such packaging material shall be made at Seller's expense.

14. Inspection and Rejection of Nonconforming Goods. The Buyer has the right to inspect the Goods on or after the Delivery Date. Buyer, at its sole option, may inspect all or a sample of the Goods, and may reject all or any portion of the Goods if it determines the Goods are nonconforming or defective. If Buyer rejects any portion of the Goods, Buyer has the right, effective upon written notice to Seller, to: (a) rescind the Order in its entirety; (b) accept the Goods at a reasonably reduced price; or (c) reject the Goods and require replacement of the rejected Goods. If Buyer requires replacement of the Goods, Seller shall, at its expense, promptly replace the nonconforming Goods and pay for all related expenses, including, but not limited to, transportation charges for the return of the defective goods and the delivery of replacement Goods. If Seller fails to timely deliver replacement Goods, Buyer may replace them with goods from a third party and charge Seller the cost thereof and terminate this Order for cause. Any inspection or other action by Buyer under this Section shall not reduce or otherwise affect Seller's obligations under the Order, and Buyer shall have the right to conduct further inspections after Seller has carried out its remedial actions.

15. Quantity. If the quantity of Goods delivered is different from the quantity of Goods ordered, Buyer may reject all or any such Goods. Any such rejected Goods shall be returned to Seller at Seller's risk and expense. If Buyer does not reject the Goods and instead accepts the delivery of Goods at the increased or reduced quantity, the Price for the Goods shall be adjusted on a pro-rata basis.

16. Price. The price of the Goods is the price stated in the Order (the "Price"). Unless otherwise stated in the Order, the Price shall be the price set out in Seller's published price list in force as of the date of the Order; and the Price shall include, and Seller shall be solely responsible for and shall pay, all packaging, transportation costs to the Delivery Location, insurance (for the full replacement cost of the Goods), customs duties and fees and all federal, state, and local taxes, including, but not limited to, value added tax, goods and services tax, sales, use or consumption tax. No sales or use tax shall be added when a valid tax exemption is indicated on the face of this Order by the Buyer. No increase in the Price is effective, whether due to increased material, labor or transportation costs or otherwise, without the prior written agreement of Buyer. When required by the plans and specifications, the Price shall also include the services of a factory representative for start-up, testing for proper operation and instruction, and a written certification of the installation and operation.

17. Most Favored Customer. Seller represents and warrants that the price for the Goods is the lowest price charged by Seller to any of its external buyers for similar volumes of similar Goods. If Seller charges any other buyer a lower price, Seller must apply that price to all Goods under this Order. If Seller fails to meet the lower price, Buyer, at its option, may terminate this Order without liability pursuant to Section 24.

18. Payment Terms. Seller shall issue an invoice to Buyer on or any time after the completion of delivery and only in accordance with the Terms. Buyer shall pay all properly invoiced amounts due to Seller within forty-five (45) days after Buyer's receipt of such invoice, subject to a 10% retention to be released upon approval by project owner, except for any amounts disputed by Buyer in good faith. All payments hereunder must be in US dollars. In the event of a payment dispute, Buyer shall deliver a written statement to Seller no later than five (5) days prior to the date payment is due on the disputed invoice listing all disputed items and providing a reasonably detailed description of each disputed item. Amounts not so disputed are deemed accepted and must be paid, notwithstanding disputes on other items, within the period set forth in this Section 18. The parties shall seek to resolve all such disputes expeditiously and in good faith. Seller shall continue performing its obligations under the Order notwithstanding any such dispute.

19. Set-off. Without prejudice to any other right or remedy it may have, Buyer reserves the right to set off at any time any amount owing to it by Seller against any amount payable by Buyer to Seller.

20. WARRANTIES. SELLER WARRANTS TO BUYER THAT FOR A PERIOD OF TWELVE (12) MONTHS AFTER INSTALLATION OR EIGHTEEN (18) MONTHS FROM THE DELIVERY DATE, WHICHEVER IS LONGER, ALL GOODS WILL: (A) BE FREE FROM ANY DEFECTS IN WORKMANSHIP, MATERIAL AND DESIGN; (B) CONFORM TO APPLICABLE SPECIFICATIONS, DRAWINGS, DESIGNS, SAMPLES AND OTHER REQUIREMENTS SPECIFIED BY BUYER; (C) BE FIT FOR THEIR INTENDED PURPOSE AND OPERATE AS INTENDED; (D) BE MERCHANTABLE; (E) BE FREE AND CLEAR OF ALL LIENS, SECURITY INTERESTS OR OTHER ENCUMBRANCES; AND (F) NOT INFRINGE OR MISAPPROPRIATE ANY THIRD PARTY'S PATENT OR OTHER INTELLECTUAL PROPERTY RIGHTS. THESE WARRANTIES SURVIVE ANY DELIVERY, INSPECTION, ACCEPTANCE OR PAYMENT OF OR FOR THE GOODS BY BUYER, AND SURVIVE THE USE AND INCORPORATION OF THE GOODS AS COMPONENTS INTO BUYER'S PRODUCTS AND SYSTEMS. THESE WARRANTIES ARE CUMULATIVE AND IN ADDITION TO ANY OTHER WARRANTY PROVIDED BY LAW OR EQUITY. ANY APPLICABLE STATUTE OF LIMITATIONS RUNS FROM THE DATE

OF BUYER'S DISCOVERY OF THE NONCOMPLIANCE OF THE GOODS WITH THE FOREGOING WARRANTIES. IF BUYER GIVES SELLER NOTICE OF NONCOMPLIANCE WITH THIS SECTION, SELLER SHALL, AT ITS OWN COST AND EXPENSE, PROMPTLY REPLACE OR REPAIR THE DEFECTIVE OR NONCONFORMING GOODS AND PAY FOR ALL RELATED EXPENSES, INCLUDING, BUT NOT LIMITED TO, TRANSPORTATION CHARGES FOR THE RETURN OF THE DEFECTIVE OR NONCONFORMING GOODS TO SELLER AND THE DELIVERY OF REPAIRED OR REPLACEMENT GOODS TO BUYER.

21. General Indemnification. Seller shall defend, indemnify and hold harmless Buyer its subsidiaries, affiliates, successors or assigns and their respective directors, officers, shareholders and employees and Buyer's customers (collectively, "Indemnitees") against any and all loss, injury, death, damage, liability, claim, deficiency, action, judgment, interest, award, penalty, fine, cost or expense, including reasonable attorney and professional fees and costs, and the cost of enforcing any right to indemnification hereunder and the cost of pursuing any insurance providers (collectively, "Losses") arising out of or occurring in connection with the Goods purchased from Seller, any intellectual property infringement or misappropriate claims, or Seller's negligence, willful misconduct or breach of the Terms. Seller shall not enter into any settlement without Buyer's or Indemnitee's prior written consent.

22. Insurance. During the term of the Order and for a period of 180 days after the Delivery Date, Seller shall, at its own expense, maintain and carry insurance in full force and effect which includes, but is not limited to, commercial general liability (including product liability) in a sum no less than \$2,000,000.00 with financially sound and reputable insurers. Seller shall provide Buyer with a certificate of insurance from Seller's insurer evidencing the insurance coverage specified in this Order. The insurance shall name Buyer as an additional insured. Seller shall provide Buyer with thirty (30) days' advance written notice in the event of a cancellation or material change in Seller's insurance policy.

23. Compliance with Law. Seller is in compliance with and shall comply with all applicable laws, regulations and ordinances. Seller has and shall maintain in effect all the licenses, permissions, authorizations, consents and permits that it needs to carry out its obligations under the Order. Seller shall comply with all export and import laws of all countries involved in the sale of Goods under this Order. Seller assumes all responsibility for shipments of Goods requiring any government import clearance. Buyer may terminate this Order if any government authority imposes antidumping duties, countervailing duties or any retaliatory duties on the Goods.

24. Termination. Buyer may terminate this Order, in whole or in part, at any time with or without cause for undelivered Goods on five (5) days' prior written notice to Seller. In addition to any remedies that may be provided under these Terms, Buyer may terminate this Order with immediate effect upon written notice to the Seller, either before or after the acceptance of the Goods, if Seller has not performed or complied with (i) any of these Terms or (ii) any terms or conditions of other agreements between Buyer and Seller, in whole or in part. If the Seller becomes insolvent, files a petition for bankruptcy or commences or has commenced against it proceedings relating to bankruptcy, receivership, reorganization or assignment for the benefit of creditors, then the Buyer may terminate this Order upon written notice to Seller. If Buyer terminates the Order for any reason, Seller's sole and exclusive remedy is payment for the Goods received and accepted by Buyer prior to the termination.

25. Waiver. No waiver by any party of any of the provisions of the Order shall be effective unless explicitly set forth in writing and signed by the party so waiving. Except as otherwise set forth in the Order, no failure to exercise, or delay in exercising, any rights, remedy, power or privilege arising from the Order shall operate or be construed as a waiver thereof, nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.

26. Confidential Information. All non-public, confidential or proprietary information of the Buyer, including, but not limited to, specifications, samples, patterns, designs, plans, drawings, documents, data, business operations, customer lists, pricing, discounts or rebates, disclosed by Buyer to Seller, whether disclosed orally or disclosed or accessed in written, electronic or other form or media, and whether or not marked, designated or otherwise identified as "confidential," in connection with the Order is confidential, solely for the use of performing the Order and may not be disclosed or copied unless authorized by Buyer in writing. Upon Buyer's request, Seller shall promptly return all documents and other materials received from Buyer. Buyer shall be entitled to injunctive relief for any violation of this Section. This Section shall not apply to information that is: (a) in the public domain; (b) known to the Seller at the time of disclosure; or (c) rightfully obtained by the Seller on a non-confidential basis from a third party.

27. Force Majeure. Neither party shall be liable to the other for any delay or failure in performing its obligations under the Order to the extent that such delay or failure is caused by an event or circumstance that is beyond the control of that party, without such party's fault or negligence, and which by its nature could not have been foreseen by such party or, if it could have been foreseen, was unavoidable ("Force Majeure Event"). Force Majeure Events include, but are not limited to, acts of God or the public enemy, government restrictions, floods, fire, earthquakes, explosion, epidemic, war, invasion, hostilities, terrorist acts, riots, strike, embargoes or industrial disturbances. Seller's economic hardship or changes in market conditions are not considered Force Majeure Events. Seller shall use all diligent efforts to end the failure or delay of its performance, ensure that the effects of any Force Majeure Event are minimized and resume performance under the Order. If a Force Majeure Event prevents Seller from carrying out its obligations under

the Order for a continuous period of more than twenty (20) business days, Buyer may terminate this Order immediately by giving written notice to Seller.

28. Assignment. Seller shall not assign, transfer, delegate or subcontract any of its rights or obligations under the Order without the prior written consent of Buyer. Any purported assignment or delegation in violation of this Section shall be null and void. No assignment or delegation shall relieve the Seller of any of its obligations hereunder. Buyer may at any time assign, transfer or subcontract any or all of its rights or obligations under the Order without Seller's prior written consent.

29. Relationship of the Parties. The relationship between the parties is that of independent contractors. Nothing contained in the Order shall be construed as creating any agency, partnership, joint venture or other form of joint enterprise, employment or fiduciary relationship between the parties, and neither party shall have authority to contract for or bind the other party in any manner whatsoever. No relationship of exclusivity shall be construed from this Order.

30. Controlling Law. This Agreement shall be governed by and subject to the laws of the State of California, U.S.A. This Agreement shall be considered entered into in the State of California, U.S.A. The Federal (Central District of California) and State (Orange County) courts within the State of California shall have exclusive jurisdiction to adjudicate any dispute arising out of this Agreement. Buyer hereby expressly consents to (i) the personal jurisdiction of these federal and state courts within California, (ii) service of process being affected upon it by registered mail sent to the address set forth at the beginning of this Agreement.

31. Professional Fees. In any suit or proceeding relating to this Agreement, the prevailing party will have the right to recover from the other its reasonable costs and expenses incurred in connection with such suit or proceeding, including reasonable fees and expenses of attorneys, accountants and other professionals.

32. Cumulative Remedies. The rights and remedies under this Order are cumulative and are in addition to and not in substitution for any other rights and remedies available at law or in equity or otherwise.

33. Notices. All notices, request, consents, claims, demands, waivers and other communications hereunder (each, a "Notice") shall be in writing and addressed to the parties at the addresses set forth on the face of this Order or to such other address that may be designated by the receiving party in writing. All Notices shall be delivered by personal delivery, nationally recognized overnight courier (with all fees pre-paid), facsimile (with confirmation of transmission) or certified or registered mail (in each case, return receipt requested, postage prepaid). Except as otherwise provided in this Order, a Notice is effective only (a) upon receipt of the receiving party, and (b) if the party giving the Notice has complied with the requirements of this Section.

34. Severability. If any term or provision of this Order is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction.

35. Survival. Provisions of this Order which by their nature should apply beyond their terms will remain in force after any termination or expiration of this Order including, but not limited to, the following provisions: Set-off, Warranties, General Indemnification, Intellectual Property, Indemnification, Insurance, Compliance with Laws, Limitation of Liability, Confidentiality, Controlling Law, Professional Fees and Survival.

PURCHASE ORDER TERMS AND CONDITIONS FOR EQUIPMENT AND MATERIALS

1. This purchase order for equipment and materials issued by the City of Milpitas ("CITY") to the Vendor designated in the purchase order must be promptly accepted and acceptance is expressly limited to the terms of this order. Any additions or different terms in the Vendor's forms are hereby deemed to be material alterations and notice of objection to them and rejection of them is hereby given. Vendor's shipment of goods in response to this order shall be considered acceptance by the Vendor.

2. Unless Vendor and CITY have entered into a separate written contract covering the purchase of the goods described herein, the entire contract between the parties consists of this order and the Vendor's acceptance as above stipulated, and said contract shall not be changed or added to except in writing signed by authorized representatives of each party.

3. The price invoiced for the goods on this purchase order shall be no higher than the price stated on the front of this purchase order unless prior notification is received from Vendor prior to shipment and the change is accepted by CITY. If the Vendor's established price for any item upon the date of delivery shall be lower than the price shown on this purchase order, CITY shall have the benefit of such lower price. Vendor shall deliver to CITY all invoices within 30 days of shipping or service delivery.

4. Payments will be made net 30 days unless otherwise specified as per agreements regarding discount terms. The period of computation will commence on the date of receipt of a correctly completed invoice. Payment may be withheld, in whole or in part, due to deficiencies in Vendor's performance. Payment of an invoice by CITY shall be without prejudice to any and all claims CITY may have against Vendor in connection with such goods. Invoices are paid on a weekly basis and such practice may result in minor deviations from payment terms otherwise cited herein.

5. If delivery is not made in the quantity or quantities and at the time or times specified, CITY shall have the right, at its option, to cancel the portion of the order or that has not been delivered. If CITY accepts delayed delivery the time of payment shall be extended accordingly. Cancellation of those goods that are not cancelled due to untimely delivery are subject to a cancellation fee of no more than twenty-five percent (25%) of the Vendor's cost for that item.

6. Vendor expressly warrants that any article, material or work is free and clear of all liens and encumbrances whatsoever, and that Vendor has good and marketable title to same. Unless otherwise specified, all goods are to be shipped prepaid, F.O.B. destination. No charge will be allowed for packing, crating, freight, express or other carrier's charges, or cartage, unless specifically agreed to by CITY. Title to equipment and materials purchased hereunder shall pass to Vendor at the designated F.O.B. point, subject to Vendor's right to inspect and reject or revoke acceptance.

7. Vendor warrants for a period of 12 months from receipt, that the goods described herein will be free of defects in workmanship, design, materials, and title, and notwithstanding anything herein to the contrary, will conform to all applicable proposals, specifications, instructions, drawings, data, descriptions, and samples, and will be of good and merchantable quality and fit and sufficient for the purpose intended. Vendor shall obtain and provide to CITY

Material Safety Data Sheets (MSDS) for each product that contains hazardous substances as defined by CalOSHA.

8. CITY shall have the right, at its option, to reject or revoke acceptance of any goods which do not conform to these warranties or to the specifications. In case of such rejection or revocation of acceptance, transportation of the rejected goods, both to and from CITY, shall be at the expense of Vendor, said rejected goods are not to be replaced except upon specific instruction from CITY, and CITY shall have the right at its option to cancel the remainder, if any, of the order, by notice to Vendor at the time notice is given of rejection or revocation of acceptance. Vendor shall be liable to CITY for all damages proximately caused by breach of any of the foregoing warranties, including incidental damages but excluding special or consequential damages.

9. CITY reserves the right to return for full credit any excess over quantity called for in any order or orders. Vendor to bear the cost of transportation both ways.

10. Vendor shall not be held responsible for failure or delay in shipping nor CITY for failure or delay in accepting goods described herein if such failure or delay is due to act of God, war, federal or state legislation or any regulations or orders, fire, accident, or other causes, either similar or dissimilar to the foregoing, beyond their control. In the event of any such excused interference with shipments, CITY shall have the option either to reduce the quantity provided for in the order accordingly or to exercise its right of cancellation as set forth in these terms and conditions.

11. Unless otherwise required by law or provided herein, Vendor assumes exclusive liability for, and shall pay before delinquency, all sales, use, excise and other taxes, charges or contributions of any kind now or hereafter imposed on or with respect to, or measured by the article sold or material or work furnished hereunder on the wages, salaries or other remunerations paid to persons employed in connection with performance of this order.

12. No exercise by CITY of its rights hereunder shall constitute a waiver of any rights it may have for breach of contract. CITY's waiver of or failure to enforce its rights on account of Vendor's failure or delay in performing any obligation of Vendor hereunder, or on account of Vendor's breach of contract in any respect, shall not constitute a waiver of any subsequent failure, delay or breach.

13. Compliance with Law. Vendor shall comply with all applicable laws and regulations of the federal, state and local government. Vendor shall obtain and maintain all permits required of Vendor by Federal, State and local regulatory agencies. Vendor is responsible for all costs of clean up and/or removal of hazardous and toxic substances spilled as a result of his or her activities and/or delivery.

14. Insurance. Vendor shall take out and maintain: A. Commercial General Liability Insurance, of at least \$1,000,000 per occurrence/ \$2,000,000 aggregate for bodily injury, personal injury and property damage, at least as broad as Insurance Services Office Commercial General Liability most recent Occurrence Form CG 00 01; B. Automobile Liability Insurance for bodily injury and property damage including coverage for owned, non-owned and hired vehicles, of at least \$1,000,000 per accident for bodily injury and property damage, at least as broad as most recent Insurance Services Office Form Number CA 00 01 covering automobile liability, Code 1 (any auto); and C.

Workers' Compensation in compliance with applicable statutory requirements and Employer's Liability Coverage of at least \$1,000,000 per occurrence. Insurance carriers shall be licensed to do business in California and maintain an agent for process within the state. Such insurance carrier shall have not less than an "A:VII" rating according to the latest Best Key Rating unless otherwise approved by CITY. VENDOR SHALL ENSURE THAT THIRD PARTY SHIPPERS CONTRACTED BY VENDOR HAVE ADEQUATE INSURANCE COVERAGE. Vendor shall refer to Exhibit "A" – Insurance Requirements, attached hereto and incorporated herein by this reference for further insurance requirements applicable to Vendor.

15. Indemnification. The Vendor shall indemnify and hold harmless CITY, its officials, officers, agents and employees from and against any and all claims, liabilities, expenses or damages, including attorneys' fees, for injury or death of any person, or damage to property, or interference with use of property, or patent infringement or fees for use of patented items, or any claim of the Vendor or subcontractors for wages or benefits which arise in connection with the sale, delivery and/or installation of equipment or materials, except to the extent caused or resulting from the negligence or willful misconduct of CITY. The foregoing indemnity includes, but is not limited to, the cost of prosecuting or defending such action with legal counsel acceptable to CITY and CITY's attorneys' fees incurred in such an action.

16. Substitutions, Changes and Cancellation. No substitutions are acceptable unless expressly accepted in writing by CITY. CITY may make changes in the general scope of this order by giving written notice to Vendor. If any such change affects the cost of or time to deliver or perform under this order, an adjustment in price, delivery or both will be made as CITY and Vendor agree to be equitable. Vendor may request changes; however no such change shall be effective unless accepted in writing by CITY. CITY may cancel this order in whole or in part at any time before acceptance of the equipment and materials due to Vendor's breach or for CITY's convenience. In the event the CITY elects to cancel the order for convenience, a cancellation fee no more than ten percent (10%) of the Vendor's cost for the cancelled items shall apply.

17. Laws, Venue, and Attorneys' Fees. This purchase order shall be interpreted in accordance with the laws of the State of California. If any action is brought to interpret or enforce any term of this purchase order the action shall be brought in a state or federal court situated in the County of Santa Clara, State of California. In the event of any such litigation between the parties, the prevailing party shall be entitled to recover all reasonable costs incurred, including reasonable attorney's fees, as determined by the court.

18. Contract Terms. Nothing herein shall be construed to give any rights or benefits to anyone other than CITY and the Vendor. The unenforceability, invalidity or illegality of any provision(s) of this purchase order shall not render the other provisions unenforceable, invalid or illegal. Notice may be given or delivered by depositing the same in any United States Post Office, certified mail, return receipt requested, postage prepaid, addressed to the parties to the addresses set forth in the purchase order. Vendor shall not assign, sublet, or transfer this purchase order or any rights under or interest in this purchase order without the written consent of CITY, which may be withheld for any reason. Vendor is retained as an independent contractor and is not an employee of CITY. No employee or agent of Vendor shall become an employee of CITY. This is an integrated

agreement/purchase order representing the entire understanding of the parties as to those matters contained herein, and supersedes and cancels any prior oral or written understanding or representations with respect to matters covered hereunder. This Contract may not be modified or altered except in writing signed by both parties hereto.

19. Compliance with Law. Contractor shall comply with all applicable laws and regulations of the federal, state and local government. CITY shall assist Contractor, as requested, in obtaining and maintaining all permits required of Contractor by Federal, State and local regulatory agencies. Contractor is responsible for all costs of clean up and/or removal of hazardous and toxic substances spilled as a result of his or her Work. Contractor is aware of the requirements of California Labor Code Sections 1720 et seq. and 1770 et seq. ("Prevailing Wage Laws"), which require the payment of prevailing wage rates and the performance of other requirements on certain "public works" and "maintenance" projects. If the Work is being performed as part of an applicable "public works" or "maintenance" project, as defined by the Prevailing Wage Laws, and if the total compensation is \$1,000 or more, Contractor agrees to fully comply with such Prevailing Wage Laws, if applicable. Contractor shall defend, indemnify and hold CITY, its officials, officers, employees and agents free and harmless from any claims, liabilities, costs, penalties or interest arising out of any failure or alleged failure to comply with the Prevailing Wage Laws. It shall be mandatory upon the Contractor and all subcontractors to comply with all California Labor Code provisions, which include but are not limited to prevailing wages (Labor Code Sections 1771, 1774 and 1775), employment of apprentices (Labor Code Section 1777.5), certified payroll records (Labor Code Section 1776), hours of labor (Labor Code Sections 1813 and 1815), contractor registration (Labor Code Sections 1725.5 and 1771.1) and debarment of contractors and subcontractors (Labor Code Sections 1777.1).

20. Damage to City Facilities. Damage to City or public facilities or private property caused by the Vendor or by its subcontractors during delivery or installation shall be repaired and/or replaced in kind at no cost to the City.

21. Site Safety and Cleanup. The delivery and installation site shall be kept clean and free of hazards at all times during delivery and installation. After installation is completed at the site, as applicable, Vendor shall clean the surrounding area to the condition prior to delivery and installation.

22. If the Vendor is responsible for providing installation services, finished installation work and/or equipment shall be subject to final inspection and acceptance or rejection by the City.

*OPTIONAL TERMS: Check box if applicable

- ☐ Custom Design: If the goods are produced by Vendor in accordance with designs, drawings or blueprints provided by CITY, Vendor shall return same to CITY upon completion or cancellation of this order. Any materials, equipment, tools, artwork, designs or other property furnished by or specifically paid for by CITY shall be CITY's property.

Backup material for agenda item:

Adopt a Resolution Approving a Professional Services Agreement with Cayenta, a Division of N. Harris Computer Corporation Inc., as the Sole Source Vendor to Implement an Upgrade of the Financial and Utility Billing Software Systems for a Total Not-to-Exceed Amount of \$419,892 (Staff Contact: Mike Luu, 408-586-2706)

Recommendations: 1) Adopt a resolution approving a Professional Services Agreement with Cayenta, a Division of N. Harris Computer Corporation Inc., as the sole source vendor to implement an upgrade of the Financial and Utility Billing Software Systems for a total not-to-exceed amount of \$419,892. 2) Authorize the City Manager to execute the agreement, subject to any revisions deemed necessary by the City Attorney.



CITY OF MILPITAS AGENDA REPORT (AR)

Item Title:	Adopt a Resolution Approving a Professional Services Agreement with Cayenta, a Division of N. Harris Computer Corporation Inc., as the Sole Source Vendor to Implement an Upgrade of the Financial and Utility Billing Software Systems for a Total Not-to-Exceed Amount of \$419,892.00
Category:	Consent Calendar-Leadership and Support Services
Meeting Date:	1/15/2019
Staff Contact:	Mike Luu 408-586-2706 and Will Fuentes 408-586-3111
Recommendation:	1.) Adopt a resolution approving a Professional Services Agreement with Cayenta, a Division of N. Harris Computer Corporation Inc., as the sole source vendor to implement an upgrade of the Financial and Utility Billing Software Systems for a total not-to-exceed amount of \$419,892.00 2.) Authorize the City Manager to execute the agreement, subject to any revisions deemed necessary by the City Attorney.

Background:

In 1996, the City entered into an agreement with Cayenta, a Division of N. Harris Computer Corporation (Cayenta) to implement financial and utility billing software systems for the City of Milpitas. Cayenta is the developer of the software, there is no other source to implement and upgrade the financial and utility billing applications. The financial system includes modules for General Ledger, Accounts Payable, Cash Collection, Payroll/Human Resources, Job Costing and Purchase Order. The current version for both systems is version 7.7. Periodically, the system needs to be upgraded due to technological and software changes. The financial and utility billing systems were both upgraded in 2014 and are in need of another upgrade.

Analysis:

Staff is recommending upgrading both the financial and utility billing systems to version 9.0. This upgrade will allow the City to continue to receive bug fixes, programming changes and new functionalities that are only being released to the latest supported version. This upgrade is anticipated to meet the City's needs for the next 5 years.

As part of the upgrade, the City will also implement Cayenta's Connect Employees which is a web-based employee self service module that allows staff to view and update personal information including address, contact information, filing status, exemptions, and withholdings.

The scope of work for this professional services agreement includes project management, consulting services, technical services and data testing to assist the City with implementation. The fee for this service is a total not-to-exceed amount of \$381,720 plus a contingency of 20% or \$38,172.00 for a total not-to-exceed amount of \$419,892.00. The Purchasing Agent conducted a good faith review of available sources in accordance with Milpitas Municipal Code Section I-2-3.09 (Sole Source Procurement) and determined there is only one s

for the financial and utility billing software system upgrade as Cayenta does not authorize any other third party to perform software support, maintenance or upgrade of its proprietary software.

Staff recommends that Cayenta be designated the sole source provider to implement an upgrade of the Financial and Utility Billing Software Systems.

Policy Alternative:

The alternative is not to proceed with an upgrade and instead do a solicitation for proposals to procure a new enterprise resource planning system (ERP). In order to conduct solicitation for a new ERP system, a comprehensive needs assessment will need to be conducted. Due to the complexity and customizations of the current system, the estimated time to complete a needs assessment, request for proposals and implementation of a new system is two to three years.

Staff is not recommending this alternative since the City will be using the current system for the next three to five years without bugs and security patches.

Fiscal Impact:

The not-to-exceed amount of this agreement is \$419,892. Funds are budgeted in Capital Improvement Project No. 3435 (2017-19 Finance System Upgrade). No additional budgetary appropriations are requested at this time.

Recommendations:

- 1.) Adopt a resolution approving a Professional Services Agreement with Cayenta, a Division of N. Harris Computer Corporation Inc., as the sole source vendor to implement an upgrade of the Financial and Utility Billing Software Systems for a total not-to-exceed amount of \$419,892.00
- 2.) Authorize the City Manager to execute the agreement, subject to any revisions deemed necessary by the City Attorney.

Attachments:

Cayenta Professional Services Agreement
Resolution

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILPITAS APPROVING A
SOLE SOURCE AGREEMENT WITH CAYENTA, A DIVISION OF N. HARRIS COMPUTER
CORPORATION, FOR PROFESSIONAL SERVICES TO IMPLEMENT AN UPGRADE TO
THE FINANCIAL AND UTILITY BILLING SOFTWARE SYSTEMS FOR A TOTAL AMOUNT
NOT TO EXCEED \$419,892.00**

WHEREAS, the City of Milpitas entered into a license agreement in 1996 with Cayenta, an unincorporated division of N. Harris Computer Corporation (“Cayenta”), to implement a financial and utility billing software system; and

WHEREAS, periodically, the financial and utility billing software system needs to be upgraded due to technological and software changes; and

WHEREAS, the current version of the City’s existing financial and utility billing software system is version 7.7, which is no longer eligible to receive bug fixes, programming changes and new functionalities which are only being released to the latest supported version; and

WHEREAS, the financial and utility billing software system needs to be upgraded to version 9.0 in order to be eligible to receive bug fixes, programming changes and new functionalities; and

WHEREAS, Cayenta is the developer and owner of the proprietary software for the financial and utility billing software system for the City of Milpitas and is the only source for the service and installation of the upgrade to the software; and

WHEREAS, the price for this service and installation is a total not-to-exceed amount of amount of \$419,892.00; and

WHEREAS, after conducting a good faith review of the available sources and pursuant to Milpitas Municipal Code Section I-2-3.09 (Sole Source Procurement), the City’s Purchasing Agent has determined that Cayenta is the only source for the service to upgrade the City of Milpitas’ financial and utility billing software system.

NOW, THEREFORE, the City Council of the City of Milpitas hereby finds, determines, and resolves as follows:

1. The City Council has considered the full record before it, which may include but is not limited to such things as the staff report, testimony by staff and the public, and other materials and evidence submitted or provided to it. Furthermore, the recitals set forth above are found to be true and correct and are incorporated herein by reference.
2. Cayenta is approved as the sole source provider for the upgrade of the City of Milpitas’ financial and utility billing software system pursuant to Milpitas Municipal Code Section I-2-3.09 (Sole Source Procurement).

The City Council hereby approves the Agreement with Cayenta for the implementation of the upgrade to the financial and utility billing software system for an amount not to exceed \$419,892.00, and for a term period from January 15, 2019 to January 14, 2020. The City Manager is authorized to execute the Agreement, a copy of which is attached hereto as **Exhibit A**, subject to any revisions as deemed necessary by the City Attorney.

PASSED AND ADOPTED this ____ day of _____, 2019, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

APPROVED:

Mary Lavelle, City Clerk

Rich Tran, Mayor

APPROVED AS TO FORM:

Christopher J. Diaz, City Attorney



**PROFESSIONAL SERVICES AGREEMENT
BETWEEN THE
CITY OF MILPITAS
AND
CAYENTA, A DIVISION OF N. HARRIS COMPUTER CORPORATION**

This Agreement is made and entered into as of this **20th day of December, 2018** ("Effective Date") by and between the City of Milpitas, a municipal corporation organized and operating under the laws of the State of California with its principal place of business at 455 E. Calaveras Boulevard, Milpitas, California 95035 ("City"), and **Cayenta, an unincorporated division of N. Harris Computer Corporation** a Foreign Stock corporation registered to do business in the State of California, with its principal place of business at **4200 North Fraser Way, Suite 201, Burnaby BC, V5J 5K7, Canada** (hereinafter referred to as "Consultant"). City and Consultant are sometimes individually referred to as "Party" and collectively as "Parties" in this Agreement.

RECITALS

A. City is a public agency of the State of California and is in need of professional services for the following project:

An Upgrade of Cayenta (+ HCM + Connect + Café for Payroll/HCM)

(hereinafter referred to as "the Project").

B. Consultant is duly licensed and has the necessary qualifications to provide such services.

C. The Parties desire by this Agreement to establish the terms for City to retain Consultant to provide the services described herein.

AGREEMENT

NOW, THEREFORE, IT IS AGREED AS FOLLOWS:

1. Services.

Consultant shall provide the City with the services described in the Scope of Services attached hereto as **Exhibit "A."**

2. Compensation.

a. Subject to paragraph 2(b) below, the City shall pay for such services in accordance with the Schedule of Charges set forth in **Exhibit "B."**

b. In no event shall the total amount paid for services rendered by Consultant under this Agreement exceed the sum of **Four Hundred Nineteen Thousand Eight Hundred Ninety-Two dollars and Zero cents (\$419,892.00)**. This amount is to cover all printing and related costs, and the City will not pay any additional fees for printing expenses. Periodic payments shall be made within 30 days of receipt of an invoice which includes a detailed description of the work performed. Payments to Consultant for work performed will be made on a monthly billing basis.

3. Additional Work.

If changes in the work seem merited by Consultant or the City, and informal consultations with the other party indicate that a change is warranted, it shall be processed in the following manner: a letter outlining the changes shall be forwarded to the City by Consultant with a statement of estimated changes in fee or time schedule. An amendment to this Agreement shall be prepared by the City and executed by both Parties before performance of such services, or the City will not be required to pay for the changes in the scope of work. Such amendment shall not render ineffective or invalidate unaffected portions of this Agreement.

4. Maintenance of Records.

Books, documents, papers, accounting records, and other evidence pertaining to costs incurred shall be maintained by Consultant and made available at all reasonable times during the contract period and for four (4) years from the date of final payment under the contract for inspection by City.

5. Term

The term of this Agreement shall be from **January 15, 2019** to **January 14, 2020**, unless earlier terminated as provided herein. The Parties may, by mutual, written consent, extend the term of this Agreement if necessary to complete the Project. Consultant shall perform its services in a prompt and timely manner within the term of this Agreement and shall commence performance upon the commencement date of the term of this Agreement set forth above

Consultant shall perform its services in a prompt and timely manner and shall complete the services required hereunder in accordance with the “**Activity Schedule**” attached hereto as **Exhibit C**.

6. Delays in Performance.

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

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

7. Compliance with Law.

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

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

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

8. Standard of Care

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

9. Assignment and Subconsultant

Consultant shall not assign, sublet, or transfer this Agreement or any rights under or interest in this Agreement without the written consent of the City, which may not be unreasonably withheld. Notwithstanding the above, Consultant shall not be restricted from assigning the Agreement in the event of internal restructuring of its business units, so long as ownership of the resulting entity remains with its parent company, Constellation Software Inc. Any attempt to so assign or so transfer without such consent shall be void and without legal effect and shall constitute grounds for termination. Subcontracts, if any, shall contain a provision making them subject to all provisions stipulated in this Agreement. Nothing contained herein shall prevent Consultant from employing independent associates, and subconsultants as Consultant may deem appropriate to assist in the performance of services hereunder.

10. Independent Consultant

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

11. Insurance. Consultant shall not commence work for the City until it has provided evidence satisfactory to the City it has secured all insurance required under Exhibit "D" (Insurance Requirements), attached hereto and incorporated herein by this reference. In addition, Consultant shall not allow any subcontractor to commence work on any subcontract until it has secured all insurance required therein.

12. Indemnification and Limitation of Liability.

a. Subject to the limitations set forth in Section 12(b), to the fullest extent permitted by law, Consultant shall defend (with counsel reasonably acceptable to City), indemnify and hold the City, its officials, officers, employees, volunteers, and agents free and harmless from any and all claims, demands, causes of action, costs, expenses, liability, loss, damage or injury of any kind, in law or equity, to property or persons, including wrongful death, in any manner arising out of, pertaining to, the gross negligence or willful misconduct of Consultant, its officials, officers, employees, subcontractors, consultants or agents in connection with the performance of the Consultant's services, the Project or this Agreement, including without limitation the payment of all damages, expert witness fees and attorney's fees and other related costs and expenses.

This indemnity is only effective where (i) City has provided prompt notice of the claim, action or demand to Consultant, (ii) City has not made any admissions of liability or settlement offers

either prior to or after providing notice to Consultant of the applicable claim except with Consultant's prior written consent, except to the extent required by applicable law, and (iii) Consultant has sole control of the defense of any claim or proceeding and all negotiations for its compromise or proceeding. Any material breach by City of its covenants under this Section 12 shall nullify this indemnity. Consultant will not settle or compromise any applicable claim or send to the entry of any judgment that (i) adversely affects any of the rights of the City, (ii) imposes any obligations on the City, (iii) imposes any costs on the City that are not indemnified by Consultant, or (iv) would admit fault by the City. City may, at City's sole cost and expense – which is outside the scope of this indemnity – retain counsel of its own choosing who shall be permitted to attend all settlement conferences and hearings or other court appearances (except where the court has specifically made an order against such attendance) related to the proceeding.

b. Limitation of Liability.

EXCEPT FOR CLAIMS ARISING OUT OF (a) CONSULTANT'S INTENTIONAL MISREPRESENTATION, GROSS NEGLIGENCE OR WILLFUL MISCONDUCT (WHICH INCLUDES WILLFUL VIOLATIONS OF LAWS OR REGULATIONS), OR (b) INJURY OR DEATH TO PERSONS OR DAMAGE TO TANGIBLE OR REAL PROPERTY, BOTH PARTIES AGREE THAT THE AGGREGATE LIABILITY OF CONSULTANT TO CITY FOR ALL CLAIMS, SUITS, ACTIONS AND PROCEEDINGS HOWSOEVER ARISING, DIRECTLY OR INDIRECTLY, UNDER OR RELATING TO THIS AGREEMENT OR ITS SUBJECT MATTER, INCLUDING THOSE BASED ON BREACH OR RESCISSION OF CONTRACT, TORT, BREACH OF TRUST, OR BREACH OF FIDUCIARY DUTY, SHALL NOT EXCEED IN THE AGGREGATE AN AMOUNT THAT IS EQUAL TO THE FEES PAID TO CONSULTANT BY ORGANIZATION PURSUANT TO THE RELEVANT STATEMENT OF WORK.

NEITHER PARTY SHALL BE LIABLE TO THE OTHER FOR ANY CLAIMS FOR CONSEQUENTIAL DAMAGES, INCIDENTAL DAMAGES, INDIRECT DAMAGES, SPECIAL DAMAGES, AGGRAVATED DAMAGES, LOSS OF REVENUE, LOSS OF PROFITS, FAILURE TO REALIZE EXPECTED SAVINGS, LOSS OF DATA, LOSS OF BUSINESS OPPORTUNITY EITHER UNDER OR RELATING TO THIS AGREEMENT OR ITS SUBJECT MATTER, WHETHER BASED ON BREACH OR RESCISSION OF CONTRACT, TORT, BREACH OF TRUST, OR BREACH OF FIDUCIARY DUTY EVEN IF SUCH OTHER PARTY HAS BEEN ADVISED OF THE LIKELIHOOD OF THE OCCURRENCE OF SUCH DAMAGES AND NOTWITHSTANDING ANY FAILURE OF ESSENTIAL PURPOSE OF ANY LIMITED REMEDY.

13. California Labor Code Requirements.

a. Consultant is aware of the requirements of California Labor Code Sections 1720 et seq. and 1770 et seq., which require the payment of prevailing wage rates and the performance of other requirements on certain "public works" and "maintenance" projects ("Prevailing Wage Laws"). If the services are being performed as part of an applicable "public works" or "maintenance" project, as defined by the Prevailing Wage Laws, and if the total compensation is \$1,000 or more, Consultant agrees to fully comply with such Prevailing Wage Laws. Consultant shall defend, indemnify and hold the City, its officials, officers, employees and agents free and harmless from any claims, liabilities, costs, penalties or interest arising out of any failure or alleged failure to comply with the Prevailing Wage Laws. It shall be mandatory upon the Consultant and all subconsultants to comply with all California Labor Code provisions, which include but are not limited to prevailing wages (Labor Code Sections 1771, 1774 and 1775), employment of apprentices (Labor Code Section 1777.5), certified payroll records (Labor Code Sections 1771.4 and 1776), hours of labor (Labor Code Sections 1813 and 1815) and debarment of contractors and subcontractors (Labor Code Section 1777.1). The

requirement to submit certified payroll records directly to the Labor Commissioner under Labor Code section 1771.4 shall not apply to work performed on a public works project that is exempt pursuant to the small project exemption specified in Labor Code Section 1771.4.

b. If the services are being performed as part of an applicable “public works” or “maintenance” project, then pursuant to Labor Code Sections 1725.5 and 1771.1, the Consultant and all subconsultants performing such services must be registered with the Department of Industrial Relations. Consultant shall maintain registration for the duration of the Project and require the same of any subconsultants, as applicable. Notwithstanding the foregoing, the contractor registration requirements mandated by Labor Code Sections 1725.5 and 1771.1 shall not apply to work performed on a public works project that is exempt pursuant to the small project exemption specified in Labor Code Sections 1725.5 and 1771.1.

c. This Agreement may also be subject to compliance monitoring and enforcement by the Department of Industrial Relations. It shall be Consultant’s sole responsibility to comply with all applicable registration and labor compliance requirements. Any stop orders issued by the Department of Industrial Relations against Consultant or any subcontractor that affect Consultant’s performance of services, including any delay, shall be Consultant’s sole responsibility. Any delay arising out of or resulting from such stop orders shall be considered Consultant caused delay and shall not be compensable by the City. Consultant shall defend, indemnify and hold the City, its officials, officers, employees and agents free and harmless from any claim or liability arising out of stop orders issued by the Department of Industrial Relations against Consultant or any subcontractor.

14. Verification of Employment Eligibility.

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

15. Laws and Venue.

This Agreement shall be interpreted in accordance with the laws of the State of California. If any action is brought to interpret or enforce any term of this Agreement, the action shall be brought in a state or federal court situated in the County of Santa Clara, State of California.

16. Termination or Abandonment

a. City has the right to terminate or abandon any portion or all of the work under this Agreement by giving thirty (30) calendar days written notice to Consultant. In such event, City shall pay Consultant the reasonable value of services rendered for any portion of the work completed prior to termination. If said termination occurs prior to completion of any task for the Project for which a payment request has not been received, the charge for services performed during such task shall be the reasonable value of such services, based on an amount mutually agreed to by City and Consultant of the portion of such task completed but not paid prior to said termination. City shall not be liable for any costs other than the charges or portions thereof which are specified herein. Consultant shall not be entitled to payment for unperformed services, and shall not be entitled to damages or compensation for termination of work. b. Consultant may terminate its obligation to provide further services under this Agreement upon thirty (30) calendar days’ written notice to City only in the event of substantial failure by City to perform in accordance with the terms of this Agreement through no fault of Consultant.

17. Ownership.

Consultant acquires no right, title or interest from the City or its licensors under the Agreement in or any customer data or reports generated therefrom.

Except as otherwise provided in "Termination or Abandonment," above, upon payment in full for the services described in this Agreement, be furnished to the City, Consultant shall return any or all City owned documents, photographs, computer software, video and audio tapes. City may retain a PDF copy of any reports or other deliverables provided by City to Consultant as part of the Services, however Consultant is and shall remain the owner of all copyright, patents, trademarks, trade secrets and other intellectual property rights.

18. Organization.

Consultant shall assign **Richard Goodfellow** as Project Manager. The Project Manager shall not be removed from the Project or reassigned without the prior written consent of the City.

19. Limitation of Agreement.

This Agreement is limited to and includes only the work included in the Project described above.

20. Notice

Any notice or instrument required to be given or delivered by this Agreement may be given or delivered by depositing the same in any United States Post Office, certified mail, return receipt requested, postage prepaid, addressed to:

CITY:

City of Milpitas

455 E. Calaveras Boulevard

Milpitas, California 95035

Attn: **Jane Corpus**

CONSULTANT:

Cayenta, A Division of N. Harris Computer Corporation

4200 North Fraser Way, Suite 201

Burnaby, BC V5J 5K7

Canada

Attn: Richard Goodfellow

and shall be effective upon receipt thereof.

21. Third Party Rights

Nothing in this Agreement shall be construed to give any rights or benefits to anyone other than the City and the Consultant.

22. Equal Opportunity Employment.

Consultant represents that it is an equal opportunity employer and that it shall not discriminate against any employee or applicant for employment because of race, religion, color, national origin, ancestry, sex, age or other interests protected by the State or Federal Constitutions. Such non-

discrimination shall include, but not be limited to, all activities related to initial employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination.

23. Entire Agreement

This Agreement, with its exhibits, represents the entire understanding of City and Consultant as to those matters contained herein, and supersedes and cancels any prior or contemporaneous oral or written understanding, promises or representations with respect to those matters covered hereunder. Each party acknowledges that no representations, inducements, promises or agreements have been made by any person which are not incorporated herein, and that any other agreements shall be void. This Agreement may not be modified or altered except in writing signed by both Parties hereto. This is an integrated Agreement.

24. Severability

The unenforceability, invalidity or illegality of any provision(s) of this Agreement shall not render the provisions unenforceable, invalid or illegal.

25. Successors and Assigns

This Agreement shall be binding upon and shall inure to the benefit of the successors in interest, executors, administrators and assigns of each party to this Agreement. However, Consultant shall not assign or transfer by operation of law or otherwise any or all of its rights, burdens, duties or obligations without the prior written consent of City. Any attempted assignment without such consent shall be invalid and void.

26. Non-Waiver

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

27. Timely Performance

Consultant and City acknowledge that the successful and timely completion of the project requires the mutual cooperation and performance hereof by both of them. They shall diligently fulfill all of the responsibilities and obligations described as their respective responsibilities and obligations in this Agreement.

28. City's Right to Employ Other Consultants

City reserves its right to employ other consultants, including engineers, in connection with this Project or other projects.

29. Prohibited Interests

Consultant maintains and warrants that it has not employed nor retained any company or person, other than a bona fide employee working solely for Consultant, to solicit or secure this

Agreement. Further, Consultant warrants that it has not paid nor has it agreed to pay any company or person, other than a bona fide employee working solely for Consultant, any fee, commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting from the award or making of this Agreement. For breach or violation of this warranty, City shall have the right to rescind this Agreement without liability. For the term of this Agreement, no director, official, officer or employee of City, during the term of his or her service with City, shall have any direct interest in this Agreement, or obtain any present or anticipated material benefit arising therefrom.

30. Wage Theft Prevention

a. Consultant, and any subconsultant it employs to complete work under this Agreement, shall comply with all applicable federal, state and local wage and hour laws. Applicable laws may include, but are not limited to, the Federal Fair Labor Standards Act, the California Labor Code and the Milpitas Minimum Wage Ordinance.

b. BY SIGNING THIS AGREEMENT, CONSULTANT AFFIRMS THAT IT HAS DISCLOSED ANY FINAL JUDGMENTS, DECISIONS OR ORDERS FROM A COURT OR INVESTIGATORY GOVERNMENT AGENCY, FINDING IN THE FIVE (5) YEARS PRIOR TO EXECUTING THIS AGREEMENT THAT CONSULTANT OR ITS SUBCONSULTANTS HAS VIOLATED ANY APPLICABLE WAGE AND HOUR LAWS. CONSULTANT FURTHER AFFIRMS THAT IT OR ITS SUBCONSULTANT(S) HAS EITHER FULLY SATISFIED EACH JUDGMENT, DECISION OR ORDER, OR, IF ANY JUDGMENT, DECISION OR ORDER HAS NOT BEEN FULLY SATISFIED, CONSULTANT AFFIRMS THAT IT OR ITS SUBCONSULTANT(S) IS CURRENTLY SATISFYING SAID JUDGMENT, DECISION OR ORDER THROUGH A PAYMENT OR ALTERNATIVE PLAN APPROVED BY THE APPLICABLE COURT/GOVERNMENT AGENCY AND THAT CONSULTANT OR ITS SUBCONSULTANT(S) ARE IN COMPLIANCE WITH SAID PLAN AS OF THE DATE OF EXECUTING THIS AGREEMENT.

c. If at any time during the term of this Agreement, a court or investigatory government agency issues a final judgment, decision or order finding that Consultant or a subconsultant it employs to perform work under this Agreement has violated any applicable wage and hour law, or Consultant learns of such a judgment, decision, or order that was not previously disclosed in its bid/proposal, Consultant shall inform the City no more than fifteen (15) calendar days after the judgment, decision or order becomes final or from the date of learning of the final judgment, decision or order. Consultant or its subconsultant(s) shall, within thirty (30) calendar days after notifying the City, either (i) fully satisfy any such judgment, decision, or order and provide the City with documentary evidence of satisfying said judgment, decision or order; or (ii) provide the City documentary evidence of a payment or other alternative plan approved by the court/government agency to satisfy the judgment, decision or order. If the Consultant or its subconsultant is subject to a payment or other alternative plan, the Consultant or its subconsultant shall continue to submit documentary evidence every thirty (30) calendar days during the term of the Agreement demonstrating continued compliance with the plan until the judgment, decision or order has been fully satisfied.

d. For purposes of this Section, a "final judgment, decision, or order" refers to one for which all appeals have been exhausted or the time period to appeal has expired. Relevant investigatory government agencies include: the United States Department of Labor, the California Division of Labor Standards Enforcement, the City, or any other governmental entity or division tasked with the investigation and enforcement of wage and hour laws.

e. Failure to comply with any part of this Section constitutes a material breach of this Agreement. Such breach may serve as a basis for immediate termination of this Agreement and/or any other remedies available under this Agreement and/or law.

f. Notice provided to the City shall be addressed to: Attention: Finance Director, 455 E. Calaveras Blvd. Milpitas, CA 95035. The Notice provisions of this Section are separate from any other notice provisions in this Agreement and, accordingly, only notice provided to the above address satisfies the notice requirements in this Section.

**SIGNATURE PAGE FOR PROFESSIONAL SERVICES AGREEMENT
BETWEEN THE CITY OF MILPITAS
AND
CAYENTA, A DIVISION OF N. HARRIS COMPUTER CORPORATION**

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

CITY OF MILPITAS

Approved By:

Julie Edmonds-Mares
City Manager

Date

Approved As To Form:

Christopher J. Diaz
City Attorney

Approved As To Scope:

Will Fuentes
Director of Finance

Approved As To Content:

Jane Corpus
Assistant Director of Finance

**CAYENTA, A DIVISION OF N. HARRIS
COMPUTER CORPORATION**

Signature

Name

Title

Date

DIR Registration Number (If Applicable)

EXHIBIT A

Scope of Services

Upgrade Overview

The CLIENT is embarking on an upgrade of Cayenta software upgrade to version 9.0.0 (the latest release level generally available). Under the direction of the CLIENT Project Owner, the CLIENT Project Manager will drive and oversee the project.

- CLIENT has requested to engage HARRIS for value added services related to the upgrade as outlined in the Table of Services.
- These services are not included in the Software and Maintenance Fees
- The services are organized into discrete units of work called Upgrade Services Offerings and are provided by Cayenta's pool of upgrade resources.
- CLIENT is responsible for determining the duration of the upgrade project and desired go-live date and providing adequate testing resources to meet that duration.
- Based on CLIENTS timeline and selected Upgrade Services Offerings, Cayenta will provide scheduled resources based on availability.
- Multiple client upgrades are ongoing so requested dates may not always be available if resources from the Upgrade resource pool already secured by other client upgrades
- Cayenta agrees to schedule and begin the upgrade within 120 days of client signing of the Upgrade SOW.

Products currently installed (CIS, FMS, WM, HR/PA)	CIS; CF and HR/PA
Current Version (e.g. - 7.7.0)	7.7.0 (from Jun 2015)
Oracle or SQL Server Database (& version)	Oracle
Number of CIS Accounts	25,000
Number of Users	90 (approx.)
FMS Modules	AP, BU, CC, AR, GL, JC, PO
HR/PA Modules	HR, PA
WM Modules	NA
Cayenta Managed Solutions (CMS)	NA
Actuate or Cognos (version?, Planet Press?)	Actuate 11
Custom Cayenta Reports	10
CF scripting (or In-house built scripts)	Yes
Budget Prep	No
Time Entry (TE)	No
Customer Self Service (CSS)	No
Employee Self Service (ESS)	Included as part of this upgrade Milpitas has 430 full time, but 600 including part time.

Vendor Self Service (VSS)	No
Cayenta Dashboard	NA
Cognos Analytics for Excel (CAFÉ)	Included as part of this upgrade (for Payroll/HCM)
Cayenta Analytics (for Utilites)	No
Cayenta Link using Excel (CLUE)	No
Custom Portals	No
Custom Interfaces	2
3rd party integration	Run Invoice Cloud (but no Cayenta CSS)
Combined Menus already? (Y/N)	Yes
Combined Database already? (Y/N)	Yes
Internal or 3rd Party Upgrade Project Manager?	Internal Milpitas Project Manager
Known Constraints (e.g. Must be live by, etc.)	NA
Complete list of WORD Templates/Forms used	AP Check; PA DD Stub; PA Check
Already using Time-Based Employee Master?	No
Already using Time-Based Deductions?	No

Table of Services

Services Component 1: Monthly Services								
Item	Description	Group	Qty	Unit	Hours	Price Per Unit	Total	Optional Travel
1.01	Monthly Upgrade Manager Services	PM	6	Months	32	\$ 6,080.00	\$ 36,480.00	
1.02	Monthly Consulting Services - CIS	Consulting	5	Months	32	\$ 6,080.00	\$ 30,400.00	
1.03	Monthly Consulting Services - FMS	Consulting	5	Months	32	\$ 6,080.00	\$ 30,400.00	
1.04	Monthly Consulting Services - HCM/Payroll	Consulting	5	Months	32	\$ 6,080.00	\$ 30,400.00	
1.05	Go-live Planning and Execution - PM	PM	1	Weeks	16	\$ 3,040.00	\$ 3,040.00	
1.06	Go-Live Transition - Appcon	Consulting	2	Weeks	24	\$ 4,560.00	\$ 9,120.00	\$2,000.00
	Total				736		\$139,840.00	\$2,000.00

Audit Services 2: Included in Annual Maintenance								
2.01	Environment Audit - no cost	Included	1	Each	8	\$ -	\$0.00	
2.02	Functional Audit - no cost	Included	1	Each	16	\$ -	\$0.00	
2.03	Product Release notes and Feature Release documents	Support						
2.04	End User Training guides for upgrade version	Support						

Services Component 3: Technical and Data Services								
Item	Description	Group	Qty	Unit	Hours	Amount	Total	Optional Travel
3.01	Creation and Validation of new Production environment (CayProd) for upgrade version	Technical	1	Each	24	\$ 4,560.00	\$ 4,560.00	
3.02	Environment hand-off and security training	Technical	1	Each	4	\$ 760.00	\$ 760.00	
3.03	Upgrade Cognos - not needed as Cognos recently installed	Reporting	0	Each	16	\$ 3,040.00	\$ -	
3.04	Data Refresh during Project	Technical	1	Each	12	\$ 2,280.00	\$ 2,280.00	
3.05	Tech assistance during upgrade (Troubleshooting)	Technical	1	Each	20	\$ 3,800.00	\$ 3,800.00	
3.06	Mock Go-live (Planning, support and execution)	Technical	1	Each	20	\$ 3,800.00	\$ 3,800.00	
3.07	Creation of new CayTest environment	Technical	1	Each	16	\$ 3,040.00	\$ 3,040.00	
3.08	Go-Live Technical Tasks	Technical	1	Each	16	\$ 3,040.00	\$ 3,040.00	
	Total				112		\$ 21,280.00	\$0.00

Services Component 4: New Product / Feature Implementation Services								
Item	Description	Group	Qty	Unit	Hours	Amount	Total	Optional Travel
4.01	Caystone - setting up baseline tests and training	A - General	1	Each	4	\$ 760.00	\$760.00	
4.02	Core Portals/Statistics	A - General	1	Each	6	\$ 1,140.00	\$1,140.00	
4.03	Portals - AG Grid / Quick Export / Graphing - training	A - General	1	Each	2	\$380.00	\$380.00	
4.04	Enable portal and Inquiry searching on encrypted fields	A - General	1	Each	4	\$760.00	\$760.00	
4.05	Financial Inquiry, Purchasing Inquiry and new data entry screens	FMS	1	Each	4	\$ 760.00	\$760.00	
4.06	Budget Journal Entry - re-write of the budget journal into the JV entry - need some time for security set up	FMS	1	Each	4	\$760.00	\$760.00	

Table of Services (cont'd)

Services Component 4: New Product / Feature Implementation Services								
Item	Description	Group	Qty	Unit	Hours	Amount	Total	Optional Travel
4.07	Accounts Payable - Invoice Entry - - old invoice entry is gone there are some setup options	FMS	1	Each	4	\$760.00	\$760.00	
4.08	Implementation Services: Year End Workflow - GL	FMS	1	Each	12	\$2,280.00	\$2,280.00	
4.09	FMS Scripting assistance - updating	FMS	1	Each	8	\$ 1,520.00	\$1,520.00	
4.10	Security Improvements - Encryption has been added for SSN/SIN numbers and Banking information (CF-8767; CF-8129)	FMS	1	Each	4	\$760.00	\$760.00	
4.11	CONNECT Finance	FMS	1	Each	100	\$19,000.00	\$19,000.00	\$2,000.00
4.12	Setup new W2 (American) screens	HCM/Payroll	1	Each	6	\$ 1,140.00	\$1,140.00	
4.13	Personnel Inquiry	HCM/Payroll	1	Each	8	\$ 1,520.00	\$1,520.00	
4.14	Direct Deposit	HCM/Payroll	1	Each	2	\$ 380.00	\$380.00	
4.15	Payroll configuration	HCM/Payroll	1	Each	30	\$5,700.00	\$5,700.00	
4.16	Implementation of new HCM functionality - Position Control - Personnel Action Forms - Benefits Admin - Employee Mgmt. - Compensation History - Approvals	HCM/Payroll	1	Each	300	\$57,000.00	\$57,000.00	\$6,000.00
4.17	CAFÉ for HCM/Payroll	HCM/Payroll	1	Each	160	\$30,400.00	\$30,400.00	\$2,000.00
4.18	CONNECT Employee	HCM/Payroll	1	Each	100	\$19,000.00	\$19,000.00	\$2,000.00
4.19	CONNECT Manager	HCM/Payroll	1	Each	150	\$28,500.00	\$28,500.00	\$2,000.00
	Total				908		\$172,520.00	\$14,000.00

Services Component 5: BI Services								
Level	Description	Group	Qty	Unit	Hours	Amount	Total	Optional Travel
5.01	Replace WORD template AP Check with Cognos version (CBI-9311)	Reporting	1	Each	30	\$5,700.00	\$5,700.00	
5.02	Replace WORD template PA DD Stub with Cognos version (CBI-9312)	Reporting	1	Each	12	\$2,280.00	\$2,280.00	
5.03	Replace WORD template PA Check with Cognos version (CBI-9313)	Reporting	1	Each	40	\$7,600.00	\$7,600.00	
5.04	Bill Print - Move Actuate to Cognos Recommendation to move off Actuate by Dec 2020 (at the latest). A JIRA needs to be opened for a BI estimate on specific needs.	Reporting	0	Each	250	\$47,500.00	\$0.00	
5.05	Other Reports - Move Actuate to Cognos	Reporting	0	Each	0	\$ -	\$0.00	
5.06	Other Reports - Move Actuate to Portals/Stats	Reporting	0	Each	0	\$ -	\$0.00	
	Total				82		\$15,580.00	\$0.00

Table of Services (cont'd)

Dev Component 6: Dev Services								
Level	Description	Group	Qty	Unit	Hours	Amount	Total	Optional Travel
6.01	Developer on call - Go Live weekend	Developer	0	Each	2	\$380.00	\$0.00	
6.02	Developer actual hours worked -Go Live weekend	Developer	0	Each	0	\$0.00	\$0.00	
	Total				0		\$0.00	\$0.00

Component 7: License								
Level	Description	Group	Qty	Unit	Hours	Amount	Total	Optional Travel
7.01	CONNECT Finance^	Cayenta	1	Licenses		\$ 10,000	\$10,000.00	
7.02	CONNECT Manager^	Cayenta	1	Licenses		\$ 10,000	\$10,000.00	
7.03	CONNECT Employee^	Cayenta	1	Licenses		\$ 10,000	\$10,000.00	
7.04	Cognos CAFÉ licenses^	Cayenta	5	Licenses		\$ 500	\$2,500.00	
							\$32,500.00	\$0.00

Grand Total					1,838		\$381,720.00	\$16,000.00
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Additional Maintenance on License^

Annual Maintenance of 25% on installation

General Notes

Items marked as '0' quantity are not part of the project, but included as Reference Only.

Hardware costs are priced/managed directly by clients.

Additional data refreshes after the start of the project will be an additional cost, and will incur a change order.

On-site time - 3 hours is billed each direction at US\$75 per hour.

Cayenta agrees to schedule and begin the upgrade within 120-days of client signing of the Upgrade SOW.

Services Description

Services Component	Name	Description and Purpose	Contents/Activities	Party Responsible
1 - Monthly Services	Upgrade Manager Monthly Services	For a monthly fee, HARRIS will provide an Upgrade Manager to oversee HARRIS's activities for each Upgrade Component, including the coordination of the Consulting Support services, tracking the progress, managing resources and dealing with any development issues.	1. Initiating and planning of the project. 2. Managing project scope, budget and forecast of the project resources 3. Managing communication between "client" and Cayenta's different teams. 4. Assistance with Set up of different tools required for the project such as SharePoint and CayStone and granting permission to different users. 5. Conducting weekly issues & risk review meetings with "client" for each functional area or ancillary product included in the upgrade. At this meeting the project manager will work with the "client" to mitigate any risks and identify any key issues that need escalation. 6. Monitoring the progress of the project and overseeing all the deliverables and providing relevant reports throughout the project. 7. Assisting with preparation of the go-live plan and mock go live. 8. Managing "client" development items 9. Monitoring the go live weekend process. 10. Managing project closure and transition to Cayenta Support.	HARRIS
1 - Monthly Services	CLIENT Project Management	CLIENT will appoint a dedicated project manager to lead the upgrade project and the CLIENT project team, and to liaise with the Harris Upgrade Manager	1. A high level Schedule of Durations is provided in this document and forms the basis for the monthly pricing for monthly recurring services. CLIENT will be responsible for managing it's lower level tasks within each services component. CLIENT may request to extend monthly recurring services by paying the fixed monthly fee for additional months of recurring services. 2. Provide all testing activities related to implementing the upgrade version utilizing tool provided by HARRIS (CayStone). 3. Provide leadership of the day to day testing efforts, ensuring testing is progressing at a pace to be completed within the allotted months of Consulting Support being provided by HARRIS	CLIENT

1 - Monthly Services	Consulting Support Monthly Services	CLIENT is engaging HARRIS for Consulting Support for a monthly fee for the duration of months specified in the table of durations. CLIENT may choose to employ a longer duration of testing if required, and may request additional months of Consulting Support for the monthly fee defined in this agreement. Consulting Support is an optional value added service, and will not be provided beyond the number of months specified in the table of services for any reason without an additional monthly fee. Any changes to extend the project will be agreed upon by way of a change order outlining the costs related to extending the monthly recurring support charges.	For the monthly fee, HARRIS will provide access to Consulting Support services: 1. Support for incidents logged in CayStone for issues that arise from CLIENT testing. 2. Scheduling for Priority 0 and 1 defect corrections 3. HARRIS will respond to incidents via Caystone regarding problems or questions that the CLIENT testers encounter. This is the preferred method of communication when it comes to testing and managing other aspects of the Project such as training needs, cut-over tasks, business process changes, etc. Email should be kept to a minimum so that the history of every incident is captured in one place and is accessible to all. 4. One on one analysis and WebEx sessions for issues requiring more	HARRIS
2 - Included in Annual Maintenance	Included Services	HARRIS will provide an Environmental and Functional audit.	At no cost, and before CLIENT gets in to begin testing, HARRIS will confirm that environment overall is functioning and useable.	HARRIS
3 - Technical and Data	Technical and Data Services	HARRIS will provide optional environment creation and data migration services for a fixed price per data migration. This will include two environments only - test and production. CLIENT may request additional data refreshes beyond those listed above for the same fixed price per data refresh. This is an optional service, and HARRIS will not be required to provide any additional data refreshes for any reason without compensation. Any additional data refreshes needed will be agreed upon by way of a change order.	1. HARRIS' technical team will prepare and complete the upgrade in the upgrade TEST environment(s) as denoted in the Table of Services. 2. HARRIS will provide X additional data refreshes (as specified in the Table of Services). 3. HARRIS technical team will provide technical services to deliver combined menus and combined schema in conjunction with the upgrade to the latest supported version of Cayenta ERP.	HARRIS

Services Description (cont'd)

4 - New Feature Config	Implementation, Training and Configuration of New Features	HARRIS will configure the new features for the CLIENT that are described in the Table of Services. There is no custom development included in the scope of services, including but not limited to changes to custom reporting (bills, S/O, W/O, letters, portals, reports, financial templates). Any custom development required will be estimated and charged at our standard \$190.00 rate and agreed upon by way of a change order. HARRIS will provide training for the CLIENT upgrade project team for items described in the	As listed in the table of services.	HARRIS
4 - End User Training	CLIENT End User Training	CLIENT is solely responsible for any end user training related to placing the upgrade version into production.	As listed in the table of services.	CLIENT
5 - BI Services	Business Intelligence Services	HARRIS will provide Business Intelligence and Reporting services work as documented in the Table of Services.	Custom Bill print modifications and Custom Reporting can be part of this work, in addition to CAFÉ, Framework or other specific data conversion tasks as noted. As listed in the table of Services.	HARRIS
6 - Dev Services	Developer Services	HARRIS Developers may be desired over the Go Live weekend.	Standby services for Developers can be engaged over Go Live weekend if desired. As listed in the table of Services.	HARRIS

CLIENT Responsibilities

CLIENT Responsibilities	
CLIENT will appoint a Project Manager to lead the upgrade project and the CLIENT project team, and to liase with the HARRIS Upgrade Manager.	
1. A high level Schedule of duration is provided for this document and forms the basis for the monthly pricing for recurring services. CLIENT will be responsible for managing it's lower level tasks within each service component. CLIENT may request to extend monthly recurring services by paying the fixed monthly fee for additional months of recurring services, if desired.	
2. Proceed all testing activities related to implementing the upgrade version utilizing tools provided by HARRIS (Caystone).	
3. Provide leadership of the day-to-day testing efforts, ensuring testing is progressing at a pace to be completed within the allotted months of Consulting time being provided by HARRIS. HARRIS will provide guidance as to the timeline in which testing needs to be completed. It will be the responsibility of the CLIENT Project Manager to ensure adequate testing resources are available to meet the testing goals.	
4. Management and coordination with any third party entities as related to the project activities.	
5. CLIENT is solely responsible for any end user training related to placing the upgrade version into production.	

Post upgrade transition to Support

HARRIS wants to ensure a smooth transition back to Support after Upgrade Go-Live. Once the system is LIVE, a HARRIS Application Consultant will work hand-in-hand with your production staff to ensure the systems are functioning properly. The duration and hours available for this transition time is defined in the Table of Services section of this document.

In an effort to assist both HARRIS and CLIENT staff we have identified four types of issues for classification by HARRIS staff:

Priority 1 – Critical

- System Down (Software Application, Hardware, Operating System, Database)
- Application errors without workarounds that prevent testers from testing
- Incorrect calculation errors impacting a majority of data
- Aborted postings or error messages preventing data integration and update
- Performance issues of severe nature impacting critical processes
- Data Security issues

Note: the existence of a reasonable work-around precludes a Priority 1 or Priority 2 issue in most cases.

Priority 2 - High

- Application errors that have workarounds impacting business but the workaround is either complex or time consuming and significantly affect the productivity after go live.
- Calculation errors impacting a minority of records
- Report calculation issues
- Printer related issues (related to interfaces with our software and not the printer itself)

Priority 3 – Medium

- Application errors/issues that have workarounds impacting business but the workaround is either complex or time consuming
- Report formatting issues
- Issues with workarounds for large majority of accounts
- Some recommendations for enhancements on application changes
- Performance issues not impacting critical processes
- Usability issues

Priority 4 – Low

- Training questions, how to, or implementing new processes
- Aesthetic issues
- Questions on documentation
- Some recommendation for enhancement on application changes

The ongoing operation for the Solution will be the responsibility of the CLIENT following the Upgrade Go-live date with the support of HARRIS. HARRIS will correct or offer a plan or solution for all Critical and High priority defects associated with configuration, modifications, interfaces, reports, portals, web pages, letters, etc. as reported by the CLIENT during the Transition period.

The CLIENT is responsible for defects associated with configuration, modifications, interfaces, and reporting that have been changed by the CLIENT or other Consultants (not contracted by HARRIS) without HARRIS written approval.

The CLIENT will switch to HARRIS Support after completion of the Transition period as outlined in the Upgrade Table of Services.

The completion of Transition constitutes the completion of the Upgrade and the end of the 'Project'. Functionality not implemented prior to the end of Transition, by mutual agreement and a Change Order, will be considered a mini project and the appropriate funds set aside to be invoiced when the work is completed and accepted.

Upgrade Feature List

The features listed below can be implemented as part of this upgrade. Implementation time and support of these new features is outlined in the above Table of Services.

Foundation

Version 7.8.0	Version 7.9.0	Version 9.0.0
• Portal Maintenance: Configurability for Non-Administrators • Environment: Cayenta Financials Install Wizard Released • Security Inquiry: Centralized User and Group Maintenance • HTML5: Broadcast Messages • HAL Released: Online queries for release bulletin details. • Database Audit: Table and View definitions can be validated	• Notification Management • SSL Security: Now supported in Cayenta Human Resources • Portal: Enable column filtering and enabled search by encrypted fields • Logging: Enhancements to column level logging • Print Manager: Multiple enhancements • Preference: SY/TFMAX limits the number of occurrences of specific tab screens that may be launched • User Exits: Conditionally triggered depending on the ALERT type • Security Portal Updates	• Portals: AG grid for the enterprise application • Portals: Quick Export • Portals: Now supports list view and graph view portal statistics • HTML5 Support for Cayenta Financials: adopted HTML5 compliant controls

Cayenta CIS

Version 7.8.0

- Rate Cross Reference:** Allowable Bill Codes by Meter Type
- Deposit** control enhancements
- Budget Billing:** mass recalculation enhancements
- Off Cycle Billing:** Hi-Lo Redesign
- Move-in/out:** Workflow
- AR/Reading Adjustment:** Workflow
- Purge:** Added process to purge GL posting

Version 7.9.0

- Cashiering Portal:** Payment Entry
- Preference:** CO/DUEXD Due Days for Print / Mail Delay & UM/MXNES maximum number of estimates by service types
- Billing:** Summary log table introduced (UM00258T)
- Bank Draft:** Able to stop any updates to pending drafts
- Reporting:** Release of Core UM Reports
- Central Cash:** Mass Payment of Non Receivables
- Payments:** Ability to approve multiple drawers in a range
- Net Metering** Enhancements
- Refunds:** Allow search by account number
- Service Orders:** Mass close service orders
- Conservation Management** enhancements

Version 9.0.0

- Cashiering:** Mass Payment Entry
- Account Management:** Inactive Customers/Accounts
- Account Management:** Household Income
- Account Management:** Federal ID requirement support
- Account Management:** Deposits
- API:** Geolocation Support added
- Billing:** Seasonal Billing Cycle
- Billing:** Fixed Duration Contracts
- Payments:** Cloud POS Connect Integration
- Meters:** Solid State Meter Support
- Meters:** Installed Meter Attributes
- Service Orders:** Google Maps
- Service Orders:** Mass Close
- System:** New Notifications options

Cayenta Financials

Version 7.8.0

- **System:** Multi-Level Approval Rewritten
- **Purchasing:** Freight Estimates from Purchasing to Account Payable
- **Self-Service:** Vendor
- **Purchasing:** Buyer authorization by Purchase Order Type
- **Inventory:** Inventory Reorder Process Redesigned
- **Inventory:** Economic Order Quantity available in reorder processing
- **Accounts Payable:** Check Reprint
- **Forms:** All forms and checks now available through Cognos. (Custom Forms)
- **Portals:** Core Portals released for General Ledger, Accounts Payable, Purchasing
- **Inventory:** Purchase Only Type Items

Version 7.9.0

- **Portals:** Core portal Stats released
- **Accounts Payable:** Rewritten with new grid entry
- **Accounts Payable:** Cash Requirement Report to PDF
- **Accounts Payable:** 1099 Process Increased Payer Email Address and now generates a Subtotal by Box Report
- **Accounts Payable:** Foreign Subsystem Interface allows submission to Job Queue
- **Accounts Payable:** Added multi year access to Check Writing
- **Purchasing:** Sales Tax increased precision to 5 decimal points
- **Purchasing:** PO Line Report exports to Excel
- **Financial Inquiry:** CU to CF Transactions

Version 9.0.0

- **Connect Finance:** new web based application for Cayenta Financials modules
- **Budget Journal:** Rewritten Budget JV Entry
- **Supplier Enhancements:** Encryption now available
- **Standing Orders:** Purchase Order and Receipt all in one
- **Preferred Suppliers** for Inventory and Purchasing
- **Accounts Payable:** system generated invoice numbers
- **Accounts Payable:** completion of purchasing grid in invoice entry
- **Accounts Payable:** Zero Due Days available
- **Accounts Payable:** Positive Pay by AP process
- **Accounts Payable:** Check Register updates
- **Cashiering:** Mass Payment Entry

Human Capital Management

Version 7.8.0

- **Payroll:** Automatically Calculate Overtime in excess of 40 hours
- **Payroll:** Direct Deposit & Deduction Merge
- **Payroll:** Time Bank Group Transfer
- **CALPERS:** PEPPRA Retirement changes
- **Healthy Family Act:** California Law for Sick Time for Employees

Version 7.9.0

- **Occupation Code:** Added Pay Grade Look Up
- **HR Assignment:** Added Assignment Detail Button
- **Human Resources:** Added Field Level Override Functionality
- **Hire:** Hire Toolbar to Hire Approval
- **Person Application:** Allow multiple applications per person
- **History:** Updates including new fields as well as drilldown
- **Canadian Record of Employment (ROE) XML** version 2.0
- **Pay Grades:** Added approval functionality
- **Approvals:** New approvals for all major functions

Version 9.0.0

- **Position Control:** Effective Dated Occupation codes
- **Job:** Update Occupation code from Job
- **Pay Grade:** Holds steps from 0 to 99
- **Position:** Qualifications and Attributes
- **Position:** Position Funding
- **Department:** New table in HCM
- **Personnel Actions:** Issues and Workflow
- **Benefits:** Usability enhancements
- **Employee:** New Grievance & Discipline Management
- **Compensation History**
- **Approvals:** Rewritten across HCM
- **Payroll:** W4 Exemptions
- **Payroll:** IRS Lock In Letters
- **Payroll:** Gross Up Functionality
- **Payroll:** Direct Deposit Updates
- **Time Manager:** New Time Entry Application
- **Time Manager:** New Planned Leave and Absence Management Application
- **Connect Workplace:** Connect Employee and Manager Home Application
- **Connect Employee:** New Employee Self Service Application
- **TalentQuest:** Partnership providing Performance Management, Succession, Talent, Learning and Applicant Tracking
- **Connect Manager:** New Manager Self Service Application
- **Occupation Code:** maintain all steps
- **Garnishment Management:** management

- Multiple Devices; Easy & Intuitive; Go Paperless; Workflow; Access Anywhere

Cayenta Connect Finance

Location	Component	Design	Configured
Connect Workplace	Application	✓	✓
Home Page	Page	✓	✓
Connect Finance	Link	✓	✓
Finance Home Page	Page	✓	✓
My Checklist	Menu	✓	✓
My Updates	Menu	✓	✓
Accounting	Menu	✓	✓
Invoices	Menu	✓	✓
Created Invoices	Dialog	✓	✓
Denied Invoices	Dialog	✓	✓
Approved Invoices	Dialog	✓	✓
Checks	Menu	✓	✓
Process Check Run	Dialog	✓	✓
Print Checks	Dialog	✓	✓
Outstanding Checks	Dialog	✓	✓
Reconciled Checks	Dialog	✓	✓
Void Checks	Dialog	✓	✓
Journal	Menu	✓	✓
Create Journal Entry	Dialog	✓	✓
Denied Journal Entry	Dialog	✓	✓
Approved Journal Entry	Dialog	✓	✓
Transfer	Menu	✓	✓
Create Transfer Entry	Dialog	✓	✓
Denied Transfer Entry	Dialog	✓	✓
Approved Transfer Entry	Dialog	✓	✓
Payments	Menu	✓	✓
Create Drawer	Dialog	✓	✓
Create Receipts	Dialog	✓	✓
Void Receipt	Dialog	✓	✓
Deposits	Menu	✓	✓
Create Deposits	Dialog	✓	✓
Outstanding Deposits	Dialog	✓	✓
Close Drawer	Dialog	✓	✓
Reconcile Payments	Dialog	✓	✓
Purchasing	Menu	✓	✓
Request Goods	Dialog	✓	✓
Denied Requests	Dialog	✓	✓
Approved Requests	Dialog	✓	✓
Print Purchase Orders	Dialog	✓	✓
Receive Purchase Order	Dialog	✓	✓
Report Printing		✓	✓
Report Launching	Dialog	✓	✓
Report Downloads	Dialog	✓	✓

Cayenta Connect Employee

Location	Component	Design	Configured
Connect Workplace	Application	✓	✓
Home Page	Page	✓	✓
Connect Employee	Application	✓	✓
Employee Home Page	Page	✓	✓
My Checklist	New	✓	✓
My Updates	New	✓	✓
Benefits	Menu	✓	✓
Benefits Access	LinkedPage	✓	✓
Benefit Summary	Page	✓	✓
Benefit Summary	New	✓	✓
Career	Menu	✓	✓
Performance	EmbedPage	✓	✓
Training	EmbedPage	✓	✓
Work Experience	Page	✓	✓
Certifications	DataTable	✓	✓
Add Certificate	Dialog	✓	✓
Update Certificate	Dialog	✓	✓
Remove Certificate	Dialog	✓	✓
Education	DataTable	✓	✓
Add Education	Dialog	✓	✓
Update Education	Dialog	✓	✓
Remove Education	Dialog	✓	✓
Military	DataTable	✓	✓
Add Military	Dialog	✓	✓
Update Military	Dialog	✓	✓
Remove Military	Dialog	✓	✓
Skills	DataTable	✓	✓
Add Skills	Dialog	✓	✓
Update Skills	Dialog	✓	✓
Remove Skills	Dialog	✓	✓
Work History	DataTable	✓	✓
Add Work History	Dialog	✓	✓
Update Work History	Dialog	✓	✓
Remove Work History	Dialog	✓	✓
Pay	Menu	✓	✓
Direct Deposit	Page	✓	✓
Add Direct Deposit	Dialog	✓	✓
Update Direct Deposit	Dialog	✓	✓
Statements	Page	✓	✓

Cayenta Connect Manager

Location	Component	Design	Configured
Connect Workplace	Application	✓	✓
Home Page	Page	✓	✓
Connect Manager	Link	✓	✓
Connect Manager Page	Page	✓	✓
My Team	Page	✓	✓
Active	Tab	✓	✓
Active	DataTable	✓	✓
Active Employee	Page	✓	✓
Summary	Page	✓	✓
Current Position & Pay	DataTable	✓	✓
Pay	Page	✓	✓
Current Compensation	DataTable	✓	✓
Compensation History	DataTable	✓	✓
Other	DataTable	✓	✓
Emergency Contacts	Page	✓	✓
Emergency Contacts	DataTable	✓	✓
Personal Info	Page	✓	✓
Certifications	DataTable	✓	✓
Education History	DataTable	✓	✓
Work History	DataTable	✓	✓
Skills	DataTable	✓	✓
Military	DataTable	✓	✓
Position History	Page	✓	✓
Position History	DataTable	✓	✓
Recognition	Page	✓	✓
Recognition	DataTable	✓	✓
Relations	Page	✓	✓
Relations	DataTable	✓	✓
Actions	Menu	✓	✓
Actions	Page	✓	✓
To Approve	Tab	✓	✓
To Approve	DataTable	✓	✓
Action Details	Page	✓	✓
Issue Details	Dialog	✓	✓
Task Actions	Dialog	✓	✓
In Progress	Tab	✓	✓
In Progress	DataTable	✓	✓
Action Details	Page	✓	✓
Issue Details	Dialog	✓	✓
Issue Actions	Dialog	✓	✓
Rejected	Tab	✓	✓
Rejected	DataTable	✓	✓
Action Details	Page	✓	✓



Powerful and Easy to use

The user-friendly interface ensures that Excel users across your organization can jump right in.



Robust Reporting Capabilities

Our robust reporting capabilities offer opportunities for identifying emerging trends and business requirements



Decision Making

From assessing team performance to conducting defect analysis, CAFÉ enables informed decision making with ease



Integrated

Fully integrated with the Cayenta Business Intelligence, there is no need for additional interfaces.



Solid History of Success

Since 1984, we have been helping our clients respond to changing technology, customer needs, and business environments.

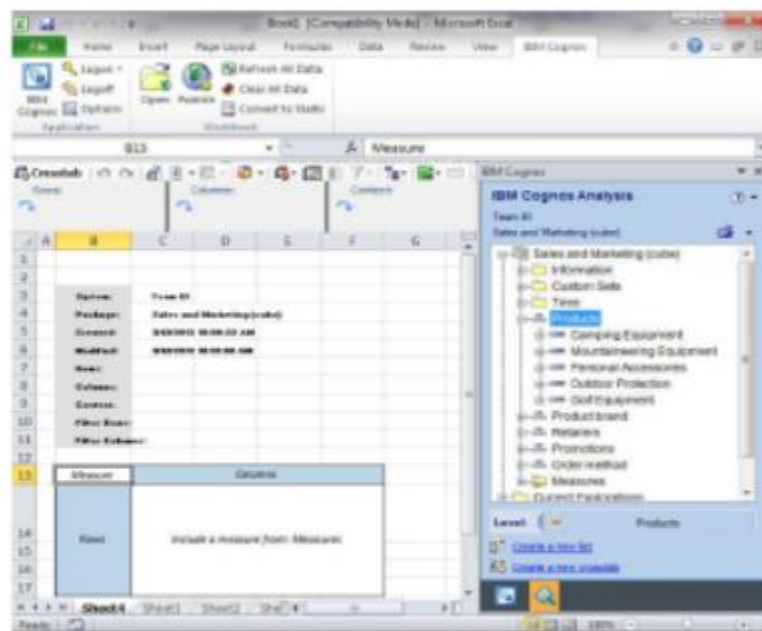
Cayenta
4200 North Fraser Way, Suite 201
Burnaby, BC, V5J 5K7

Cognos Analytics for Excel (CAFÉ)



With IBM Cognos Analytics for Excel you can use Cognos data inside Excel to explore and analyze data, create reports, invoices, and statements.

With the interactive drag and drop environment, you can leverage your data to understand trends, assess performance, and answer your business questions with ease



Cognos Analytics for Excel Key Features

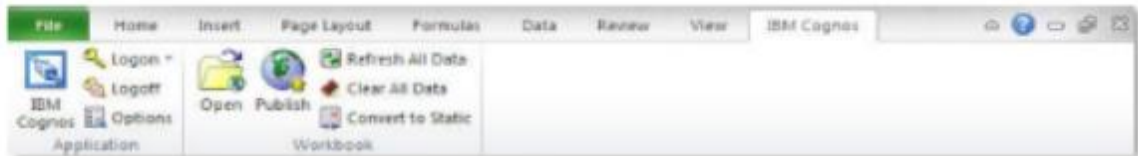
Cognos Analytics for Excel is for anyone in your organization that needs to find answers to business questions in your company data. With this solution in your toolbox, you can perform activities such as:

- Slice and dice to easily change context and view details.
- Find and focus on items that are important to your business.
- Understand trends and anomalies.
- Compare data, such as details to summaries, or actual results to budgeted results.
- Assess performance by focusing on the best or worst results.
- Share your findings with others.

User Interface Features

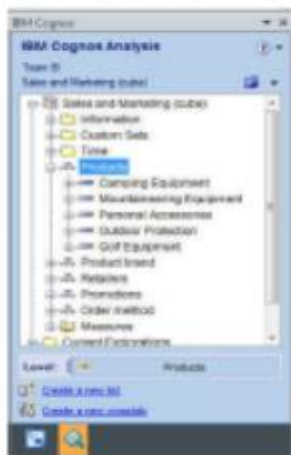
IBM Cognos Toolbar

Cognos Office adds a custom toolbar to Excel. When you click the IBM Cognos button, the commands become available on the Excel ribbon.



Analysis Pane and Source Tree

The analysis pane provides you with controls for opening packages, searching metadata, adding lists and crosstab explorations, and accessing online help. It also provides a view of objects you can add to a report using the source tree.



The source tree is for the package that you've selected. For packages based on DMR and OLAP data sources, it presents a dimensional view of your data and the tree is organized into dimensions, hierarchies, levels, and measures. For packages based on relational data sources, it presents query subjects organized into lists of data items. TM1 packages are based on OLAP data sources.

Exploration Bar

Use the controls on the exploration bar to work with different areas of an exploration report or open the report in either IBM Cognos Report Studio, IBM Cognos Workspace Advanced, or IBM Cognos Analysis Studio.

Overview Area

The overview area is a convenient place to quickly explore and change the contents of an Excel worksheet. It shows any applied filters, and in a crosstab, you can rearrange rows and columns, drill up or down, and provide context for the worksheet.



Work Area

The work area is an Excel workspace where you place data items for the crosstab or list reports that you design. After you place the data items that you want to analyze, it appears in the cells of the worksheet. You can change,

limit, or expand the items you see in the cross tab, using techniques such as filtering or drilling, to quickly focus on the most significant item in your worksheet. Using cell-based analysis mode, you can also drag and drop DMR or OLAP items directly into the cells of a worksheet.

EXHIBIT B

Schedule of Charges/Payments

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

1. All fees shall be paid within thirty (30) days of invoice date. Customer shall pay all applicable shipping charges and sales taxes, exclusive of HARRIS's income and corporate franchise taxes, in addition to the fees for services separately listed. HARRIS reserves the right to put the project on hold if any invoices for accepted project milestones age beyond 60 days outstanding.
2. HARRIS will not commence this project if there are any outstanding invoices aged greater than 60 days.
3. All license fees and related support and maintenance fees shall be billed upon signing of the Statement of Work.
4. Actual travel and living costs will be billed as incurred. HARRIS will make every effort to minimize travel and living expenses. Travel and living expenses include:
 - a. Airfare
 - b. Lodging
 - c. Per Diem (HARRIS policy allows for \$55/day for week days (\$110 for weekends and holidays)
 - d. Ground Transportation (taxis, rental cars, fuel, tolls, parking)
5. HARRIS travel guidelines will be used by all HARRIS personnel traveling to the client's site unless specifically stated in this section of the Statement of Work.
6. The actual number of trips required will be determined jointly the Project managers. The numbers provided above are reasonable estimates for a Project of this scope and duration.
7. In the event CLIENT terminates this Agreement, CLIENT shall be invoiced for work done to date of notification and CLIENT will pay all outstanding Fees and other amounts owing to Harris under this Agreement.

Payment Schedule

The services listed are provided at a fixed price basis for the defined scope of work. All travel expenses will be billed based on actual costs as incurred.

MP#	Level #	Criteria for Invoice	Month	Services Billed
MONTHLY 1	1.01 - 1.06	Monthly Services Fees - Last Day of Month 1	Month 1	23,307
MONTHLY 2	1.01 - 1.06	Monthly Services Fees - Last Day of Month 2	Month 2	23,307
MONTHLY 3	1.01 - 1.06	Monthly Services Fees - Last Day of Month 3	Month 3	23,307
MONTHLY 4	1.01 - 1.06	Monthly Services Fees - Last Day of Month 4	Month 4	23,307
MONTHLY 5	1.01 - 1.06	Monthly Services Fees - Last Day of Month 5	Month 5	23,307
MONTHLY 6	1.01 - 1.06	Monthly Services Fees - Last Day of Month 6	Month 6	23,307
MP7	3.01	Creation and Validation of new Production environment (CayProd) for upgrade version	Month 1	4,560
MP8	3.02	Environment hand-off and security training	Month 1	760
MP9	3.04	Data Refresh during Project	Month 3	2,280
MP10	3.05	Tech assistance during upgrade (Troubleshooting)	Month 4	3,800
MP11	3.06	Mock Go-live (Planning, support and execution)	Month 5	3,800
MP12	3.07	Creation of new CayTest environment	Month 6	3,040
MP13	3.08	Go-Live Technical Tasks	Month 6	3,040
MP14	4.01	Caystone - setting up baseline tests and training	Month 1	760
MP15	4.02	Core Portals/Statistics	Month 2	1,140
MP16	4.03	Portals - AG Grid / Quick Export / Graphing - training	Month 2	380
MP17	4.04	Enable portal and Inquiry searching on encrypted fields	Month 2	760
MP18	4.05	Financial Inquiry, Purchasing Inquiry and new data entry screens	Month 2	760
MP19	4.06	Budget Journal Entry - re-write of the budget journal into the JV entry - need some time for security set up	Month 2	760
MP20	4.07	Accounts Payable - Invoice Entry - - old invoice entry is gone there are some setup options	Month 2	760
MP21	4.08	Implementation Services: Year End Workflow - GL	Month 3	2,280
MP22	4.09	FMS Scripting assistance - updating	Month 3	1,520
MP23	4.10	Security Improvements - Encryption has been added for SSN/SIN numbers and Banking information (CF-8767; CF-8129)	Month 3	760
MP24	4.11	CONNECT Finance - 50%	Month 2	9,500
MP25	4.11	CONNECT Finance - 50%	Month 4	9,500
MP26	4.12	Setup new W2 (American) screens	Month 2	1,140

MP#	Level #	Criteria for Invoice	Month	Services Billed
MP27	4.13	Personnel Inquiry	Month 2	1,520
MP28	4.14	Direct Deposit	Month 3	380
MP29	4.15	Payroll configuration	Month 3	5,700
MP30	4.16	Implementation of New HCM functionality - 50%	Month 2	28,500
MP31	4.16	Implementation of New HCM functionality - 50%	Month 4	28,500
MP32	4.17	CAFÉ for HCM/Payroll - 50%	Month 2	15,200
MP33	4.17	CAFÉ for HCM/Payroll - 50%	Month 4	15,200
MP34	4.18	CONNECT Employee - 50%	Month 2	9,500
MP35	4.18	CONNECT Employee - 50%	Month 4	9,500
MP36	4.19	CONNECT Manager - 50%	Month 2	14,250
MP37	4.19	CONNECT Manager - 50%	Month 4	14,250
MP38	5.01	Replace WORD template AP Check with Cognos version (CBI-9311)	Month 1	5,700
MP39	5.02	Replace WORD template PA DD Stub with Cognos version (CBI-9312)	Month 2	2,280
MP45	5.03	Replace WORD template PA Check with Cognos version (CBI-9313)	Month 3	7,600
MP48	7.01	CONNECT Finance^	Month 1	10,000
MP49	7.02	CONNECT Manager^	Month 1	10,000
MP50	7.03	CONNECT Employee^	Month 1	10,000
MP51	7.04	Cognos CAFÉ licenses^	Month 1	2,500
Total				381,720

Summary by Month

Month 1		17.7%	67,586.67
Month 2		28.8%	109,756.67
Month 3		11.5%	43,826.67
Month 4		27.3%	104,056.67
Month 5		7.1%	27,106.67
Month 6		7.7%	29,386.67
Total		100.0%	381,720.00

Plus \$8,125 in month 1 – Annual license maintenance upon installation.

EXHIBIT C

Activity Schedule

Planned Duration of Upgrade + HCM + Connect + CAFÉ (HCM/Payroll)

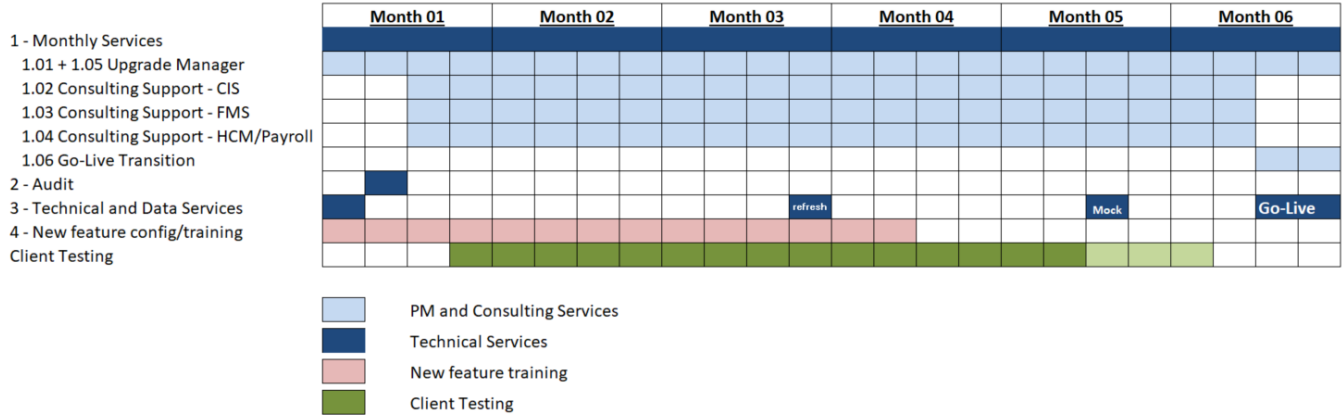


EXHIBIT D

Insurance Requirements

Please refer to the insurance requirements listed below. Those that have an “X” indicated in the space before the requirement apply to Contractor’s or Consultant’s Agreement.

Contractor or Consultant shall procure and maintain for the duration of the Agreement insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder and the results of that work by the Contractor or Consultant, its agents, representatives, employees or subcontractors.

Contractor or Consultant shall provide its insurance broker(s)/agent(s) with a copy of these requirements and request that they provide Certificates of Insurance complete with copies of all required endorsements.

Contractor or Consultant shall furnish City with copies of original endorsements affecting coverage required by this Exhibit C. The endorsements are to be signed by a person authorized by that insurer to bind coverage on its behalf. All endorsements and certificates are to be received and approved by City before work commences.

Commercial General Liability (CGL):

☐ Coverage at least as broad as Insurance Services Office (“ISO”) Form CG 00 01 covering CGL on an “occurrence” basis, including products and completed operations, property damage, bodily injury and personal and advertising injury with limits no less than **\$2,000,000** per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.

☒ Coverage at least as broad as ISO Form CG 00 01 covering CGL on an “occurrence” basis, including products and completed operations, property damage, bodily injury and personal and advertising injury with limits no less than **\$1,000,000** per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.

☐ Coverage at least as broad as ISO Form CG 00 01 covering CGL on an “occurrence” basis, including products and completed operations, property damage, bodily injury and personal and advertising injury with limits no less than **\$5,000,000** per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.

Automobile Liability:

☒ Coverage at least as broad as ISO Form Number CA 0001 covering, Code 1 (any auto), of if Contractor or Consultant has no owned autos, Code 8 (hired) and 9 (non-owned), with limits no less than **\$1,000,000** per accident for bodily injury and property damage.

___ Coverage at least as broad as ISO Form Number CA 0001 covering, Code 1 (any auto), with limits no less than **\$5,000,000** per accident for bodily injury and property damage.

___ Garage keepers' extra liability endorsement to extend coverage to all vehicles in the care, custody and control of the Contractor or Consultant, regardless of where the vehicles are kept or driven.

Professional Liability (Errors and Omissions):

The Employer's Liability policy shall be endorsed to waive any right of subrogation as respects the City, its elected and appointed officials, officers, attorneys, agents, and employees.

___ Insurance appropriates to the Contractor or Consultant's profession, with limit no less than **\$1,000,000** per occurrence or claim, **\$2,000,000** aggregate

___ (If Design/Build), with limits no less than **\$1,000,000** per occurrence or claim, and **\$2,000,000** policy aggregate.

___ Insurance appropriates to the Contractor or Consultant's profession, with limit no less than _____ per occurrence or claim, _____ aggregate

Workers' Compensation Insurance:

 X Insurance as required by the State of California, with Statutory Limits, and Employer's Liability Insurance with limit of no less than **\$1,000,000** per accident for bodily injury or disease. *(Not required if Contractor or Consultant provides written verification it has no employees)*

The Contractor or Consultant makes the following certification, required by section 1861 of the California Labor Code:

I am aware of the provisions of Section 3700 of the Labor Code which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and I will comply with such provisions before commencing the performance of the work of this contract.

Contractor/Consultant Signature

Builder's Risk (Course of Construction):

___ Insurance utilizing an "All Risk" (Special Perils) coverage form, with limits equal to the completed value of the project and no coinsurance penalty provisions.

Other Insurance Provisions:

The insurance policies are to contain, or be endorsed to contain the following provisions:

X ***Additional Insured Status:***

The insurance policies are to contain, or be endorsed to contain the following provision:

The City, its elected and appointed officials, officers, attorneys, agents, and employees are to be covered as additional insureds on the CGL policy with respect to liability arising out of work or operations performed by or on behalf of the Contractor or Consultant or any subcontractors including materials, parts, or equipment furnished in connection with such work or operations, including completed operations. General liability coverage can be provided in the form of an endorsement to the Contractor's or Consultant's insurance (at least as broad as ISO Form CG 20 10 11 85 or if not available, through the addition of both CG 20 10 and CG 20 37 if a later edition is used).

The Additional Insured coverage under the Contractor's policy shall be "primary and non-contributory" and will not seek contribution from the City's insurance or self-insurance and shall be at least as broad as CG 20 01 04 13.

The limits of insurance required in this Agreement may be satisfied by a combination of primary and umbrella or excess insurance. Any umbrella or excess insurance shall contain or be endorsed to contain a provision that such coverage shall also apply on a primary and non-contributory basis for the benefit of City (if agreed to in a written contract or agreement) before the City's own insurance or self-insurance shall be called upon to protect it as a named insured.

 X ***Primary Coverage:***

The insurance policies are to contain, or be endorsed to contain the following provision:

For any claims related to this contract, the **Contractor's or Consultant's insurance coverage shall be primary insurance** as respects the City, its elected and appointed officials, officers, attorneys, agents, and employees. Any insurance or self insurance maintained by the City, its elected and appointed officials, officers, attorneys, agents, and employees shall be in excess of the Contractor's or Consultant's insurance and shall not contribute with it.

 X ***Notice of Cancellation, Suspension or Otherwise Voiding Policies:***

The Commercial General Liability policy required above shall contain, or be endorsed to contain **that coverage shall not be canceled except with thirty (30) days' written notice** by certified mail, return receipt requested to the City.

 X ***Waiver of Subrogation:***

Contractor or Consultant hereby grants to City a waiver of any right to subrogation which any insurer of said Contractor or Consultant may acquire against the City by virtue of the payment of any loss under such insurance. Contractor or Consultant agrees to obtain any endorsement that may

be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the City has received a waiver of subrogation endorsement from the insurer. **The Workers' Compensation Policy shall be endorsed with a waiver of subrogation** in favor of the City for all work performed by Contractor or Consultant, its employees, agents and subcontractors.

Deductibles and Self-Insured Retentions ("SIR"):

City reserves the right to obtain a full-certified copy of any endorsements. Failure to exercise this right shall not constitute a waiver of right to exercise later.

Acceptability of Insurers:

Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:VII, unless otherwise acceptable to City.

Claims Made Policies: (note - should be applicable only to professional liability, see below)

1. The Retroactive Date must be shown, and must be before the date of the contract or the beginning of contract work.
2. Insurance must be maintained and evidence of insurance must be provided **for at least five (5) years after completion of contract of work.**
3. If coverage is canceled or non-renewed, and not replaced **with another claims-made policy form with a Retroactive Date prior to** the contract effective date, the Contractor or Consultant must purchase "extended reporting" coverage for a minimum of **five (5) years** after completion of work.
4. A copy of the claims reporting requirements must be submitted to the City for review.
5. If the services involve lead-based paint or asbestos identification/remediation, the Contractor's Pollution Liability Policy shall not contain lead-based paint or asbestos exclusions. If the services involve mold identification/remediation, the Contractors Pollution Liability Policy shall not contain a mold exclusion, and the definition of Pollution shall include microbial matter, including mold.

Subcontractors:

Contractor or Consultant shall require and verify that all subcontractors maintain insurance meeting all the requirements stated herein, and Contractor shall ensure that City is an additional insured on insurance required from subcontractors.

Subcontractor agrees to be bound to Contractor and City in the same manner and to the same extent as Contractor is bound to City under this Agreement and any other contract documents. Subcontractor further agrees to include the same requirements and provisions of this Agreement, including the indemnity and insurance requirements, with any sub-subcontractor to the extent they apply

to the scope of the sub-subcontractor's work. A copy of the City indemnity and insurance provisions will be furnished to the subcontractor upon request.

Verification of Coverage:

Contractor or Consultant shall furnish the City with original certificates and amendatory endorsements or copies of the applicable policy language effecting coverage required by this clause. All certificates and endorsements are to be received and approved by the City before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive the Contractor or Consultant's obligation to provide them. The City reserves the right to require complete, certified copies of all required endorsements required by these specifications, at any time.

Special Risks or Circumstances

City reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage or other special circumstances.

Failure to Comply:

Each insurance policy required above shall contain or be endorsed to contain that any failure to comply with reporting provisions of the policies shall not affect coverage provided to the City, its elected and appointed officials, officers, attorneys, agents, and employees.

Applicability of Coverage:

Each insurance policy required above shall contain or be endorsed to contain that the Contractor's or Consultant's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

Backup material for agenda item:

Receive Recommendation to Appoint Energy and Environmental Sustainability Commissioner as the Community Representative to the South Bay Odor Stakeholders Group (Staff Contact: Steve Erickson, 408-586-3301)

Recommendation: Receive recommendation from the Energy and Environmental Sustainability Commission (EESC) and appoint EESC Commissioner Chia Ling Kong as Community Representative to the South Bay Odor Stakeholders Group.



CITY OF MILPITAS AGENDA REPORT (AR)

Item Title:	Receive Recommendation to Appoint Energy and Environmental Sustainability Commissioner as the Community Representative to the South Bay Odor Stakeholders Group
Category:	Consent Calendar-Community Services and Sustainable Infrastructure
Meeting Date:	1/15/2019
Staff Contact:	Steve Erickson, 408-586-3301
Recommendation:	Receive recommendation from the Energy and Environmental Sustainability Commission (EESC) and appoint EESC Commissioner Chia Ling Kong as Community Representative to the South Bay Odor Stakeholders Group

Background: The South Bay Odor Stakeholders Group (SBOSG), formed in 2015, serves as a forum for participating municipal leaders, private industry, state and local regulators to help collaborate, identify, and resolve odors affecting the South Bay. SBOSG's meetings are held quarterly, and the City Engineering Director and Councilmember Nuñez attended the meetings in 2018. Milpitas citizens Minh Le and Jim Li also attended SBOSG meetings in 2018 as Milpitas community representatives.

At its meeting of April 3, 2018, the City Council removed Minh Le and Jim Li as SBOSG community representatives, and directed that one new community representative to the SBOSG be a Commissioner from the Energy and Environmental Sustainability Commission (EESC). The EESC Commissioner serving as the SBOSG community representative would attend the quarterly meetings and provide regular meeting updates to the entire EESC and the City Council.

At its meeting of December 11, 2018, the EESC nominated Commissioner Chia Ling Kong as the community representative to the SBOSG, and recommended the nomination be forwarded to the City Council for consideration and action. Commissioner Kong's term as SBOSG community representative would be the same as her term as EESC Commissioner, and would expire on October 2021, or at the Council's discretion.

Analysis: Approval of EESC's nomination will allow the selected member to serve as official Milpitas community representative at the next SBOSG meeting.

Policy Alternatives:

Alternative 1: Not approve EESC's recommendation to appoint Commissioner Kong to serve as the SBOSG community representative.

Pros: None.

Cons: Not approving the EESC recommendation would mean an EESC Commissioner would not attend the quarterly SBOSG meetings as the Council appointed SBOSG community representative for the City.

Reason not recommended: Official community representation at SBOSG meetings is recommended to provide regular meeting updates and odor information to the entire EESC and the City Council.

Fiscal Impact: None

California Environmental Quality Act: None

Recommendation: Receive recommendation from the Energy and Environmental Sustainability Commission (EESC) and appoint EESC Commissioner Chia Ling Kong as the Community Representative to the South Bay Odor Stakeholders Group.

Attachment: December 11, 2018 EESC meeting minutes

MINUTES

CITY OF MILPITAS ENERGY & ENVIRONMENTAL SUSTAINABILITY COMMISSION

Minutes: Special Meeting of the Energy & Environmental Sustainability Commission
Meeting Date: December 11, 2018
Meeting Time: 6:00 p.m.
Meeting Place: Milpitas City Hall, Commission Meeting Room

- I. **ROLL** Staff called the Energy and Environmental Sustainability Commission to order at 6:05 p.m. Commissioners Arthur, Badesha, Kong, Liu, Martinez, Salian, Sexton and staff members Marshall and Phagan were present. Councilmember Nunez, Public Works Director Tony Ndah, and Engineering Director Steve Erickson were also present.
- II. **PLEDGE OF ALLEGIANCE**
Conducted.
- III. **SEATING OF ALTERNATES**
Alternate Liu was seated.
- IV. **MINUTES**
Motion to approve minutes of the October 30, 2018 meeting.
M/S: Sexton/Badesha Ayes: All

Motion to approve minutes of the November 13, 2018 meeting.
M/S: Arthur/Badesha Ayes: All
- V. **PUBLIC FORUM**
No comments from the public.
- VI. **ANNOUNCEMENTS**
No announcements.
- VII. **COUNCIL LIAISON REPORT**
No report.
- VIII. **AGENDA**
Motion to approve the agenda as submitted.
M/S: Arthur/Sexton Ayes: All
- IX. **NEW BUSINESS**
 1. *EESC Work Plan*
Staff Marshall presented the draft EESC work plan based on Commission discussion during the Commission's October and November meetings. The Commissioners discussed the potential work plan topics and asked clarifying questions of staff. Commissioners expressed desire to see the following changes and issues prioritized:
 - Additional Straw Ban updates

- Include Milpitas Sanitation customer billing and contract amendment update with the Recycling and Solid Waste Program Update in April 2019
- Timing of the Street Sweeping report back specifically related to stormwater requirements and impact on implementation schedule
- Clarifying what would be covered under the Odor Program Update which would include an update on odor coordination efforts and reports from the stakeholder group

Staff will look into several topics:

- California's New Straw Ban Law: responsibility for enforcement, outreach to businesses and community
- Parking Enforcement options for Street Sweeping and its potential correspondence with City's Parking Permit program

During this discussion, Councilmember Nunez indicated that Street Sweeping parking enforcement should be brought forward with the proposed Parking Permit program.

The Commission also discussed meeting frequency and reached a consensus that, in order to cover the expanded scope and all potential topics to be discussed and in order not conflict with other City Council and Commission meetings, the Commission should meet on the 3rd Wednesday of each month.

Staff will take the feedback from the discussion and revise the draft work plan for the Commission to review and approve at the next meeting. The Commission Work Plan is scheduled for City Council review and approval on January 15, 2019.

X. OLD BUSINESS

1. Recommendation for South Bay Odor Stakeholders Group (SBOSG) Representative
Commission solicited nomination for an EESC representative and alternate to attend the SBOSG meetings. The nominations will be presented for Council approval.

Nomination of Commissioner Kong as representative.

M/S: Sexton/Arthur Ayes: All

Nomination of Alternate Commissioner Liu as alternate representative.

M/S: Sexton/Arthur Ayes: All

XI. FUTURE AGENDA ITEMS

Milpitas Sanitation customer billing and contract amendment.

XII. SCHEDULING OF NEXT MEETING AND ADJOURNMENT

The next special meeting of the Commission is scheduled for January 16, 2018 at 6 PM.

The meeting of December 11, 2018 concluded at 7:05 PM.

M/S: Arthur/Sexton Ayes: All

Backup material for agenda item:

Approve the Community Advisory Commission 2019 Work Plan (Staff Contact: Avery Stark, 408-586-3288)

Recommendation: Approve the Community Advisory Commission 2019 Work Plan



CITY OF MILPITAS AGENDA REPORT (AR)

Item Title:	Approve the Community Advisory Commission 2019 Work Plan
Category:	Consent Calendar-Leadership and Support Services
Meeting Date:	1/15/2019
Staff Contact:	Avery Stark, 408-586-3288
Recommendation:	Approve the Community Advisory Commission 2019 Work Plan

Background:

The Community Advisory Commission was founded on July 20, 1954. The Community Advisory Commission (CAC) serves as an advisory body on matters affecting Milpitas citizens, especially those relating to community improvement. The CAC evaluates and makes recommendations to the Council on diverse issues including Community Development Block Grant funding and city-wide beautification. At the December 5, 2018 CAC meeting, the Commissioners approved the 2019 Work Plan proposal. The Work Plan identifies the Commission's goals, projects and ongoing tasks that Commissioners plan to accomplish for the upcoming year.

Recommendation:

Approve the Community Advisory Commission 2019 Work Plan.

Attachments:

Community Advisory Commission 2019 Work Plan

MILPITAS COMMUNITY ADVISORY COMMISSION
2019 WORK PLAN
ANNUAL RECURRING TASKS

TASK		JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC
1.	CDBG public hearing process / workshop for new commissioners	X	X	E	R								
2.	Make a Difference Day					X			X	X	E	R	
3.	Neighborhood Beautification Awards				X		X		X	E	C	R	
4.	National Night Out				X		X		E	R			
5.	Annual Work Plan										X		
6.	CAC Budget/Donations Strategy		X			X				X			
7.	Spring Cleaning Day	X	X		E	R						X	
8.	Town Hall Meeting (even years)	X	X										

Legend: X= Discussion & Planning; E = Event; C = Ceremony; R = Results Review

SHORT-TERM GOALS/PROJECTS (PRIORITIZED)

1. Tree Planting – Promote tree planting through outreach and tree protection awareness
2. Outreach Program – Continue to perform outreach using Milpitas Cable TV/Magazine to encourage volunteerism and participation in the Milpitas community.
3. Cleanup of Areas – Determine areas in Milpitas and encourage their redevelopment or conduct a program similar to the “Adopt A Highway” program
4. Expand the Neighborhood Watch Program – Work with City staff to expand the Neighborhood Watch Program

Backup material for agenda item:

Approve the Energy and Environmental Sustainability Commission 2019 Work Plan (Staff Contact: Elaine Marshall, 408-586-2603

Recommendation: Approve the Energy and Environmental Sustainability Commission 2019 Work Plan



CITY OF MILPITAS AGENDA REPORT (AR)

Item Title:	Energy and Environmental Sustainability Commission 2019 Work Plan
Category:	Consent Calendar-Leadership and Support Services
Meeting Date:	1/15/2019
Staff Contact:	Elaine Marshall, 408-586-2603
Recommendation:	Approve the Energy and Environmental Sustainability Commission 2019 Work Plan

Background:

On August 21, 2018, the City Council approved the expanded scope of the former Recycling and Source Reduction Advisory Commission and renamed the commission to form the Energy and Environmental Sustainability Commission. The Commission will continue its previous advisory areas and topics with the addition of advising Council on issues related to energy, sustainability, and Climate Action Plan.

Analysis:

The reformulated EESC has held two special meetings in November and December 2018 to discuss its expanded scope and develop its recommended work plan for calendar year 2019. The identified topics support the Commission's scope to advise on issues that would advance sustainability and environmental stewardship for the Milpitas community.

Additionally, as a result of the expanded scope, the Commission agreed to change its meeting frequency from quarterly to monthly. This change in meeting schedule will be included in the update to the Commission's bylaws.

Policy Alternatives:

Alternative 1: Direct the Commission to add additional work plan items

Pros: Provides Commission with more additional direction from the City Council and ensures that the Commission is addressing priority topics.

Cons: None identified.

Reason not recommended: The City Council has the purview to provide additional direction to the Commission.

Fiscal Impact:

None.

California Environmental Quality Act:

Not a project.

Recommendation:

Approve the Energy and Environmental Sustainability Commission 2019 Work Plan

Attachments:

Energy and Environmental Sustainability Commission 2019 Work Plan

*City of Milpitas
Energy and Environmental Sustainability Commission
Work Plan 2019*

The Energy and Environmental Sustainability Commission advises the City Council on matters pertaining to sustainability, climate action, recycling, and waste diversion.

Month	Issue/Agenda Topic
January	• Milpitas Climate Action Plan Overview and Status • State Plastic Straw Ban – Implementation Discussion
February	• Silicon Valley Clean Energy
March	• Recycling and Garbage Services Update including MSI Update on Residential Customer Billing • Energy Efficiency Programs
April	• Green Stormwater Infrastructure Plan
May	• Water Supply and Water Conservation • Odor Update
June	• State Plastic Straw Ban – Implementation Update
July	• Sustainability Opportunities for City Operations/Facilities
August	• Street Sweeping Service Options • Climate Action Plan Update • Odor Update
September	• Trail and Bikeway Master Plan
October	• Recycling and Garbage Services Update including Annual Rate Adjustment
November	• Odor Update
December	• TBD

**Odor Updates are scheduled for the month following a South Bay Odor Stakeholders Group meeting.*

Backup material for agenda item:

Approve the Library and Education Advisory Commission 2018-19 Work Plan (Staff Contact: John Macon, 408-586-3226)

Recommendation: Approve Library and Education Advisory Commission FY 2018-19 Work Plan.



**CITY OF MILPITAS
AGENDA REPORT
(AR)**

Item Title:	Library and Education Advisory Commission 2018-19 Work Plan
Category:	Consent Calendar-Community Services and Sustainable Infrastructure
Meeting Date:	1/15/2019
Staff Contact:	John Macon, 408-586-3226
Recommendation:	Approve Library and Education Advisory Commission FY 2018-19 Work Plan

Background:

At the November 19, 2018 Library and Education Advisory Commission meeting, the Commission created and approved a FY 2018-19 Work Plan Proposal. The Commissioners' Work Plan identifies the Commission's goals, projects and ongoing tasks they would like to accomplish for the year.

Analysis:

The Library and Education Advisory Commission discussed the formation of their FY 2018-19 Work Plan at both their September and November, 2018 scheduled Commission meetings. Over the course of the two meetings, Commissioners discussed various projects that would both advance library-based programs and services as well as community outreach efforts. As a result, Commissioners identified select projects that would positively serve the Milpitas Community. These projects were then categorized into three key areas, which include:

- 1) Library Program Awareness
- 2) Literacy Activities
- 3) General Library Business (i.e. County Commissions Forum, Local Library Conference)

Fiscal Impact:

None.

California Environmental Quality Act:

This is not a project.

Recommendation:

Approve the Library and Education Advisory Commission FY 2018-19 Work Plan.

Attachments:

FY 2018-19 Work Plan.

**City of Milpitas
Library and Education Advisory Commission
FY 2018-19 Work Plan**

Work Plan Summary

- Advise and make recommendation on Library operations
- Support greater awareness within the Milpitas community regarding Library resources, literacy activities and amenities
- Partner to broaden and enhance literacy and education initiatives based out of the Library
- Advise on support of diverse Library initiatives, programs and events

Project	Specific Action(s) Required (i.e. participation from __, develop a __ , identify __)	Goal Deadline (i.e. on-going, October, end of summer)	Required Resources (i.e. staff, commission, community)
County Commissions Forum	Attend and Report Back	February 2019	Commissioners County Library
Essay Contest/Special Projects	Conduct Annual Essay Contest – Arrange, Judging, Awards	March 2019	Commissioners Community Partners City Staff
Attend Local Library Conference	Commissioners attend local Conference to gain continued library knowledge	April 2019	Commissioners
Month of the Child	Promote program Citywide via City Youth Programs, Sr. Center, general public, etc.	April 2019	County Library Commissioners
National Library Week	Promote program Citywide via City Youth Programs, Sr. Center, general public, etc.	April 2019	County Library Commissioners
Summer Reading Program	Promote program Citywide via City Youth Programs, Sr. Center, general public, etc.	May-August 2019	County Library City Staff Commissioners
Friends of the Library Book Sales	Volunteer to Assist	June, 2019	Commissioners
City Events	Attend City Events and promote Literacy and Library Services	FY 2018-19	Commissioners City Staff

Backup material for agenda item:

Receive and Approve the Science, Technology & Innovation Commission work plan 2018-19 (Staff Contact: Eliren Pasion, 408-583-2730)

Recommendation: Receive the report and approve the Science Technology and Innovation Commission Work Plan 2018-19.



CITY OF MILPITAS AGENDA REPORT (AR)

Item Title:	Receive and approve the Science, Technology & Innovation Commission work plan 2018-19
Category:	Consent Calendar-Leadership and Support Services
Meeting Date:	1/15/2019
Staff Contact:	Mike Luu, 408 586 2706 Eliren Pasion, 408-586-2730
Recommendation:	Receive the report and approve the Science Technology and Innovation Commission Work Plan 2018-19

Background:

The Science, Technology and Innovation Commission (formerly Telecommunications Commission) has developed a list of proposed ideas and programs to aide in the growth and use of various technologies and programs for the Milpitas community.

The Science, Technology and Innovation Commission has outlined several key areas as part of its 2018-19 work plan providing a platform to develop proposed forward thinking services and applications with the ambition to improve the quality of life and accessibility to city programs through innovative technologies.

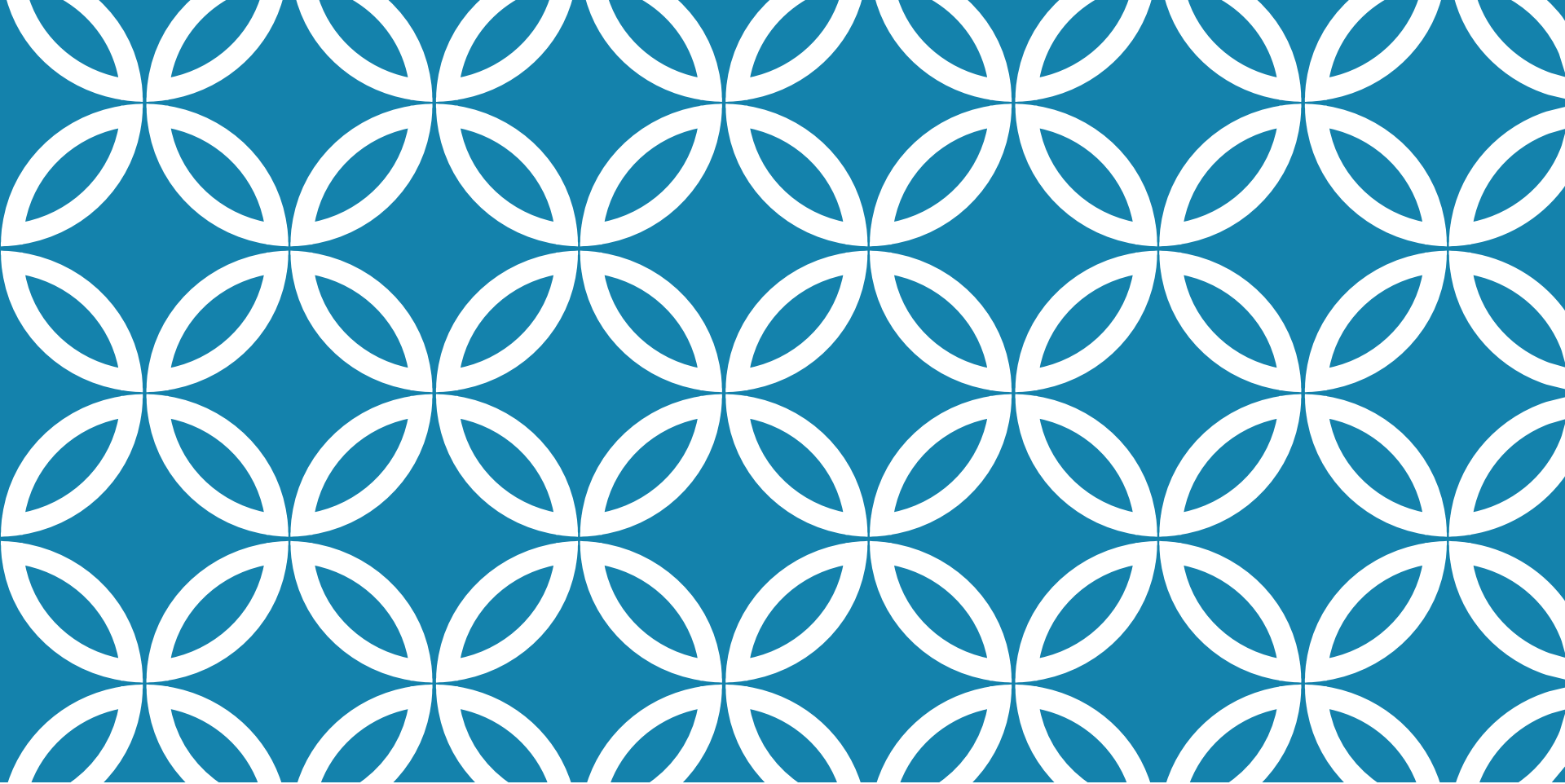
Finally, the Science, Technology and Innovation Commission is seeking consideration and input on the 2018-19 work plan outline as well any additional information that may be of value in accomplishing their immediate goals.

Recommendation:

Receive the report and approve the Science Technology and Innovation Commission Work Plan 2018-19

Attachments:

Science Technology and Innovation Commission Work Plan 2018-19



**CITY OF MILPITAS
SCIENCE, TECHNOLOGY AND INNOVATION (ST&I)
COMMISSION**

**Work Plan Established
2018-19
(Ver. 1)**

Commission on Science, Technology and Innovation – The Purpose Statement

The era of information technology changed the Communications and its technology, created a diversity of challenges for the Cities. To address ongoing and changes in the technology, Milpitas City Council formed the Telecommunications Commission. In addition to keeping abreast the City Council on the technology changes, it pursued the projects helpful to the Community, Police & Fire departments, and helped in improving the capability of the administrative procedures of the City Hall. Members and alternates are appointed to two-year terms. Recently, the name of the Commission was changed.

Work Plan: Synopsis –

Dinesh Gupta, Commission Vice Chair – Project Leader

We have devised a new working plan. The elements of this plan are as follows:

- Cyber Communication – such as, WI-FI, Internet, Data Maintenance & Storage, and Fiber Optic Network Expansion
- Telecommunication – such as, Telephones, Social Media, Digital Video Technologies, Emergency Notification & 911
- Public Safety – Radio and other Systems, and application to disasters
- Technology Applications – For the benefit of community, Fire & Police departments, Assist in improving the City Departmental procedures via Information, Data Collection, social media Technologies, and
- New technologies – such as, Automation in transport, Traffic Cam Monitoring, and Solar etc.

The elements were converted into specific work areas with the scope and activity leader defined.

Each activity was selected for technology improvement that would benefit the residents of the City and the City Departments. At the same time, it would provide state-of-art technology to our City.

The activities, scopes and activity leaders are described in the following slides. These may be modified and updated as the work proceeds.

Work Areas & Sub Sets	Progress Goals and Deadlines	Activity Leaders & Resources
A. Cyber Communication 1) Wi Fi 2) Internet 3) Data Maintenance & Storage 4) Fiber Optic Network Expansion	Proposed 1) FY19-FY20 2) FY19-FY20 3) On Going 4) FY19-FY20	Anh Bao & Jaime Hallera will be the activity leader from the Commission and will work with IS Staff
B. Tele Communication 1) Telephones 2) Social Media 3) Emergency Notification & 911 4) Digital Video Technologies	TBD By March 2019	Hai Tran will be the activity leader from the Commission and will work with IS and other appropriate county departments
C. Public Safety 1) Radio and Other Systems 2) Applications for disaster notification	TBD By March 2019	Albert Alcorn, Commission Chair will be the activity leader from the Commission and will work with the City & County Staff
D. Technology Applications 1) Technology Assistance to Fire & Police Depts. 2) Smell (Odor) Sensors	TBD By March 2019	Ernesto Bautista & Niranjana Gupta will be the activity leaders from the Commission and will work with the appropriate Departments.
E. New Technologies 1) Self – Driving Vehicles & Automation 2) Traffic Congestion – Camera Monitoring 3) Solar 4) Other – TBD	TBD By March 2019	William Lam (Self Driving & Automation, and Traffic Camera Monitoring) and Dinesh Gupta (Solar) will be the Activity Leaders from the Commission and will work with appropriate Depts. Kurt Bohan has also shown interest in Self Driving Vehicles.
F. Resources 1) Human 2) Financial	TBD By March 2019	Hai Tran in coordination with the Director, IS Department will identify the human & financial resources and request them from the City Council.

Scope

A. CYBER Communication

1. Wi-Fi

Goal: Bring free Wi-Fi to the majority of Milpitas. Expand free Wi-Fi coverage beyond the current hot-spots areas to the most populated and active areas of the city.

2. Internet

Goal: Facilitate the upgrade of current cellular network in Milpitas from 4G to 5G connection. 5G (Fifth-Generation Cellular Wireless) technology offers faster internet speed, and connects to more smart devices and sensors in the home.

3. Data Maintenance and Storage

Goal: Upgrade, secure, and maintain computing infrastructure, including data servers and storage devices. Use autonomous AI (Artificial Intelligence) to secure data, shut down security gaps, and defend the network against intrusions and cyber threats.

4. Fiber Optic Network Expansion

Goal: Expand fiber optic internet connections to the majority of Milpitas homes. Current home internet cables use copper wire which limit the data transfer speed and distance. Fiber optic internet allows home users to download data at up to 20 times faster than current broadband internet.

Scope

B. Tele Communication

1. Telephones

Goal: Leverage the city's free Wi-Fi network (as proposed in CYBER Communication, Free Wi-Fi to make use of free Wi-Fi calls for cost-savings for the city and/or the local residents. Note: T-Mobile and Sprint were the first major carriers to support Wi-Fi calling, and now all networks, including AT&T and Verizon, support it. These companies offer phones that have Wi-Fi calling features baked in. Add-on applications can also be used.

2. Social Media

Goal: Continuously make use and improve social media experience to effectively engage, share, and connect to local residents and businesses. Improvements will include: leveraging current digital video technologies to attract users. Use time-saving social media management tools, optimize posts to meet users' interests, explore paid advertising option, closely monitor and track results, etc.

3. Emergency Notification and 911

Goal: To send alerts to residents in case of emergencies and respond to 911 calls in a timely manner. Emergency Notification - Make use of FEMA's Integrated Public Alert and Warning System (IPAWS) to send Wireless Emergency Alerts (WEAs). Local governments can sign up to use IPAWS and send alerts & warnings within their jurisdictions. Commission will coordinate with Public Safety and Emergency Preparedness Commission and Staff to ensure City of Milpitas is an authorized user of IPAWS. Emergency/911 Response System – From a technological point of view, research, study, and re-evaluate the existing 911 response system against the industry standards. Recommend hardware & software upgrades to improve the current system, if needed.

4. Digital Video Technologies

Goal: Replace/upgrade City's outdated video technologies. Apply web live streaming, video on demand, high definition (HD), IPTV, etc. to the City's website, Comcast's Channels 15, 26, and City's social media web pages in the cost-effective ways. (Note: The webcast of City Council's meetings was hosted by TELVUE at low resolutions).

Scope

C. Public Safety

1. Radio Communications

Goal: Determine the impact due to changes in radio communications from Analog to digital radio frequencies from public safety perspective to amateur radio users

2. Radio Communications Applications to Public Safety Goal:

Goal: Apply these communications in the City for disasters before they occur. Disasters include floods, fire, quakes and others to be defined.

Scope

D. Technology Applications

1. Technology Assistance to Fire & Police Departments

Continue: To provide recommendations and installation to various needs of the Fire & Police Departments.

2. Smell (Odor) sensors

Goal: Locate suitable graphical sensors to record the intensity of smell (odor) from Newby Island Resource Recovery Site. Install them at the appropriate locations to graphically measure smell 24x7, and provide to personnel for action. Work with City departments to decrease or eliminate the odor.

Scope

E. New Technologies

1. Traffic Congestion

Goal: Assist in relieving congestion in morning & evening hours. The streets or roads with relative heavy traffic without traffic lights should be identified. The traffic lights coordination should be evaluated for better traffic control efficiency. More sensors for smarter operation, and traffic cameras installation on major intersections.

2. Automation & Self-Driving Vehicle

Goal: Develop a phone application to request for a shuttle ride similar to Uber or Lyft. A self-driven shuttle for our City for the senior and student population, and to take students to school & after school, for those who need a ride.

3. Solar

Goal: Future needs standardization, and it is possibly a revenue generator for the City. In working and coordinating with the building dept. and planning commission, come up with procedures and a revenue plan.

Scope

F. Resources

- Human & Financial

In coordination with the Director, IS Department, Commissioner Hai Tran will identify the human & financial resources and request them from the City Council. Commission Chair & IS Director will determine the need for a resource to be provided to the activity leader(s).

NOTE: The current name of Commission does not fit with its scope. Therefore, a well thought-out name need to be proposed to the Council for consideration. Until then, current name will be used.

Backup material for agenda item:

Approve Out of State travel for three (3) Milpitas Fire Department personnel to conduct a final inspection of the new Tiller Truck Fire Apparatus at the Pierce Factory in Appleton, WI (Staff Contact: Brian Sherrard, 408-586-2811 and Rick Frawley, 408-586-2824)

Recommendation: Approve Out of State travel for three Milpitas Fire Department personnel to conduct a final inspection of the new Tiller Truck Fire Apparatus at the Pierce Factory in Appleton, WI for the dates of January 21 - 24, 2019.



CITY OF MILPITAS AGENDA REPORT (AR)

Item Title:	Approve Out of State travel for three (3) Milpitas Fire Department personnel to conduct a final inspection of the new Tiller Truck Fire Apparatus at the Pierce Factory in Appleton, WI
Category:	Consent Calendar-Public Safety
Meeting Date:	1/15/2019
Staff Contact:	Rick Frawley, 408-586-2824
Recommendation:	Approve Out of State travel for three Milpitas Fire Department personnel to conduct a final inspection of the new Tiller Truck Fire Apparatus at the Pierce Factory in Appleton, WI for the dates of January 21 - 24, 2019.

BACKGROUND:

As part of the Milpitas Fire Department apparatus replacement plan, the City Council approved the purchase of a new Tiller-drawn Aerial Apparatus on November 7, 2017. The construction of the apparatus has been ongoing at the Pierce Fire Equipment facility for the past ten months. As part of the due diligence in the Fire Department, Milpitas representatives are tasked with conducting site visits at the Pierce facility in Appleton, Wisconsin to ensure that the vehicle meets the build requirements as outlined in the purchase agreement. Three of the most common controls for quality construction include the pre-construction meeting, midpoint inspection, and final inspection at the manufacturer's facility. Council approved the first two inspections on May 15, 2018. This third inspection is scheduled for January 21-24, 2019, and will be the final site visit prior to delivery and acceptance of the vehicle.

The Milpitas Fire Department is seeking approval by City Council for out-of-state travel for Battalion Chief Galahad Zamora, Captain Jon Powers, and Engineer Dave Hendrickson to conduct a final factory inspection of the new Tiller Truck Fire Apparatus at the Pierce manufacturing facility in Appleton, Wisconsin with total expenses not to exceed funding outlined in the Council approved purchase order EQ18801 (11/07/2017) allocation of \$12,600 for all three inspections.

ANALYSIS:

In accordance with the City's Travel and Expense Policy, Standard Operating Procedure No. 6-1, travel by City employees on official business outside of California must be recommended by the Department Heads and City Manager and considered by the City council. The approval of this travel request will ensure that Fire Department personnel validate the successful completion of the purchase order and support deployment of the new apparatus.

POLICY ALTERNATIVES:

This request for approval of out of state travel aligns with previously approved purchase approvals from City Council (11/07/17).

FISCAL IMPACT:

The fiscal impact of approving out of state travel to the Pierce facility was previously addressed in the initial approval of the apparatus purchase at the City Council on November 7, 2017. The funding identified in the initial purchase authorization outlined a budget of \$12,600 for three factory inspections during the course of the vehicle construction. This travel request will be the final inspection prior to anticipated vehicle delivery in February, 2019. As noted in the November 7, 2017 Council Report approving the purchase of One Pierce Velocity Fire Pumper and One Pierce 100-foot Velocity Tractor Drawn Aerial, total necessary funds are

\$2,270,576. The \$12,600 for three factory inspections was included as part of the total purchase price. \$200,000 will be from the Equipment fund and \$2,070,576 will be from the FY 2016-17 General Fund Surplus that was transferred to previously funded CIP No. 3439 - Fire Apparatus Replacement Plan. No further budgetary appropriations are requested at this time.

California Environmental Quality Act : Exempt from CEQA

Attachments:

1. Council Resolution No. 8714 Authorizing Initial Apparatus Purchase 11/7/17.
2. Milpitas Truck 86 Final Inspection Agenda.
3. City of Milpitas Purchase Order EQ18801.

RESOLUTION NO. 8714

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILPITAS
 APPROVING THE SOLE SOURCE PURCHASE OF ONE 2017 PIERCE VELOCITY
 ALL-WHEEL-STEER FIRE PUMPER AND ONE PIERCE 100' VELOCITY TRACTOR
 DRAWN AERIAL FROM PIERCE MANUFACTURING, INC. FOR A TOTAL NOT-TO-
 EXCEED AMOUNT OF \$2,270,575.94**

WHEREAS, Section I-2-3.09 of the Milpitas Municipal Code authorizes the City Council to award contracts without competition when the Purchasing Agent determines that there is only one source for the required supply or service; and

WHEREAS, the City of Milpitas has adopted the Transit Area Specific Plan and the Midtown Specific Plan, which call for higher density housing with narrower streets with tighter turning dimensions; this is also true for older areas of the City, such as southeast Milpitas from Yosemite Drive between South Park Victoria Drive and Piedmont Road through the Piedmont corridor to Landis Avenue; and

WHEREAS, the Milpitas Fire Department has been replacing old equipment as needed with apparatus designed to operate in higher density areas with wheelbases designed for tighter turning radii; and

WHEREAS, the Fire Department currently operates five (5) Pierce fire engines in the fleet and have two (2) additional Pierce fire engines on order, which offer the benefit of uniformity of training for the engineers and maintenance staff, and provides economy of scale for parts and service costs; and

WHEREAS, the Fire Department conducted a twelve (12) month investigation, reviewing the top six major fire engine manufacturers, including Rosenbauer America, Smeal Fire Apparatus, KME, E-ONE, Sutphen and Pierce Manufacturing, Inc.; and

WHEREAS, Pierce Manufacturing, Inc., is the only manufacturer that provides the Oshkosh TAK-4® front end and Oshkosh TAK-4 T3® rear end All-Wheel-Steer Tight Turning Technology, which is a patented mechanical over hydraulic system with no electronics for fewer breakdowns and reduced maintenance requirements; and

WHEREAS, the system provides power to two steering gears simultaneously to improve steering performance through smaller radius and diameter turns, improves lane-to-lane turning, increases maneuverability and safety and increases tire life by reducing tire scrub; and

WHEREAS, after conducting a good faith review of the Fire Department's research, available sources and pursuant to Milpitas Municipal Code Section I-2-3.09, the City's Purchasing Agent has determined that Golden State Fire Apparatus, Inc., is the only source for fire engines from Pierce Manufacturing that include the Oshkosh TAK-4® and TAK-4 T3® All-Wheel-Steer Tight Turning Technology; and

WHEREAS, the Fire Department wishes to purchase two fire engines, a Pierce Velocity Pumper and a Pierce 100' Velocity Tractor Drawn Aerial, from Pierce Manufacturing, Inc.; and

WHEREAS, the base price for the Pierce Velocity Pumper is \$720,710.68 taking into consideration a pre-payment discount of \$30,450.54 if full payment is made at the time the order is placed; the base price for the Pierce 100' Velocity Tractor Drawn Aerial is \$1,489,865.26, taking into consideration a pre-payment discount of \$60,633.14 if full payment is made at the time the order is placed; the combined total purchase price of the two fire apparatus is \$2,270,575.94, which includes a \$60,000.00 contingency for any possible change orders.

NOW, THEREFORE, the City Council of the City of Milpitas hereby finds, determines, and resolves as follows:

1. The City Council has considered the full record before it, which may include but is not limited to such things as the staff report, testimony by staff and the public, and other materials and evidence submitted or provided to it. Furthermore, the recitals set forth above are found to be true and correct and are incorporated herein by reference.
2. The City Council hereby approves the sole source purchase of one Velocity fire pumper and one 100' Velocity tractor drawn aerial from Pierce Manufacturing, Inc., for a total not-to-exceed amount of \$2,270,575.94.

PASSED AND ADOPTED this 7th day of November, 2017, by the following vote:

AYES: (5) Mayor Tran, Vice Mayor Grilli, Councilmembers Barbadillo, Nuñez, and Phan

NOES: (0) None

ABSENT: (0) None

ABSTAIN: (0) None

ATTEST:


Mary Lavelle, City Clerk

APPROVED:


Rich Tran, Mayor

APPROVED AS TO FORM:


Christopher J. Diaz, City Attorney

MILPITAS T86 FINAL INSPECTION

Job 32202 Milpitas Truck 86

January 21-24, 2019

0700 – 1800 hours

Meeting called by Pierce Manufacturing & Golden State Fire Apparatus
Attendees: BC Galahad Zamora, Fire Captain Jon Powers, EPM David Hendrickson
Please read: Proposal Options List
Please bring: Safety Glasses, Vests, Flashlights, and Inspection Mirrors

1200 – 2200	Travel Day 1 & Plant Orientation Fire Apparatus Preview Hotel Check In	SJC Airport to Appleton Wisconsin
0700 – 1800	Plant Work Day 1 Proposal Options List Review Job 32202 Line Item Review on Proposal Line Item Identification on Vehicle	2600 American Drive Appleton, Wisconsin 54912
0700 – 1800	Plant Work Day 2 Line Item Corrections on Vehicle Mechanical Inspection Mechanical Operation Verification Road Test	2600 American Drive Appleton, Wisconsin 54912
0500 – 1300	Travel Day 2 Apparatus Committee Returns from Pierce Factory to Fire Station #1 Apparatus Committee to return to Milpitas Fire Department Station #1	ATW Appleton Wisconsin Airport to SJC San Jose, CA

Additional Instructions: Cold Weather Gear will be required as highs are expected to drop below 8 degrees.

City of Milpitas

PURCHASE ORDER

Purchasing Division
455 E. Calaveras Blvd.
Milpitas, CA 95035-5411
Telephone: (408) 586-3160
Fax: (408) 586-3170

MAIL INVOICE TO: CITY OF MILPITAS
ACCOUNTS PAYABLE
455 E. CALAVERAS BLVD.
MILPITAS, CA 95035-5411

INVOICE QUESTIONS : (408) 586-3127

PO NUMBER: EQ 18801
PAGE 1 OF 2
DATE: 11/15/17

SHIP TO: Galahad Zamora
City of Milpitas
777 S. Main St.
Milpitas, CA 95035

VENDOR: Pierce Manufacturing Inc.
7751 Collections Center Drive
15197 Chicago IL 95351-2868

CONTACT:
PHONE#: 920-832-3000
FAX#: 920-832-3617

FOB: NA SHIP VIA: PAYMENT DATE
TERMS: Net30 REQUIRED: 11/15/17

LINE	QUANTITY	UNIT	UNIT PRICE	AMOUNT	DESCRIPTION OF ITEM AND/OR SERVICES ORDERED
1			1.00	1,366,848.86	Interlocal Contract #17-6277. Pierce 100' Velocity Tractor Drawn Aerial as per Quote No. 40926-17A dated September 26, 2017. For questions regarding this purchase order, please contact Galahad Zamora @ 408.586.2826. Approved by City Council on November 07, 2017.
2			1.00	661,202.46	Pierce Velocity Pumper as per Quote No. 40926-17B dated September 26, 2017
3			1.00	60,000.00	Contingency
SALES TAX 9.00%:				182,524.62	

TOTAL:				\$2,270,575.94	

PURCHASING OFFICER:

Chris Schroeder

CITY MANAGER:

Approved by Council

CONTINUED

(Required Only On Orders Greater Than \$10,000)

- | | |
|---|---|
| 1. FURNISH TWO (2) COPIES OF THE INVOICE. | 4. ALL MATERIAL IS TO BE DELIVERED AS SPECIFIED ABOVE. |
| 2. INVOICE EACH SHIPMENT SEPARATELY. | 5. NO EXCEPTIONS UNLESS STATED ABOVE. |
| 3. PURCHASE ORDER NUMBER MUST APPEAR ON ALL INVOICES, CORRESPONDENCE, CONTAINERS AND PACKING LISTS. | 6. ADDITIONAL TERMS AND CONDITIONS ARE STATED ON THE BACK OF THIS FORM. |

City of Milpitas

PURCHASE ORDER

Purchasing Division
455 E. Calaveras Blvd.
Milpitas, CA 95035-5411
Telephone: (408) 586-3160
Fax: (408) 586-3170

MAIL INVOICE TO: CITY OF MILPITAS
ACCOUNTS PAYABLE
455 E. CALAVERAS BLVD.
MILPITAS, CA 95035-5411

INVOICE QUESTIONS : (408) 586-3127

PO NUMBER: EQ 18801
PAGE 2 OF 2
DATE: 11/15/17

SHIP TO: Galahad Zamora
City of Milpitas
777 S. Main St.
Milpitas, CA 95035

VENDOR: Pierce Manufacturing Inc.
7751 Collections Center Drive
15197 Chicago IL 95351-2868

CONTACT:
PHONE#: 920-832-3000
FAX#: 920-832-3617

FOB: NA SHIP VIA: PAYMENT DATE
TERMS: Net30 REQUIRED: 11/15/17

LINE	QUANTITY	UNIT	UNIT PRICE	AMOUNT	DESCRIPTION OF ITEM AND/OR SERVICES ORDERED
			CP3 439-8-4851		\$2,270,575.94

PURCHASING OFFICER:

CITY MANAGER:

(Required Only On Orders Greater Than \$10,000)

1. FURNISH TWO (2) COPIES OF THE INVOICE.
2. INVOICE EACH SHIPMENT SEPARATELY.
3. PURCHASE ORDER NUMBER MUST APPEAR ON ALL INVOICES, CORRESPONDENCE, CONTAINERS AND PACKING LISTS.

4. ALL MATERIAL IS TO BE DELIVERED AS SPECIFIED ABOVE.
5. NO EXCEPTIONS UNLESS STATED ABOVE.
6. ADDITIONAL TERMS AND CONDITIONS ARE STATED ON THE BACK OF THIS FORM.

Vendor Number
15197 ✓

City of Milpitas
455 E. Calaveras Blvd., Milpitas CA 95035

Purchase Order Requisition Page 1 of 1
LOGGED

141

New Vendor - Attach W-9

Recommended Supplier / Contact / Street Address | Reason For Recommendation | Ship To | Special Instructions | Department Head Approvals | Approval Date

Pierce Manufacturing Inc | Milpitas Fire Station #1 | 777 S. Main Street | 11/07/2017

2600 American Drive | Milpitas, CA 95035

City, State & Zip Code | Telephone | Fax #

Appleton, WI 54912-2017 | 920-832-3000 | 920-832-3208

Check box to send or e-mail | Date Requested: | Ext. | Date Required: | Signature signifies certification that funds are available and need of services or materials are valid within function unit or project

PO to vendor: | E-mail Address: | 11/09/2017 | 2826 | 12/01/2017

Item | Quantity | Unit of Measure | Description | Unit Price | Extended Price | Account Number

1 | 1 | EA | One Pierce 100 Velocity Tractor Drawn Aerial | 1,366,848 | 1,366,848.86 | CP 3439 - 8-4851

1 | 1 | EA | One Pierce Velocity Pumper | 661,202.4 | 661,202.46 | CP 3439 - 8-4851

1 | 1 | EA | Contingency Fund | 60,000.00 | 60,000.00 | CP 3439 - 8-4851

Interlocal Contract #17-6277

(contract number must be on P.O.)

0.00

0.00

0.00

0.00

Sub Total | 2,088,051.32

Tax | 182,524.62

Freight |

Total | 2,270,575.94

Requestor Check-off list:

Agreement Start Date: | & End Date: | Do not include option years

Annual Contract Amount: | not applicable

Certificate of Insurance Expiration Date: | not applicable

City Council Approved on (for purchases over \$100,000): 11/07/2017 * Competitive Bidding - 3 quotes received ☐ Yes** ☐ No not applicable

Sole Source Justification form (attach) not applicable

Emergency Procurement form (attach) not applicable

(*attach Agenda & Minutes) (**attach quotes)

Forward Original to Accounting Services. Save a copy for Your Records

RECEIVED

NOV 15 2017

PURCHASING

RESOLUTION NO. 8714

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILPITAS
APPROVING THE SOLE SOURCE PURCHASE OF ONE 2017 PIERCE VELOCITY
ALL-WHEEL-STEER FIRE PUMPER AND ONE PIERCE 100' VELOCITY TRACTOR
DRAWN AERIAL FROM PIERCE MANUFACTURING, INC. FOR A TOTAL NOT-TO-
EXCEED AMOUNT OF \$2,270,575.94**

WHEREAS, Section I-2-3.09 of the Milpitas Municipal Code authorizes the City Council to award contracts without competition when the Purchasing Agent determines that there is only one source for the required supply or service; and

WHEREAS, the City of Milpitas has adopted the Transit Area Specific Plan and the Midtown Specific Plan, which call for higher density housing with narrower streets with tighter turning dimensions; this is also true for older areas of the City, such as southeast Milpitas from Yosemite Drive between South Park Victoria Drive and Piedmont Road through the Piedmont corridor to Landis Avenue; and

WHEREAS, the Milpitas Fire Department has been replacing old equipment as needed with apparatus designed to operate in higher density areas with wheelbases designed for tighter turning radii; and

WHEREAS, the Fire Department currently operates five (5) Pierce fire engines in the fleet and have two (2) additional Pierce fire engines on order, which offer the benefit of uniformity of training for the engineers and maintenance staff, and provides economy of scale for parts and service costs; and

WHEREAS, the Fire Department conducted a twelve (12) month investigation, reviewing the top six major fire engine manufacturers, including Rosenbauer America, Smeal Fire Apparatus, KME, E-ONE, Sutphen and Pierce Manufacturing, Inc.; and

WHEREAS, Pierce Manufacturing, Inc., is the only manufacturer that provides the Oshkosh TAK-4® front end and Oshkosh TAK-4 T3® rear end All-Wheel-Steer Tight Turning Technology, which is a patented mechanical over hydraulic system with no electronics for fewer breakdowns and reduced maintenance requirements; and

WHEREAS, the system provides power to two steering gears simultaneously to improve steering performance through smaller radius and diameter turns, improves lane-to-lane turning; increases maneuverability and safety and increases tire life by reducing tire scrub; and

WHEREAS, after conducting a good faith review of the Fire Department's research, available sources and pursuant to Milpitas Municipal Code Section I-2-3.09, the City's Purchasing Agent has determined that Golden State Fire Apparatus, Inc., is the only source for fire engines from Pierce Manufacturing that include the Oshkosh TAK-4® and TAK-4 T3® All-Wheel-Steer Tight Turning Technology; and

WHEREAS, the Fire Department wishes to purchase two fire engines, a Pierce Velocity Pumper and a Pierce 100' Velocity Tractor Drawn Aerial, from Pierce Manufacturing, Inc.; and

WHEREAS, the base price for the Pierce Velocity Pumper is \$720,710.68 taking into consideration a pre-payment discount of \$30,450.54 if full payment is made at the time the order is placed; the base price for the Pierce 100' Velocity Tractor Drawn Aerial is \$1,489,865.26, taking into consideration a pre-payment discount of \$60,633.14 if full payment is made at the time the order is placed; the combined total purchase price of the two fire apparatus is \$2,270,575.94, which includes a \$60,000.00 contingency for any possible change orders.

NOW, THEREFORE, the City Council of the City of Milpitas hereby finds, determines, and resolves as follows:

1. The City Council has considered the full record before it, which may include but is not limited to such things as the staff report, testimony by staff and the public, and other materials and evidence submitted or provided to it. Furthermore, the recitals set forth above are found to be true and correct and are incorporated herein by reference.
2. The City Council hereby approves the sole source purchase of one Velocity fire pumper and one 100' Velocity tractor drawn aerial from Pierce Manufacturing, Inc., for a total not-to-exceed amount of \$2,270,575.94.

PASSED AND ADOPTED this 7th day of November, 2017, by the following vote:

AYES: (5) Mayor Tran, Vice Mayor Grilli, Councilmembers Barbadillo, Nuñez, and Phan

NOES: (0) None

ABSENT: (0) None

ABSTAIN: (0) None

ATTEST:


Mary Lavelle, City Clerk

APPROVED:


Rich Tran, Mayor

APPROVED AS TO FORM:


Christopher J. Diaz, City Attorney

City of Milpitas, California

BUDGET CHANGE FORM

Type of Change	From		To	
	Account	Amount	Account	Amount
Check one:	330-2940	2,076,576	330-3999	2,076,576
☒ Budget Appropriation	331-951-3439-3899	2,076,576	331-951-3439-4800	2,076,576
☐ Budget Transfer	500-2909	200,000	500-3931	200,000
	331-951-3439-3847	200,000	331-951-3439-4800	200,000

Adopt a Resolution Approving the Sole Source Purchase of One Pierce Velocity Fire Pumper and One Pierce 100-foot Velocity Tractor Drawn Aerial for a Total Not-To-Exceed Amount of \$2,270,576 and Appropriate \$200,000 from the Equipment Fund and \$2,070,576 from the FY2016-17 General Fund Surplus in to the CP3439 Fire Apparatus Replacement Plan. (Staff Contact: Rick Frawley 408-586-2824 and Chris Schroeder 408-586-3161)

Background:

The City of Milpitas has adopted the Transit Area Specific Plan and the Midtown Specific Plan, both of which call for higher density housing with narrower streets and tighter turning dimensions. The Fire Department has been replacing old equipment as needed with apparatus designed to operate in higher density areas with wheelbases designed for tighter turning radii in order to respond to calls from the new higher density developments citywide as well as older areas of the city such as south east Milpitas from Yosemite between South Park Victoria and Piedmont Rd. through the Piedmont corridor to Landis Avenue which also contain narrow streets and tight turning dimensions.

The Fire Department conducted a twelve month investigation, reviewing 16 different pumper engine models from the top six major fire engine manufacturers including E-ONE, KME, Pierce Manufacturing, Inc., Rosenbauer America, Smeal Fire Apparatus, and Sutphen. Pierce Manufacturing, Inc. is the only manufacturer that provides the Oshkosh TAK-4® front end and Oshkosh TAK-4 T3® rear end All-Wheel-Steer Tight Turning Technology. All-Wheel-Steer Tight Turning Technology with rear mechanical steering is a patented mechanical over hydraulic system with no electronics for fewer breakdowns and reduced maintenance requirements. The system provides power to two steering gears simultaneously to improve steering performance through smaller radius and diameter turns, improves lane-to-lane turning, increases maneuverability and safety and increases tire life by reducing tire scrub.

After a good faith review conducted by the Fire Department, the Purchasing Agent determined, pursuant to Municipal Code section I-2-3.09 "Sole Source Procurement," that Pierce Manufacturing, Inc. was the only source for fire engines with Oshkosh TAK-4® front end and Oshkosh TAK-4 T3® rear end All-Wheel-Steer Tight Turning Technology that meets the Fire Department's specifications. Golden State Fire Apparatus, Inc. is the sole source distributor of Pierce fire engines in northern California.

The Fire Department currently operates five Pierce fire apparatus in the fleet. Additionally, two Pierce Velocity pumpers are on order with Pierce Manufacturing Inc. and are expected to be delivered to the City by Fall 2018. The all-Pierce fleet offers the benefit of uniformity of training for the engineers and maintenance staff, and provides economy of scale for parts and service costs as well as familiarity with the apparatus.

The base price for the Pierce Velocity Pumper is \$720,710.68 taking into consideration a pre-payment discount of \$30,450.54 if full payment is made at the time the order is placed. The base price for the Pierce 100-foot Velocity Tractor Drawn Aerial is \$1,489,865.26 taking into consideration a pre-payment discount of \$60,633.14 if full payment is made at the time the order is placed. The total purchase price of the two fire apparatus is \$2,270,575.94 which includes a \$60,000.00 contingency for any possible change orders.

Fiscal Impact:

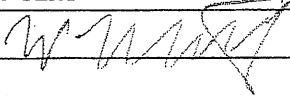
There is \$200,000 available from the Equipment Fund and \$2,070,576 will come from FY2016-17 the General Fund surplus.

Recommendation(s):

1. Adopt a resolution approving the sole source purchase of one Velocity fire pumper and one 100-foot Velocity tractor drawn aerial from Pierce Manufacturing Inc. for a total not-to-exceed amount of \$2,270,575.94.

☒ Check if City Council Approval required.

Meeting Date: November 07, 2017

Requested by:	Richard Frawley, Deputy Fire Chief	Date:
Department Head:	Robert Mihovich, Fire Chief	Date:
Reviewed by:	Finance Director: 	Date: 10/30/17
Approved by:	City Manager:	Date:
Date approved by City Council, if required:		Confirmed by:

FI/24786/V

Form 30-222 (Rev. 1/92)



CITY OF MILPITAS SOLE SOURCE/BRAND REQUEST

THIS FORM MUST BE COMPLETED AND APPROVED PRIOR TO ANY PROCUREMENT

When a request is made for a non-competitive procurement and the specification limits the bidding to one source and/or one brand or trade name, the requesting department must complete the following. Please answer in the space provided, or in an attachment address by specific reference, each question listed below (1-5) in your justification. ***Be sure to answer each part of each question. Failure to respond fully to any of the questions could result in delay or rejection of your request due to inadequate justification.***

1. Using appropriate detail, including brand name and model number, briefly describe the product you wish to procure. In the case of a service use enough detail to clearly describe to someone not familiar with the process what you are procuring.

This is a Sole Source Request to purchase: One (1) 2017 Pierce Velocity All-Wheel Steer Fire Pumpers from Golden State Fire Apparatus, Inc. for the not-to-exceed amount of \$720,710.68, and one (1) Pierce 100-foot Velocity Tractor Drawn Aerial for the not-to-exceed amount of \$1,489,865.26. The combined not-to-exceed amount for the two fire apparatus is \$2,210,575.80.

The proposal for fire apparatus conforms to all Federal Department of Transportation (DOT) rules and regulations in effect at the time of bid, and with all National Fire Protection Association (NFPA) Guidelines for Automotive Fire Apparatus as published at the time of the proposal, except as modified by City of Milpitas' specifications.

Purchase price includes shipping/handling from Appleton, Wisconsin to Milpitas, California are included.

2. Please check one:

Cost: \$ 2,210,575.94

- a) ☒ **SOLE SOURCE:** Item is available from one source only.

If it is your assertion that the manufacturer or distributor is the only authorized source in the Bay Area, Northern California; or what ever the claim is; please substantiate that with a letter from the manufacturer or distributor. The letter must be on their stationary, but can be sent via email. Attach a copy to this form.

- a) ☐ **SOLE BRAND:** Various sources can supply the specified model and brand; competitive bids will be solicited for the requested brand only. Meets form, fit and function - nothing else will do.
- b) ☐ **STANDARDIZATION REQUEST:** The Department requires the item to standardize parts, design, quality etc. (This requires further discussion with the Purchasing Agent.)

The patented Oshkosh TAK-4® front end and the Oshkosh TAK-4 T3® rear end All-Wheel Tight Turning Technology with rear mechanical steering provides an increase in steering performance over conventional steering.

Golden State Fire Apparatus as the sole source for sales in Northern California per the attached sole source letter from Peirce Manufacturing, Inc. dated April 21, 2017.

3. What are the unique performance features of the product/brand requested that are not available in any other product/brand? (For services: What unique qualifications, rights, degrees, certifications, licenses and/or experience does this vendor possess?)

The Fire Department has been replacing old equipment as needed with apparatus designed to operate in higher density areas with wheelbases designed for tighter turning radii in order to respond to calls to the new higher density developments citywide. The Fire Department currently operates five (5) Pierce fire apparatus in the fleet including one Pierce aerial Truck, and has two additional Pierce Velocity pumper apparatus currently on order. The all-Pierce fleet of Fire apparatus offer the benefit of standardization for the engineers and maintenance staff, and provides economy of scale for parts and service costs. The Fire Department conducted a twelve (12) month investigation, reviewing the top six major fire engine manufacturers.

Pierce Manufacturing, Inc. is the only manufacturer that provides the Oshkosh TAK-4 T3® Tight Turning Technology with rear mechanical steering. The Oshkosh TAK-4® Independent Suspension with T3 Technology is a mechanical over hydraulic system that is free of electronics. The patented system provides power to 2 (two) steering gears to gain the increase in steering performance. Advantages include: Improved turning radius and turning diameter, increased tire life with reduced tire scrub, lane-to-lane turning, and improved maneuverability and safety.

4. What other products/services have been examined and rejected, and why? *(Please provide a specific meaningful explanation, one vendor and one feature at a time. For products be sure to clearly identify the product by name and model number and include the name, address, and telephone number of the company representative who's product you tested.)*

Over sixteen (16) Pumpers from the following major fire apparatus manufacturers were closely examined and rejected mainly due to required turning radii and engineer standardization needs:

Rosenbauer America – Custom Fire Pumps, Rear Mount Pumps, and Commercial Pumps

Address: 100 Third Street, Lyons, SD 57041

Phone: 605-543-5591

www.rosenbaueramerica.com

Smeal Fire Apparatus Company – Core Multi-Mission Pumper, Commercial Pumper, and Custom Pumper

Address: 610 West 4th Street Snyder, NE 68664

Phone: 402-568-2224

www.smeal.com

KME – Flex, Pro, Challenger, Legacy, and Rearmount Pumper

Address: 1 Industrial Complex Nesquehoning, PA 18240

Phone: 570-669-9461

www.kmefire.com

E-ONE – Commercial Top-Mount Enclosed Pumper, Custom Pumper, Commercial Pumper, and Enclosed Top-Mount Pumper

Address: 1601 SW 37th Avenue Ocala, FL 34474

Phone: 352-237-1122

www.e-one.com/

Sutphen – Heavy Duty Custom Pumper, and Heavy Duty Commercial Pumper

Address: PO Box 158 Amlin, OH 43002

Phone: 614-889-1005

www.sutphen.com

5. If justification is based on matching and/or intermixing with existing equipment (refer to 2.c.), list the quantity, manufacturer, brand, and model of the existing equipment, and why the matching is required not simply preferred.

Not applicable.

I HEREBY CERTIFY THAT:

1. I am an approved department representative, and am aware of the City's requirements for competitive bidding, as well as the criteria for justification for sole source/brand procurements.
2. I have gathered the required technical information and have made a concentrated effort to review comparable and/or equal equipment/service.
3. There is validity as to the information contained herein justifying my request for sole source/brand procurement and meeting the City's criteria.
4. A sole source/brand procurement in this case would withstand a possible audit or a vendor's protest.

REQUESTOR  FRANK DATE: 10/23/17

DEPT./DIV. HEAD:  DATE: 10/25/17

PURCHASING DIVISION USE ONLY:

APPROVED: 

PURCHASING AGENT: 

NOT APPROVED: _____

DATE: 10/25/17

COMMENTS:

PIERCE MANUFACTURING INC.

AN OSHKOSH TRUCK CORPORATION COMPANY * ISO 9001 CERTIFIED

2600 AMERICAN DRIVE
POST OFFICE BOX 2017
APPLETON, WISCONSIN 54912-2017
920-832-3000 • FAX 920-832-3208



April 21, 2017

Natalie Livezey
City of Milpitas Fire Department
777 S. Main Street
Milpitas, CA 95035

Ms. Livezey:

Since 1917, Pierce Manufacturing Inc. has provided the finest fire apparatus in the industry. The quality of our products and services are our number one priority. Specifically, Pierce Manufacturing Inc. is the exclusive provider of TAK-4® and TAK-4 T3® independent suspensions for Pierce products.

In order to provide you with the personalized level of sales and service you deserve, Pierce Manufacturing has established a widespread network of authorized dealers throughout the country. Golden State Fire Apparatus is the Pierce authorized dealership in northern California and is the sole source for sales, service, and warranty of Pierce product.

Golden State Fire Apparatus is extremely qualified to provide you with the support you have come to expect from Pierce Manufacturing and their service & warranty facility, located in Sacramento, provides the first-class customer service support the Pierce family has been known for.

With sincere regards,

A handwritten signature in dark ink, appearing to read "Marc Faluotico", is written over a horizontal line.

Marc Faluotico
Sr. Sales Manager - West Region
Pierce Manufacturing, Inc.
An Oshkosh Corporation Company * ISO Certified

CITY COUNCIL MEETING

11/07/2017

SUMMARY OF ACTIONS

Item

Staff

22.

ADOPT A RESOLUTION APPROVING THE SOLE SOURCE PURCHASE OF ONE PIERCE VELOCITY FIRE PUMPER AND ONE PIERCE 100-FOOT VELOCITY TRACTOR DRAWN AERIAL FOR AN AMOUNT NOT TO EXCEED \$2,270,576 AND APPROPRIATE \$200,000 FROM THE EQUIPMENT FUND AND \$2,070,576 FROM THE FY 2016-17 GENERAL FUND SURPLUS INTO CIP NO. 3439 - FIRE APPARATUS REPLACEMENT PLAN

Rick Frawley and
Chris Schroeder

1. Adopted Resolution No. 8714 approving sole source purchase of Velocity fire pumper + 100 ft Velocity tractor drawn aerial from Pierce Manufacturing Inc. for not-to-exceed \$2,270,576.
2. Appropriated \$200,000 from Equipment Fund and \$2,070,576 from FY 2016-17 General Fund surplus to CIP No. 3439 Fire Apparatus Replacement Plan.

VOTE: 5-0

*23.

ADOPT A RESOLUTION CERTIFYING ELECTION RESULTS AND ADDING TRACT NO. 10435 TO COMMUNITY FACILITIES DISTRICT 2005-1 (ANNEXATION NO. 18), APPROVE FINAL MAP TRACT NO. 10435 FOR A 25-UNIT RESIDENTIAL CONDOMINIUM DEVELOPMENT AT 260 SOUTH MAIN STREET; APPROVE AND AUTHORIZE THE CITY MANAGER TO EXECUTE THE SUBDIVISION IMPROVEMENT AGREEMENT

Judy Chu

1. Adopted Resolution No. 8715 certifying election results and adding Tract No. 10435 to Community Facilities District 2005-1 (Annexation No. 18); and
2. Approved Final Map Tract No. 10435, including approval of street names and acceptance of all offers of dedications as stated and depicted on the final map upon completion and acceptance of improvements; and
3. Approved and authorized the City Manager to execute the Subdivision Improvement Agreement.

VOTE: 5-0

*24.

ADOPT A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE AN AGREEMENT FOR THE ACCEPTANCE AND USE OF THE 2017 EMERGENCY MANAGEMENT PERFORMANCE GRANT FUNDS AND APPROPRIATE FUNDS IN THE AMOUNT OF \$17,500 TO THE MILPITAS FIRE DEPARTMENT OFFICE OF EMERGENCY SERVICES

Toni Charlop

1. Adopted Resolution No. 8716 authorizing City Manager or designee to execute an agreement for acceptance and use of 2017 Emergency Management Performance Grant (EMPG) in the amount of \$17,500.
2. Approved a budget appropriation in the amount of \$17,500 to the Fire Department's Emergency Services operating budget.

VOTE: 5-0

*25.

ADOPT A RESOLUTION ADOPTING ALL OF VOLUME 1 AND THE CITY OF MILPITAS' PORTION OF VOLUME 2 OF THE SANTA CLARA COUNTY OPERATIONAL AREA HAZARD MITIGATION PLAN

Toni Charlop

Adopted Resolution No. 8717 adopting all of Volume 1 and the City of Milpitas' portion of Volume 2 of the Santa Clara County Operational Area Hazard Mitigation Plan.

VOTE: 5-0

- b) Exhibit A: Fiscal Policies
- c) General Fund Reserve Policies Comparison
- d) Budget Change Form

22.

Adopt a Resolution Approving the Sole Source Purchase of One Pierce Velocity Fire Pumper and One Pierce 100-foot Velocity Tractor Drawn Aerial for an Amount Not to Exceed \$2,270,576 and Appropriate \$200,000 from the Equipment Fund and \$2,070,576 from the FY 2016-17 General Fund Surplus into CIP No. 3439 - Fire Apparatus Replacement Plan (Staff Contacts: Rick Frawley, 408-586-2824 and Chris Schroeder, 408-586-3161)

Background: City Council adopted the Transit Area Specific Plan and the Midtown Specific Plan, both of which call for higher density housing with narrower streets and tighter turning dimensions. The Milpitas Fire Department has been replacing old equipment as needed with apparatus designed to operate in higher density areas with wheelbases designed for tighter turning radii in order to respond to calls from the new higher density developments citywide as well as older areas of the city, such as southeast Milpitas from Yosemite between South Park Victoria and Piedmont Rd. through the Piedmont corridor to Landis Avenue which also contain narrow streets and tight turning dimensions.

The Fire Department conducted a twelve month investigation, reviewing 16 different pumper engine models from the top six major fire engine manufacturers including E-ONE, KME, Pierce Manufacturing, Inc., Rosenbauer America, Smeal Fire Apparatus, and Sutphen. Pierce Manufacturing, Inc. is the only manufacturer that provides the Oshkosh TAK-4® front end and Oshkosh TAK-4 T3® rear end All-Wheel-Steer Tight Turning Technology. All-Wheel-Steer Tight Turning Technology with rear mechanical steering is a patented mechanical over hydraulic system with no electronics for fewer breakdowns and reduced maintenance requirements. The system provides power to two steering gears simultaneously to improve steering performance through smaller radius and diameter turns, improves lane-to-lane turning, increases maneuverability and safety and increases tire life by reducing tire scrub.

After a good faith review conducted by the Fire Department, the Purchasing Agent determined, pursuant to Municipal Code section I-2-3.09 "Sole Source Procurement," that Pierce Manufacturing, Inc. was the only source for fire engines with Oshkosh TAK-4® front end and Oshkosh TAK-4 T3® rear end All-Wheel-Steer Tight Turning Technology that meets the Fire Department's specifications. Golden State Fire Apparatus, Inc. is the sole source distributor of Pierce fire engines in northern California.

The Fire Department currently operates five Pierce fire apparatus in its fleet. Additionally, two Pierce Velocity pumpers are on order with Pierce Manufacturing Inc. and are expected to be delivered to the City by fall 2018. The all-Pierce fleet offers the benefit of uniformity of training for the engineers and maintenance staff, and provides economy of scale for parts and service costs as well as familiarity with the apparatus.

The base price for the Pierce Velocity Pumper is \$720,710.68 taking into consideration a pre-payment discount of \$30,450.54 if full payment is made at the time the order is placed. The base price for the Pierce 100-foot Velocity Tractor Drawn Aerial is \$1,489,865.26 taking into consideration a pre-payment discount of \$60,633.14 if full payment is made at the time the order is placed. The total purchase price of the two fire apparatus is \$2,270,576 which includes a \$60,000.00 contingency for any possible change orders.

Fiscal Impact: There is \$200,000 available from the Equipment Fund and \$2,070,576 will come from FY 2016-17 the General Fund surplus.

→ **Recommendations:**

1. Adopt a resolution approving the sole source purchase of one Velocity fire pumper and one 100-foot Velocity tractor drawn aerial from Pierce Manufacturing Inc. for a total not-to-exceed amount of \$2,270,576.
2. Appropriate \$200,000 from the Equipment Fund and \$2,070,576 from the FY 2016-17 General Fund surplus to the CIP No. 3439 Fire Apparatus Replacement Plan.

Attachments:

- a) Resolution
- b) Quotes
- c) Sole Source letter dated April 21, 2017 from Pierce Manufacturing, Inc.
- d) Budget Change Form

23. Adopt a Resolution Certifying Election Results and Adding Tract No. 10435 to Community Facilities District 2005-1 (Annexation No. 18), Approve Final Map Tract No. 10435 for a 25-unit Residential Condominium Development at 260 South Main Street; Approve and Authorize the City Manager to Execute the Subdivision Improvement Agreement (Staff Contact: Judy Chu, 408-586-3325)

Background: On December 6, 2016, the City Council conditionally approved a Vesting Tentative Map (VTM) to allow for 25-unit residential condominium development at 260 South Main Street (the "Project") between West Calaveras Boulevard and Curtis Avenue, within the Midtown Specific Plan (MSP) area.

The final map Tract No. 10435 is subject to annexation to the Community Facilities District No. 2005-1 as required by the project conditions. City has on file a Certificate of Registrar of Voters from the County of Santa Clara certifying that there is no registered voters residing within the boundaries of proposed Annexation No. 18 to the CFD 2005-1. On October 30, 2017, property owners unanimously agreed to Annexation No. 18.

The City Engineer has examined the final map Tract No. 10435 and determined that the final map Tract No. 10435 is substantially the same as the VTM pursuant to California Government Code (GC) Section 66442.

The Developer has offered dedications to the City for public use, such as public service utilities and emergency vehicle access, as required by the project condition and as depicted on the final map. City Council shall accept, accept subject to improvements, or reject any offer of dedication at the time of final map approval pursuant to GC Section 66477.1 and Milpitas Municipal Code (MMC) Section XI-1-5.05-2. In approving the final map Tract No. 10435, the City Council will also be accepting the offers of dedication as stated and depicted on the final map upon completion and acceptance of improvements.

On October 25, 2017, the City's Facilities and Streets Naming Subcommittee reviewed and recommended approval of the street names as shown on the final map. Those private street names are Red Berry Lane, Tiger Lily Street, and Sunflower Lane, respectively, without duplication. Council shall approve all street names pursuant to MMC Section XI-1-7.01-8.

The City Engineer has also reviewed and approved public improvement plans (E-PI17-0002) pursuant to MMC XI-1-7.09-2. The Developer has executed a Subdivision Improvement Agreement as approved by the City Attorney as to form and by the City Engineer as to substance pursuant to MMC XI-1-17.01 and provided improvement securities (\$160,000 for faithful performance and \$160,000 for labor and materials) to guarantee completion of required public improvements.

The final map for Tract No. 10435 conforms to all of the requirements of the State of California Subdivision Map Act, and Milpitas Municipal Code Title XI, Chapter 1 *Subdivisions*.



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CONTRACT PRICING VERIFICATION

TO:

Chris Schroeder

FROM:

Jackie Palmer

COMPANY:

City of Milpitas

DATE:

11/15/2017

PHONE NUMBER:

PHONE NUMBER:

713-993-2466

RE:

Price Verification

Contract Pricing Worksheet Date Prepared:
9/26/2017

We have reviewed the pricing worksheet provided through HGACBuy Contract FS12-15. Our review verifies that the pricing provided is in compliance with the contract.

Please advise if we can assist further in this matter.

*******This is not an Order Confirmation*******

CENTRAL FAX# 713.993.4548

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 www.piercemfg.com



PROPOSAL FOR PIERCE® FIRE APPARATUS

Milpitas Fire Department
777 South Main Street
Milpitas, CA 95035

DATE	September 26, 2017
QUOTE NO.	40926-17A
EXPIRES	December 19, 2017
SALES REP.	Rich Myers

The undersigned is prepared to manufacture for you, upon an order being placed by you, for final acceptance by Pierce Manufacturing, Inc., at its home office in Appleton, Wisconsin, the apparatus and equipment herein named and for the following prices:

OPTION A: 100% PRE-PAYMENT AT TIME OF CONTRACT SIGNING

#	Description	Each
A	One (1) Pierce 100' Velocity Tractor Drawn Aerial (<i>HGAC contract FS12-15, TA10</i>)	1,237,040.47
B	Fire Fighting Equipment Package	92,380.96
C	Radio Package	48,039.32
D	Intercom Package	13,277.69
E	Consulting Services Package	5,000.00
F	Milpitas FD Pre-Construction Contingency Fund	10,000.00
G	Three (3) Factory Inspection Trips (3 MFD representatives on pre-construction, 3 MFD representatives on midpoint inspection and 3 MFD representatives on final inspection)	12,600.00
H	Delivery / Dealer Preparation	5,200.00
I	Performance Bond	3,943.56
J	DISCOUNT FOR FULL PAYMENT BY CITY OF MILPITAS AT CONTRACT SIGNING	(60,633.14)
K	SUBTOTAL	1,366,848.86
L	State Sales Tax @ 9.00%	123,016.40
M	TOTAL PURCHASE PRICE	1,489,865.26

OPTION A: 100% PRE-PAYMENT AT TIME OF CONTRACT SIGNING TERMS AND CONDITIONS:

- 1) City of Milpitas shall pay the purchase price of **\$1,489,865.26** for the Product within fifteen (15) calendar days of contract signing directly to Pierce Manufacturing Inc.
- 2) The proposed delivery timeframe for the Product will not begin until Pierce Manufacturing Inc. approves the contract and receives full payment of the purchase price of **\$1,489,865.26**.
- 3) If payment of **\$1,489,865.26** is late and if City of Milpitas elects not to have the delivery extended, **\$300.00** per calendar day will be added to the final invoice.

OPTION B: PAYMENT AT TIME OF DELIVERY / ACCEPTANCE

#	Description	Each
A	One (1) Pierce 100' Velocity Tractor Drawn Aerial (<i>HGAC contract FS12-15, TA10</i>)	1,237,040.47
B	Fire Fighting Equipment Package	92,380.96
C	Radio Package	48,039.32
D	Intercom Package	13,277.69
E	Consulting Services Package	5,000.00
F	Milpitas FD Pre-Construction Contingency Fund	10,000.00
G	Three (3) Factory Inspection Trips (3 MFD representatives on pre-construction, 3 MFD representatives on midpoint inspection and 3 MFD representatives on final inspection)	12,600.00
H	Delivery / Dealer Preparation	5,200.00
I	Performance Bond	3,943.56
J	SUBTOTAL	1,427,482.00
K	State Sales Tax @ 9.00%	128,473.38
L	TOTAL PURCHASE PRICE	1,555,955.38

OPTION B - PAYMENT AT TIME OF DELIVERY / ACCEPTANCE TERMS AND CONDITIONS:

1. City of Milpitas shall pay the purchase price of **\$1,555,955.38** for the Product within thirty (30) calendar days after the Product departs the manufacturing facility.
2. If payment of **\$1,555,955.38** is late, **\$300.00** per calendar day will be added to the final invoice.

Said apparatus and equipment are to be built and shipped in accordance with the specifications hereto attached, delays due to strikes, war, or intentional conflict, failures to obtain chassis, materials, or other causes beyond our control not preventing, within about 365 TO 395 calendar days after receipt of this order and the acceptance thereof at our office at Appleton, Wisconsin, and to be delivered to you at MILPITAS, CALIFORNIA.

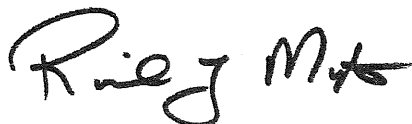
The specifications herein contained shall form a part of the final contract, and are subject to changes desired by the purchaser, provided such alterations are interlined prior to the acceptance by the company of the order to purchase, and provided such alterations do not materially affect the cost of the construction of the apparatus.

The proposal for fire apparatus conforms with all Federal Department of Transportation (DOT) rules and regulations in effect at the time of bid, and with all National Fire Protection Association (NFPA) Guidelines for Automotive Fire Apparatus as published at the time of bid, except as modified by customer specifications. Any increased costs incurred by first party because of future changes in or additions to said DOT or NFPA standards will be passed along to the customers as an addition to the price set forth above.

Any Purchase Order (PO) issued as a result of this proposal should be made out to Pierce Manufacturing Inc.

Unless accepted by December 19, 2017, the right is reserved to withdraw this proposition.

Respectfully Submitted,



Authorized Sales Representative



Proposal Option List

10/2/2017

Customer: Milpitas Fire Dept.
Representative: Myers, Rich
Organization: Golden State Fire Apparatus, Inc
Requirements Manager:
Description: 100' Velocity Tiller
Body: Aerial, Tiller, Alum Body
Chassis: Velocity Tractor Chassis (Tiller), (Big Block), 2010

Bid Number: 557
Job Number:
Number of Units: 1
Bid Date:
Stock Number:
Price Level: 36 (Current: 36)

Line	Option	Type	Option Description	Qty
1	0584456		Manufacture Location: Appleton, Wisconsin	1
2	0584452		RFP Location: Appleton, Wisconsin	1
3	0588609		Vehicle Destination, US	1
4	0581764		Boiler Plates, Tiller	1
5	0018180		Single Source Compliance, Aerials	1
6	0028079		Match Not Required	1
7	0610784		Comply NFPA 1901 Changes Effective Jan 1, 2016, With Exceptions	1
8	0533349		Aerial Fire Apparatus	1
9	0588613		Vehicle Certification, Aerial w/o Pump	1
10	0681279		Agency, Apparatus Certification, Aerial w/o Pump, U.L.	1
11	0000114		Inspection Trip(s)	3
			Qty, - 03	
			Fill in Blank - three (3) MFD	
12	0536644		Customer Service Website	1
13	0535579		Not Required, Unit of Measure, (no pump, no tank)	1
14	0030006		Bid Bond Not Requested	1
15	0582800		Performance Bond, 100 Percent w/25 Percent Warranty Bond, 1 Yr, and Payment Bond	1
16	0000007		Approval Drawing	1
17	0002928		Electrical Diagrams	1
18	0564218		Velocity Tractor Chassis (Tiller), (Big Block), 2010	1
19	0000110		Wheelbase	1
			Wheelbase - 163.00"	
20	0000070		GVW Rating	1
			GVW rating - 73,300 pounds	
21	0000203		Frame Rails, 13.38 x 3.50 x .375, Qtm/AXT/Imp/Vel/DCF	1
22	0020018		Frame Liner Not Req'd	1
23	0508848		Axle, Front, Oshkosh TAK-4, Non Drive, 19,500 lb, Imp/Vel	1
24	0030264		Suspension, Front TAK-4, 19,500 lb, Qtm/AXT/Imp/Vel/Dash CF/Enf	1
25	0087572		Shock Absorbers, KONI, TAK-4, Qtm/AXT/Imp/Vel/DCF/Enf	1
26	0000322		Oil Seals, Front Axle	1
27	0582936		Tires, Front, Goodyear, G289 WHA, 315/80R22.50, 20 ply	1
28	0019575		Wheels, Front, Alcoa, 22.50" x 9.00", Aluminum, Hub Pilot	1
29	0530467		Axle, Rear, Meritor RS30-185, 31,000 lb, Imp/Vel/Dash CF	1
30	0544244		Top Speed of Vehicle, 60 MPH	1
31	0555352		Suspen, Rear, Hendrickson FMX 312 EX, Air Ride, 31,000 lb	1
32	0000485		Oil Seals, Rear Axle	1
33	0582088		Tires, Rear, Goodyear, G291, 315/80R22.50, 20 ply, Single	1
34	0019668		Wheels, Rear, Alcoa, 22.50" x 9.00", Aluminum, Hub Pilot, Single	1
35	0568081		Tire Balancing, Counteract Beads	1
36	0602747		No Tire Pressure Indicator, Fire Department Omits, Non-NFPA 2016 Compliant	1
37	0003245		Axle Hub Covers w/center hole, S/S, Front Axle	1
38	0003246		Axle Hub Covers w/center hole, S/S, Tiller Axle	1
39	0001960		Axle Hub Covers, Rear, S/S, High Hat (Pair)	1
40	0052332		Lug Nut Covers, Stainless Steel	1
41	0002045		Mud Flaps, w/logo front & rear	1
42	0020257		Mud flaps, w/Logo, Tiller Trailer	1
43	0646362		Chocks, Wheel, Worden HWGY- SB, Super Gripper	1
			Qty, Pair - 01	

Line	Option	Type	Option Description	Qty
44	0646364		Mounting Brackets, Chocks, Worden Safety, Model U815T Location, Wheel chock - per direction Qty, Pair - 01	1
45	0020670		ABS Wabco Brake System, Single Axle, Tiller	1
46	0030185		Brakes, Knorr/Bendix 17", Disc, Front, TAK-4	1
47	0000740		Brakes, Meritor, Cam, Rear, 16.50 x 8.63"	1
48	0020784		Air Compressor, Brake, Cummins/Wabco 18.7 CFM	1
49	0000786		Brake Reservoirs, Four	1
50	0568012		Air Dryer, Wabco System Saver 1200, Heater, 2010	1
51	0000790		Brake Lines, Nylon	1
52	0000854		Air Inlet, w/Disconnect Coupling Location, Air Coupling(s) - a) DS Step Well, Rearward Qty, Air Coupling (s) - 1	1
53	0656908		All Wheel Lock-up, Single Parking Brake Control	1
54	0795318		Engine, Cummins X15, 600 hp, 1850 lb-ft, W/OBD, EPA 2017, Velocity	1
55	0001244		High Idle w/Electronic Engine, Custom	1
56	0687994		Engine Brake, Jacobs Compression Brake, Cummins Engine Switch, Engine Brake - e) ISC/ISM/ISL9/ISX Hi Med Lo	1
57	0552334		Clutch, Fan, Air Actuated, Horton Drive Master	1
58	0123135		Air Intake, w/Ember separator, Imp/Vel	1
59	0794743		Exhaust System, 5", 2017 X15 Engine, Horizontal, Right Side	1
60	0683310		Diffuser, Exhaust, Modified For Extraction, 5"x7"x5", Flush With Rub Rail	1
61	0787999		Radiator, Impel/Velocity	1
62	0616439		Cooling Hoses, Gates Silicone	1
63	0788741		Radiator Coolant, Shell Rotella Ultra ELC	1
64	0565944		Fuel Tank, 50 Gallon, Left Side Rear Fill, Tractor Chassis, Sgl Axle	1
65	0001129		Lines, Fuel	1
66	0595087		DEF Tank, 4.5 Gallon, DS Fill, Forward of Rear Axle Door, Material & Finish, DEF Tank - 4 way	1
67	0552793		Not Required, Fuel Priming Pump	1
68	0582243		Shutoff Valves, Fuel Line @ Primary Filter, Cummins	1
69	0553019		Cooler, Engine Fuel, Imp/Vel, AXT/Qtm/Sab/DCF/SFR/Enf	1
70	0698720		Fuel Cap Retaining Chain With Holder	1
71	0567427		Fuel Lines, Extended, PAL/Tiller	1
72	0578959		Fuel/Water Separator, Racor Inline	1
73	0642533		Trans, Allison 5th Gen, 4500 EVS P, w/Prognostics, Imp/Vel/DCF/Enf	1
74	0512762		Transmission, Shifter, 6-Spd, Push Button, 4500, Imp/Vel/Qtm/DCF/Enf Trans, ratio - 4500 EVS, 6Spd	1
75	0684459		Transmission Oil Cooler, Modine, External	1
76	0522824		Mode, Downshift, Aggressive downshift to 3rd, w/engine brake, 6 speed	1
77	0027844		Fluid, 4000 Series Trans, Allison Approved TES-295 Synthetic, IPOS, Custom	1
78	0001375		Driveline, Spicer 1810	1
79	0669988		Steering, Sheppard M110 w/Tilt, TAK-4, Eaton Pump, w/Cooler	1
80	0001544		Not Required, Steering Assist Cylinder on Front Axle	1
81	0509230		Steering Wheel, 4 Spoke without Controls	1
82	0690274		Logo/Emblem, on Dash Text, Row (1) One - MILPITAS Text, Row (2) Two - FIRE Text, Row (3) Three - DEPARTMENT	1
83	0123628		Bumper, Non-Extended, Imp/Vel	1
84	0510226		Lift & Tow Package, Imp/Vel, AXT, Dash CF	1
85	0072306		Tow Eyes, Chrome, Extended Out Front of Bumper	1
86	0668315		Cab, Velocity FR, 7010 Raised Roof	1
87	0667982		Engine Tunnel, ISX, Impel/Velocity FR	1
88	0677478		Rear Wall, Exterior, Cab, Aluminum Treadplate	1
89	0122466		Cab Lift, Elec/Hyd, w/Manual Override, Imp/Vel	1
90	0123176		Grille, Bright Finished, Front of Cab, Impel/Velocity	1
91	0646179		Trim, S/S, Rect Headlights, VEL/IMP Material Trim/Scuffplate - c) S/S, Polished Turnsignal Covers - Polished S/S Covers	1
92	0087357		Molding, Chrome on Side of Cab	1

Line	Option	Type	Option Description	Qty
93	0569263		Mirrors, Retrac, West Coast Style, Remote, w/Remote Convex	1
94	0667921		Door, Half-Height, Velocity FR 4-Door Cab, Raised Roof Key Model, Cab Doors - 751	1
95	0655511		Door Panel, Brushed Stainless Steel, Impel/Velocity 4-Door Cab	1
96	0648267		Face Plate/s, Blank, Lower Instrument Panel, Imp/Vel, Dash CF	1
97	0667902		Controls, Electric Windows, All Cab Doors, Impel/Velocity FR	1
98	0555485		Steps, 4-Door Full Tilt Cab, Std, Imp/Vel	1
99	0509649		Lights, Cab and Crew Cab Access Steps, P25, LED w/Bezel, 1Lt Per Step	1
100	0002140		Fenders, S/S on Cab	1
101	0032086		Tractor 5th Wheel and Fender Skirts, Single, Tiller, No Tire Chains	1
102	0586564		Window, Side of C/C, Fixed, w/EMS Cabinet, Imp/Vel	1
103	0552935		Trim, Cab Side Windows, Velocity	1
104	0012090		Not Required, Windows, Front/Side of raised roof	1
105	0509286		Not Required, Windows Rear of Crew Cab, Imp/Vel	1
106	0558334		Not Required, Trim, Cab Rear Windows, No Rear Windows	1
107	0786286		Window Tint, Upper Crew Cab Door, Right Side, Privacy Dark Gray	1
108	0786279		Window Tint, Crew Cab Door, Right Side, Privacy Dark Gray	1
109	0786294		Window Tint, Upper Crew Cab Door, Left Side, Privacy Dark Gray	1
110	0786290		Window Tint, Crew Cab Door, Left Side, Privacy Dark Gray	1
111	0199285		Visor, Exterior, Vel/Imp	1
112	0123686		Drip Rail, Cab Roof, Impel/Velocity/Velocit SLT	1
113	0629017	SP	Work Surface, 3/16" Alum, Full Engine Tunnel, Lower Lip, Vel/Imp FR Material Finish, Cab Interior - Painted Lip - 3.00"	1
114	0667960		Cab Interior, Vinyl, Painted Walls, Imp/Vel FR Color, Cab Interior Vinyl/Fabric - a) Silver/Gray	1
115	0667943		Cab Interior, Paint Color, Impel/Velocity FR Color, Cab Interior Paint - i) fire smoke gray	1
116	0509532		Floor, Rubber Padded Cab & Crew Cab, Imp/Vel, Dash CF	1
117	0667936		Heater/defroster, Dual Zone Control, Impel/Velocity FR	1
118	0601514		Air Conditioning, Dual Zone Control, Hinge Acc Pnl, Velocity FR w/ ISX15 Engine Paint Color, A/C Condenser - Painted by OEM	1
119	0639675		Sun Visor, Smoked Lexan, AXT, Dash CF, Imp/Vel, Saber FR/Enforcer Sun Visor Retention - Thumb Latch	1
120	0548173		Grab Handles, Driver and Passenger Door Post, Imp/Vel	1
121	0668638		Lights, Engine Compt, Custom, Auto & Manual Switch, Whelen 3SC0CDCR, 3" LED, Trim Qty, - 02	2
122	0122516		Fluid Check Access, Imp/Vel	1
123	0629045	SP	Map Box, 8 Bin, Rear Storage, 45 Degree Ang	1
124	0583042		Side Roll and Frontal Impact Protection	1
125	0699999		Not Required, Frontal Impact Protection, 2010	1
126	0699998		Not Required, Side Roll Protection Package, 2010	1
127	0622617		Seating Capacity, 6 Seats	1
128	0697005		Seat, Driver, Pierce PS6, Premium, Air Ride, High Back, Safety	1
129	0696996		Seat, Officer, Pierce PS6, Premium, Air Ride, High Back, Safety	1
130	0002517		Not Required, Radio Compartment	1
131	0792438	SP	Cabinet, EMS, Rear Facing, DS, 23.50 W x 25 H x 21 D, Lap, Sp Mtg, Imp/Vel Door, EMS Cabinet - Vert hinged w/D-ring, locking Light, Short EMS Compt - Pierce, Left Side	1
132	0102783		Not Required, Seat, Rr Facing C/C, Center	1
133	0612861	SP	Cabinet, EMS, Rear Facing, PS, 21 W x 25 H x 21 D, Lap, SP Mtg, Imp/Vel Door, EMS Cabinet - Vert hinged w/D-ring, locking Light, Short EMS Compt - Pierce, Left Side	1
134	0628561		Seat, Fwd Facing C/C, DS Outbrd, Pierce PS6, Hi-Back, Foldup, 9 Deg, 17" Btm, Safety	1
135	0122742		Seat, Forward Facing C/C, Center, (2) Pierce PS6, Premium, Hi-Back, Safety	1
136	0628563		Seat, Fwd Facing C/C, PS Otbrd, Pierce PS6, Hi-Back, Foldup, 9 Deg, 17" Btm, Safety	1
137	0077255		Lip, 1" Around Top of EMS Cabinet Location - painted to match the EMS compartments. Qty, - 02	2

Line	Option	Type	Option Description	Qty
138	0634224	SP	Compt, Storage, (2) Rr Fcng, Overhead, 22W x 10H x 20D, Louvers,Plate,Imp/Vel FR Latch, Storage Compt - a) Non Locking	1
139	0511300		Upholstery, Seats In Cab, All Imperial 1200, Pierce PS6 Color, Cab Interior Vinyl/Fabric - h) Gray/Black	1
140	0511471		No SCBA Brackets Required In Cab Seats, Imp/Vel, AXT 2010, Qtm 2010, Dash CF	1
141	0603221		Seat Belt, ReadyReach, Extended Shoulder Belt Length Seat Belt Color - Red	1
142	0604863		Seat Belt Height Adjustment, 6 Seats, Imp/Vel, Dash CF	1
143	0627014		Pick Not Required, Seat Belt Color Selected in Seat Belt Option 627339	1
144	0602464		Helmet Storage, Provided by Fire Department, NFPA 2016	1
145	0647638		Lights, Dome, Weldon Dual LED 4 Lts Color, Dome Lt - Red & White Color, Dome Lt Bzl - Grey Control, Dome Lt White - Door Switches and Lens Switch Control, Dome Lt Color - Lens Switch	1
146	0628472		Light, Map, Overhead, Peterson M371S LED, Rectangular w/Switch 2lts 12vdc power from - Battery switched	1
147	0626097		Light, Map, Sunnex HS76*-00 Series, Swivel Joint, Clear Lens, Ceiling Mount Location - officer left shoulder Qty, - 01 12vdc power from - Battery switched Control, Map Light - On/Off Base, Map Lt, Sunnex - Square Accessories, Map Lt, Sunnex - Red Lens	1
148	0602623		Portable Hand Light, Provided by Fire Dept, Aerial NFPA 2016 Classification	1
149	0568369		Cab Instruments, Ivory Gauges, Chrome Bezels, Impel/Veloccity 2010, Dash CF	1
150	0509511		Air Restriction Indicator, Imp/Vel, AXT, Dash CF, Enf MUX	1
151	0668061		Light, Do Not Move Apparatus, Win VTX609R Red LED Alarm, Do Not Move Truck - Pulsing Alarm	1
152	0509042		Messages, Open Door/Do Not Move Truck, MUX w/Color Display	1
153	0611681		Switching, Cab, Membrane, Impel/Veloccity/Quantum, Dash CF, AXT WiFi MUX Location, Emerg Sw Pnls - Driver's Side Overhead	1
154	0555915		Wiper Control, 2-Speed with Intermittent, MUX, Impel/Veloccity	1
155	0002565		Hourmeter, Aerial Inside Cab	1
156	0002615		Switch, Aerial 12V Master	1
157	0032828		No PTO switch req'd - w/aerial piggyback	1
158	0629279		Wiring, Spare, 20 A 12V DC, 6 Circuit Fuse Block, Blue Sea 5025 3rd Qty, - 01 12vdc power from - Battery direct Location - RUN WIRES ONLY in D8 as far forward and as high as possible (Precision Installations will mount fuse box in best location)	1
159	0548004		Wiring, Spare, 15 A 12V DC 1st Qty, - 01 12vdc power from - Battery direct Wire termination - 15 amp power point plug Location, Spare Wiring - tiller cab	1
160	0585914		Wiring, Spare, 20 A 12V DC, 6 Circuit Fuse Block, Blue Sea 5025 1st Qty, - 01 12vdc power from - Battery direct Location - RUN WIRES ONLY behind the driver's seat and forward of the backside of EMS Cabinet on the DS of cab (Precision Installations will mount fuse box in best location)	1
161	0585913		Wiring, Spare, 20 A 12V DC, 6 Circuit Fuse Block, Blue Sea 5025 2nd Qty, - 01 12vdc power from - Battery direct Location - RUN WIRES ONLY behind the officer's seat and forward of the backside of EMS Cabinet on the PS of cab (Precision Installations will mount fuse box in best location)	1
162	0661157	SP	Wiring, Spare, 10 A 12V DC, 6 Circuit Fuse Block, Blue Sea 5025, Grnd Direct Bat Qty, - 01 12vdc power from - Battery switched Location - As determined by Precision in equipment rack	1

Line	Option	Type	Option Description	Qty
163	0548007		Wiring, Spare, 15 A 12V DC 3rd Qty, - 01 12vdc power from - Battery direct Wire termination - 15 amp power point plug Location - on PS side wall of cab above rear facing EMS cabinet in rear corner (portion closest to officer seat) and housed in a small "hat section box" per job 27235. SHALL BE WIRED TO FUSE BOX BEHIND OFFICER SEAT (OPTION 585913) AND NOT TO ITS OWN POWER SOURCE	1
164	0548006		Wiring, Spare, 15 A 12V DC 2nd Qty, - 01 12vdc power from - Battery direct Wire termination - 15 amp power point plug Location - one (1) to the left of the officer on the instrument console vertical surface forward of switch panel #9 / gooseneck maplight (see IP print) and near Kusssmaul dual USB charging ports	1
165	0629278		Wiring, Spare, 20 A 12V DC, 6 Circuit Fuse Block, Blue Sea 5025 4th Qty, - 01 12vdc power from - Battery direct Location - RUN WIRES ONLY in P8 as far forward and as high as possible (Precision Installations will mount fuse box in best location)	1
166	0629276		Wiring, Spare, 20 A 12V DC, 6 Circuit Fuse Block, Blue Sea 5025 5th Qty, - 01 12vdc power from - Battery direct Location - RUN WIRES ONLY in D1 rear most upper corner (Precision Installations will mount fuse box in best location)	1
167	0622825	SP	Wiring, Spare, 80 A 12V DC, 12 Circuit Fuse Block, Blue Sea 5026 2nd Qty, - 01 12vdc power from - Battery direct Location - RUN WIRES ONLY in PS overhead rear facing compartment As determined by Precision in equipment rack	1
168	0566101		Recess, Dash Panel, Officer Side, Vel/Imp	1
169	0643196		Radio, AM/FM/CD/WB, Jensen, Front Aux In / USB / Bluetooth Speakers, AM/FM Radio - Two (2) pairs of speakers, Cab/Crew Antenna, AM/FM Radio - c) Roof-mounted rubber antenna Location, AM/FM Radio - e) switch panel	1
170	0615386		Vehicle Information Center, 7" Color Display, Touchscreen, MUX System Of Measurement - US Customary	1
171	0606247		Vehicle Data Recorder w/CZ Display Seat Belt Monitor	1
172	0681408		Hangers For Headsets, NFPA, Each Qty, - 05 Location, Headset Hangers - Driver Seat, Officer Seat, DS Outbrd, Fwrd Fcng Seat, PS Outbrd, Fwrd Fcng Seat and Tiller Operator	5
173	0660489		Antenna Mount, Custom Chassis, Fill in Blank Mounting and Cable Locations Location - per direction Qty, - 03 Location 1 - inside of the raised roof cabinet on the PS in the "mounting plate area"	3
174	0653350		Guards, Vehicle Camera(s), Painted Smooth Aluminum Qty, - 04 Location - over the tiller trailer axle, two per side	4
175	0664717	SP	Camera System, Tiller, Zone Defense, 7" DS/PS Monitors, Forward/Rear Facing	1
176	0615100		Pierce Command Zone, Advanced Electronics & Control System, Diag LEDs, Vel, WiFi	1
177	0624254		Electrical System, Velocity	1
178	0079211		Batteries, (6) Exide Grp 31, 950 CCA each, Threaded Stud	1
179	0008621		Battery System, Single Start, All Custom Chassis	1
180	0123174		Battery Compartment, Imp/Vel	1
181	0628906		Charger, Sngl Sys, Kusssmaul, 40/20, 091-216-40/20, 091-194-IND-WT-** Indicator Color, Kusssmaul Cover - b) red	1
182	0598091		Location, Charger/Compr, Behind Driver's Seat, Vel/Imp/DCF	1
183	0536099		Location, Battery Charger Indicator, Driver's Step Area	1
184	0016857		Shoreline, 20A 120V, Kusssmaul Auto Eject, 091-55-20-120, Super Qty, - 01 Color, Kusssmaul Cover - c) white	1

Line	Option	Type	Option Description	Qty
184			Shoreline Connection - Battery Charger	
185	0026801		Shoreline Cab Loc, Cab, Dash-2000, AXT	1
			Location, Shoreline(s) - DS Step Well	
186	0647728		Alternator, 430 amp, Delco Remy 55SI	1
187	0686615		Set Command Zone Clock To Pacific Standard Time	1
188	0658249	SP	Alarm, Buzzer Signaling System, Tiller, Special StaccatoTone, IPOS	1
189	0634795		Charger Socket, Kussmaul 091-219 Dual USB Type A, Switch Pnl	2
			Location - (1) left of officer on instrument console vertical surface forward of switch panel 9 (see IP print) and (1) in tiller cab RIGHT of steering column on vertical face angled portion (ONE IN TILLER CAB SHALL BE WIRED TO FUSE BOX IN D1 - OPTION 629276)	
			Qty, - 02	
			12vdc power from - Battery direct	
190	0092582		Load Manager/Sequencer, MUX	1
			Enable/Disable Hi-Idle - e)High Idle enable	
191	0632735		Not Required, Custom Chassis	1
192	0783153		Headlights, Rect LED, JW Speaker Evolution 2, AXT/DCF/Enf/Imp/Sab/Vel	1
			Color, Headlight Bez - Chrome Bezel	
193	0648425		Light, Directional, Wln 600 LED Combination, Cab Corners, Imp/Vel/AXT/Qtm/DCF	1
			Color, Lens, LED's - c)clear	
194	0648074		Lights, Clearance/Marker/ID, Front, P25 LED 7 Lts	1
195	0620044		Light, Directional/Marker, Intermediate, Truck-Lite 21290Y LED 2lts	1
196	0534987		Lights, Clearance/Marker/ID, Rear, Truck-Lite 33050R LED 7Lts, Aerial	1
197	0524895		Not Required, Light, Marker End Outline	1
198	0564683		Lights, Tail, Whelen M6BTT* Red LED Stop/Tail & M6T* Amber LED Dir Arw For Hsg	1
			Color, Lens - Clear	
199	0561471		Lights, Backup, Whelen M6BUW, LED, For Tail Lt Housing	1
200	0664481		Bracket, License Plate & Light, P25 LED	1
201	0556842		Bezels, Wln, (2) M6 Chrome Pierce, For mtg (4) Wln M6 lights	1
202	0589905		Alarm, Back-up Warning, PRECO 1040	1
203	0666455		Lights, Perimeter Cab, Amdor AY-9500-020 LED 4Dr	1
204	0616293		Not Required, Lights Perimeter Pump House, No Pump	1
205	0653892		Lights, Perimeter Body, Amdor AY-9500-012 LED 4lts, Turntbl/Rr Stp, Tiller	1
			Control, Perimeter Lts - DS Switch Panel and Parking Brake Applied	
			Control, Perimeter Lts - DS Switch Panel and Parking Brake Applied	
206	0545689		Lights, Perimeter, Amdor AY-9500-020 LED, Brkt	6
			Qty, Lights - 06	
			Location, Additional Perimeter Lights - Under Compt D4, 1lt, Under Compt P4, 1lt, Under Compt D6, 1lt, Under Compt P6, 1lt, Under Compt D7, 1lt, Under Compt P7, 1lt and Under Rear of Trailer, 2lts	
207	0644535		Lights, Step, P25 LED, Tiller 2002, Park Brk	1
208	0550452		Lights, Side Scene, Zico ZQL-SS-LED, Stainless 1st	4
			Location, Lights - one (1) each side in the trailer fender panel forward of the axle to point FORWARD and one (1) each side in the trailer fender panel aft of the axle to point REARWARD and also rotated by 20 degrees so that they are pointing down	
			Qty, - 04	
			Switch, Lt Control 1 DC,1 - a) DS Switch Panel	
			Switch, Lt Control 2 DC,2 - e) No Control	
			Switch, Lt Control 3 DC,3 - d) No Control	
			Switch, Lt Control 4 DC,4 - with the tiller turn signal switch, moving the lever down will activate the drivers side lights, lever up passegers side lights, moving the lever toward the steering wheel will operate both sets of lights.	
209	0693551		Lights, Tractor Scene, Whelen M9LZC LED, pair	1
210	0796083		Light, Whelen, 12V PFS2* Pioneer LED, 1st	1
			Location, Lights - D/S crew cab per direction	
			Qty, - 01	
			Color, Wln Lt Housing - White Paint	
			Control, Scene Lts - Cab Sw Panel DS and Cab Sw Panel PS	
			Mount, Wln - Semi-recessed Painted 15 deg P**2	
211	0795921		Light, Whelen, 12V PFS2* Pioneer LED, 2nd	1
			Location, Lights - P/S crew cab per direction	
			Qty, - 01	
			Color, Wln Lt Housing - White Paint	

Line	Option	Type	Option Description	Qty
211			Control, Scene Lts - Cab Sw Panel DS and Cab Sw Panel PS Mount, Wln - Semi-recessed Painted 15 deg P**2	
212	0653189		Light, Whelen, 12V PSL2B* Pioneer SlimLine LED, Bail Brkt, Tiller Cab Side 1st Location, Lights - one (1) each side of tiller cab per 26247 01-04 Qty, - 02 Switch, Lt Control 1 DC,1 - a) DS Switch Panel Switch, Lt Control 2 DC,2 - e) No Control Switch, Lt Control 3 DC,3 - d) No Control Switch, Lt Control 4 DC,4 - I) Tiller Cab Color, Wln Lt Housing - White Paint	2
213	0639388		Light, Whelen, 12V PSL2B* Pioneer SlimLine LED, Bail Brkt, Tiller Cab Side 2nd Location, Lights - at the rear of the tiller cab above the windshield and below the marker lights Qty, - 01 Switch, Lt Control 1 DC,1 - a) DS Switch Panel Switch, Lt Control 2 DC,2 - e) No Control Switch, Lt Control 3 DC,3 - d) No Control Switch, Lt Control 4 DC,4 - I) Tiller Cab Color, Wln Lt Housing - White Paint	1
214	0628885		Light, Centering, On Cab Roof, Tiller, Collapsible, Attwood 3520-7, Red/Gm LED Qty, Lights - 01	1
215	0618234		Light, Visor, Whelen, 12V PSL2* Pioneer LED Spotlit 1st Qty, - 01 Location, driver's/passenger's/center - centered Switch, Lt Control 1 DC,1 - a) DS Switch Panel Switch, Lt Control 2 DC,2 - g) PS Switch Panel Switch, Lt Control 3 DC,3 - d) No Control Switch, Lt Control 4 DC,4 - d) No Control Color, Wln Lt Housing - White Paint Light, Visor, Flash - Steady Burning	1
216	0532322		Not Required, Hose Bed Lights, Alt. Rear Scene Lights, Aerials	1
217	0645677		Lights, Not Required, Rear Work, Alt. 12 Volt Lights At Rear Body	1
218	0709438		Light, Walking Surface, FRP Flood, LED	1
219	0090655		Aerial, Tiller, Alum Body	1
220	0554269		Body Skirt Height, 18"	1
221	0045810		Not Required, Water Tank, Tiller	1
222	0023410		Not Required, Overflow	1
223	0553847		Not Required, Restraint, No Water Tank, Aerial/Rescue w/ Water Tank, Export	1
224	0043076		Not Required, Hose Bed, Tiller	1
225	0013481		Not Required, Hose Bed Capacity	1
226	0013534		Not Required, Running Boards	1
227	0690023		Wall, Rear, Smooth Aluminum	1
228	0029508		Tow Eyes, Chrome (2) (Aerial)	1
229	0090670		Construction, Compt, Alum, Tiller	1
230	0648978	SP	Compt, Single Tractor Reservoir, D Ring Latches, Special, Lap Door, 2010	1
231	0036497		Compt, F/H, Trans Roll, DS Front, Tiller	1
232	0036503		Compt, F/H, Trans Front, Roll, DS Center, Tiller	1
233	0796474		Compt, F/H F/D Front Roll, Center Lift Past 90, F/H Rear Roll, 4" Raised Floor	1
234	0036498		Compt, F/H, Trans Roll, PS Front, Tiller	1
235	0036512		Compt, F/H, Trans Front, Roll, PS Center, Tiller	1
236	0796469		Compt, F/H F/D Front Roll, Center Lift Past 90, F/H Rear Roll, 4" Raised Floor	1
237	0594014		Doors, Amdor, Roll-up, Side Compartments Qty, Door Accessory - 12 Color, Roll-up Door - AMDOR Painted to Match Lower Body Latch, Roll-up Door - Locking, 1250, Match Compartments	12
238	0626496	SP	Bumper, Rear, S/S, Split	1
239	0019845		Guard, Drip Pan, S/S, Rollup Door Qty, Door Accessory - 12 Location, Door Accessory - on each roll-up door	12
240	0010414		Keyed Locks for Latches, Lap Doors, Key Style 1250 Qty, Door Accessory - 07 Location, Door Accessory - D2, D8, D9, P2, P8, P9, and R1	7

Line	Option	Type	Option Description	Qty
241	0004010		Scuffplate, Polished S/S Bottom of Door Frame Location, Door Accessory - D2, D8, D9, P2, P8, P9 Qty, Scuffplates - 06	6
242	0004012		Scuffplate, S/S, Inside Each Compt Door Qty, Door Accessory - 07 Location, Door Accessory - D2, D8, D9, P2, P8, P9 and the ladder storage compartment door	7
243	0659353		Lights, Compt, Amdor AY-9220 LED, Dual Light Strip Qty, - 16	16
244	0667426		Lights, Compt, Amdor, Luma Bar, AY-9220-42, LED, 41.61", Additional Location, Lights - in the ladder storage compartment horizontally from the top Qty, - 01	1
245	0687135		Shelf Tracks, Unpainted Qty, Shelf Track - 06 Location, Shelf Track - D3, D1, P3, D4, P4 and D6	6
246	0687079		Shelves, Adjustable, 500 lb Capacity, Full Width/Depth, Brushed Aluminum Qty, Shelf - 10 Location, Shelf - 1 in D1, 2 in D3 upper, 2 in D4 forward of vertical partition, 2 in D6, 1 in P3 upper and 2 in P4. install the tulle tile from the floor tray in P5 on the added shelf in D6.	10
247	0661278		Tray, 500 lb, Slide-Out, 1-Way, Utility, Adj, 3" Sides, 3/4 Trans, Unpainted Location - P6 (ending at the frame rail transition at D6) Qty, Tray (slide-out) - 01	1
248	0015364		Tray, 500 lb, Slide-out, 2-Way, Utility, Adj Height, 3" Sides, Full Trans Location - (1) in D5/P5 and (1) in D7/P7 aft of the partition. The one in D7/P7 is to be lowered to being as close as possible to storage tubes to maximize height of toolboard Qty, Tray (slide-out) - 02	2
249	0510777		Tray, 215 lb, Tilt/Slide-Out, 30 Deg, Adj, 1/2 Trans Location - 1 in D5, 1 in P5 and 1 in P6 Ship the tray from P6 loose. 15 degree full tray to be installed. Qty, Tray (slide-out) - 03	3
250	0085427	SP	Tray, 250 lb, Tilt/Slide-Out, 15 Deg, Adj, 3/4 Trans, Max Width Location - 1 in P6 upper Qty, Tray (slide-out) - 01	1
251	0647045		Tray, Floor Mounted, Slide-Out, Full Width/Full Depth, 500lb, 2.00" Sides, 2G Qty, - 06 location - 1 in D3, 1 in D4 aft of partition (vertical toolboard mounted in this), 1 in P3, 1 in P4, 1 in P5 and 1 in P6 Material - DA finish	6
252	0630399		Tray, Floor Mounted, Slide-out, 200lb, Hose Storage for Self Contained System, Tilt Qty, - 02 location - D7 and P7 per job #25537	2
253	0590939		Toolboard, Alum, .188", Peg Board, Added to Slide-Out Tray location - 1 in D4 aft of the partition and mounted in the floor tray and 1 in the two-way tray in D7/P7 (toolboard to be full width of tray) and shall be 23.00" tall Qty - 2 Finish, Pegboard/Toolboard - Brushed Finish	2
254	0634390	SP	Box, Poly Tool, Spcl Size, Additional Location - D6 (the boxes will hold misc tools and chains) Qty, Comp. Accessory - 04 Size - (2) will be 22.00" long x 9.00" wide x 12.00" deep, and (2) will be 11.00" long x 9.00" wide x 12.00" deep. Color - 1) black	4
255	0554385		Box, Poly Tool, Spcl Size Location - P5 (the boxes will hold cribbing) Qty, Comp. Accessory - 03 Size - 12.50" wide x 21.00" long x 15.00" deep Color - 1) black	3
256	0062168		Cable Release, Tilt Tray, IAT Std Latches Location - option 510777 Qty, Comp. Accessory - 03	3

Line	Option	Type	Option Description	Qty
257	0693928		Cable Release, Transverse Roll-out Tray, IAT Std Latches Location - options 15364, 661278, 54010 Qty, Comp. Accessory - 03	3
258	0650975	SP	Compt, At Rear Between Tow Eyes, Divider, Alum Sngl Pan Dr, Lock D Ring, Tiller	1
259	0004002		Matting, .13" Rubber in Compt Location - in the compartment between the tow eyes at the rear (option #650975) Qty, Comp. Accessory - 03	3
260	0659383		Matting, Turtle Tile w/Ramp, Compt Floors Location - D1, D2, D4 forward of the vertical partition, D5, D6, D8, P1, P2 and P8 Qty, Comp. Accessory - 09 Color - 1) black Color, Tile Edge - black	9
261	0039425		Matting, Turtle Tile, Compt Floors, No Ramp Location - ladder belt compartment (which is on top of tractor reservoir compartment) and the rear/center tractor reservoir compartment (accessible from rear on gooseneck and in between D8/P8) Qty, - 02 Color - 1) black	2
262	0028026		Matting, Turtle Tile, Compt Shelving only Location - all shelves and trays Qty, Shelf - 23 Color - 1) black	23
263	0660782	SP	Trays, Shelves, Partitions, Unpainted Finish Location - all trays, shelves and partitions. Qty, - 24	24
264	0634282	SP	Partition, Vertical Pegboard Compt, Transverse Compt Location - 1 in D7/P7 as close as possible behind the Tri-Max system to minimise storage room aft of the partition. On the outer edges of the partition will extend to the lower floor. Qty, Partition - 01 Hole Diameter, Pegboard/Toolboard - .203" diameter Finish, Pegboard/Toolboard - Brushed Finish	1
265	0024452		Partition, Vertical Pegboard Compt, Each Location - D4 positiond in the center (side to side). Qty, Partition - 01	1
266	0029314	SP	Partition, Between Compartment and Transverse Location - at the framerrail transition in D6 (full height/width) to act as a back wall. Qty, Partition - 01	1
267	0529440		Rack, Storage, (2) Backboards Location - D9/P9 above the pike pole troughs. Size, Backboard - 17" x 71.50" x 2"	1
268	0684683	SP	Compt, Transverse. Treadplate, Little Giant Ladder & Stokes, Full Width, Tiller Location - above compartments D3/P3 as far forward as possible (little giant ladder to be forward the drivers side. Size - Model 17 Little Giant and CMC Pro Series Titan Stokes 7' L x 2'W x 8" high.	1
269	0548681		Respond Ready Storage w/4 Drawers, Painted & Powder Coated Location - per direction Color - 2) red	1
270	0024016		Rub Rail, Aluminum Extruded, Side & Rear of Body	1
271	0510626		Fender Crowns, Rear, S/S, Wider Than Std.	1
272	0064150		Handrail, Extra - 20-30" Long Location, Handrails - forward portion of D3 and P3 to hold when removing the stokes basket or Little Giant ladder Qty, Handrails - 02	2
273	0004218		Ladder, 35' Duo-Safety 1200A 2-Sect Qty, - 02	2
274	0004222		Ladder, 24' Duo-Safety 900A 2-Section Qty, - 01 Location, Extension Ladder - torque box	1

Line	Option	Type	Option Description	Qty
275	0652543		Ladder, 20' Duo-Safety 875-DR Roof Qty, - 02	2
276	0645444		Ladder, 12' Duo-Safety 775-DR Roof Qty, - 01	1
277	0648681		Ladder, 14' Duo-Safety 875-DR Roof Qty, - 02 Location - torque box	2
278	0024233		Not Required, Attic Extension Ladder	1
279	0004246		Ladder, 10' Duo-Safety Folding, 585A Qty, - 01 Location, Folding Ladder Aerial - torque box	1
280	0567735		Ladder Storage, Horizontally Hinged Lift Up Door, Smooth Aluminum, Tiller	1
281	0602100		Lights, Torque Box Ladder Storage, Pierce LED Strip Lights, 2 Lts	1
282	0653608		Ladder, Little Giant, Revolution XE - Model 17, 12017 Location - in the storage compartment on top of the trailer	1
283	0661513	SP	Door, Lift Up, Extend Past 90 Degrees, Tiller	1
284	0628670	SP	Trough, Special Size, Folding Ladder, Torque Box	1
285	0557253		Pike Pole, 10' Fire Hooks Unlimited, New York Roof Hook, Steel, RH-10, Pry End Location - in the torque box Qty, Pike Poles - 1	1
286	0634967	SP	Pole, Pike 10' Fire Hooks Unlimited, Gator-Back, GBH-10 w/ D Handle Location - in the torque box Qty, Pike Poles - 2	2
287	0634918	SP	Pike Pole, 40", Fire Hooks Unlimited, Providence Hook, PPH-40", w/ D Handle Location - SHIP LOOSE Qty, Pike Poles - 1	1
288	0634919	SP	Pike Pole, 6' Fire Hooks Unlimited, New York Roof Hook, Steel, Pry End w/Ring, RH-6 Location - in the torque box Qty, Pike Poles - 1	1
289	0638595		Trash Hook, 6' Fire Hooks Unlimited, Fiberglass, TRH-6, w/D Handle Location - both in D9/P9 Qty, Pike Poles - 2	2
290	0084317		Not Required, Pole, Pike, 12'	1
291	0634924	SP	Pike Pole, 8' Fire Hooks Unlimited, Fiberglass, DWHS, w/D Handle Qty, - 01 Location - in the torque box	1
292	0634964	SP	Pole, Pike 6' Fire Hooks Unlimited, Gator-Back, GBH-6 w/ D Handle Qty, Pike Poles - 1 Location - in the torque box	1
293	0548410		Not Required, Pole, Pike, 3'	1
294	0634917	SP	Griff Hook, 36", Fire Hooks Unlimited, GH-36, Celtex Grips Qty, - 01 location, pike pole - SHIP LOOSE	1
295	0068133		Trash Hook, 8' Fire Hooks Unlimited, TRH-8, w/D Handle Qty, - 02 location, pike pole - (1) in the torque box and (1) on the aerial device	2
296	0087631		Trough for D-Handled Pike Pole Location - (8) in the torque box and (2) in D9/P9 with 1 on top of the other and installed below the backboard storage troughs. The troughs in D9/P9 will store (2) 6' Fire Hooks Unlimited model TRH-6 Trash Hooks with D-handle 3 remaining troughs size for 10' Qty, Pike Pole Tubes - 10	10
297	0010458		Platform, Slide Out, 500 lb Capacity, w/Morton Cass Location, Additional Step - one (1) below the forward portion of D3 and one (1) below the forward portion of P3 (these steps should be directly below the stokes basket / Little Giant ladder trough) Qty, Slideout Step - 2 Light, Long Step - Amdor Lumabar H2O	2
298	0045867		Not Required, Pump	1
299	0012216		No Seal/Packing Required	1
300	0012690		Not Required, Trans, Pump	1
301	0669703		Not Required, Pumping Mode	1
302	0024484		Not Required, Pump Shift	1

Line	Option	Type	Option Description	Qty
303	0046295		Transmission Lock-up, Not Req'd, NO PUMP	1
304	0046296		Not Required, Auxiliary Cooling System, NO PUMP	1
305	0046283		Not Required, Transfer Valve, NO PUMP	1
306	0024513		Not Required, Intake Relief Valve	1
307	0046403		No Relief Valve Req'd, No Pump	1
308	0012336		No Pump Primer Req'd	1
309	0012816		Not Required, Pump Manuals	1
310	0090789		Not Required, Plumbing, No Pump	1
311	0014625		No Main Inlet Required	1
312	0584002		Not Required, Cap, Main Pump Inlet, No Side Inlet Caps Required, No Pump	1
313	0089389		No Valves, (No Pump)	1
314	0055600		Not Required, Auxiliary Inlet, Left Side	1
315	0029147		Not Required, Inlet, Right Side	1
316	0681723		No Bleeder Valve, No Pump	1
317	0681730		Not Required, Tank to Pump, No Pump	1
318	0074900		Not Required, Tank Fill	1
319	0092570		Not Required, Outlets, Left Side Additional	1
320	0092571		Not Required, Outlets, Right Side Additional	1
321	0092572		Not Required, Outlet, Front	1
322	0092573		Not Required, Outlet, Hose Bed/Running Board Tray	1
323	0089391		Valve, Bleeder - None Req'd, (No Pump)	1
324	0035094		Not Required, Elbow, Left Side Outlets, Additional	1
325	0089584		Not Required, Elbow, Right Side Outlets, Additional	1
326	0089394		Not Required, Outlet Control, No Pump	1
327	0619155	SP	Tri-max, 70 Gallon, Self Contained System, Tiller, (1) 6000PSI Bottle	1
328	0043115		Not Required, Pump House, Tiller	1
329	0067658		Not Required, Step, Slide-Out Pump Op. Platform	1
330	0667237		Light, Slide-Out Pump Operator Step, Amdor, LumaBar H2O, AY-9500-020, Short Step	1
331	0092531		Not Required, Pump House Structure	1
332	0001836		No Light, No Pump Compartment	1
333	0046400		Throttle, Engine Not Req'd, No Pump / Skid Pump	1
334	0035650		Not Required, Water Level Gauge	1
335	0606697		Air Horns, (2) Grover, In Bumper	1
336	0606832		Location, Air Horns, Bumper, Left Side, Outside Frame, Same Side (Pos #6 & #7)	1
337	0036061		Control, Air Horn, DS Ft Sw, PS Push Button	1
338	0525667		Siren, Whelen 295SLSA1, 100 or 200 Watt	1
339	0047779		Location, Elect Siren, Recessed In Switch Panel Location - DS switch panel #12.	1
340	0076157		Control, Elec Siren, Horn Ring	1
341	0601306		Speaker, (1) Whelen, SA315P, w/Pierce Polished Stainless Steel Grille, 100 watt Connection, Speaker - siren head	1
342	0601565		Location, Speaker, Frt Bumper, Recessed, Center (Pos 4)	1
343	0779165		Siren, Federal Q2B, Bat Dir	1
344	0006097		Location of Siren, Recessed in Bumper Location, Siren, Mech - b) right	1
345	0026170		Control, Mech Siren, DS Foot Sw, PS Push Button	1
346	0607632		Lightbar, Wln, Freedom IV-Q, 81", RRRRWRRROptRRRWRRRR Opticom Priority - b) High Opticom Activation - Cab Switch & E-Master Momentary Opticom Activation - No Activation Filter, Whl Freedom Ltbrs - No Filters	1
347	0592278		Light, Front Zone, Wln M6*C & M6*C Sdy Burn LED, Clear Lens, 4lts Q Bezel Color, Lt DS Frnt Outside - DS Front Outside Red Color, Lt PS Frnt Outside - PS Front Outside Red Color, Lt DS Front Inside - r) DS Front Inside Red Color, Lt PS Front Inside - r) PS Front Inside Red	1
348	0653937		Flasher, Headlight Alternating Headlt flash deactivation - a)w/high beam	1
349	0540692		Lights, Side Zone Lower, Whelen M6*C LED, Clear Lens, 3pr, Ovr 25 Location, Lights Front Side - c)each side, front cab corner	1

Line	Option	Type	Option Description	Qty
349			Color, Lt Side Front - Red Color, Lt Side Middle - Red Color, Lt Side Rear - Red Location, Lights Mid Side - Rearward of Crew Cab Doors Location, Lights Rear Side - Over Rear Wheels	
350	0670079		Lights, Side, Whelen WIONSMC* LED, Chrome Flange, 1st Location, Lights - centered between D4/D5, D6/D7, P4/P5 and P6/P7 on the upper portion of the trailer body Qty, - 04 Color, Lights, Warning - gla) red Control, Light - b) side warning	4
351	0672937		Lights, Side, Whelen WIONSMC* LED, Chrome Flange, Mounted In Rub Rail, 1st Location, Lights - centered between D4/D5, D6/D7, P4/P5 and P6/P7 in the rubrail Qty, - 04 Color, Lights, Warning - gla) red Control, Light - b) side warning	4
352	0564655		Lights, Rear Zone Lower, Whelen M6*C LED, Clear Lens, For Tail Lt Housing Color, Lt DS Rear - r) DS Rear Lt Red Color, Lt PS Rear - r) PS Rear Lt Red	1
353	0648410		Light, Rear Zone Upper, Whelen Rota-Beam R3165F LED Beacon, Red LED, Clear Lens	1
354	0006551		Not Required, Lights, Rear Upper Zone Blocking	1
355	0778246		Light, Traffic Directing, Whelen TADP8, 30.36" Long, TADCTL1 Activation, Traffic Dir L - Aux Flash with Park Brake	1
356	0529278		Location, Traf Dir Lt, Surface Mount	1
357	0530282		Location, Traf Dir Lt Controller, Overhead Switch Panel DS Right End	1
358	0006646		Electrical System, 120/240VAC, General Design	1
359	0529551		Generator, Harrison 10kW 10.0MAS-16R/D-11011/15/1, Hydraulic, Hotshift PTO Generator Interlocks - No Interlocks Location, Gen Info Panel - near breaker box	1
360	0505796		Location, Hydraulic Generator Above Gooseneck of Tiller	1
361	0016752		Starting Sw, Truck Engine Powered Gen, Cab Sw Pnl	1
362	0016757		Not Required, Remote Start, Generator	1
363	0016740		Not Required, Fuel System	1
364	0016767		Not Required, Oil Drain Extension, Generator	1
365	0016771		Not Required, Routing Exhaust, Generator	1
366	0036738		Circuit Breaker Panel, Included With PTO Generator Location, Circuit Breaker Panel - P7 Rear Wall High	1
367	0652963		Light, Whelen P*P2AP1 LED, Ground Tripod 1st Location, 120/240 Volt Lt - per direction on top of the tiller trailer compartments, two per side Qty, - 04 Color, Win Lt Housing - White Paint Lighthouse, Win AC - PCP2AP1, Spot Flood Receptacle and Plug AC - 20 Amp, 120 Volt Twist Lock Recpt & Plug	4
368	0006825		Reel, Elect Cable, Hannay, 1600, (3) Wire Qty, Cord Reels - 2 Reel Guide - b) Captive roller Finish, Reel - Painted Gray Location, Electric Cord Reel - DS Gooseneck, Outboard, 1 Reel and PS Gooseneck, Outboard, 1 Reel	2
369	0006828		Cord, Electric, 10/3 Yellow, 3 Wire Lengths of Elect Cord - 2 Feet of Yellow Cord - c)150 Connection, Cord - Hubbell 20A 120V Twst Lock	2
370	0788929		Box, Junc, Akron, 3Wire, 1-15/20A 120V Dup SB, 3-20A 120V TL Qty, - 02 Connection, Electric Plug / Inlet (Male) - Direct Connection	2
371	0013949		Enclosure, Reel, with Reel Access Door Location - each side of the 5th wheel Qty, - 02	2
372	0006824		Holder, Junction Box, Tread Plate Aluminum Qty, - 02	2

Line	Option	Type	Option Description	Qty
372			Location, Junction Box Holder - Mount At Pick-Up	
373	0519934		Not Required, Brand, Hydraulic Tool System	1
374	0649753		Not Required, PTO Driven Hydraulic Tool System	1
375	0649750		Not Required, Hydraulic Reels	1
376	0786790		Aerial, 107' ASL, Heavy Duty Ladder, 50 MPH Wind Rating, Tiller	1
377	0601988		Light, Boom Support, Amdor LumaBar H2O, 12" LED	1
378	0663833		Boom Support, Raised, Tiller	1
			Boom Support - Compt on top of body	
379	0650760	SP	Tie Down, Rope, Trailer Gooseneck, Tiller, Special Rating	2
			Qty - 2	
			Finish, Tie Down - nickel plated	
			Location, Rope Tie Down - Tiller Gooseneck	
380	0680821		Boom Panel, Pair	1
			Paint Color, Predefined - #10 white	
381	0526885		Indicator, Extension, Inside and Outside Handrails, Every 10'	1
			Color - 2) red	
382	0592992		Steps, Folding, Four, Aerial Device, w/LED, Trident	1
			Coating, Step - luminescent	
383	0688232		Rung Covers, Aerial Device	1
			Rung Cover Color - Black	
384	0678539		Brackets Only, Roof Ladder, Aerial Fly Section	1
			Roof Ladder, Make/Model - 12' Duo-Safety 775-A Special Width	
385	0676785		Bracket Only, Rubbish Hook, Aerial Fly Section	1
			Pike Pole Make/Model - Fire Hooks Unlimited TRH-8	
386	0674963		Scabbard, Temporary Vent Saw Storage, Aerial Ladder	2
			Qty, - 02	
			Location, Aerial Device - each side of the aerial egress	
387	0601972		Lights, Turntable Walkway, P25, LED	1
388	0601940		Light, Turntable Console, Amdor Luma Bar H2O, LED Strip Light	1
389	0619248	SP	Cover, Raised, Control Station, IPOS	1
390	0619245	SP	Turn Table Indicator Alignment Bar's	1
391	0682164		Cover, Treadplate, Around Aerial Rotation Bearing	1
392	0790401		Control Stations, ASL Tiller, MUX, Color Display	1
393	0789602		Stabilizers, ASL Tractor Drawn Steel Aerial, Split Pan, 17' Spread	1
			Material, Stabilizer Pad - Composite	
394	0530819		Not Required, Aerial Stabilizer Pins	1
395	0779621		Doors, Stabilizer Control Box, Valve/Electrical Distribution Box, Tiller	1
			Hinge, Location - Bottom	
			Latch, Stabilizer Door - Lift and Turn Latch, Flush	
			Door, Material & Finish, Stabilizer - Aluminum Treadplate	
			Door, Material & Finish, Access - aluminum treadplate	
			Latch, Door, Access - lift and turn latch, flush	
396	0540495		Pads, Stabilizer, Modified to Slide On	1
			Stabilizer Pads, Modify - 2 stabilizers	
397	0629913		Lights, Stabilizer Pad Locator, Whelen Micro Pioneer MPB*, Rec Stb S Pn, Sw Ft	2
			Qty, - 02	
			Switch, Lt Control 1 DC,1 - a) DS Switch Panel	
			Switch, Lt Control 2 DC,2 - e) No Control	
			Switch, Lt Control 3 DC,3 - Aerial Master Switch	
			Switch, Lt Control 4 DC,4 - d) No Control	
			Color, Wln Lt Housing - Black Paint	
398	0786011		Hydraulic System, ASL Tiller	1
399	0793037		Swivels, D-Series w/Encoder, ASL-Tandem/Tiller, MUX (28 Collector Rings)	1
400	0709718		Electrical System, ASL Tiller	1
401	0670920		Lights, Wln MPB* Micro LED Trk Lights Only, 2lts PAL	1
			Color, Wln Lt Housing - White Paint	
402	0653677		Lighting, Rung, LED, TecNiq, 4 Section, Base, Lower/Upper Mid, Fly	1
			Control, Aerial Rung Lighting - Turntable Sw w/Aerial Mstr	
			Color, Lt Aerial Fly Sect - Red	
			Color, Lt Aerial Base Sect - Blue	
			Color, Lt Aerial Lower Mid Sect - Blue	
			Color, Lt Aerial Upper Mid Sect - White	

Line	Option	Type	Option Description	Qty
403	0653817		Light, Locator, Whelen VTX609*, LED, at Tip, PAL/PAP, 2lts Color, Light - f) blue	1
404	0540711		Lights, Stabilizer Warn (1) Set, Whelen M6*C LED, Front Clear Lens Color, Lt Fr Stabilizr Pan - r) Pan Light Red	1
405	0068703		Lights, Grote Supernova LED, Stabilizer Beam, (1) Set	1
406	0600433		Lights, Stabilizer Scene, (1) set, Amdor H2O, LED	1
407	0006930		AC Power To Aerial Tip, (PAL) 20A 120V L5-20 Receptacle	1
408	0660754		Light, Whelen PFP2AC, 120 Volt LED Fldlt, Bail Brkt, Tip, Vertical Mt Qty, 120/240 Volt Light - 2 Location, Sw, Arl AC Lts - F) 1 Pos Location, Plat/Tip AC Lts - C) Drvr and Pass	2
409	0594648		Intercom, 2-Way Fire Research ICA900 Hands Free	1
410	0540895		Not Required, Breathing Air to Tip, Aerial Ladder	1
411	0024742		Not Required, Mask, Breathing Air To Tip	1
412	0066919		Not Required, Raised Pedestal, Tiller/Mid Mount	1
413	0604457		Lifting Eye Assembly, Rope Rescue Attachment, ASL	1
414	0530828		Turntable Access, Chains	1
415	0790402		Waterway, High Flow, ASL-Tiller	1
416	0632855		Monitor, Akron 3480 StreamMaster II Electric w/Extended Vertical Travel Nozzle, Monitor 1 PAL - Akron 5178 Electric 1500 gpm	1
417	0010758		Flow Meter, Waterway, PAL (Mux)	1
418	0512000		Inlet, Aerial Waterway, 4.00" Plumbing with 5.00" Inlet, Tiller	1
419	0673128		Quick-Lock Waterway Locking System, 100' HDL/MDL, 105' HDL, ASL	1
420	0047897		Tools, Aerial	1
421	0559494		Manuals and Training, 3 Days, Ascendant Ladder, PAL	1
422	0593168		Cab, Tiller, Sliding Doors	1
423	0636262		Light, Dome, Weldon Dual LED 1lt Color, Dome Lt - Red & White Color, Dome Lt Bzl - Grey Control, Dome Lt White - Door Switches and Lens Switch Control, Dome Lt Color - Lens Switch	1
424	0604519	SP	Heater, Tiller Cab, Tiller 2002, Polyurea on Cover, Electric Ceramic	1
425	0633050		Air Conditioner, Tiller Cab, Notched Cover, Tiller 2002	1
426	0695671		Seat, Tiller, Pierce PS6, Premium, Air Ride Hi-Back	1
427	0661495		Steps, Tiller Access, Narrow Rear	1
428	0036977		Tiller Warning Indicators w/Seatbelt Warn in Cab	1
429	0012207		Mirror, 6" Round Convex, Tiller Cab (PR)	1
430	0051052		Window Defrost Fans (2) Location - one each side of the tiller steering column	1
431	0661114		Tinted Glass, 14%, Tiller Cab Rear Wall Window	1
432	0626771		Trailer, 3.00" Extended Gooseneck, Single Axle Only, Tiller	1
433	0090681		Walkway, Turntable to Body, Tiller	1
434	0052481		Axle, Tiller Trailer, Oshkosh TAK-4, Non Drive, 22,800#	1
435	0032125		Steering, Sheppard M110 w/tilt, TAK-4, Tiller Trailer	1
436	0652502		Brakes, Meritor, EX225, 17", Disc Plus, TAK-4, Tiller	1
437	0052483		Suspension, Tiller 2002, 22,800#	1
438	0037018		Tires, Goodyear, G296 MSA, 425/65R22.5 20 Ply (tiller)	1
439	0037030		Wheels, Alum. Alcoa, 22.50" x 12.25" (385/425), Tiller	1
440	0037050		Oil Seals, Tiller Axle	1
441	0086981		No Tiller Trailer Accessories Req'd	1
442	0007150		Bag of Nuts and Bolts Qty, Bag Nuts and Bolts - 1	1
443	0602507		NFPA Required Loose Equipment, Aerial, NFPA 2016, Provided by Fire Department	1
444	0602535		Extinguisher, Dry Chemical, Aerial NFPA 2016, Provided by Fire Department	1
445	0602354		Extinguisher, 2.5 Gal. Pressurized Water, Aerial, NFPA 2016, Provided by Fire Dept	1
446	0007482		Not Required, Crowbars	1
447	0007484		Not Required, Claw Tools	1
448	0602675		Axes, (2) Flathead, Aerial NFPA 2016, Provided by Fire Department	1
449	0602673		Axes, (3) Pickhead, Provided by Fire Department, Aerial NFPA 2016	1
450	0007494		Not Required, Sledgehammers	1

Line	Option	Type	Option Description	Qty
451	0559573		Paint, Single Color, Custom Paint Color, Predefined - #90 Red	1
452	0509328		Paint, Single Color, Tiller Cab Paint, Color - 90	1
453	0646897		Paint Chassis Frame Assy, E-Coat, Standard Paint Color, Frame Assembly, Predefined - Black	1
454	0693797		No Paint Required, Aluminum Front Wheels	1
455	0693792		No Paint Required, Aluminum Rear Wheels	1
456	0007230		Compartment, Painted, Spatter Gray	1
457	0620956		Aerial Ladder Paint, Stabilizers, Torque Box, Etc, Special Color, Tiller Paint Color, Aerial Device - White 10 Paint Color, Predefined, Aerial - Red 90	1
458	0544129		Reflective Band, 1"-6"-1" Color, Reflect Band - A - a) white Color, Reflect Band - B - l) white Color, Reflect Band - C - w) white	1
459	0510041		Reflective across Cab Face, Imp/Vel	1
460	0583446		Stripe, Chevron, Rear, Diamond Grade, Tiller Color, Rear Chevron DG - yellow	1
461	0598754		Stripe, Reflective/Diamond Grade, 4.00" on Stabilizers Color, Reflect Band - A - p) fluorescent yellow green diamond grade	1
462	0027341		Jog, In Reflective Stripe, Single or Multiple Qty, - 1	1
463	0065687		Stripe, Reflective, Cab Doors Interior Color, Reflective - e) black	1
464	0543998		Stripe, Reflective, Tillerman Doors Interior Color, Reflective - e) black	1
465	0027372		Lettering Specifications, (GOLD STAR Process)	1
466	0686428		Lettering, Gold Leaf, 3.00", (41-60) Outline, Lettering - Outline and Shade	1
467	0516701		Emblem, American Flag Painted on Cab Grille, All Custom Chassis	1
468	0030813		2% Handling Charge on Tiller, (500)	1
469	0526005		Manuals, One (1), Fire Apparatus Parts, & (1) CD, Custom Chassis	1
470	0543577		Manuals, One (1) Chassis Service & (1) CD, Custom	1
471	0029551		Manuals, Two (2) Chassis Operation, & (1) Compact Disc, Custom	1
472	0030008		Warranty, Basic, 1 Year, Apparatus, WA0008	1
473	0611136		Warranty, Chassis, 3 Year, Velocity/Impel, WA0284	1
474	0696698		Warranty, Engine, Cummins, 5 Year, WA0181	1
475	0684953		Warranty, Steering Gear, Sheppard M110, 3 Year WA0201	1
476	0595767		Warranty, Frame, 50 Year, Velocity/Impel, Dash CF, WA0038	1
477	0595698		Warranty, Axle, 3 Year, TAK-4, WA0050	1
478	0777368		Warranty, Axle, 2 Year, Meritor, General Service, WA0328	1
479	0652758		Warranty, ABS Brake System, 3 Year, Meritor Wabco, WA0232	1
480	0019914		Warranty, Structure, 10 Year, Custom Cab, WA0012	1
481	0595813		Warranty, Paint, 10 Year, Cab, Pro-Rate, WA0055	1
482	0524627		Warranty, Electronics, 5 Year, MUX, WA0014	1
483	0708760		Warranty, Not Applicable, LED Strip Lights	1
484	0046369		Warranty, 5-year EVS Transmission, Standard Custom, WA0187	1
485	0685945		Warranty, Transmission Cooler, WA0216	1
486	0033401		Not Required, Tank Warranty	1
487	0596025		Warranty, Structure, 10 Year, Body, WA0009	1
488	0693126		Warranty, AMDOR, Roll-up Door, 10 Year/5 Year Painted, WA0185	1
489	0012599		Warranty, Pump, Not Required	1
490	0046370		Not Required, Warranty, No Plumbing	1
491	0006999		Warranty, Structure, 20 Year, Aerial Device, WA0052	1
492	0687388		Warranty, Swivels, 5 Year, Aerial Device, WA0197	1
493	0088889		Not Required, Additional Aerial Warranty	1
494	0687327		Warranty, Waterway, 10 Year, Aerial Device, WA0198	1
495	0595860		Warranty, Paint, 4 Year, Aerial Device, Pro-Rated, WA0047	1
496	0609981		Warranty, Harrison Generator, 6 Year, WA0285	1
497	0595820		Warranty, Paint, 10 Year, Body, Pro-Rate, WA0057	1

Line	Option	Type	Option Description	Qty
498	0595421		Warranty, Goldstar, 3 Year, Apparatus, WA0018	1
499	0683627		Certification, Vehicle Stability, CD0156	1
500	0794805		Certification, Engine Installation, Velocity, Cummins X15, 2017	1
501	0686786		Certification, Power Steering, CD0098	1
502	0667417		Certification, Cab Integrity, Velocity FR, CD0009	1
503	0548950		Certification, Cab Door Durability, Velocity/Impel, CD0001	1
504	0548967		Certification, Windshield Wiper Durability, Impel/Velocit, CD0005	1
505	0667411		Certification, Electric Window Durability, Velocity/Impel FR, CD0004	1
506	0549273		Certification, Seat Belt Anchors and Mounting, Imp/Vel/Vel SLT, CD0018	1
507	0667416		Certification, Cab Heater and Defroster, Velocity/Impel FR, CD0015	1
508	0674479		Certification, Not Available, Cab Air Conditioning Performance	1
509	0545073		Amp Draw Report, NFPA Current Edition	1
510	0002758		Amp Draw, NFPA/ULC Radio Allowance	1
511	0799248		Appleton/Florida BTO	1
512	0000029		TILLER BODY	1
513	0000012		PIERCE CHASSIS	1
514	0004713		ENGINE, OTHER	1
515	0046396		EVS 4000 Series TRANSMISSION	1
516	0020037		NO PUMP	1
517	0020013		NO WATER TANK	1
518	0020007		AKRON VALVES	1
519	0020015		ABS SYSTEM	1
520	0658751		Manufacturing Attribute	1



CONTRACT PRICING WORKSHEET
For MOTOR VEHICLES Only

Contract
No.:

FS12-15

Date
Prepared:

9/26/2017

*This Worksheet is prepared by Contractor and given to End User. If a PO is issued, both documents **MUST** be faxed to H-GAC @ 713-993-4548. Therefore please type or print legibly.*

Buying Agency:	City of Milpitas	Contractor:	PIERCE MANUFACTURING INC.
Contact Person:	Chris Schroeder	Prepared By:	RYAN WRIGHT; KRISTINA SPANG
Phone:	408-687-1639	Phone:	(920) 832-3000
Fax:		Fax:	
Email:	cschroeder@ci.milpitas.ca.gov	Email:	ryan@goldenstatefire.com; Kspang@piercemfg.com

Product Code:	TA10	Description:	Pierce Arrow Chassis, 100' Tractor Drawn - Mid-Mounted Telescoping Ladder (#500)
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A. Product Item Base Unit Price Per Contractor's H-GAC Contract: 992234

B. Published Options - Itemize below - Attach additional sheet(s) if necessary - Include Option Code in description if applicable.
(Note: Published Options are options which were submitted and priced in Contractor's bid.)

Description	Cost	Description	Cost
PUBLISHED OPTIONS PER SEPARATE LISTING	183843		
CUSTOMER ILC #17-6277			
		Subtotal From Additional Sheet(s):	
		Subtotal B:	183843

C. Unpublished Options - Itemize below / attach additional sheet(s) if necessary.
(Note: Unpublished options are items which were not submitted and priced in Contractor's bid.)

Description	Cost	Description	Cost
NON-PUBLISHED OPTIONS PER SEPARATE LISTING	228661.44		
		Subtotal From Additional Sheet(s):	
		Subtotal C:	228661.44

Check: Total cost of Unpublished Options (C) cannot exceed 25% of the total of the Base Unit Price plus Published Options (A+B). For this transaction the percentage is: 19%

D. Total Cost Before Any Applicable Trade-In / Other Allowances / Discounts (A+B+C)

Quantity Ordered:	1	X Subtotal of A + B + C:	1404738.44	=	Subtotal D:	1404738.44
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E. H-GAC Order Processing Charge (Amount Per Current Policy) Subtotal E: 1000

F. Trade-Ins / Other Allowances / Special Discounts / Freight / Installation

Description	Cost	Description	Cost
FACTORY INSPECTION TRIPS	12600	DISCOUNT FOR PRE-PAYMENT	-60633.14
DELIVERY / DEALER PREPARATION	5200	STATE SALES TAX	123,016.40
PERFORMANCE BOND	3943.56		
		Subtotal F:	84126.82

Delivery Date: December of 2018 **G. Total Purchase Price (D+E+F):** 1409865.26

Pride			Published	Unpublished
Number	Qty	Description	Options	Options
107	1	Change to Air Ride Suspension, Single	\$ 3,874.00	
113	1	Aluminum Wheels, front	\$ 2,010.00	
114	1	Aluminum Wheels, Rear Single Axle	\$ 3,168.00	
115	1	Aluminum Wheels Tandem Axle	\$ 4,617.00	
118	2	Mud Flaps	\$ 1,180.00	
119	1	Wheel Chocks and Mounts	\$ 939.00	
129	1	Detroit DD13 to Cummins ISX 500 hp	\$ 18,163.00	
146	1	Raised roof, custom cab	\$ 2,041.00	
148	1	Safety System	\$ 9,832.00	
154	2	EMS Compartment in Cab	\$ 3,874.00	
171	1	Upgrade Arrow to Velocity	\$ 21,031.00	
178	1	Radio with Weatherband	\$ 1,227.00	
185	1	Camera System, Sides and rear to mux	\$ 1,019.00	
189	1	Intercom System (up to 6 position, 2 with radio, 6 headsets non-wireless)	\$ 5,899.00	
195	1	Kussnaut Charger	\$ 1,770.00	
200	1	Auto-eject 20 amp	\$ 526.00	
204	1	430 amp Delco alternator	\$ 3,804.00	
205	1	LED under cab lighting	\$ 1,369.00	
207	1	LED Headlights	\$ 1,906.00	
208	1	12 volt LED Scene	\$ 1,273.00	
209	1	12 volt LED Flood Brow light	\$ 2,048.00	
210	5	12 volt LED Flood Recessed or surface (per light)	\$ 9,390.00	
212	1	Tail lighting LED Upgrade	\$ 1,545.00	
243	34	Mate Flex in Enclosed Compartments Per Shelf	\$ 4,284.00	
244	10	Adjustable Compartment shelves	\$ 1,980.00	
245	2	Slide-out tool board	\$ 2,228.00	
247	8	Slide-out floor tray	\$ 6,040.00	
248	3	Adjustable slide-out tray	\$ 2,511.00	
249	4	Tilt-out adjustable tray	\$ 3,668.00	
342	1	Air Horns with 2 foot switches	\$ 1,487.00	
344	1	Q2B Siren	\$ 3,805.00	
348	1	Traffic Directing light bar	\$ 1,994.00	
358	1	Hydraulic 10 KW	\$ 22,841.00	
375	4	120 watt 150 watt LED Pedestal	\$ 8,688.00	
379	2	Electric Cord Reel with 200' of 10/3	\$ 4,408.00	
392	1	AC Power to Tip	\$ 2,561.00	
394	1	Pinnacle Waterway on 75' & 105' Aerials	\$ 5,092.00	
408	1	Led Aerial Section Lighting	\$ 4,222.00	
412	1	12 Volt LED Tracking/tip lights	\$ 4,483.00	
414	1	Painted Grill	\$ 1,046.00	

DTF	1	Radio Package		\$ 48,039.32
DTF	1	Fire Fighting Equipment		\$ 92,380.96
DTF	1	Consulting Services Package		\$ 5,000.00
0003245	1	Axle Hub Covers w/center hole, S/S, Front Axle		\$ 90.96
0003246	1	Axle Hub Covers w/center hole, S/S, Tiller Axle		\$ 90.95
0001960	1	Axle Hub Covers, Rear, S/S, High Hat (Pair)		\$ 191.60
0052332	1	Covers, Lug Nut, Stainless Steel		\$ 48.49
0656908	1	All Wheel Lock-up, Single Parking Brake Control		\$ 786.74
0683310	1	Diffuser, Exhaust, Modified For Extraction, 5"x7"x5", Flush With Rub Rail		\$ 289.58
0788741	1	Radiator Coolant, Shell Rotella Ultra III, C		\$ 312.29
0578959	1	Fuel/Water Separator, Racor Inline		\$ 395.81
0522824	1	Mode, Downhill, Aggressive downhill to 3rd, w/engine brake, 6 speed		\$ 120.93
0027844	1	Fluid, 4000 Series Trans, Allison Approved 11/5-295 Synthetic, IPOS, Custom		\$ 415.60
0072306	1	Tow Eyes, Chrome, Extended Out Front of Bumper		\$ 548.43
0199285	1	Visor, Exterior, Vel/Imp		\$ 979.21
0123686	1	Drip Rail, Cab Roof, Impel/Velocity/Velocidy SLT		\$ 251.91
0629017	1	Work Surface, 3/16" Alum, Full Engine Tunnel, Lower Lip, Vel/Imp FR		\$ 611.01
0629045	1	Map Box, 8 Bin, Rear Storage, 45 Degree Ang		\$ 982.87
0628561	1	Seat, Fwd Facing C/C, DS Outbrd, Pierce PS6, Hi-Back, Foldup, 9 Deg, 17" Btm, Safety		\$ 2,090.73
0122742	1	Seat, Forward Facing C/C, Center, (2) Pierce PS6, Premium, Hi-Back, Safety		\$ 694.80
0628563	1	Seat, Fwd Facing C/C, PS Othrd, Pierce PS6, Hi-Back, Foldup, 9 Deg, 17" Btm, Safety		\$ 2,090.73
0634224	1	Comp, Storage, (2) Rr Fcng, Overhead, 22W x 10H x 20D, Louvers, Plate, Imp/Vel FR		\$ 1,521.37
0786290	1	Window Tint, Crew Cab Door, Left Side, Privacy Dark Gray		\$ 127.82
0786279	1	Window Tint, Crew Cab Door, Right Side, Privacy Dark Gray		\$ 127.82
0628472	1	Light, Map, Overhead, Peterson M371S LED, Rectangular w/Switch 2lts		\$ 132.10
0626097	1	Light, Map, Sunnex HS76*-00 Series, Swivel Joint, Clear Lens, Ceiling Mount		\$ 318.08
0629276	1	Wiring, Spare, 20 A 12V DC, 6 Circuit Fuse Block, Blue Sea 5025 5th		\$ 240.46
0585913	1	Wiring, Spare, 20 A 12V DC, 6 Circuit Fuse Block, Blue Sea 5025 2nd		\$ 240.46
0548006	1	Wiring, Spare, 15 A 12V DC 2nd		\$ 125.32
0548007	1	Wiring, Spare, 15 A 12V DC 3rd		\$ 125.32
0629279	1	Wiring, Spare, 20 A 12V DC, 6 Circuit Fuse Block, Blue Sea 5025 3rd		\$ 240.46
0629278	1	Wiring, Spare, 20 A 12V DC, 6 Circuit Fuse Block, Blue Sea 5025 4th		\$ 240.46
0585914	1	Wiring, Spare, 20 A 12V DC, 6 Circuit Fuse Block, Blue Sea 5025 1st		\$ 240.46
0566101	1	Recess, Dash Panel, Officer Side, Vel/Imp		\$ 441.03
0653350	4	Guards, Vehicle Camera(s), Painted Smooth Aluminum		\$ 796.42
0658249	1	Alarm, Buzzer Signaling System, Tiller, Special StaccatoTone, IPOS		\$ 232.99
0634795	2	Charger Socket, Kussmaul 091-219 Dual USB Type A, Switch Pnl		\$ 249.18
0550452	4	Lights, Side Scene, Zico ZOL-SS-LED, Stainless 1st		\$ 2,575.07
0628885	1	Light, Centering, On Cab Roof, Tiller, Collapsible, Attwood 3520-7, Red/Gm LED		\$ 399.78
0626496	1	Bumper, Rear, S/S, Split		\$ 497.42
0019845	12	Guard, Drip Pan, S/S, Rollup Door		\$ 1,442.52
0010414	7	Keyed Locks for Latches, Lap Doors, Key Style 1250		\$ 389.95

0004010	6	Scuffplate, Polished S/S Bottom of Door Frame		\$	721.26
0004012	7	Scuffplate, S/S, Inside Each Compt Door		\$	1,118.54
0667426	1	Lights, Compt, Amdor, Luna Bar, AY-9220-42, LED, 41.61", Additional		\$	137.80
0634390	4	Box, Poly Tool, Spcl Size, Additional		\$	1,073.43
0554385	3	Box, Poly Tool, Spcl Size		\$	920.00
0650975	1	Compt, At Rear Between Tow Eyes, Divider, Alum Singl Pan Dr, Lock D Ring, Tiller		\$	908.90
0634282	1	Partition, Vertical Pegboard Compt, Transverse Compt		\$	703.81
0024452	1	Partition, Vertical Pegboard Compt, Each		\$	327.67
0029314	1	Partition, Between Compartment and Transverse		\$	216.96
0529440	1	Rack, Storage, (2) Backboards		\$	995.08
0684683	1	Compt, Transverse, Treadplate, Little Giant Ladder & Stokes, Full Width, Tiller		\$	1,958.35
0548681	1	Respond Ready Storage w/4 Drawers, Painted & Powder Coated		\$	3,194.92
0557253	1	Pike Pole, 10' Fibre Hooks Unlimited, New York Roof Hook, Steel, RH-10, Pry End		\$	205.29
0634967	2	Pole, Pike 10' Fibre Hooks Unlimited, Gator-Back, GIBH-10 w/ D Handle		\$	404.31
0634918	1	Pike Pole, 40", Fire Hooks Unlimited, Providence Hook, PPH-40", w/ D Handle		\$	100.75
0634919	1	Pike Pole, 6' Fire Hooks Unlimited, New York Roof Hook, Steel, Pry End w/Ring, RH-6		\$	116.10
0638595	2	Trash Hook, 6' Fire Hooks Unlimited, Fiberglass, TRH-6, w/D Handle		\$	277.22
0634924	1	Pike Pole, 8' Fire Hooks Unlimited, Fiberglass, DWHS, w/D Handle		\$	188.22
0634964	1	Pole, Pike 6' Fire Hooks Unlimited, Gator-Back, GBH-6 w/ D Handle		\$	171.27
0634917	1	Griff Hook, 36", Fire Hooks Unlimited, GH-36, Cellex Grips		\$	89.39
0068133	2	Trash Hook, 8' Fire Hooks Unlimited, TRH-8, w/D Handle		\$	288.61
0619155	1	Tri-max, 70 Gallon, Self Contained System, Tiller, (1) 6000PSI Bottle		\$	37,692.53
0653937	1	Flasher, Headlight Alternating		\$	89.58
0670079	4	Lights, Side, Win WIONSMC* LED, Chrome Flange, 1st		\$	967.17
0672937	4	Lights, Side, Win WIONSMC* LED, Chrome Flange, Mounted In Rub Rail, 1st		\$	967.17
0788929	2	Box, Junc, Akron, 3Wire, 1-1/2/20A 120V Dup SB, 3-20A 120V TL		\$	932.24
0013949	2	Enclosure, Reel, with Reel Access Door		\$	740.55
0006824	2	Holder, Junction Box, Tread Plate Aluminum		\$	498.43
0650760	2	Tie Down, Rope, Trailer Gooseneck, Tiller, Special Rating		\$	578.83
0678539	1	Brackets Only, Roof Ladder, Aerial Fly Section		\$	199.93
0676785	1	Bracket Only, Rubbish Hook, Aerial Fly Section		\$	174.45
0674963	2	Scabbard, Temporary Vent Saw Storage, Aerial Ladder		\$	396.77
0682164	1	Cover, Treadplate, Around Aerial Rotation Bearing		\$	214.49
0629913	2	Lights, Stabilizer Pad Locator, Win Micro Pioneer MPB*, Rec Stb S Pn, Sw Ft		\$	1,350.19
0661114	1	Tinted Glass, 14%, Tiller Cab Rear Wall Window		\$	277.32
0559685	1	Paint, Two Tone, Cab, Custom Cab		\$	785.76
0544129	1	Reflective Band, 1"-6"-1"		\$	371.78
0027341	1	Jog, In Reflective Stripe, Single or Multiple		\$	194.97
0686428	1	Lettering, Gold Leaf, 3.00", (41-60)		\$	993.99

Base Bid

\$ 992,234.00

Published Options	\$ 183,843.00	
Total Published Options	\$ 1,176,077.00	
Unpublished Options	\$ 228,661.44	19.44%
Total Options w/o HGAC Fee	\$ 1,404,738.44	

Ph: 510-839-5111
TF: 800-443-3556
Fax: 510-839-5325
oaksales@lncurtis.com
DUNS#: 00-922-4163

CURTIS

TOOLS FOR HEROES

Pacific North Division
1800 Peralta Street
Oakland, CA 94607
www.LNCURTIS.com
Quotation No. 46762

Quotation

CUSTOMER:

Milpitas City
Accounts Payable Department
455 E. Calaveras Blvd
Milpitas CA 95035

SHIP TO:

Milpitas Fire Department
Attn: Geoff Maloon
777 S Main St
Milpitas CA 95035

QUOTATION NO.

46762

ISSUED DATE

11/02/2016

EXPIRATION DATE

01/01/2017

SALESPERSON

Trevor Murphy
tmurphy@lncurtis.com
408-314-3789

CUSTOMER SERVICE REP

Ken Perry
kperry@lncurtis.com
510-268-3326

REQUISITION NO.**REQUESTING PARTY**

Geoff Maloon

CUSTOMER NO.

C34337

TERMS

Net 30

OFFER CLASS

FR

F.O.B.

SP

SHIP VIA

Best Way

REQ. DELIVERY DATE**NOTES & DISCLAIMERS**

THANK YOU FOR THIS OPPORTUNITY TO QUOTE. WE ARE PLEASED TO OFFER REQUESTED ITEMS AS FOLLOWS. IF YOU HAVE ANY QUESTIONS, NEED ADDITIONAL INFORMATION, OR WOULD LIKE TO PLACE AN ORDER, PLEASE CONTACT YOUR SALESPERSON OR CUSTOMER SERVICE REP AS NOTED ABOVE.

LN	QTY	UNIT	PART NUMBER	DESCRIPTION	UNIT PRICE	TOTAL PRICE
1	2	EA	45670 STRMLIT	PORTABLE SCENE LIGHT W/ 120V AC/12V DC CHRGR	\$689.00	\$1,378.00
2	2	EA	45661 STRMLIT	ORANGE E-FLOOD LITEBOX STANDARD SYSTEM WITH: 120VAC / 12VDC CHARGER * SHOULDER STRAP * MOUNT RACK .	\$360.00	\$720.00
3	4	EA	45865 STRMLIT	ORANGE E-SPOT FIREBOX VEHICLE MOUNT SYSTEM WITH~ 12V DC CHARGE CORD DIRECT WIRE RACK, SHOULDER STRAP .	\$185.00	\$740.00

SMALL BUSINESS

CAGE CODE: 5E720

DUNS NUMBER: 009224163

SIC CODE: 5099

FEDERAL TAX ID: 94-1214350

THIS PRICING REMAINS FIRM UNTIL 01/01/2017. CONTACT US FOR UPDATED PRICING AFTER THIS DATE.

Ph: 510-839-5111
TF: 800-443-3556
Fax: 510-839-5325
oaksales@lncurtis.com
DUNS#: 00-922-4163

CURTIS
TOOLS FOR HEROES

Pacific North Division
1800 Peralta Street
Oakland, CA 94607
www.LNCURTIS.com
Quotation No. 46762

Subtotal	\$2,838.00
Tax Total	\$248.33
Transportation*	\$0.00
*(to be added when order ships)	
Total	\$3,086.33

Ph: 510-839-5111
 TF: 800-443-3556
 Fax: 510-839-5325
 oaksales@lncurtis.com
 DUNS#: 00-922-4163

CURTIS

TOOLS FOR HEROES

Pacific North Division
 1800 Peralta Street
 Oakland, CA 94607
 www.LNCURTIS.com
 Quotation No. 42149

Quotation

CUSTOMER:	SHIP TO:	QUOTATION NO.	ISSUED DATE	EXPIRATION DATE
Milpitas City Accounts Payable Department 455 E. Calaveras Blvd Milpitas CA 95035	Milpitas Fire Department George Perez 777 S Main St Milpitas CA 95035	42149	08/23/2016	10/22/2016
		SALESPERSON	CUSTOMER SERVICE REP	
		Trevor Murphy tmurphy@lncurtis.com 408-314-3789	Ken Perry kperry@lncurtis.com 510-268-3326	

REQUISITION NO.	REQUESTING PARTY	CUSTOMER NO.	TERMS	OFFER CLASS
	George Perez	C34337	Net 30	FR

F.O.B.	SHIP VIA	REQ. DELIVERY DATE
DEST	Best Way	

NOTES & DISCLAIMERS

THANK YOU FOR THIS OPPORTUNITY TO QUOTE. WE ARE PLEASED TO OFFER REQUESTED ITEMS AS FOLLOWS. IF YOU HAVE ANY QUESTIONS, NEED ADDITIONAL INFORMATION, OR WOULD LIKE TO PLACE AN ORDER, PLEASE CONTACT YOUR SALESPERSON OR CUSTOMER SERVICE REP AS NOTED ABOVE.

TRANSPORTATION IS INCLUDED IN BELOW PRICING.

LN	QTY	UNIT	PART NUMBER	DESCRIPTION	UNIT PRICE	TOTAL PRICE
1	1	EA	271555000 HURST	SP555E2 EDRAULIC 2 28" SPREADER PACKAGE WITH CHARGER AND 2ea. EXL BATTERIES	\$11,385.00	\$11,385.00
2	2	EA	272085000 HURST	S700E2 EDRAULIC 2 CUTTER PACKAGE -:CONSISTING OF S700E2 CUTTER, CHARGER, AND 2ea EXL BATTERIES. S700E2 CUTTER CHARGER AND 2ea EXL BATTERIES .	\$10,197.00	\$20,394.00
3	1	EA	362R542 HURST	SC757E2 EDRAULIC 2 COMBI PACKAGE - CONS OF: SC757E2 COMBI TOOL CHARGER AND 2ea. EXL BATTERIES .	\$11,655.00	\$11,655.00
4	4	EA	274085000 HURST	R421E EDRAULIC 2 RAM R421E2 RAM CHARGER & 2- EXL BATTERIES .	\$7,500.00	\$30,000.00
5	4	EA	272085410 HURST	EXL EXTENDED LIFE BATTERY- F/ EDRAULIC	\$562.50	\$2,250.00
6	4	EA	272080425 HURST	12V EDRAULIC CHARGER	\$477.00	\$1,908.00
7	1	EA	816720 HURST	KSV11 CHAIN SET WITH CLEVIS LOCK AND HOOK. CLEVIS LOCK & HOOK .	\$810.00	\$810.00
8	1	EA	816710 HURST	HP CENS CCS CHAIN SET F/ COMBI UNITS	\$882.00	\$882.00
9	1	EA	272080910 HURST	EDRAULIC DC BANK CHARGER	\$1,575.00	\$1,575.00

Ph: 510-839-5111
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CURTIS

TOOLS FOR HEROES

Pacific North Division
1800 Peralta Street
Oakland, CA 94607
www.LNCURTIS.com
Quotation No. 42149

LN	QTY	UNIT	PART NUMBER	DESCRIPTION	UNIT PRICE	TOTAL PRICE
10	2	EA	272085412 HURST	110V POWER SUPPLY ADPTR PLUG F/ EDRAULIC 2	\$625.50	\$1,251.00

SMALL BUSINESS
CAGE CODE: 5E720
DUNS NUMBER: 009224163
SIC CODE: 5099
FEDERAL TAX ID: 94-1214350

THIS PRICING REMAINS FIRM UNTIL 10/22/2016. CONTACT US FOR UPDATED PRICING AFTER THIS DATE.

Subtotal	\$82,110.00
Tax Total	\$7,184.63
Transportation	\$0.00
Total	\$89,294.63

10/31/2016

Milpitas Fire Dept.

Capt. Dave Peterson,

Thank you for your call. Per our conversation...basically I am at \$125.00 per hour for Labor. Per your request and telephone conversation and not looking at your apparatus first hand, I am giving you a rough estimate of 500.00 per Engine or Patrol to install your Bendix King and remove your old MCS 2000 Motorola radio. Plus the cost of a new antenna and cabling if needed.

For the new Tiller Truck Company install, the Labor is estimated at \$2500.00. This encompasses installing your APX 8500 with installing 4 antennas, and installing a Bendix King Radio with another antenna. Also interfacing your already wired David Clark Headset system.

Please keep in mind if you have GPS tracking for the New Truck Company, it would be wise to install this at the same time as we remove the ceiling and would need to install an antenna for the GPS tracking as well.

If there is a Gateway to install, it would also be wise to install this at the same time.

Above are estimated Labor charges that are subject to change due to unforeseen additional labor and unforeseen obstacles.

Parts for antennas, cabling, connectors, custom brackets...etc..... are additional charges.

As for you concerns for performance, I carry a SWR meter, a sweep generator to see if the antenna/radio match is good to go.

I hope the above info will allow you to be successful in your endeavors.

Tim
CAT Communications

Tiller Bendix King Mobile and Portable Radios

Item	Qty	Part #	Description	Unit Price	Extended Price
1	1	KNG M150 CMDR	136-174 MHz, 5000 channels, P25 50 Watts Remote	\$1,820.00	\$1,820.00
2	1	KAA0660	Remote Control Head Plug and play KNG-Mxxx (Comes with KAA0638 Install Kit)	\$949.00	\$949.00
3	1	KAA0636	Cable Assy Remote Mount 17' KNG MxxxR	\$87.75	\$87.75
4	1	KAA0290	Handheld Programming Microphone	\$276.25	\$276.25
5	1	LFW0012	Extended warranty 3 yrs	\$143.00	\$143.00
6	4	KNG P150 CMD	136-174 MHz, 5000 channels, 6 Watt, P25 Specialized Command Groups	\$1,887.00	\$7,548.00
7	8	KAA0101	Li-Ion-Ion Battery 3450 mAH	\$169.00	\$1,352.00
8	1	KAA0818	Antenna, VHF, 150-170MHz, SMA, KNG-P150, Whip	\$35.00	\$35.00
9	8	KAA0120	AA Clam Shell Battery Case Orange	\$49.00	\$392.00
10	4	KAA0300P	Desktop Charger for KNG P150CMD with a 3450 mAH Battery	\$65.00	\$260.00
11	2	KAA0355P	Vehicle Charger for the KNG P150 CMD	\$112.00	\$224.00
12	4	KAA0203E	Microphone, Speaker, w/3.5mm IP67 Submersible, Emergency Button	\$88.00	\$352.00
13	4	LFW0012	Extended warranty 3 yrs	\$143.00	\$572.00

Sub total		\$14,011.00
Tax		\$1,225.96
Total Estimate		\$15,236.96



MOTOROLA

936 Glennan Dr
Redwood City, CA 94061
Phone: 650-280-3110

Geoffrey Maloon
Milpitas Fire Department

COST AND EQUIPMENT REQUIREMENTS

ITEM	QTY	Nom.	DESCRIPTION	NUP	SVRIA Qty (500) Incentive 28%	* SVRIA Incentive III.C	EXTD.
APX8000 (VHF, UHF & 700/800 DUAL BAND Enabled) P25 Trunked Portable							
1	4	H91TGD9PW7 N	APX8000 Digital Portable Radio Model 3.5, VHF, UHF, 700/800 MHz, LiIon 3400 mAh Battery, GPS, bluetooth, UL, SOFTWARE KEY, IV&D	\$6,109.00	\$4,398.48	\$3,452.81	\$13,811.24
1a	4	QA02006	ENH: APX8000XE RUGGED RADIO	\$800.00	\$576.00	\$452.16	\$1,808.64
1b	4	QA01427	ALT: APX8000 HOUSING GREEN	\$25.00	\$18.00	\$14.13	\$56.52
1c	4	Q806	ADD: ASTRO DIGITAL CAI OPERATION	\$515.00	\$370.80	\$291.08	\$1,164.31
1d	4	H38	ADD: SMARTZONE OPERATION	\$1,500.00	\$1,080.00	\$847.80	\$3,391.20
1e	4	Q361	ADD: P25 9600 BAUD TRUNKING	\$300.00	\$216.00	\$169.56	\$678.24
1f	4	QA00580	ADD: TDMA OPERATION	\$450.00	\$324.00	\$254.34	\$1,017.36
1g	4	G996	ADD: PROGRAMMING OVER P25 (OTAP)	\$100.00	\$72.00	\$56.52	\$226.08
1h	4	QA09001	ADD: WIFI CAPABILITY, Supports codeplug updates, firmware refreshes, and FLASHport upgrades over pre-provisioned wireless networks	\$300.00	\$216.00	\$169.56	\$678.24
1i	4	Q58	ADD: 3 YR REPAIR SERVICE ADVANTAGE	\$102.00	\$102.00	\$102.00	\$408.00
2	4	PMNN4504	BATT IMP UL IP67 LIION 3400M SPARE BATTERY	\$150.00	\$108.00	\$84.78	\$339.12
3	4	WPLN7080	APX 8000 IMPRES SINGLE UNIT CHARGER	\$125.00	\$90.00	\$70.65	\$282.60
4	4	NNTN8203A	IMPRES XE RSM,FM,GREEN	\$369.00	\$265.68	\$208.56	\$834.24
5	4	PMLN5875	APX8000XE CARRYING CASE 2.75 SWIVAL BL 3400MAH	\$62.00	\$44.64	\$35.04	\$140.16
APX8500 (VHF, UHF, & 700/800 DUAL BAND Enabled) P25 Trunked Mobile Radios - Police							
4	1	M37TSS9PW1 N	APX8500 ALL BAND MID POWER, INCLUDES 3 YEAR SFS, RADIO PACKET DATA, ADVANCED SYSTEM KEY - SOFTWARE KEY, GPS	\$5,200.00	\$3,744.00	\$2,939.04	\$2,939.04
4a	1	G806	ADD: ASTRO DIGITAL CAI OPERATION	\$515.00	\$370.80	\$291.08	\$291.08
4b	1	G51	ENH: SMARTZONE OPERATION APX	\$1,500.00	\$1,080.00	\$847.80	\$847.80
	1	G361	ADD: P25 TRUNKING SOFTWARE	\$300.00	\$216.00	\$169.56	\$169.56
	1	GA00580	ADD: TDMA OPERATION	\$450.00	\$324.00	\$254.34	\$254.34
	1	G442	ADD: O5 CONTROL HEAD	\$432.00	\$311.04	\$244.17	\$244.17

4f	1	G444	ADD: APX CONTROL HEAD SOFTWARE	\$0.00	\$0.00	\$0.00
4g	1	G67	ADD: REMOTE MOUNT MID POWER	\$297.00	\$167.86	\$167.86
4h	1	GA01513AA	ADD: AII BAND MOBILE ANTENNA (7/8,V, U)	\$105.00	\$59.35	\$59.35
4i	1	W22	ADD: PALM MICROPHONE	\$72.00	\$40.69	\$40.69
4j	1	B18	ADD: AUXILARY SPKR 7.5 WATT	\$60.00	\$33.91	\$33.91
4k	1	GA01517	DEL:NO J600 ADAPTER CABLE NEEDED	\$0.00	\$0.00	\$0.00
4l	1	G996	ENH: OVER THE AIR PROVISIONING	\$100.00	\$56.52	\$56.52
4m	1	GA00226	ADD: GPS WIFI ANTENNA	\$75.00	\$42.39	\$42.39
4n	1	GA09001	ADD: WIFI	\$300.00	\$169.56	\$169.56
4o	1	GA09007	ADD: OUT OF THE BOX WI-FI Provisioning	\$0.00	\$0.00	\$0.00
				Subtotal	\$24,835.95	
				Sales Tax 8.75%	\$2,173.15	
				Programming	\$468.75	
				Install: \$	2,750.00	
				Freight	\$74.51	
				Total	\$30,302.36	

Pricing Based on the SVRIA Contract

All orders must state that "the purchase is governed by the terms and conditions of the contract between Motorola Solutions and the County of Santa Clara, California for SVRCS."

All Agency Migration orders must state: "The equipment and services listed for purchase include all current subscriber and console requirements of the agency to allow participation on SVRCS for its operational requirements."

Motorola is providing this quotation for budgetary [informational] purposes only and it does not constitute an offer for sale. If you wish to purchase the quoted products, Motorola will be pleased to provide you with our standard terms and conditions of sale or alternatively, receive your purchase order, which will be acknowledged with a letter enclosing the Motorola standard terms and conditions.

TERMS: Net 30 days from shipment
VALIDITY: Prices valid for 60 days
SHIPPING: Prepay & Add, FOB Ship Point *

PHONE: 650-280-3110
ADDRESS: 936 Glennan Dr, Redwood City, CA 94061

sent via email
jeff.van.dell@motorolasolutions.com
 Jeff Van Dell
 8/23/2016

Email
 QUOTED BY
 E:

2600 AMERICAN DRIVE
 POST OFFICE BOX 2017
 APPLETON, WISCONSIN 54912-2017
 920-832-3000 • FAX 920-832-3208
 www.piercemfg.com



PROPOSAL FOR PIERCE® FIRE APPARATUS

Milpitas Fire Department
777 South Main Street
Milpitas, CA 95035

DATE	September 26, 2017
QUOTE NO.	40926-17B
EXPIRES	December 19, 2017
SALES REP.	Rich Myers

The undersigned is prepared to manufacture for you, upon an order being placed by you, for final acceptance by Pierce Manufacturing, Inc., at its home office in Appleton, Wisconsin, the apparatus and equipment herein named and for the following prices:

OPTION A: 100% PRE-PAYMENT AT TIME OF CONTRACT SIGNING

#	Description	Each
A	One (1) Pierce Velocity Pumper (<i>HGAC contract FS12-15, TC06</i>)	633,085.34
B	Radio Package	48,039.32
C	One (1) Factory Trip (3 MFD representative's final inspection)	4,500.00
D	Delivery / Dealer Preparation	4,200.00
E	Performance Bond	1,828.34
G	DISCOUNT FOR FULL PAYMENT AT CONTRACT SIGNING	(30,450.54)
H	SUBTOTAL	661,202.46
I	State Sales Tax @ 9.00%	59,508.22
J	GRAND TOTAL	720,710.68

OPTION A: 100% PRE-PAYMENT AT TIME OF CONTRACT SIGNING TERMS AND CONDITIONS:

1. City of Milpitas shall pay the purchase price of **\$720,710.68** for the Product within thirty (30) calendar days of contract signing directly to Pierce Manufacturing Inc.
2. The proposed delivery timeframe for the Product will not begin until Pierce Manufacturing Inc. approves the contract and receives full payment of the purchase price of **\$720,710.68**.
3. If payment of **\$720,710.68** is late and if City of Milpitas elects not to have the delivery extended, **\$250.00** per calendar day will be added to the final invoice.

OPTION B: PAYMENT AT TIME OF DELIVERY / ACCEPTANCE

#	Description	Each
A	One (1) Pierce Velocity Pumper (<i>HGAC contract FS12-15, TC06</i>)	633,085.34
B	Radio Package	48,039.32
C	One (1) Factory Trip (3 MFD representative's final inspection)	4,500.00
D	Delivery / Dealer Preparation	4,200.00
E	Performance Bond	1,828.34
F	SUBTOTAL	691,653.00
G	State Sales Tax @ 9.00%	62,248.77
H	GRAND TOTAL	753,901.77

OPTION B: PAYMENT AT TIME OF DELIVERY / ACCEPTANCE TERMS AND CONDITIONS:

1. City of Milpitas shall pay the purchase price of **\$753,901.77** for the Product within thirty (30) calendar days after the Product departs the manufacturing facility.
2. If payment of **\$753,901.77** is late, **\$250.00** per calendar day will be added to the final invoice.

Said apparatus and equipment are to be built and shipped in accordance with the specifications hereto attached, delays due to strikes, war, or intentional conflict, failures to obtain chassis, materials, or other causes beyond our control not preventing, within about 330 TO 360 calendar days after receipt of this order and the acceptance thereof at our office at Appleton, Wisconsin, and to be delivered to you at MILPITAS, CALIFORNIA.

The specifications herein contained shall form a part of the final contract, and are subject to changes desired by the purchaser, provided such alterations are interlined prior to the acceptance by the company of the order to purchase, and provided such alterations do not materially affect the cost of the construction of the apparatus.

The proposal for fire apparatus conforms with all Federal Department of Transportation (DOT) rules and regulations in effect at the time of bid, and with all National Fire Protection Association (NFPA) Guidelines for Automotive Fire Apparatus as published at the time of bid, except as modified by customer specifications. Any increased costs incurred by first party because of future changes in or additions to said DOT or NFPA standards will be passed along to the customers as an addition to the price set forth above.

Any Purchase Order (PO) issued as a result of this proposal should be made out to Pierce Manufacturing Inc. Unless accepted by December 19, 2017, the right is reserved to withdraw this proposition.

Respectfully Submitted,



Authorized Sales Representative



Proposal Option List

10/2/2017

Customer: Milpitas Fire Dept.
Representative: Myers, Rich
Organization: Golden State Fire Apparatus, Inc
Requirements Manager:
Description: Duplicate AWS Pumper (31691)
Body: Pumper, Short, Galvanneal, 2nd Gen
Chassis: Velocity Chassis (Big Block), 2010

Bid Number: 617
Job Number:
Number of Units: 1
Bid Date: 10-23-2017
Stock Number:
Price Level: 36 (Current: 36)

Line	Option	Type	Option Description	Qty
1	0671399		Boiler Plates, Pumper Fire Department/Customer - Milpitas Fire Department Operating/In conjunction W-Service Center - Operating Miles - 75 Miles Number of Fire Dept/Municipalities - 10 Bidder/Sales Organization - GSFA Delivery - Delivery representative Dealership/Sales Organization, Service - GSEVS	1
2	0661794		Single Source Compliance	1
3	0584456		Manufacture Location: Appleton, Wisconsin	1
4	0584452		RFP Location: Appleton, Wisconsin	1
5	0588609		Vehicle Destination, US	1
6	0520877		Comparison Report Required Fill in Blank - 31691	1
7	0610784		Comply NFPA 1901 Changes Effective Jan 1, 2016, With Exceptions	1
8	0533347		Pumper/Pumper with Aerial Device Fire Apparatus	1
9	0588611		Vehicle Certification, Pumper	1
10	0661778		Agency, Apparatus Certification, Pumper/Tanker, U.L.	1
11	0000114		Inspection Trip(s) Qty, - 1 Fill in Blank - three (3) MFD	1
12	0536644		Customer Service Website	1
13	0620362		Consortium, HGAC	1
14	0537375		Unit of Measure, US Gallons	1
15	0030006		Bid Bond Not Requested	1
16	0582697		Performance Bond, 100 Percent w/Warranty Bond, 1 Yr, and Payment Bond Percentage, Contract - 100	1
17	0000007		Approval Drawing	1
18	0002928		Electrical Diagrams	1
19	0564202		Velocity Chassis (Big Block), 2010	1
20	0000110		Wheelbase Wheelbase - 179.00"	1
21	0000070		GVW Rating GVW rating - 45,500 lbs	1
22	0000203		Frame Rails, 13.38 x 3.50 x .375, Qtm/AXT/Imp/Vel/DCF	1
23	0020018		Frame Liner Not Req'd	1
24	0508848		Axle, Front, Oshkosh TAK-4, Non Drive, 19,500 lb, Imp/Vel	1
25	0030264		Suspension, Front TAK-4, 19,500 lb, Qtm/AXT/Imp/Vel/Dash CF/Enf	1
26	0087572		Shock Absorbers, KONI, TAK-4, Qtm/AXT/Imp/Vel/DCF/Enf	1
27	0000322		Oil Seals, Front Axle	1
28	0582936		Tires, Front, Goodyear, G289 WHA, 315/80R22.50, 20 ply	1
29	0001655		Wheels, Front, 22.50" x 9.00", Steel, Hub Pilot, 315/80R Tire	1
30	0634529		Axle, Rear, Oshkosh TAK-4 T3, 26,000 lb, Rear Steer, Single, AXT/Imp/Vel/DCF/Enf	1
31	0544250		Top Speed of Vehicle, 65 MPH	1
32	0634527		Suspen, Rear, Oshkosh TAK-4, Independent, 26,000 lb	1
33	0000485		Oil Seals, Rear Axle	1
34	0634526		Tires, Rear, Goodyear, G296 MSA, 445/65R22.5, 20 ply,(IRS), Single FS Load Rat	1
35	0693621		Wheels, Rear, 22.50" x 13.00", Steel, Hub Pilot, Single, AWS	1
36	0568081		Tire Balancing, Counteract Beads	1
37	0602747		No Tire Pressure Indicator, Fire Department Omits, Non-NFPA 2016 Compliant	1
38	0003245		Axle Hub Covers w/center hole, S/S, Front Axle	1

Line	Option	Type	Option Description	Qty
39	0052332		Lug Nut Covers, Stainless Steel	1
40	0002045		Mud Flaps, w/logo front & rear	1
41	0646362		Chocks, Wheel, Worden HWGY- SB, Super Gripper Qty, Pair - 01	1
42	0646364		Mounting Brackets, Chocks, Worden Safety, Model U815T Location, Wheel chock - per direction Qty, Pair - 01	1
43	0010670		ABS Wabco Brake System, Single rear axle	1
44	0030185		Brakes, Knorr/Bendix 17", Disc, Front, TAK-4	1
45	0581433		Brakes, Bendix, Cam, Rear, 16.50 x 7.00"	1
46	0020784		Air Compressor, Brake, Cummins/Wabco 18.7 CFM	1
47	0000785		Brake Reservoirs, Three	1
48	0568012		Air Dryer, Wabco System Saver 1200, Heater, 2010	1
49	0000790		Brake Lines, Nylon	1
50	0000858		Inlet/Outlet, Air, w/Disconnect Fitting Location, Air Coupling(s) - a) DS Step Well Qty, Air Coupling (s) - 1	1
51	0795321		Engine, Cummins X15, 505 hp, 1850 lb-ft, W/OBD, EPA 2017, Velocity	1
52	0001244		High Idle w/Electronic Engine, Custom	1
53	0687994		Engine Brake, Jacobs Compression Brake, Cummins Engine Switch, Engine Brake - e) ISC/ISM/ISL9/ISX Hi Med Lo	1
54	0552334		Clutch, Fan, Air Actuated, Horton Drive Master	1
55	0123135		Air Intake, w/Ember separator, Imp/Vel	1
56	0794743		Exhaust System, 5", 2017 X15 Engine, Horizontal, Right Side	1
57	0683310		Diffuser, Exhaust, Modified For Extraction, 5"x7"x5", Flush With Rub Rail	1
58	0787999		Radiator, Impel/Velocity	1
59	0511425		Cooling Hoses, Rubber	1
60	0001125		Fuel Tank, 65 Gallon, Left Side Fill	1
61	0001129		Lines, Fuel	1
62	0582182		DEF Tank, 4.5 Gallon, DS Fill, Rear of Rear Axle, Common Door Door, Material & Finish, DEF Tank - Polished Stainless	1
63	0552793		Not Required, Fuel Priming Pump	1
64	0582243		Shutoff Valves, Fuel Line @ Primary Filter, Cummins	1
65	0553019		Cooler, Engine Fuel, Imp/Vel, AXT/Qtm/Sab/DCF/SFR/Enf	1
66	0578959		Fuel/Water Separator, Racor Inline	1
67	0642582		Trans, Allison 5th Gen, 4000 EVS P, w/Prognostics, Imp/Vel/DCF/SFR/Enf	1
68	0625330		Transmission, Shifter, 5-Spd, Push Button, 4000 EVS	1
69	0684459		Transmission Oil Cooler, Modine, External	1
70	0027844		Fluid, 4000 Series Trans, Allison Approved TES-295 Synthetic, IPOS, Custom	1
71	0001375		Driveline, Spicer 1810	1
72	0669988		Steering, Sheppard M110 w/Tilt, TAK-4, Eaton Pump, w/Cooler	1
73	0001544		Not Required, Steering Assist Cylinder on Front Axle	1
74	0509230		Steering Wheel, 4 Spoke without Controls	1
75	0690274		Logo/Emblem, on Dash Text, Row (1) One - MILPITAS Text, Row (2) Two - FIRE Text, Row (3) Three - DEPARTMENT	1
76	0123624		Bumper, 16" Extended, Imp/Vel	1
77	0616508		Tray, Hose, Center, 16" Bumper, Outside Air Horns, Imp/Vel Grating, Bumper extension - Grating, Rubber Capacity, Bumper Tray - 19) 100' of 1.75"	1
78	0633479		Hose Restraint, Bumper Tray, Velcro Straps, Pair Qty, Pair - 01	1
79	0510226		Lift & Tow Package, Imp/Vel, AXT, Dash CF	1
80	0522573		Tow Hooks Not Required, Due to Lift and Tow Package	1
81	0565519		Cab, Velocity 2010, 7000	1
82	0646723		Engine Tunnel, Impel/Velocity	1
83	0677478		Rear Wall, Exterior, Cab, Aluminum Treadplate	1
84	0122466		Cab Lift, Elec/Hyd, w/Manual Override, Imp/Vel	1
85	0123176		Grille, Bright Finished, Front of Cab, Impel/Velocity	1

Line	Option	Type	Option Description	Qty
86	0527032		Trim, S/S Band, Across Cab Face, Rect Lights, Velocity Material Trim/Scuffplate - c) S/S, Polished Turnsignal Covers - Polished S/S Covers	1
87	0015440		No Chrome Molding, On side of cab	1
88	0569263		Mirrors, Retractable, West Coast Style, Remote, w/Remote Convex	1
89	0525759		Door, Half-Height, Impel/Velocity 4-Door Cab, Level Roof Key Model, Cab Doors - 751	1
90	0655511		Door Panel, Brushed Stainless Steel, Impel/Velocity 4-Door Cab	1
91	0671014		Face Plate/s, Blank, Overhead, Imp/Vel, Dash CF	1
92	0510218		Controls, Electric Windows, All Cab Doors, Impel & Velocity	1
93	0555485		Steps, 4-Door Full Tilt Cab, Std, Imp/Vel	1
94	0509649		Lights, Cab and Crew Cab Access Steps, P25, LED w/Bezel, 1Lt Per Step	1
95	0002140		Fenders, S/S on Cab	1
96	0592071		No Windows, Side of Crew Cab, Vel/Imp	1
97	0568605		Not Required, Interior Trim, No Cab Side Windows	1
98	0509287		Windows, Rear CC, (2) 11.25" x 18", Velocity	1
99	0553196		Trim, Cab Rear Windows, Velocity	1
100	0786279		Window Tint, Crew Cab Door, Right Side, Privacy Dark Gray	1
101	0786290		Window Tint, Crew Cab Door, Left Side, Privacy Dark Gray	1
102	0776961		Compt, Storage, 10.71 W x 19.25 H x 22 D, (1) Ea Side C/C, Lift Turn, Imp/Vel Light, Aux Cab Compartments - Pierce, Hinged Side Finish, Exterior Cab Compt - Spatter Gray Door, Exterior Stop - 2-Stay Arm	1
103	0123731		Roof, Alum 4-way, Impel/Velocity/Velocit SLT	1
104	0199285		Visor, Exterior, Vel/Imp	1
105	0123686		Drip Rail, Cab Roof, Impel/Velocity/Velocit SLT	1
106	0629017	SP	Work Surface, 3/16" Alum, Full Engine Tunnel, Lower Lip, Vel/Imp FR Material Finish, Cab Interior - Painted Lip - 3.00"	1
107	0199687		Cab Interior, ABS Console, Vinyl Covered Walls, Velocity/Velocit SLT Color, Cab Interior Vinyl/Fabric - a) Silver/Gray	1
108	0509492		Cab Interior, paint color, Imp/Vel Color, Cab Interior Paint - i) fire smoke gray	1
109	0509532		Floor, Rubber Padded Cab & Crew Cab, Imp/Vel, Dash CF	1
110	0122520		Heater/defroster, Imp/Vel	1
111	0603343		Air Conditioning, Dual Zone Control, Velocity w/ ISX15 Engine Paint Color, A/C Condenser - Painted by OEM	1
112	0639675		Sun Visor, Smoked Lexan, AXT, Dash CF, Imp/Vel, Saber FR/Enforcer Sun Visor Retention - Thumb Latch	1
113	0548173		Grab Handles, Driver and Passenger Door Post, Imp/Vel	1
114	0583938		Lights, Engine Compt, Custom, Automatic Sw, Whelen 3SC0CDCR, 3" LED, Trim Qty, - 01	1
115	0122516		Fluid Check Access, Imp/Vel	1
116	0002506		Map box, 6 bin, Qtm/AXT/Imp/Vel Location - per direction	1
117	0583042		Side Roll and Frontal Impact Protection	1
118	0622617		Seating Capacity, 6 Seats	1
119	0697005		Seat, Driver, Pierce PS6, Premium, Air Ride, High Back, Safety	1
120	0696994		Seat, Officer, Pierce PS6, Premium, Air Ride, SCBA, Safety	1
121	0002517		Not Required, Radio Compartment	1
122	0794700	SP	Cabinet, EMS, Rear Facing, DS, 21 W x 30 H x 25 D, Rev Hinge, Ext Acc Only Light, Short EMS Compt - Pierce, Both Sides	1
123	0102783		Not Required, Seat, Rr Facing C/C, Center	1
124	0794694	SP	Cabinet, EMS, Rear Facing, PS, 21 W x 30 H x 25 D, Rev Hinge, Ext Acc Only Light, Short EMS Compt - Pierce, Both Sides	1
125	0646213		Seat, Forward Facing C/C, DS Outboard, Pierce PS6, SCBA, Foldup, 17" Btm, Safety	1
126	0122742		Seat, Forward Facing C/C, Center, (2) Pierce PS6, Premium, Hi-Back, Safety	1
127	0642535		Seat, Forward Facing C/C, PS Outboard, Pierce PS6, SCBA, Foldup, 17" Btm, Safety	1
128	0077255		Lip, 1" Around Top of EMS Cabinet Location - painted to match the EMS compartments. Qty, - 02	2

Line	Option	Type	Option Description	Qty
129	0042359		Upholstery, Seats In Cab, All Vinyl Color, Cab Interior Vinyl/Fabric - a) Silver/Gray Qty, - 06	6
130	0543991		Bracket, Air Bottle, Hands-Free II, Cab Seats Qty, - 03	3
131	0603867		Seat Belt, ReadyReach Seat Belt Color - Red	1
132	0604863		Seat Belt Height Adjustment, 6 Seats, Imp/Vel, Dash CF	1
133	0602464		Helmet Storage, Provided by Fire Department, NFPA 2016	1
134	0647647		Lights, Dome, FRP Dual LED 4 Lts Color, Dome Lt - Red & White Color, Dome Lt Bzl - Black Control, Dome Lt White - Door Switches and Lens Switch Control, Dome Lt Color - Lens Switch	1
135	0631776		Not Required, Overhead Map Lights	1
136	0626097		Light, Map, Sunnex HS76*-00 Series, Swivel Joint, Clear Lens, Ceiling Mount Location - officer left shoulder Qty, - 01 12vdc power from - Battery switched Control, Map Light - On/Off Base, Map Lt, Sunnex - Square Accessories, Map Lt, Sunnex - Red Lens	1
137	0602637		Portable Hand Light, Provided by Fire Dept, Pumper NFPA 2016 Classification	1
138	0568369		Cab Instruments, Ivory Gauges, Chrome Bezels, Impel/Velocity 2010, Dash CF	1
139	0509511		Air Restriction Indicator, Imp/Vel, AXT, Dash CF, Enf MUX	1
140	0543751		Light, Do Not Move Apparatus Alarm, Do Not Move Truck - Pulsing Alarm	1
141	0509042		Messages, Open Door/Do Not Move Truck, MUX w/Color Display	1
142	0611681		Switching, Cab, Membrane, Impel/Velocity/Quantum, Dash CF, AXT WiFi MUX Location, Emerg Sw Pnl's - Driver's Side Overhead	1
143	0555915		Wiper Control, 2-Speed with Intermittent, MUX, Impel/Velocity	1
144	0548006		Wiring, Spare, 15 A 12V DC 2nd Qty, - 01 12vdc power from - Battery direct Wire termination - 15 amp power point plug Location - one (1) to the left of the officer on the instrument console vertical surface forward of switch panel #9 / gooseneck maplight (see IP print) and near Kussmaul dual USB charging ports	1
145	0585913		Wiring, Spare, 20 A 12V DC, 6 Circuit Fuse Block, Blue Sea 5025 2nd Qty, - 01 12vdc power from - Battery direct Location - RUN WIRES ONLY behind the officer's seat and forward of the backside of EMS Cabinet on the PS of cab (Precision Installations will mount fuse box in best location)	1
146	0548007		Wiring, Spare, 15 A 12V DC 3rd Qty, - 01 12vdc power from - Battery direct Wire termination - 15 amp power point plug Location - on PS side wall of cab above rear facing EMS cabinet in rear corner (portion closest to officer seat) and housed in a small "hat section box" per job 27235. SHALL BE WIRED TO FUSE BOX BEHIND OFFICER SEAT (OPTION 585913) AND NOT TO ITS OWN POWER SOURCE	1
147	0629279		Wiring, Spare, 20 A 12V DC, 6 Circuit Fuse Block, Blue Sea 5025 3rd Qty, - 01 12vdc power from - Battery direct Location - RUN WIRES ONLY in D8 as far forward and as high as possible (Precision Installations will mount fuse box in best location)	1
148	0629278		Wiring, Spare, 20 A 12V DC, 6 Circuit Fuse Block, Blue Sea 5025 4th Qty, - 01 12vdc power from - Battery direct Location - RUN WIRES ONLY in P8 as far forward and as high as possible (Precision Installations will mount fuse box in best location)	1
149	0629276		Wiring, Spare, 20 A 12V DC, 6 Circuit Fuse Block, Blue Sea 5025 5th Qty, - 01	1

Line	Option	Type	Option Description	Qty
149			12vdc power from - Battery direct Location - RUN WIRES ONLY in D1 rear most upper corner (Precision Installations will mount fuse box in best location)	
150	0585914		Wiring, Spare, 20 A 12V DC, 6 Circuit Fuse Block, Blue Sea 5025 1st Qty, - 01 12vdc power from - Battery direct Location - RUN WIRES ONLY behind the driver's seat and forward of the backside of EMS Cabinet on the DS of cab (Precision Installations will mount fuse box in best location)	1
151	0566101		Recess, Dash Panel, Officer Side, Vel/Imp	1
152	0643196		Radio, AM/FM/CD/WB, Jensen, Front Aux In / USB / Bluetooth Speakers, AM/FM Radio - Two (2) pairs of speakers, Cab/Crew Antenna, AM/FM Radio - c) Roof-mounted rubber antenna Location, AM/FM Radio - e) switch panel	1
153	0537251		Bracket, Mounting, For Push Buttons, Officer Side, VEL/IMP Fill in Blank - 3 buttons, air horn, mechanical siren, siren brake	1
154	0615386		Vehicle Information Center, 7" Color Display, Touchscreen, MUX System Of Measurement - US Customary	1
155	0606247		Vehicle Data Recorder w/CZ Display Seat Belt Monitor	1
156	0658217		Intercom, David Clark, 4-Pos, 2-Radio, (D,O,RPTT),2obC Location - per the switch panel layout Location, Intercom, C Cab - 2) 2 forward facing seats	1
157	0637058		David Clark Universal Radio Interfaces Included with Single/Dual System Location, Radio Interface - behind officer seat	1
158	0589947		Headset, David Clark, H3432 Over The Head, Flex Mic, Push On Push Off Qty, - 04 Location - per direction	4
159	0681408		Hangers For Headsets, NFPA, Each Qty, - 04 Location, Headset Hangers - Driver Seat, Officer Seat, DS Outbrd, Fwrdr Fcng Seat and PS Outbrd, Fwrdr Fcng Seat	4
160	0687904		Antenna Mount, Custom Chassis, Cable Routed to Behind Officer Seat Location - best available Qty, - 02	2
161	0653519		Camera, Pierce, Driver Mux, R, RS, LS Cameras Camera System Audio - Speaker Behind Driver Camera System	1
162	0523921		Recess, Rear Vision Camera Location, Camera, Recessed - Center Rear	1
163	0615100		Pierce Command Zone, Advanced Electronics & Control System, Diag LEDs, Vel, WiFi	1
164	0624254		Electrical System, Velocity	1
165	0079166		Batteries, (4) Exide Grp 31, 950 CCA ea, Threaded Stud	1
166	0008621		Battery System, Single Start, All Custom Chassis	1
167	0123174		Battery Compartment, Imp/Vel	1
168	0628906		Charger, Sngl Sys, Kussmaul, 40/20, 091-216-40/20, 091-194-IND-WT-** Indicator Color, Kussmaul Cover - b) red	1
169	0598091		Location, Charger/Compr, Behind Driver's Seat, Vel/Imp/DCF	1
170	0531403		Location, Battery Charger Indicator, Driver's Seat with Bracket	1
171	0016857		Shoreline, 20A 120V, Kussmaul Auto Eject, 091-55-20-120, Super Qty, - 01 Color, Kussmaul Cover - c) white Shoreline Connection - Battery Charger	1
172	0553517		Shoreline Cab Loc, Recessed, Driver's Side Cab Step	1
173	0121711		Alternator, 320 amp, Leece-Neville 4962PA, Sgl Sys	1
174	0092582		Load Manager/Sequencer, MUX Enable/Disable Hi-Idle - e) High Idle enable	1
175	0783153		Headlights, Rect LED, JW Speaker Evolution 2, AXT/DCF/Enf/Imp/Sab/Vel Color, Headlight Bez - Chrome Bezel	1
176	0648425		Light, Directional, Wln 600 LED Combination, Cab Corners, Imp/Vel/AXT/Qtm/DCF Color, Lens, LED's - c) clear	1
177	0648074		Lights, Clearance/Marker/ID, Front, P25 LED 7 Lts	1
178	0620054		Light, Directional/Marker, Intermediate, Weldon 9186-8580-29 LED 2lts	1
179	0563675		Lights, Clearance/Marker/ID, Rear, Truck-Lite 33050R LED 7Lts	1

Line	Option	Type	Option Description	Qty
180	0564683		Lights, Tail, Whelen M6BTT* Red LED Stop/Tail & M6T* Amber LED Dir Arw For Hsg Color, Lens - Clear	1
181	0561471		Lights, Backup, Whelen M6BUW, LED, For Tail Lt Housing	1
182	0664481		Bracket, License Plate & Light, P25 LED	1
183	0556842		Bezels, Win, (2) M6 Chrome Pierce, For mtg (4) WIn M6 lights	1
184	0589905		Alarm, Back-up Warning, PRECO 1040	1
185	0666455		Lights, Perimeter Cab, Amdor AY-9500-020 LED 4Dr	1
186	0617921		Lights, Perimeter Pump House, Amdor AY-9500-020 LED 2lts	1
187	0645995		Lights, Perimeter Body, Amdor AY-9500-020 LED 2lts, Rear Step Control, Perimeter Lts - DS Switch Panel and Parking Brake Applied Control, Perimeter Lts - DS Switch Panel and Parking Brake Applied	1
188	0556360		Lights, Step, P25 LED 4lts, Pump Pnl Sw	1
189	0668497		Light, Whelen, 12V PFP2P Pioneer LED Fld/Fld, Pole Mt 1st Location, Lights - D/S crew cab rear wall Qty, - 01 Switch, Lt Control 1 DC,1 - a) DS Switch Panel Switch, Lt Control 2 DC,2 - g) PS Switch Panel Switch, Lt Control 3 DC,3 - DS Pump Panel Switch, Lt Control 4 DC,4 - d) No Control Color, WIn Lt Housing - Black Paint Poles, W - Side Body/Surface Mount, Push-Up Pole Handle Holder and Up Ind Sw W - With Handle Holder Pole Length W - 12.00" Outside Pole	1
190	0664667		Light, Whelen, 12V PFP2P Pioneer LED Fld/Fld, Pole Mt 2nd Location, Lights - P/S rear crew cab wall Qty, - 01 Switch, Lt Control 1 DC,1 - a) DS Switch Panel Switch, Lt Control 2 DC,2 - g) PS Switch Panel Switch, Lt Control 3 DC,3 - DS Pump Panel Switch, Lt Control 4 DC,4 - d) No Control Color, WIn Lt Housing - Black Paint Poles, W - Side Body/Surface Mount, Push-Up Pole Handle Holder and Up Ind Sw W - With Handle Holder Pole Length W - 12.00" Outside Pole	1
191	0795778		Light, Visor, WIn, 12V PFS2* Pioneer LED Fld/Spt 1st Qty, - 01 Location, driver's/passenger's/center - centered Color, WIn Lt Housing - Black Paint Control, Scene Lts - Cab Sw Panel DS and Cab Sw Panel PS	1
192	0689891		Lights, Deck, Whelen (2) PFBP12C LED Rear Flood Lights Switch, Scene Lt Cntrl - h)switch at rear	1
193	0645676		Lights, Not Required, Hose Bed, Deck Lights At Rear	1
194	0645681		Lights, Not Required, Rear Work, Deck Lights At Rear	1
195	0709438		Light, Walking Surface, FRP Flood, LED	1
196	0060100		Pumper, Short, Galvanneal, 2nd Gen	1
197	0554271		Body Skirt Height, 20"	1
198	0028294		Tank, Water, 500 Gallon, Poly, Short	1
199	0003405		Overflow, 4.00" Water Tank, Poly	1
200	0028104		Foam Cell Required	1
201	0633066		Sleeve through Tank Qty, Sleeve - 1 Water Tank Sleeve - Plumbing/Hydraulic Diameter - 3" Plumbing	1
202	0553729		Not Required, Restraint, Water Tank, Heavy Duty	1
203	0003429		Not Required, Direct Tank Fill	1
204	0003424		Not Required, Dump Valve	1
205	0048710		Not Required, Jet Assist	1
206	0030007		Not Required, Dump Valve Chute	1
207	0514778		Not Required, Switch, Tank Dump Master	1
208	0126632		Hose Bed, Galv, Pumper	1
209	0627877		Hose Bed Capacity, 1000' of 5.00", 1000' of 3.00"	1
210	0003488		Divider, Hose Bed, Unpainted Qty, Hosebed Dividers - 3	3

Line	Option	Type	Option Description	Qty
211	0030235		Compt, Backboard, Bottom of 4-Way Hose Bed Cover Qty, Backboard Comp - 2 Location, Backboard Comp - Each Side Size, Backboard - to be provided	2
212	0010133		Cross-Divider, Hose Bed	1
213	0058034		Shelf, Hinged, In Hose Bed, Between Two (2) Dividers Qty, - 1 Location, driver's/passenger's/center - passenger's	1
214	0531080		Cover, Hose Bed, Alum Treadplate, Full Length, Electric,Access to Actuator,T-Bar	1
215	0505155		Flap, Rear of Alum Hose Bed Cover, Two Piece, Vinyl Color, Vinyl Cover - c) black	1
216	0013512		Running Boards, 12.75" Deep	1
217	0689621		Tailboard, 16" Deep	1
218	0690037		Wall, Rear, Smooth Aluminum/Body Material Material, Rear Wall Inboard Facing Surfaces - Aluminum Diamondplate	1
219	0003531		Tow Bar, Under Tailboard	1
220	0024110		Tray, Hose, Running Board, 20' of 5.00" Soft Suction Hose Location, Hose Tray, Running Board - a) both sides Qty, Tray, Hose - 2	2
221	0003560		Construction, Compt, Galv, Pumper	1
222	0053651		LS 140" Rollup, Full Height Front & Rear, FDLER	1
223	0053703		PS 140" Rollup, Full Height Front & Rear, FDLER	1
224	0594005		Doors, Rollup, Amdor, Side Compartments Qty, Door Accessory - 06 Color, Roll-up Door - AMDOR Painted to Match Lower Body Latch, Roll-up Door - Non-Locking Liftbar	6
225	0083700		Rear, Rollup, 37.75" FF	1
226	0594003		Door, Amdor, Rollup, Rear Compartment Color, Roll-up Door - AMDOR Satin Aluminum Latch, Roll-up Door - Non-Locking Liftbar	1
227	0554995		No Body Modification Required	1
228	0019845		Guard, Drip Pan, S/S, Rollup Door Qty, Door Accessory - 07 Location, Door Accessory - on each roll-up door	7
229	0616670		Lights, Compt, Pierce LED, Dual Light Strips, Each Side of Door, Pumper/Tanker Qty, - 07 Location, Compartment Lights - All Body Compts	7
230	0687146		Shelf Tracks, Painted Qty, Shelf Track - 07 Location, Shelf Track - D3, D2, D1, R1, P1, P2 and P3	7
231	0600350		Shelves, Adj, 500 lb Capacity, Full Width/Depth, Predefined Locations Qty, Shelf - 11 Material Finish, Shelf - Painted - Spatter Gray Location, Shelves/Trays, Predefined - .Location To Be Determined	11
232	0647091		Tray, Floor Mounted, Slide-Out, 500lb, 2.00" Sides Qty, - 03 Location, Tray Slide-Out, Floor Mounted - D1, P1 and R1 Material Finish, Tray - Painted - Spatter Gray	3
233	0659383		Matting, Turtle Tile w/Ramp, Compt Floors Location - D2, D3, P2, P3 Qty, Comp. Accessory - 04 Color - 1) black Color, Tile Edge - black	4
234	0028026		Matting, Turtle Tile, Compt Shelving only Location - all shelves and trays Qty, Shelf - 11 Color - 1) black	11
235	0004016		Rub Rail, Aluminum Extruded, Side of Body	1
236	0004024		Fender Crowns, Rear, S/S	1
237	0519849		Not Required, Hose, Hard Suction	1
238	0626229		Handrails, Side Pump Panels, Per Print	1
239	0004126		Handrails, Beavertail, Standard	1

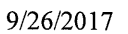
Line	Option	Type	Option Description	Qty
240	0004146		Handrail, Rear, Below Hose Bed, Full Width	1
241	0795333		Compt, Air Bottle, Single, Fender Panel, Bolt-In	4
			Qty, Air Bottle Comp - 4	
			Door Finish, Fender Compt - Polished	
			Location, Fender Compt - Single - DS Fwd, Single - DS Rear, Single - PS	
			Fwd and Single - PS Rear	
			Latch, Air Bottle Compt - Flush Lift & Turn	
			Insert, Air Bottle Compt - Rubber Matting	
242	0004225		Ladder, 24' Duo-Safety 900A 2-Section	1
243	0004230		Ladder, 14' Duo-Safety 775A Roof	1
244	0015036		Rack, Ladders, Hydraulic, Right Side, Air Clamps	1
			Ladder Rack Lock Enclosure/Light Mounting Bracket - PS Front & Rear 4-	
			Way Enclosures	
245	0014245		Ladder, 10' Duo-Safety Folding 585A, w/Mounting	1
			Location, Folding Ladder - Ladder Compartment	
246	0602877		Pike Pole, Pumper, Provided by Fire Department, NFPA 2016	1
			Pike Pole Make/Model - Akron 10' Pike Pole	
247	0602875		Pike Pole, 6', Pumper, Provided by Fire Department, NFPA 2016	1
			Pike Pole Make/Model - Akron 6' Pike Pole	
248	0593083		Step, Folding, Front of Body, Left Side Only, w/LED, Trident	1
			Coating, Step - black	
249	0592994		Steps, Folding, Rear of Body, w/LED, Trident	1
			Coating, Step - black	
250	0591914		Step, Folding - Extra, Body Only, Black, w/LED, Trident	2
			Qty, Folding Step - 02	
			Location, Steps Additional - DS Front Bulkhead - 2	
251	0004425		Pump, Waterous, CSU, 1500 GPM, Single Stage	1
252	0004482		Seal, Mechanical, Waterous	1
253	0559769		Trans, Pump, Waterous C20 Series	1
254	0635600		Pumping Mode, Stationary Only	1
255	0605126		Pump Shift, Air w/Manual Override, Split Shaft, Interlocked, Waterous	1
256	0003148		Transmission Lock-up, EVS	1
257	0004547		Auxiliary Cooling System	1
258	0014486		Not Required, Transfer Valve, Stage Pump	1
259	0004517		Valve, Relief Intake, Elkhart, Set @ 125 PSI	1
260	0794959		Controller, Pressure, Pierce, Pump Boss, PBA300	1
261	0072153		Primer, Trident, Air Prime, Air Operated	1
262	0780364		Manuals, Pump, (2) Total, Electronic Copies	1
263	0602512		Plumbing, Stainless Steel and Hose, Single Stage Pump, Control Zone	1
264	0795135		Plumbing, Stainless Steel, w/Foam System	1
265	0004645		Inlets, 6.00" - 1250 GPM or Larger Pump	1
266	0004646		Cap, Main Pump Inlet, Long Handle, NST, VLH	1
267	0014650		Short Suction Tube, Both Sides	1
268	0084610		Valves, Akron 8000 series- All	1
269	0004660		Inlet, Left Side, 2.50"	1
270	0004680		Inlet, Right Side, 2.50"	1
271	0016158		Valve, Inlet(s) Recessed, Side Cntrl, "Control Zone"	1
			Qty, Inlets - 1	
272	0034720		Anode, Zinc, Pair, Pump Inlets	1
273	0004700		Control, Inlet, at Valve	1
274	0092569		No Rear Inlet (Large Dia) Requested	1
275	0092696		Not Required, Cap, Rear Inlet	1
276	0064116		No Rear Inlet Actuation Required	1
277	0009648		No Rear Intake Relief Valve Required on Rear Inlet	1
278	0092568		No Rear Auxiliary Inlet Requested	1
279	0563738		Valve, .75" Bleeder, Aux. Side Inlet, Swing Handle	1
280	0029043		Tank to Pump, (1) 3.00" Valve, 3.00" Plumbing	1
281	0004905		Outlet, Tank Fill, 1.50"	1
282	0004940		Outlet, Left Side, 2.50"	2
			Qty, Discharges - 02	
283	0092570		Not Required, Outlets, Left Side Additional	1

Line	Option	Type	Option Description	Qty
284	0004945		Outlet, Right Side, 2.50"	1
			Qty, Discharges - 01	
285	0092571		Not Required, Outlets, Right Side Additional	1
286	0005047		Outlet, 4.00" w/4.00" Right, Handwheel	1
			Valve, Brand - Akron	
287	0649939		Outlet, Front, 1.50" w/2.00" Plumbing	1
			Fitting, Outlet - 1.50" NST with 90 degree swivel	
			Drain, Front Outlet - Class 1 Automatic	
			Location, Front, Single - top of left bumper	
288	0004995		Outlet, Rear, 2.50"	1
			Qty, Discharges - 01	
			Location, Outlet - a) passenger's side	
289	0092574		Not Required, Outlet, Rear, Additional	1
290	0092573		Not Required, Outlet, Hose Bed/Running Board Tray	1
291	0085076		Caps for 1.50" to 3.00" Discharge, VLH	1
292	0563739		Valve, 0.75" Bleeder, Discharges, Swing Handle	1
293	0005091		Elbow, Left Side Outlets, 45 Degree, 2.50" FNST x 2.50" MNST, VLH	1
294	0035094		Not Required, Elbow, Left Side Outlets, Additional	1
295	0025091		Elbow, Right Side Outlets, 45 Degree, 2.50" FNST x 2.50" MNST, VLH	1
296	0089584		Not Required, Elbow, Right Side Outlets, Additional	1
297	0045091		Elbow, Rear Outlets, 45 Degree, 2.50" FNST x 2.50" MNST, VLH	1
298	0085695		Not Required, Elbow, Rear Outlets, Large, Additional	1
299	0005097		Elbow, Large Dia Outlet, 30 Deg, 4.00" FNST x 5.00" Storz	1
			Qty, - 01	
300	0062133		Control, Outlets, Manual, Pierce HW if applicable	1
301	0055107		Outlet, 3.00" Deluge Riser, Akron Valve, Handwheel	1
302	0543615		Monitor, Akron, 3440 DeckMaster, w/remote tether	1
			Fill in Blank - at the D/S pump panel	
			Monitor Finish - Painted	
303	0510255		Nozzle, Akron 5177, 1250 GPM, Akromatic - Electric	1
304	0005072		Deluge Mount, 3" ANSI 4 Bolt Flange	1
305	0029167		Crosslays Sngl Sheet Unpainted, (2+) 1.50", Std. Cap	2
			Qty, Crosslays - 2	
306	0029196		Not Required, 2.50" Crosslay	1
307	0029260		Not Required, Speedlays	1
308	0625106		Hose Restraint, Crosslay, Vinyl with Shock Cord, Each, Dual Bungee Pull-Tabs	2
			Color, Vinyl Cover - a) red	
			Qty, - 02	
309	0075206		Cover, Crosslay, Bi-fold 3/16" Alum Treadplate	1
310	0019853		Crosslays, 8.00" Lower Than Standard - Control Zone with 9.00" Raised PH	1
311	0688927		Reel, Booster, Aluminum - Over Pump, Driver Side	1
312	0011060		Switch, Reel Rewind - One at Pump Panel	1
313	0010925		Hose, Booster - 200' of 1.00"/800 PSI(100'+50'+50')	1
314	0005244		Capacity, Hose Reel 200' of 1"	1
315	0007428		Nozzle for Booster Reel Not Req'd	1
316	0622237		Roller Assembly, Additional	1
			Location - P/S pump house	
			Qty, - 1	
317	0007293		Foam Sys, FoamPro 2001 (Single Agent)	1
			Discharge - Reel, Front outlet, both cross lays, rear 2.50" outlet	
			Amount of Disc. W/Foam - 5	
318	0012126		Not Required, CAF Compressor	1
319	0552517		Not Required, Refill, Foam Tank	1
320	0031896		Demonstration, Foam System, Dealer Provided	1
321	0005446		Foam Cell, 20 Gallon, Not Reduce Water	1
			Type of Foam - Class "A"	
322	0091036		Drain, 1.00" Foam Tank #1	1
323	0091079		Not Required, Foam Tank #2	1
324	0091112		Not Required, Foam Tank Drain	1
325	0007590		Pump House, Side Control, 52", Control Zone	1
326	0032479		Pump Panel Configuration, Control Zone	1

Line	Option	Type	Option Description	Qty
327	0005525		Material, Pump Panels, Side Control Brushed Stainless	1
328	0005577		Panel, Pump Access - Pass Side and Front	1
329	0035501		Pump House Structure, Std Height	1
330	0583824		Light, Pump Compt, Whelen 3SC0CDCR LED White Qty, - 01	1
331	0586382		Gauges, Engine, Included With Pressure Controller	1
332	0005601		Throttle Included w/ Pressure Controller	1
333	0549333		Indicators, Engine, Included with Pressure Controller	1
334	0511078		Gauges, 4.00" Master, Class 1, 30"-0-600psi	1
335	0511100		Gauge, 2.00" Pressure, Class 1, 30"-0-400psi	1
336	0062586		Gauge, Water Level, Class 1, Pierce Std	1
337	0060753		Water Level Gauge, Whelen PSTANK, LED 1-Light, 4-Level Qty, - 03 Activation, Water Level G - pg) pump in gear Location, Water Level Gauge - PS Crew Cab - High and Aft of Door, Rear Body - DS and DS Crew Cab - High and Aft Door	3
338	0062992		Gauge, Foam Level, (1) Tank, Class 1, 5lt	1
339	0633612		Light Shield/Step 8", S/S Undr Crs, Amdor XX9951 LED Lts, P25 LED Step Lt	1
340	0652486		Light Shield/Step 8", PS Amdor XX9951 LED 2Lts, 1-P25 LED Stp Lts	1
341	0606697		Air Horns, (2) Grover, In Bumper	1
342	0606832		Location, Air Horns, Bumper, Left Side, Outside Frame, Same Side (Pos #6 & #7)	1
343	0036061		Control, Air Horn, DS Ft Sw, PS Push Button	1
344	0525667		Siren, Whelen 295SLSA1, 100 or 200 Watt	1
345	0510206		Location, Elect Siren, Recessed Overhead In Console Location, Elec Siren - Overhead, DS Inside Sw Pnl	1
346	0076156		Control, Elec Siren, Head Only	1
347	0601306		Speaker, (1) Whelen, SA315P, w/Pierce Polished Stainless Steel Grille, 100 watt Connection, Speaker - siren head	1
348	0601565		Location, Speaker, Frt Bumper, Recessed, Center (Pos 4)	1
349	0016080		Siren, Federal Q2B	1
350	0006097		Location of Siren, Recessed in Bumper Location, Siren, Mech - b) right	1
351	0026170		Control, Mech Siren, DS Foot Sw, PS Push Button	1
352	0022899		Switch, Second Siren Brake, Chrome Push Button Location, Additional Siren Brake - Officer Dash Area	1
353	0604784		Lightbar, Wln, Freedom IV-Q, 81", RRRRWrsrROptRsrRWRRRR Opticom Priority - b) High Opticom Activation - E-Master Momentary Opticom Activation - PS Switch Filter, Whl Freedom Ltbrs - No Filters	1
354	0540460		Light, Front Zone, Wln M6*C-LED, Clear Lens, 4lts Q Bezel Color, Lt DS Frnt Outside - DS Front Outside Red Color, Lt PS Frnt Outside - PS Front Outside Red Color, Lt DS Frnt Inside - r) DS Front Inside Red Color, Lt PS Frnt Inside - r) PS Front Inside Red	1
355	0653937		Flasher, Headlight Alternating Headlt flash deactivation - a)w/high beam	1
356	0540679		Lights, Side Zone Lower, Whelen M6*C LED, Clear Lens 2pr Location, Lights Front Side - b)each side bumper Color, Lt Side Front - Red Color, Lt Side Rear - Red Location, Lights Rear Side - Over Rear Wheels	1
357	0564655		Lights, Rear Zone Lower, Whelen M6*C LED, Clear Lens, For Tail Lt Housing Color, Lt DS Rear - r) DS Rear Lt Red Color, Lt PS Rear - r) PS Rear Lt Red	1
358	0088745		Light, Rear Zone Upper, Whelen L31HRFN LED Beacon, Red LED Color, Dome, Rear Warning - j) both domes clear	1
359	0006551		Not Required, Lights, Rear Upper Zone Blocking	1
360	0691833		Mtg, Rear Warn Lts, DS & PS - S/S Ladder Lock Enclosure	1
361	0791528		Light, Traffic Directing, Whelen TAL65, 36.00" Long, TACTL5 Activation, Traffic Dir L - Aux Flash with Park Brake	1
362	0529858		Location, Traf Dir Lt, Recessed Within Trdplt Step	1

Line	Option	Type	Option Description	Qty
363	0530282		Location, Traf Dir Lt Controller, Overhead Switch Panel DS Right End	1
364	0519934		Not Required, Brand, Hydraulic Tool System	1
365	0649753		Not Required, PTO Driven Hydraulic Tool System	1
366	0649750		Not Required, Hydraulic Reels	1
367	0007150		Bag of Nuts and Bolts	1
			Qty, Bag Nuts and Bolts - 1	
368	0602516		NFPA Required Loose Equipment, Pumper, NFPA 2016, Provided by Fire Department	1
369	0519913		Not Required, Soft Suction Hose	1
370	0027023		No Strainer Required	1
371	0602538		Extinguisher, Dry Chemical, Pumper NFPA 2016 Class, Provided by Fire Department	1
372	0602360		Extinguisher, 2.5 Gal. Pressurized Water, Pumper NFPA 2016, Provided by Fire Dept	1
373	0602679		Axe, Flathead, Pumper NFPA 2016 Classification, Provided by Fire Department	1
374	0602667		Axe, Pickhead, Pumper NFPA 2016 Classification, Provided by Fire Department	1
375	0559685		Paint, Two Tone, Cab, Custom Cab	1
			Paint Color, Predefined - #108	
			Paint Color, Upper Area, Predefined - #20 White	
376	0646897		Paint Chassis Frame Assy, E-Coat, Standard	1
			Paint Color, Frame Assembly, Predefined - Black	
377	0693798		Paint, Front Wheels	1
			Paint, Wheels - Red 108	
378	0693793		Paint, Rear Wheels, Single Axle	1
			Paint, Wheels - Red 108	
379	0007230		Compartment, Painted, Spatter Gray	1
380	0544129		Reflective Band, 1"-6"-1"	1
			Color, Reflect Band - A - a) white	
			Color, Reflect Band - B - l) white	
			Color, Reflect Band - C - w) white	
381	0510041		Reflective across Cab Face, Imp/Vel	1
382	0536954		Stripe, Chevron, Rear, Diamond Grade, Pumper	1
			Color, Rear Chevron DG - fluorescent yellow green	
383	0027341		Jog, In Reflective Stripe, Single or Multiple	1
			Qty, - 1	
384	0065687		Stripe, Reflective, Cab Doors Interior	1
			Color, Reflective - e) black	
385	0680372		Stripe, Gold Leaf, Cab Sides, IPO Chrome Molding	1
386	0027372		Lettering Specifications, (GOLD STAR Process)	1
387	0686428		Lettering, Gold Leaf, 3.00", (41-60)	1
			Outline, Lettering , Outline and Shade	
388	0516701		Emblem, American Flag Painted on Cab Grille, All Custom Chassis	1
389	0529225		Manuals, Two (2) CD, Fire Apparatus Parts, Custom Chassis	1
390	0531636		Manual, Two (2) CD, Chassis Service, Custom	1
391	0531638		Manual, Two (2) CD, Chassis Operation, Custom	1
392	0030008		Warranty, Basic, 1 Year, Apparatus, WA0008	1
393	0611136		Warranty, Chassis, 3 Year, Velocity/Impel, WA0284	1
394	0696698		Warranty, Engine, Cummins, 5 Year, WA0181	1
395	0684953		Warranty, Steering Gear, Sheppard M110, 3 Year WA0201	1
396	0595767		Warranty, Frame, 50 Year, Velocity/Impel, Dash CF, WA0038	1
397	0595698		Warranty, Axle, 3 Year, TAK-4, WA0050	1
398	0644874		Warranty, Axle, 3 Year, TAK-4, IRS, WA0249	1
399	0652758		Warranty, ABS Brake System, 3 Year, Meritor Wabco, WA0232	1
400	0019914		Warranty, Structure, 10 Year, Custom Cab, WA0012	1
401	0595813		Warranty, Paint, 10 Year, Cab, Pro-Rate, WA0055	1
402	0524627		Warranty, Electronics, 5 Year, MUX, WA0014	1
403	0695416		Warranty, Pierce Camera System, WA0188	1
404	0647720		Warranty, Pierce LED Strip Lights, WA0203	1
405	0046369		Warranty, 5-year EVS Transmission, Standard Custom, WA0187	1
406	0685945		Warranty, Transmission Cooler, WA0216	1
407	0688798		Warranty, Water Tank, Lifetime, UPF, Poly Tank, WA0195	1
408	0596025		Warranty, Structure, 10 Year, Body, WA0009	1
409	0690936		Warranty, Roll up Doors, Not Required	1

Line	Option	Type	Option Description	Qty
410	0063510		Warranty, Pump, Waterous, 5 Year Parts, WA0225	1
411	0648675		Warranty, 10 Year S/S Pumbing, WA0035	1
412	0641372		Warranty, Foam System, Not Available	1
413	0595820		Warranty, Paint, 10 Year, Body, Pro-Rate, WA0057	1
414	0595421		Warranty, Goldstar, 3 Year, Apparatus, WA0018	1
415	0683627		Certification, Vehicle Stability, CD0156	1
416	0794805		Certification, Engine Installation, Velocity, Cummins X15, 2017	1
417	0686786		Certification, Power Steering, CD0098	1
418	0543951		Certification, Cab Integrity, Velocity, CD0009	1
419	0548950		Certification, Cab Door Durability, Velocity/Impel, CD0001	1
420	0548967		Certification, Windshield Wiper Durability, Impel/Velocit, CD0005	1
421	0548951		Certification, Electric Window Durability, Velocity/Impel, CD0004	1
422	0549273		Certification, Seat Belt Anchors and Mounting, Imp/Vel/Vel SLT, CD0018	1
423	0548947		Certification, Cab Heater and Defroster, Velocity/Impel, CD0015	1
424	0674479		Certification, Not Available, Cab Air Conditioning Performance	1
425	0545073		Amp Draw Report, NFPA Current Edition	1
426	0002758		Amp Draw, NFPA/ULC Radio Allowance	1
427	0799248		Appleton/Florida BTO	1
428	0000018		PUMPER, 2ND GEN	1
429	0000012		PIERCE CHASSIS	1
430	0004713		ENGINE, OTHER	1
431	0046396		EVS 4000 Series TRANSMISSION	1
432	0020011		WATEROUS PUMP	1
433	0020009		POLY TANK	1
434	0028048		FOAM SYSTEM	1
435	0020006		SIDE CONTROL	1
436	0020007		AKRON VALVES	1
437	0020015		ABS SYSTEM	1
438	0658751		Manufacturing Attribute	1



Pride			Published	Unpublished
Number	Qty	Description	Options	Options
118	1	Mud Flaps	\$ 590.00	
119	1	Wheel Chocks and Mounts	\$ 939.00	
123	1	Air inlet-outlet	\$ 666.00	
128	1	Cummins ISL9 450hp to Detroit DD13 450 hp	\$ 14,118.00	
129	1	Detroit DD13 to Cummins ISX 500 hp	\$ 18,163.00	
134	1	Exhaust Extension Plymo or Nederman	\$ 290.00	
139	1	Add Extended Bumper	\$ 2,573.00	
141	1	Bumper tray with cover	\$ 1,685.00	
148	1	Safety System	\$ 9,832.00	
155	2	EMS Compartment w outside access (each)	\$ 6,056.00	
156	3	Upgrade SCBA Bracket to Hands Free	\$ 2,244.00	
170	1	Upgrade Enforcer to Velocity	\$ 40,812.00	
178	1	Radio with Weatherband	\$ 1,227.00	
185	1	Camera System, Sides and rear to mux	\$ 1,019.00	
189	1	Intercom System (up to 6 position, 2 with radio, 6 headsets non-wireless)	\$ 5,899.00	
195	1	Kussmaul Charger	\$ 1,770.00	
200	1	Auto-eject 20 amp	\$ 526.00	
202	1	320 amp alternator	\$ 3,213.00	
206	1	LED cab-pump-body	\$ 2,005.00	
207	1	LED Headlights	\$ 1,906.00	
209	1	12 volt LED Flood Brow light	\$ 2,048.00	
211	2	12 volt LED Flood Pole light (per light)	\$ 4,108.00	
212	1	Tail lighting LED Upgrade	\$ 1,545.00	
225	1	Add Right High Side Compartments	\$ 3,423.00	
226	1	Add Electric / Hydraulic Ladder Rack	\$ 11,470.00	
243	15	Mate Flex in Enclosed Compartments Per Shelf	\$ 1,890.00	
244	11	Adjustable Compartment shelves	\$ 2,178.00	
247	3	Slide-out floor tray	\$ 2,265.00	
250	4	SCBA Cylinder storage in fender panel single (each)	\$ 2,604.00	
255	1	Increase Pump from 1250 to 1500 gpm	\$ 6,274.00	
258	1	add pump anodes (pair)	\$ 335.00	
259	1	Add Mechanical Seal to Pump	\$ 833.00	
262	1	add 2.5" suction	\$ 1,331.00	
267	1	1.5" discharge front bumper	\$ 2,194.00	
273	1	Add Large Diameter Side Discharge with valve	\$ 4,589.00	
282	1	Add Hinged-Type Aluminum Cover to Crosslay (per set of 2)	\$ 626.00	
287	1	Hose Reel, above pump w/ 150' Hose	\$ 3,583.00	
294	1	Foam Pro 2001 Dual Agent to (3) Discharges	\$ 21,074.00	
300	1	Foam Cell 20 Gallons	\$ 1,523.00	
308	1	Tank Level LED Group	\$ 1,281.00	
342	1	Air Horns with 2 foot switches	\$ 1,487.00	

344	1	Q2B Siren		\$	3,805.00	
345	1	GTT Emitter Roof/remote mounted		\$	2,184.00	
348	1	Traffic Directing light bar		\$	1,994.00	
414	1	Painted Grill		\$	1,046.00	
430	1	Deck Gun with Tips, Manual		\$	4,532.00	
DTF	1	Radio Package		\$	48,039.32	
0003245	1	Axle Hub Covers w/center hole, S/S, Front Axle		\$	90.96	
0052332	1	Lug Nut Covers, Stainless Steel		\$	48.49	
0578959	1	Fuel/Water Separator, Racor Inline		\$	395.81	
0027844	1	Fluid, 4000 Series Trans, Allison Approved TES-295 Synthetic, IPOS, Custom		\$	415.60	
0786290	1	Window Tint, Crew Cab Door, Left Side, Privacy Dark Gray		\$	127.82	
0786279	1	Window Tint, Crew Cab Door, Right Side, Privacy Dark Gray		\$	127.82	
0123731	1	Roof, Alum 4-way, Impel/Velocity/Velocity SLT		\$	848.80	
0679957	1	Compt, Storage, One Ea Side Crew Cab, Below Flr, Flush LiftTurn, 70/90" VEL/IMP		\$	853.82	
0199285	1	Visor, Exterior, Vel/Imp		\$	979.21	
0629017	1	Work Surface, 3/16" Alum, Full Engine Tunnel, Lower Lip, Vel/Imp FR		\$	611.01	
0646213	1	Seat, Forward Facing C/C, DS Outboard, Pierce PS6, SCBA, Foldup, 17" Btm, Safety		\$	2,090.73	
0642535	1	Seat, Forward Facing C/C, PS Outboard, Pierce PS6, SCBA, Foldup, 17" Btm, Safety		\$	2,090.73	
0042359	6	Upholstery, Seats In Cab, All Vinyl		\$	363.27	
0626097	1	Light, Map, Sunnex HS76*-00 Series, Swivel Joint, Clear Lens, Ceiling Mount		\$	318.08	
0629276	1	Wiring, Spare, 20 A 12V DC, 6 Circuit Fuse Block, Blue Sea 5025 5th		\$	240.46	
0585913	1	Wiring, Spare, 20 A 12V DC, 6 Circuit Fuse Block, Blue Sea 5025 2nd		\$	240.46	
0548006	1	Wiring, Spare, 15 A 12V DC 2nd		\$	125.32	
0548007	1	Wiring, Spare, 15 A 12V DC 3rd		\$	125.32	
0629279	1	Wiring, Spare, 20 A 12V DC, 6 Circuit Fuse Block, Blue Sea 5025 3rd		\$	240.46	
0629278	1	Wiring, Spare, 20 A 12V DC, 6 Circuit Fuse Block, Blue Sea 5025 4th		\$	240.46	
0585914	1	Wiring, Spare, 20 A 12V DC, 6 Circuit Fuse Block, Blue Sea 5025 1st		\$	240.46	
0566101	1	Recess, Dash Panel, Officer Side, Vel/Imp		\$	441.03	
0537251	1	Bracket, Mounting, For Push Buttons, Officer Side, VEL/IMP		\$	185.16	
0523921	1	Recess, Rear Vision Camera		\$	203.40	
0689891	1	Lights, Deck, Whelen (2) PFBP12C LED Rear Flood Lights		\$	992.73	
0030235	2	Compt, Backboard, Bottom of 4-Way Hose Bed Cover		\$	929.11	
0010133	1	Cross-Divider, Hose Bed		\$	410.47	
0058034	1	Shelf, Hinged, In Hose Bed, Between Two (2) Dividers		\$	658.50	
0531080	1	Cover, Hose Bed, Alum Treadplate, Full Length, Electric, Access to Actuator, T-Bar		\$	7,965.33	
0024110	2	Tray, Hose, Running Board, 20' of 5.00" Soft Suction Hose		\$	894.24	
0019845	7	Guard, Drip Pan, S/S, Rollup Door		\$	841.47	
0019853	1	Crosslays, 8.00" Lower Than Standard - Control Zone with 9.00" Raised PH		\$	644.99	
0622237	1	Roller Assembly, Additional		\$	254.70	
0005525	1	Material, Pump Panels, Side Control Brushed Stainless		\$	964.61	
0633612	1	Light Shield/Step 8", S/S Undr Cts, Amdor XX9951 LED Lts, P25 LED Step Lt		\$	551.80	
0652486	1	Light Shield/Step 8", PS Amdor XX9951 LED 2Lts, 1-P25 LED Stp Lts		\$	691.21	
0559685	1	Paint, Two Tone, Cab, Custom Cab		\$	785.76	

0544129	1	Reflective Band, 1"-6"-1"			\$	371.78
0027341	1	Jog, In Reflective Stripe, Single or Multiple			\$	194.97
0686428	1	Lettering, Gold Leaf, 3.00", (41-60)			\$	993.99

Base Bid	\$	396,540.00
Published Options	\$	205,755.00
Total Published Options	\$	602,295.00
Unpublished Options	\$	77,829.66
		12.92%
Total Options w/o HGAC Fee	\$	680,124.66

10/31/2016

Milpitas Fire Dept.

Capt. Dave Peterson,

Thank you for your call. Per our conversation...basically I am at \$125.00 per hour for Labor. Per your request and telephone conversation and not looking at your apparatus first hand, I am giving you a rough estimate of 500.00 per Engine or Patrol to install your Bendix King and remove your old MCS 2000 Motorola radio. Plus the cost of a new antenna and cabling if needed.

For the new Tiller Truck Company install, the Labor is estimated at \$2500.00. This encompasses installing your APX 8500 with installing 4 antennas, and installing a Bendix King Radio with another antenna. Also interfacing your already wired David Clark Headset system.

Please keep in mind if you have GPS tracking for the New Truck Company, it would be wise to install this at the same time as we remove the ceiling and would need to install an antenna for the GPS tracking as well.

If there is a Gateway to install, it would also be wise to install this at the same time.

Above are estimated Labor charges that are subject to change due to unforeseen additional labor and unforeseen obstacles.

Parts for antennas, cabling, connectors, custom brackets...etc..... are additional charges.

As for you concerns for performance, I carry a SWR meter, a sweep generator to see if the antenna/radio match is good to go.

I hope the above info will allow you to be successful in your endeavors.

Tim
CAT Communications

Tiller Bendix King Mobile and Portable Radios

Item	Qty	Part #	Description	Unit Price	Extended Price
1	1	KNG M150 CMDR	136-174 MHz, 5000 channels, P25 50 Watts Remote	\$1,820.00	\$1,820.00
2	1	KAA0660	Remote Control Head Plug and play KNG-Mxxx (Comes with KAA0638 Install Kit)	\$949.00	\$949.00
3	1	KAA0636	Cable Assy Remote Mount 17' KNG MxxxR	\$87.75	\$87.75
4	1	KAA0290	Handheld Programming Microphone	\$276.25	\$276.25
5	1	LFW0012	Extended warranty 3 yrs	\$143.00	\$143.00
6	4	KNG P150 CMD	136-174 MHz, 5000 channels, 6 Watt, P25 Specialized Command Groups	\$1,887.00	\$7,548.00
7	8	KAA0101	Li-Ion-Ion Battery 3450 mAH	\$169.00	\$1,352.00
8	1	KAA0818	Antenna, VHF, 150-170MHz, SMA, KNG-P150, Whip	\$35.00	\$35.00
9	8	KAA0120	AA Clam Shell Battery Case Orange	\$49.00	\$392.00
10	4	KAA0300P	Desktop Charger for KNG P150CMD with a 3450 mAH Battery	\$65.00	\$260.00
11	2	KAA0355P	Vehicle Charger for the KNG P150 CMD	\$112.00	\$224.00
12	4	KAA0203E	Microphone, Speaker, w/3.5mm IP67 Submersible, Emergency Button	\$88.00	\$352.00
13	4	LFW0012	Extended warranty 3 yrs	\$143.00	\$572.00

Sub total		\$14,011.00
Tax		\$1,225.96
Total Estimate		\$15,236.96



MOTOROLA

936 Glen
Redwood City, CA
Phone: 650-280-2110

205

Geoffrey Maloon
Milpitas Fire Department

COST AND EQUIPMENT REQUIREMENTS

ITEM	QTY	Nom.	DESCRIPTION	NUP	SVRIA Qty (500) Incentive 28%	* SVRIA Incentive Ill.C	EXTD.
APX8000 (VHF, UHF & 700/800 DUAL BAND Enabled) P25 Trunked Portable							
1	4	H91TGD9PW7 N	APX8000 Digital Portable Radio Model 3.5, VHF, UHF, 700/800 MHz, Lilon 3400 mAh Battery, GPS, bluetooth, UL, SOFTWARE KEY, IV&D	\$6,109.00	\$4,398.48	\$3,452.81	\$13,811.24
1a	4	QA02006	ENH: APX8000XE RUGGED RADIO	\$800.00	\$576.00	\$452.16	\$1,808.64
1b	4	QA01427	ALT: APX8000 HOUSING GREEN	\$25.00	\$18.00	\$14.13	\$56.52
1c	4	Q806	ADD: ASTRO DIGITAL CAI OPERATION	\$515.00	\$370.80	\$291.08	\$1,164.31
1d	4	H38	ADD: SMARTZONE OPERATION	\$1,500.00	\$1,080.00	\$847.80	\$3,391.20
1e	4	Q361	ADD: P25 9600 BAUD TRUNKING	\$300.00	\$216.00	\$169.56	\$678.24
1f	4	QA00580	ADD: TDMA OPERATION	\$450.00	\$324.00	\$254.34	\$1,017.36
1g	4	G996	ADD: PROGRAMMING OVER P25 (OTAP)	\$100.00	\$72.00	\$56.52	\$226.08
1h	4	QA09001	ADD: WIFI CAPABILITY, Supports codeplug updates, firmware refreshes, and FLASHport upgrades over pre- provisioned wireless networks	\$300.00	\$216.00	\$169.56	\$678.24
1i	4	Q58	ADD: 3 YR REPAIR SERVICE ADVANTAGE	\$102.00	\$102.00	\$102.00	\$408.00
2	4	PMNN4504	BATT IMP UL IP67 LION 3400M SPARE BATTERY	\$150.00	\$108.00	\$84.78	\$339.12
3	4	WPLN7080	APX 8000 IMPRES SINGLE UNIT CHARGER	\$125.00	\$90.00	\$70.65	\$282.60
4	4	NNTN8203A	IMPRES XE RSM,FM,GREEN	\$369.00	\$265.68	\$208.56	\$834.24
5	4	PMLN5875	APX8000XE CARRYING CASE 2.75 SWIVAL BL 3400MAH	\$62.00	\$44.64	\$35.04	\$140.16
APX8500 (VHF, UHF, & 700/800 DUAL BAND Enabled) P25 Trunked Mobile Radios - Police							
4	1	M37TSS9PW1 N	APX8500 ALL BAND MID POWER, INCLUDES 3 YEAR SFS, RADIO PACKET DATA, ADVANCED SYSTEM KEY - SOFTWARE KEY, GPS	\$5,200.00	\$3,744.00	\$2,939.04	\$2,939.04
4a	1	G806	ADD: ASTRO DIGITAL CAI OPERATION	\$515.00	\$370.80	\$291.08	\$291.08
4b	1	G51	ENH: SMARTZONE OPERATION APX	\$1,500.00	\$1,080.00	\$847.80	\$847.80
4c	1	G361	ADD: P25 TRUNKING SOFTWARE	\$300.00	\$216.00	\$169.56	\$169.56
4d	1	GA00580	ADD: TDMA OPERATION	\$450.00	\$324.00	\$254.34	\$254.34
4e	1	G442	ADD: O5 CONTROL HEAD	\$432.00	\$311.04	\$244.17	\$244.17

4f	1	G444	ADD: APX CONTROL HEAD SOFTWARE	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
4g	1	G67	ADD: REMOTE MOUNT MID POWER	\$297.00	\$213.84	\$167.86	\$167.86	\$167.86
4h	1	GA01513AA	ADD: ALL BAND MOBILE ANTENNA (7/8, V, U)	\$105.00	\$75.60	\$59.35	\$59.35	\$59.35
4i	1	W22	ADD: PALM MICROPHONE	\$72.00	\$51.84	\$40.69	\$40.69	\$40.69
4j	1	B18	ADD: AUXILIARY SPKR 7.5 WATT	\$60.00	\$43.20	\$33.91	\$33.91	\$33.91
4k	1	GA01517	DEL:NO 1600 ADAPTER CABLE NEEDED	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
4l	1	G996	ENH: OVER THE AIR PROVISIONING	\$100.00	\$72.00	\$56.52	\$56.52	\$56.52
4m	1	GA00226	ADD: GPS WIFI ANTENNA	\$75.00	\$54.00	\$42.39	\$42.39	\$42.39
4n	1	GA09001	ADD: WIFI	\$300.00	\$216.00	\$169.56	\$169.56	\$169.56
4o	1	GA09007	ADD: OUT OF THE BOX WI-FI Provisioning	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

Pricing Based on the SVRIA Contract

All orders must state that "the purchase is governed by the terms and conditions of the contract between Motorola Solutions and the County of Santa Clara, California for SVRCS."

All Agency Migration orders must state: "The equipment and services listed for purchase include all current subscriber and console requirements of the agency to allow participation on SVRCS for its operational requirements."

Motorola is providing this quotation for budgetary [informational] purposes only and it does not constitute an offer for sale. If you wish to purchase the quoted products, Motorola will be pleased to provide you with our standard terms and conditions of sale or alternatively, receive your purchase order, which will be acknowledged with a letter enclosing the Motorola standard terms and conditions.

TERMS: Net 30 days from shipment
VALIDITY: Prices valid for 60 days
SHIPPING: *Prepay & Add, FOB Ship Point* *
PHONE: 650-280-3110
ADDRESS: 936 Glennan Dr, Redwood City, CA 94061

sent via email
Email: jeff.van.dell@motorolasolutions.com
QUOTED BY: Jeff Van Dell
DATE: 8/23/2016

Subtotal	\$24,835.95
Sales Tax 8.75%	\$2,173.15
Programming	\$468.75
Install: \$	2,750.00
Freight	\$74.51
Total	\$30,302.36

Backup material for agenda item:

Approve Final Map Tract No. 10408 for a Mixed Use Development at 1646 Centre Pointe Drive (Staff Contact: Steve Erickson, 408-586-3301)

Recommendation: Approve Final Map Tract No. 10408 Centre Pointe at 1646 Centre Pointe Drive, Acceptance of All Offers of Dedications as Stated and Depicted on the Final Map upon Completion and Acceptance of Improvements.



CITY OF MILPITAS AGENDA REPORT (AR)

Item Title:	Approve Final Map Tract No. 10408 for a Mixed Use Development at 1646 Centre Pointe Drive
Category:	Consent Calendar-Community Development
Meeting Date:	1/15/2019
Staff Contact:	Steve Erickson, 408-586-3301
Recommendation:	Approve Final Map Tract No. 10408 Centre Pointe at 1646 Centre Pointe Drive, Acceptance of All Offers of Dedications as Stated and Depicted on the Final Map upon Completion and Acceptance of Improvements.

Background:

On May 3, 2016, the City Council approved Site Development Permit (SD15-0012), Conditional Use Permit (UP15-0016) and Vesting Tentative Map (MT15-0011) for the development of two mixed use buildings consisting of 694 dwelling units, 36,500 square feet of commercial space and other associated site improvements on the 9.84 acre parcel located at 1646 Centre Pointe Drive within the Transit Area Specific Plan (TASP). The developer for this project is SHAC Centre Pointe Apartments LLC (Developer).

On April 12, 2017, the Planning Commission approved a parcel map (PM17-0001) to authorize the subdivision of the 9.84 acre parcel into two separate parcels (Parcel A and Parcel B) as an interim condition to allow further subdivision via multiple final maps at a later date.

On September 5, 2017, the City Council approved and authorized the City Manager to execute the Subdivision Improvement Agreement with improvement securities to guarantee completion of all public improvements for this project along the Centre Pointe Drive, Great Mall Parkway and Montague Expressway project frontages of Parcel A and Parcel B.

Analysis:

The final map for Parcel B of this development is now complete and ready for approval by the City Council. The City Engineer has examined the final map for Tract No. 10408 and determined that the map is substantially the same as the previously approved Vesting Tentative Map, and finds that it conforms to all requirements of the State of California Subdivision Map Act, and Milpitas Municipal Code (MMC). The Developer has offered dedications to the City for public use, such as public street, public access and public service and utility, as shown on the final map. Staff recommends the City Council approve the final map and to accept the dedications, subject to completion and acceptance of improvements.

Policy Alternatives:

Alternative 1:

Pros: The map is in conformance with the requirements of the Subdivision Map Act and local ordinance, and it is ready for approval. The approval of the map would allow for the mixed use development to move forward, and would provide additional residential units and commercial space within the TASP area.

Cons: If the project does not move forward, the project site would remain vacant and additional residential units and commercial space would not be created.

Reason not recommended: The map meets the requirements of the Subdivision Map Act and local ordinance, and its approval is required at this stage. The approval will allow the development to proceed and provide needed housing within the TASP area.

Fiscal Impact:

None

California Environmental Quality Act:

Approval of final subdivision map is a ministerial action exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15268(b)(3).

Recommendation:

Approve Final Map Tract No. 10408 Centre Pointe at 1646 Centre Pointe Drive, acceptance of all offers of dedications as stated and depicted on the final map upon completion and acceptance of improvements.

Attachments:

Final Map Tract No. 10408

OWNER'S/SUBDIVIDER'S STATEMENT

THE UNDERSIGNED HEREBY STATE THAT IT IS THE OWNER OF OR HAVE SOME RIGHT, TITLE, OR INTEREST IN AND TO THE REAL PROPERTY WITHIN THE SUBDIVISION SHOWN HEREON; THAT IT IS THE ONLY ENTITY WHOSE CONSENT IS NECESSARY TO PASS A CLEAR TITLE TO SAID REAL PROPERTY; THAT IT CONSENTS TO THE MAKING AND FILING OF THIS SUBDIVISION MAP AS SHOWN WITHIN THE DISTINCTIVE BOUNDARY LINE.

THE UNDERSIGNED HEREBY OFFER THE REAL PROPERTY DESCRIBED BELOW FOR DEDICATION AS AN EASEMENT FOR PUBLIC PURPOSES: TO THE CITY OF MILPITAS FOR PUBLIC USE FOR OPERATION, ALTERATION, RELOCATION, MAINTENANCE, REPAIR AND REPLACEMENT OF ALL PUBLIC SERVICE FACILITIES AND THEIR APPURTENANCES, OVER, UNDER, ALONG AND ACROSS THE FOLLOWING:

1. AN EASEMENT FOR PUBLIC STREET PURPOSES AND PUBLIC UTILITY PURPOSES OVER THOSE AREAS DESIGNATED AS "CENTRE POINTE DRIVE PUBLIC STREET DEDICATION".
2. AN EASEMENT FOR PUBLIC ACCESS PURPOSES, PAE (PUBLIC ACCESS EASEMENT). SAID PAE SHALL REMAIN OPEN AND CLEAR OF ANY BUILDINGS AND STRUCTURES. UNOBSTRUCTED CONTINUOUS ACCESS SHALL BE MAINTAINED AT ALL TIMES.

OWNER: SHAC CENTRE POINTE APARTMENTS LLC,
A DELAWARE LIMITED LIABILITY COMPANY

BY: SHAC CENTRE POINTE APARTMENTS VENTURE LLC,
A DELAWARE LIMITED LIABILITY COMPANY, ITS MANAGER

BY: SHAC CENTRE POINTE APARTMENTS MANAGER LLC,
A DELAWARE LIMITED LIABILITY COMPANY, ITS MANAGER

BY: SUMMERHILL APARTMENT COMMUNITIES,
A CALIFORNIA CORPORATION, ITS MANAGING MEMBER

BY: _____

NAME: _____

TITLE: _____

BY: _____

NAME: _____

TITLE: _____

OWNER'S ACKNOWLEDGMENT

A NOTARY PUBLIC OR OTHER OFFICER COMPLETING THIS CERTIFICATE VERIFIES ONLY THE IDENTITY OF THE INDIVIDUAL WHO SIGNED THE DOCUMENT TO WHICH THIS CERTIFICATE IS ATTACHED, AND NOT THE TRUTHFULNESS, ACCURACY, OR VALIDITY OF THAT DOCUMENT.

STATE OF CALIFORNIA)
COUNTY OF _____)

ON _____, 201__, BEFORE ME, _____, A NOTARY PUBLIC, PERSONALLY APPEARED _____ AND _____ WHO PROVED TO ME ON THE BASIS OF SATISFACTORY EVIDENCE TO BE THE PERSON(S) WHOSE NAME(S) IS/ARE SUBSCRIBED TO THE WITHIN INSTRUMENT AND ACKNOWLEDGED TO ME THAT HE/SHE/THEY EXECUTED THE SAME IN HIS/HER/THEIR AUTHORIZED CAPACITY(IES), AND THAT BY HIS/HER/THEIR SIGNATURE(S) ON THE INSTRUMENT THE PERSON(S), OR THE ENTITY UPON BEHALF OF WHICH THE PERSON(S) ACTED, EXECUTED THE INSTRUMENT.

I CERTIFY UNDER PENALTY OF PERJURY UNDER THE LAWS OF THE STATE OF CALIFORNIA THAT THE FOREGOING PARAGRAPH IS TRUE AND CORRECT.

WITNESS MY HAND: SIGNATURE: _____

PRINT: _____

MY COMMISSION NUMBER: _____

MY COMMISSION EXPIRES: _____

PRINCIPAL PLACE OF BUSINESS: _____

SURVEYOR'S STATEMENT

THIS MAP WAS PREPARED BY ME OR UNDER MY DIRECTION AND IS BASED UPON A FIELD SURVEY IN CONFORMANCE WITH THE REQUIREMENTS OF THE SUBDIVISION MAP ACT AND LOCAL ORDINANCE AT THE REQUEST OF SUMMERHILL APARTMENT COMMUNITIES IN MARCH 2016. I HEREBY STATE THAT ALL THE MONUMENTS ARE OF THE CHARACTER AND OCCUPY THE POSITIONS INDICATED OR THAT THEY WILL BE SET IN THOSE POSITIONS BEFORE DECEMBER 2020, AND THAT THE MONUMENTS ARE, OR WILL BE, SUFFICIENT TO ENABLE THE SURVEY TO BE RETRACED, AND THAT THIS FINAL MAP SUBSTANTIALLY CONFORMS TO THE CONDITIONALLY APPROVED TENTATIVE MAP.



ALVIN LEUNG, P.L.S. 6630 DATE _____

CITY ENGINEER'S STATEMENT

I HEREBY STATE THAT I HAVE EXAMINED THE HEREIN MAP; THAT THE SUBDIVISION AS SHOWN THEREIN IS SUBSTANTIALLY THE SAME AS IT APPEARED ON THE TENTATIVE MAP AND ANY APPROVED ALTERATIONS THEREOF; THAT THIS SUBDIVISION COMPLIES WITH PROVISIONS OF THE SUBDIVISION MAP ACT AND LOCAL ORDINANCES, APPLICABLE AT THE TIME OF APPROVAL OF THE TENTATIVE MAP.

STEVEN PATRICK ERICKSON, P.E.
RCE NO. 57242
CITY ENGINEER, CITY OF MILPITAS,
COUNTY OF SANTA CLARA, STATE OF CALIFORNIA

DATE: _____

CITY SURVEYOR'S STATEMENT

I HEREBY STATE THAT I HAVE EXAMINED THE HEREIN MAP AND THAT I AM SATISFIED THAT SAID MAP IS TECHNICALLY CORRECT.

LORI MAY WEIS, PLS 8803
ACTING CITY SURVEYOR, CITY OF MILPITAS,
COUNTY OF SANTA CLARA, STATE OF CALIFORNIA
MOTT MACDONALD

DATE: _____

CITY CLERK'S STATEMENT

I, MARY LAVELLE, CITY CLERK OF THE CITY OF MILPITAS, CALIFORNIA, HEREBY CERTIFY THAT SAID CITY COUNCIL, AS GOVERNING BODY OF SAID CITY, AT A REGULAR MEETING HELD ON _____, 20__, HAS TAKEN THE FOLLOWING ACTION:

1. APPROVED THIS TRACT MAP NO. 10408
2. ACCEPTED, SUBJECT TO IMPROVEMENTS, ON BEHALF OF THE PUBLIC, THOSE PARCELS OF LAND OFFERED FOR DEDICATION FOR PUBLIC USE IN CONFORMITY WITH THE TERMS OF THE OFFER OF DEDICATION:
- A. THOSE AREAS DESIGNATED AS "CENTRE POINTE DRIVE PUBLIC STREET DEDICATION" FOR PUBLIC STREET PURPOSES AND PUBLIC UTILITY PURPOSES.
- B. EASEMENT FOR PUBLIC ACCESS PURPOSES, PAE (PUBLIC ACCESS EASEMENT).
3. FOR ASSESSMENT DISTRICTS CREATED BY THIS GOVERNING BODY, THE COUNCIL HAD DETERMINED THAT PROVISIONS HAVE BEEN MADE FOR SEGREGATION OF THE RESPONSIBILITY OF EACH OF THE PROPOSED NEW PARCELS FOR A PORTION OF ASSESSMENT PAYMENT OBLIGATION IN THE MANNER PROVIDED IN THE STATUTE PURSUANT TO WHICH THE ASSESSMENTS WERE LEVIED: COMMUNITY FACILITIES DISTRICT 2008-1.

DATED: _____ MARY LAVELLE
CITY CLERK, CITY OF MILPITAS, CALIFORNIA

GEOTECHNICAL/SOILS NOTE:

A REPORT ENTITLED "GEOTECHNICAL EXPLORATION" WAS PREPARED BY ENGeo INCORPORATED, DATED DECEMBER 6, 2016, PROJECT NO. 11845.000.000, SIGNED BY THEODORE P. BAYHAM, GE NO.2480. A COPY OF WHICH IS ON FILE WITH THE CITY OF MILPITAS.

COUNTY RECORDER'S STATEMENT

FILED THIS _____ DAY OF _____, 201__, AT _____ M.,
IN BOOK ____ OF MAPS AT PAGES _____, SERIES NUMBER _____
AT THE REQUEST OF FIRST AMERICAN TITLE COMPANY.

FEE: \$ _____ REGINA ALCOMENDRAS
COUNTY RECORDER,
COUNTY OF SANTA CLARA, STATE OF CALIFORNIA

BY: _____
DEPUTY COUNTY RECORDER

TRACT 10408
CENTRE POINTE

FOR CONDOMINIUM PURPOSES
333 RESIDENTIAL CONDOMINIUMS
AND 1 COMMERCIAL CONDOMINIUM

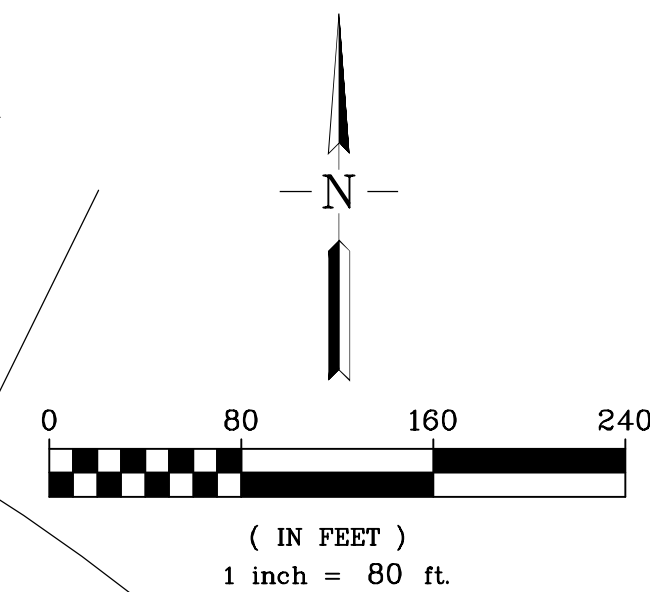
CITY OF MILPITAS
SANTA CLARA COUNTY, CALIFORNIA

BEING ALL OF "PARCEL B" AS SHOWN ON THE PARCEL MAP FILED
SEPTEMBER 1, 2017 IN BOOK 906 OF MAPS AT PAGES 18-20,
SANTA CLARA COUNTY RECORDS,
AND THAT PORTION OF CENTRE POINT DRIVE VACATED BY
RESOLUTION NO. 8786, RECORDED AUGUST 30, 2018
IN DOCUMENT NO. 24014305
OFFICIAL RECORDS OF SANTA CLARA COUNTY

RUGGERI-JENSEN-AZAR
CIVIL ENGINEERS, PLANNERS, SURVEYORS
PLEASANTON, CALIFORNIA
(925) 227-9100
JANUARY 2019

BOUNDARY SHEET

AREA WITHIN SUBDIVISION = 4.564±ACRES



NOTES:

- ALL MONUMENT TIES SHOWN ARE AT RIGHT ANGLES TO THE MONUMENT LINE UNLESS OTHERWISE NOTED.
- COORDINATES, BEARINGS AND DISTANCES SHOWN ARE ON THE CALIFORNIA COORDINATE SYSTEM OF 1983 ZONE 3. MULTIPLY DISTANCES SHOWN BY 1.00005500 TO OBTAIN GROUND LEVEL DISTANCES.

BASIS OF BEARINGS

THE CALCULATED GRID BEARING OF N39°43'13"W OF THE LINE BETWEEN THE FOUND MONUMENT (POINT 1008) AT THE INTERSECTION OF MONTAGUE EXPRESSWAY WITH CENTRE POINTE DRIVE AND THE FOUND MONUMENT (POINT 1011) AT THE INTERSECTION OF SOUTH ABEL STREET WITH WEST CURTIS AVENUE WAS USED FOR THE BASIS OF BEARINGS. THESE MONUMENTS ARE SHOWN AS POINT NUMBERS "1008" AND "1011" ON THAT RECORD OF SURVEY FILED JUNE 26, 1996 IN BOOK 678 OF MAPS, AT PAGES 10 THROUGH 13, RECORDS OF SANTA CLARA COUNTY, CALIFORNIA. THE BEARING WAS CALCULATED FROM THE COORDINATE VALUES FROM EPOCH 1986 SHOWN ON SHEET 4 OF 4 OF THAT SURVEY.

THE VALUES OF POINTS "1008" AND "1011" ARE AS FOLLOWS:

	NORTHING	EASTING
"1008"	1974285.72	6156434.98
"1011"	1977865.34	6153460.98

LEGEND

	DISTINCTIVE BOUNDARY LINE
	LOT LINE
	EXISTING EASEMENT LINE
	NEW EASEMENT LINE
	CENTERLINE/MONUMENT LINE
	TIE LINE
	EXISTING PROPERTY LINE
	EXISTING RELINQUISHMENT OF ABUTTER'S RIGHTS
	FOUND MONUMENT, AS NOTED
	3/4" IRON PIPE WITH PLASTIC PLUG SET PER REFERENCE (6), STAMPED LS 6630
EVAE	EMERGENCY VEHICLE ACCESS EASEMENT
PAE	PUBLIC ACCESS EASEMENT
PSE	PUBLIC SERVICE EASEMENT
PSUE	PUBLIC SERVICE UTILITY EASEMENT
PRAE	PRIVATE RECIPROCAL ACCESS EASEMENT
PSDE	PRIVATE STORM DRAIN EASEMENT
PSSE	PRIVATE SANITARY SEWER EASEMENT
CL	CENTERLINE
INTX	INTERSECTION
(M-M)	MONUMENT TO MONUMENT
(R)	RADIAL BEARING
(DATA) (#)	RECORD DATA & REFERENCE
O.R.	OFFICIAL RECORDS

TRACT 10408 CENTRE POINTE

FOR CONDOMINIUM PURPOSES
333 RESIDENTIAL CONDOMINIUMS
AND 1 COMMERCIAL CONDOMINIUM

CITY OF MILPITAS
SANTA CLARA COUNTY, CALIFORNIA

BEING ALL OF "PARCEL B" AS SHOWN ON THE PARCEL MAP FILED SEPTEMBER 1, 2017 IN BOOK 906 OF MAPS AT PAGES 18-20, SANTA CLARA COUNTY RECORDS,
AND THAT PORTION OF CENTRE POINTE DRIVE VACATED BY RESOLUTION NO. 8786, RECORDED AUGUST 30, 2018 IN DOCUMENT NO. 24014305
OFFICIAL RECORDS OF SANTA CLARA COUNTY

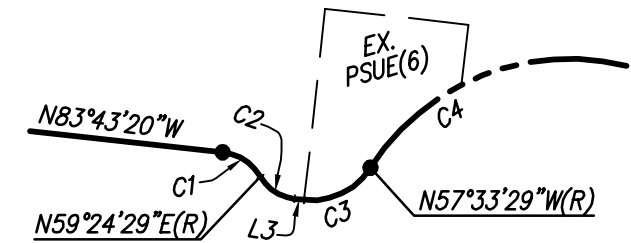
RUGGERI-JENSEN-AZAR
CIVIL ENGINEERS, PLANNERS, SURVEYORS
PLEASANTON, CALIFORNIA
(925) 227-9100
JANUARY 2019

JOB NO. 141107A

SHEET 2 OF 3 SHEETS

REFERENCES (RECORDS OF SANTA CLARA COUNTY)

- PARCEL MAP, 528 M 47
- DEED, 19113758
- DEED, 18933364
- PARCEL MAP, 517 M 42
- RECORD OF SURVEY, 678 M 10
- PARCEL MAP, 906 M 18



DETAIL "D"
NOT TO SCALE

Line	Bearing	Distance
L1	N31°51'06"E (N31°05'13"E 123.88')(1)(4)	123.87'
L2	N83°43'20"W (S84°29'13"E)(1)(4)	78.02'
L3	N83°43'20"W	2.00'
L4	N24°01'33"E	32.57'

Line	Bearing	Distance
L5	N22°40'19"E	24.03'
L6	N68°58'42"W	4.40'
L7	N17°02'05"E	41.74'
L8	N71°11'00"W	3.22'
L9	N83°43'20"W	68.38'
L10	N06°16'40"E	65.49'

Curve	Radius	Delta	Length
C1	10.50'	53°07'49"	9.74'
C2	9.50'	53°07'49"	8.81'
C3	14.50'	63°50'09"	16.16'
C4	49.00'	153°50'09"	131.56'
C5	1078.94'	02°52'09"	54.03'
C6	40.00'	86°24'48"	60.33' (60.32')(1)(4)
C7	1029.94' (1030.00')(1)(4)	06°04'59"	109.35'
C8	124.99'	12°34'55"	27.45'
C9	154.99'	13°13'57"	35.80'
C10	124.99'	14°32'14"	31.71'
C11	999.94' (1000.00')(1)(4)	06°04'59"	106.16' (106.17')(1)(4)
C12	229.99' (230.00')(1)(4)	25°34'26"	102.66'

Backup material for agenda item:

Authorize the City Manager to Execute a Stormwater Management Facilities Operation and Maintenance Agreement for McCarthy Center Holdings LLC for Development at 400-940 North McCarthy Boulevard (Staff Contact: Steve Erickson, 408-586-3301)

Recommendation: Authorize the City Manager to Execute a Stormwater Management Facilities Operation and Maintenance Agreement for McCarthy Center Holdings LLC for development at 400-940 North McCarthy Boulevard.



CITY OF MILPITAS AGENDA REPORT (AR)

Item Title:	Authorize the City Manager to Execute a Stormwater Management Facilities Operation and Maintenance Agreement for McCarthy Center Holdings LLC for Development at 400-940 North McCarthy Boulevard
Category:	Consent Calendar-Community Development
Meeting Date:	1/15/2019
Staff Contact:	Steve Erickson, 408-586-3301
Recommendation:	Authorize the City Manager to Execute a Stormwater Management Facilities Operation and Maintenance Agreement for McCarthy Center Holdings LLC for development at 400-940 North McCarthy Boulevard.

Background:

On June 17, 2015, the Planning Commission Subcommittee approved a Minor Site Development Permit (MS15-0037) for the installation of enhanced courtyard site improvements, recreational facilities, and enhanced seating areas located at 400-940 North McCarthy Boulevard.

The Project conditions of approval require the property owner to execute and record a Stormwater Management Facilities Operation and Maintenance Agreement ("Agreement") with the City for the operation, maintenance and annual inspection of the storm water treatment facilities installed prior to final building occupancy.

Analysis:

State law requires the property owner/developer to install stormwater treatment devices for the purpose of treating stormwater runoff prior to discharge to the City's storm drain network. For the project to be in compliance with the Municipal Regional Stormwater NPDES Permit ("MRP") section C.3.h.ii.(1)(a) and Milpitas Municipal Code Title XI Chapter 16, the property owner is required to execute and record a Stormwater Management Facilities Operation and Maintenance Agreement with the City for the operation, maintenance and annual inspection of the storm water treatment facilities. The property owner has executed the Agreement, which has been reviewed by the City Attorney as to form and by the City Engineer as to content.

Policy Alternatives:

Alternative 1:

Pros: The approval of the agreement allows both the City and the development to remain in compliance with the MRP,

Cons: Not approving the agreement could potentially harm the City if the property owner would neglect maintenance of the storm treatment devices.

Reason not recommended: Approval of the agreement requiring the on-going maintenance of the stormwater treatment devices and inspection and report by the City is a requirement of the MRP.

Fiscal Impact:

None

California Environmental Quality Act:

This project is categorically exempt from further CEQA review pursuant to Section 15304(b) (Minor Alterations to Land) and Section 15303(e) (New Construction or Conversion of Small Structures) of the CEQA Guidelines in that it involves the removal and replacement of trees and minor modifications are made in the exterior courtyards (i.e. construction of canopy structures, barbeques, etc.).

Recommendation:

Authorize the City Manager to Execute a Stormwater Management Facilities Operation and Maintenance Agreement for McCarthy Center Holdings LLC for development at 400-940 North McCarthy Boulevard.

Attachments:

Stormwater Management Facilities Operation and Maintenance Agreement

Recording Requested by
and when Recorded, return to:

CITY OF MILPITAS
455 E. CALAVERAS BOULEVARD
MILPITAS, CA 95035-5479

Attn: City Clerk
Exempt From Recording Fees per Government
Code 6103 and 27383

(SPACE ABOVE THIS LINE RESERVED FOR RECORDER'S USE)

Document Transfer Tax is \$ 0

() Computed on full value of property conveyed

() Computed on full value less value of liens and encumbrances remaining

City transfer tax is \$ 0

STORMWATER MANAGEMENT FACILITIES OPERATION AND MAINTENANCE AGREEMENT

This Stormwater Management Facilities Operation and Maintenance Agreement ("AGREEMENT") is made and entered into this 18 day of Sept. 2018 ("Effective Date"), by and between *McCarthy Center Holdings LLC* ("Property Owner") and the City of Milpitas, a municipal corporation of the State of California ("City").

RECITALS

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

- A. **WHEREAS**, the Property Owner is the owner of real property more particularly depicted and described on the attached as **Exhibit A** ("Property"), which includes 19 buildings constructed between 1999 and 2004, and fully incorporated herein by reference; and
- B. **WHEREAS**, the Property Owner received approval from the City allowing improvements to the Property, including the construction of concrete sidewalks, two courtyards, a bocce and barbeque area, and a bioswale to offset the removal of permeable paver sidewalks on the site located at 400-940 N. McCarthy Boulevard in Milpitas and more commonly known as McCarthy Center Reinvestment Phase 2 (the "Project"), and subject to conditions set forth in the following (collectively "City Approvals"):
1. Building Permit B-SI15-0014; and
 2. Building Permit B-SI17-0003;

- C. **WHEREAS**, discharges to the City's municipal separate storm sewer system ("MS4") are regulated under state and federal law pursuant to Waste Discharge Requirements and National Pollutant Discharge Elimination System permit ("MS4 Permit") issued by the Regional Water Quality Control Board, San Francisco Region ("Regional Board"; and
- D. **WHEREAS**, pursuant to the requirements of the MS4 Permit and the City's Stormwater and Urban Runoff Pollution Control Ordinance as codified in Milpitas Municipal Code Chapter 16 ("Ordinance"), the City Approvals require the Property Owner to install, operate and maintain, at no cost or expense to the City, the Permanent Stormwater Pollution Prevention Measures ("BMPs") more particularly described in the City-approved Stormwater Control Operation and Maintenance Plan (sometimes referred to herein as "Plan") for the Project as **Exhibit B** and fully incorporated herein by reference; and
- E. **WHEREAS**, the Stormwater Control Operation and Maintenance Plan may be subsequently modified from time to time with City's written approval and such changes shall be fully incorporated as part of this Agreement by this reference; and
- F. **WHEREAS**, the Stormwater Control Operation and Maintenance Plan includes provisions for the BMP Operation and Maintenance and an annual inspection checklist for the BMPs constructed on the Property, and
- G. **WHEREAS**, this Agreement memorializes the Property Owner's maintenance, operations, and inspection obligations under the City's Ordinance and the approved Stormwater Control Operation and Maintenance Plan.

NOW, THEREFORE, in consideration of the foregoing premises, the mutual covenants contained herein, and the following terms and conditions, the parties hereto agree as follows:

SECTION 1. Responsibility for Operation and Maintenance:

Property Owner shall diligently maintain in perpetuity the BMPs in a manner assuring peak performance at all times, shall make such changes or modifications to the BMPs shown in **Exhibit B**, subject to City's prior written approval, as may be reasonably necessary for the BMPs to continue to operate as designed and approved and to accomplish its intended purpose and shall keep BMPs in good repair, and in compliance with all applicable Federal, State, County and local laws and regulations, including but not limited to the Ordinance, as the same may be amended, revised, and/or replaced from time to time. The Owner shall be responsible for the costs incurred in operating, maintaining, repairing and replacing the BMPs. Property Owner shall not destroy or remove the BMPs or modify any measure in any manner that would lessen its effectiveness without City's prior written approval. Property Owner shall make available copies of the approved Stormwater Control Operation and Maintenance Plan at the site with the facility or property manager.

SECTION 2: Inspection by Property Owner:

The Property Owner, at its sole cost and expense, shall conduct annual inspections of all permanent installed BMPs per the Plan. The annual inspection report ("Inspection Report") shall include completion of the checklist described in the approved Stormwater Control Operation and Maintenance Plan. The BMPs must be inspected by a qualified independent inspector who is acceptable to the City. The Property Owner shall submit the Inspection Report on these BMPs to the City Engineer no later than July 15th of each year.

SECTION 3. Facility Inspection by the City:

- (a) Right of Entry. The Property Owner, on its behalf and on behalf of its successors and assigns, grants permission to the City, the inspectors of the Regional Board, and local mosquito and vector control agency, and their authorized agents and employees, to enter the Property, and to inspect the BMPs whenever the City deems necessary to enforce provisions of the Ordinance, this Agreement, or any other local or state requirements. The City may enter the premises at any reasonable time during normal business hours and upon at least 48 hours prior written notice (except that prior written notice is not required in case of emergency) to inspect the premises related to BMPs and BMP operation and maintenance, to inspect and copy records related to storm water compliance, and to collect samples and take measurements related to BMPs. The Property Owner shall deposit and maintain a Private Job Account with the City a minimum balance of Four Thousand Dollars (\$4,000) for inspection by City Staff pursuant to this Section 3. The deposit of four Thousand Dollars (\$4,000.00) shall be made simultaneously with the execution of this Agreement.
- (b) Security. The City may require the Owner, its successors and assigns, from time to time, to post security in a form, amount, and for a time period satisfactory to City to guarantee performance of the obligations stated herein. Should the Owner, its successors and assigns, fail to perform the obligations under this Agreement, the City may, in the case of a cash bond, act for the Owner, its successors and assigns, using the proceeds from such cash bond, or in the case of a surety bond, require the surety to perform the obligations of this Agreement.

SECTION 4. Failure to Perform Required Facility Repairs or Maintenance by the Property Owner:

- (a) Enforcement Action. If the Property Owner or its successors fail to operate and maintain the BMPs in good working order and in accordance with the approved Plan and the City's Ordinance, the City may, but is not required to, pursue any enforcement action available at law or in equity to cause the completion of all maintenance and may charge the costs of such enforcement action against the Property Owner in any manner authorized by law or in equity.
- (b) City Maintenance. In the event of Property Owner's failure to operate and maintain BMPs in accordance with the Plan and the City's Ordinance, the City may also, with prior written notice, enter the Property to return the BMPs to good working order; provided however that the Property Owner shall have 30 days after any such notice, or such other time provided by law, to cure the relevant failure and provided further that the Property Owner shall have such additional time after the initial 30 days to complete a cure so long as Property Owner commences the cure within the initial 30 days and diligently prosecutes the cure to completion. Notwithstanding the foregoing, City may in its sole discretion enter the Property to return the BMPs to good working in an emergency and take any other necessary action to mitigate an emergency without any notice to Property Owner. The City is under no obligation to maintain or repair the BMPs, and

this Agreement may not be construed to impose any such obligation on the City. If the City, under this Section 4 takes any action to return the BMPs to good working order, the Property Owner shall reimburse the City for all the reasonable costs and expenses incurred by the City. The City will provide the Property Owner with an itemized invoice of the City's costs and expenses and the Property Owner shall make full payments to the City within thirty (30) days of the date of the invoice. If the Property Owners fails to pay the invoice within thirty (30) days, the City shall be entitled to cause a lien for any such unpaid maintenance expense bill to be recorded against the Property. In addition, the City shall be entitled to have the unpaid amount of the invoice placed as a special assessment on the next regular tax bill levied against the Property, after which such assessment shall be collected in the same manner as ordinary municipal taxes are collected, and shall be subject to the same penalties and same procedures under foreclosure and sale in the case of delinquency as provided for ordinary municipal taxes. The actions described in this section are in addition to and not in lieu of other legal remedies provided by law. Notwithstanding the above, it is understood that City is under no obligation to repair or maintain the BMPs, and in no event shall this Agreement be construed to impose any such obligation on City.

- (c) Specific Performance. The provisions of this Agreement are expressly declared to be for the benefit of the City. The City may bring an action to obtain specific performance of this Agreement and may recover its costs, including attorney fees, incurred in bringing such action.

SECTION 5: Successors and Assigns:

Property Owner hereby declares that the Property shall be held, transferred, encumbered, used, conveyed, leased and occupied subject to the covenants, conditions, restrictions, and rights set forth herein for the use and benefit of the Property. All of the limitations, uses, obligations, covenants, restrictions and conditions stated herein shall run with the Property and shall be binding upon Property Owner, its successors and assigns, any and all parties having or acquiring any right, title or interest in or to the Property or any part thereof or interest therein and shall inure to the benefit of and be binding upon each successor-in-interest thereto.

Upon transfer of the property, the Property Owner shall provide the new owner with the current Plan and a copy of this Agreement and shall, in any event, be released from all obligations under this Agreement as of the effective date of the transfer of the Property.

SECTION 6. Indemnity:

The Property Owner, on Property Owner's behalf and on behalf of all successors in interest pursuant to Section 5 of this Agreement, shall indemnify, release, hold harmless, and defend the City and its authorized agents and employees from and against any and all demands, suits, liabilities, fines, losses, damages, accidents, casualties, occurrences or claims, including reasonable attorneys' fees, against the City which may in anyway arise from or relate to the construction, operation, presence, existence or maintenance of the BMPs or this this Agreement, or from any personal injury or property damage that may arise from or relate to the City entering the property under Section 4, except for personal injury or property damage caused by the intentional or wrongful action of the City and its authorized agents and employees. If a claim is asserted against the City, its authorized agents or employees, the City shall promptly notify the Property Owner and the Property Owner shall defend the claim and any resulting litigation at its sole cost and expense, with counsel approved by City. If any judgment is entered against the City, or its authorized agents or employees, the Property Owner must pay all costs and expenses to satisfy the judgment.

SECTION 7. Severability:

Invalidation of any one of the provisions of this Agreement shall in no way effect any other provisions, and all other provisions shall remain in full force and effect.

SECTION 8. Non-Discrimination:

The Property Owner shall not discriminate, in any way, against any person on the basis of race, sex, color, age, religion, sexual orientation, actual or perceived gender identity, disability, ethnicity, or national origin, in connection with or related to the performance of this Agreement.

SECTION 9. Governing Law:

City and Property Owner agree that the law governing this Agreement shall be that of the State of California and that Property Owner shall comply with all applicable laws, ordinances, codes and regulations of the federal, state and local governments.

SECTION 10. Recordation:

Property Owner shall, within 10 days after the effective date of this Agreement, record or cause the Agreement to be recorded in the Office of the Recorder, Santa Clara County, California, at the expense of the Property Owner, which recording shall constitute notice of the obligations herein set forth and a covenant running with the land and shall be binding upon all of the successors and assigns in title to the Property. In the event Property Owner fails to timely record this Agreement, City shall be authorized but not required to record the Agreement.

SECTION 11. Books and Records:

- A. The Property Owner shall maintain any and all ledgers, books of account, invoices, vouchers, cancelled checks, and other records or documents evidencing or relating to charges for services, or expenditures and disbursements or in any way relating to the performance of this Agreement for a minimum period of three (3) years, or for any longer period required by law.
- B. Any records or documents required to be maintained pursuant to this Agreement shall be made available for inspection or audit at no cost to City, at reasonable any time during regular business hours, upon at least 48 hours' prior written request by the City Attorney, City Manager, or a designated representative of any of these officers. Copies of such documents shall be provided to the City for inspection at City Hall when it is practical to do so. Otherwise, unless an alternative is mutually agreed upon, the records shall be available at the Property Owner's address indicated for receipt of notices in this Agreement.

SECTION 12. Notices:

All notices and other communications required or permitted to be given under this Agreement shall be in writing and shall be personally served or mailed, postage prepaid and return receipt requested, addressed to the respective parties as follows:

To CITY:

City of Milpitas
Attn: City Engineer
455 East Calaveras Blvd.
Milpitas, CA 95035

To PROPERTY OWNER:

Irvine Company Office Properties
5451 Great America Parkway, Suite 201
Santa Clara, California 95054
Attn: Kim Yglesias

Notice shall be deemed effective on the date personally delivered or, if mailed, three (3) days after deposit in the mail.

SECTION 13. Venue:

In the event that suit shall be brought by either party to this contract, the parties agree that venue shall be exclusively vested in the state courts of the County of Santa Clara, or if federal jurisdiction is appropriate, exclusively in the United States District Court, Northern District of California, San Jose, California.

SECTION 14. Interpretation, Prior Agreements:

This Agreement, including all Exhibits attached hereto, represents the entire understanding of the parties as to those matters contained herein. In the event that the terms specified in any of the Exhibits attached hereto conflict with any of the terms specified in the body of this Agreement, the terms specified in the body of this Agreement shall control. No prior oral or written understanding shall be of any force or effect with respect to those matters covered hereunder. This Agreement may be modified only by a written amendment duly executed by the parties to this Agreement.

[Signatures on Next Page]

IN WITNESS WHEREOF, the Parties execute this Stormwater Management Facilities Operation and Maintenance Agreement as of the last date set forth below:

PROPERTY OWNER:

By:

By: Todd Aris
Name: Todd Aris
Title: S.V.P., Dev. & Construction

By: Carlene Matchnick
Name: CARLENE MATCHNICK
Title: VICE President Government Relations

CITY:

CITY OF MILPITAS, A MUNICIPAL CORPORATION:

Recommended for approval
By:

Steve Erickson, Engineering Director/City Engineer

Approved as to form
By:

Christopher Diaz, City Attorney

By:

Julie Edmonds-Mares, City Manager

By:

Will Fuentes, Director of Financial Services

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

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

State of California)

County of Santa Clara)

On Sept 18, 2018 before me, Adrienne Susie Keffer, Notary Public,

Date

Here Insert Name and Title of the Officer

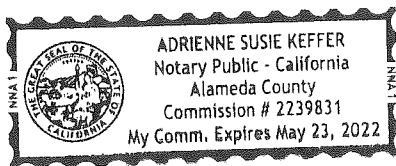
personally appeared Carlene Matchniff & Todd Arris -

Name(s) of Signer(s)

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

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

WITNESS my hand and official seal.



Signature [Signature]
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: Stormwater Mgmt Facility's Operation & Maintenance Agreement

Document Date: Sept. 18, 2018 Number of Pages: 55

Signer(s) Other Than Named Above: -

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

☐ Corporate Officer — Title(s): _____

☐ Partner — ☐ Limited ☐ General

☐ Individual ☐ Attorney in Fact

☐ Trustee ☐ Guardian or Conservator

☐ Other: _____

Signer Is Representing: _____

Signer's Name: _____

☐ Corporate Officer — Title(s): _____

☐ Partner — ☐ Limited ☐ General

☐ Individual ☐ Attorney in Fact

☐ Trustee ☐ Guardian or Conservator

☐ Other: _____

Signer Is Representing: _____

Please note that this is a placeholder for the acknowledgement. So use the most current version of the acknowledgement

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

State of California)
County of _____)

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

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

WITNESS my hand and official seal.

Signature _____

THIS CERTIFICATE MUST BE ATTACHED TO THE DOCUMENT DESCRIBED ABOVE

EXHIBIT A

Plat and Description for the Property

LEGAL DESCRIPTION

Real property in the City of Milpitas, County of Santa Clara, State of California, described as follows:

PARCEL ONE:

All that certain real property lying within the City of Milpitas, County of Santa Clara, State of California, being adjusted Parcel one as described in that certain Resolution of the City council of the City of Milpitas Authorizing the Lot Line Adjustment, recorded June 30, 2000 under Document no. 15297694, Santa Clara County Records. And further described as being all of Parcel One as shown on that certain Parcel Map filed for record on April 28, 1998 in Book 701 of Maps at pages 32 and 33, Santa Clara County Records.

Excepting therefrom that portion of said Parcel One described as follows:

Beginning at the northwest corner of Parcel One;
Thence North 73 deg. 34' 12" East 1162.81 feet along the northerly line of said Parcel One to the northeast corner of said Parcel One;
Thence South 8 deg. 05' 10" East 286.06 feet along on the easterly line of said Parcel One;
Thence South 81 deg. 54' 50" West 1155.25 feet to a point on the westerly line of said Parcel One and the beginning of a non-tangent curve to the right, to which point a radial line bears South 81 deg. 33' 37" West; Thence northerly along said westerly line, along said non-tangent curve to the right with a radius of 1260.00 feet, through a central angle of 5 deg. 20' 29" for an arc length of 117.46 feet to said Point of Beginning.

A.P.N.: 022-29-034

PARCEL TWO:

All that certain real property lying within the City of Milpitas, County of Santa Clara, State of California, being adjusted Parcel two as described in that certain Resolution of the City Council of the City of Milpitas Authorizing the Lot Line Adjustment, recorded June 30, 2000 under Document no. 15297694, Santa Clara County Records. And further described as being all of Parcel Two as shown on that certain Parcel Map filed for record on April 28, 1998 in Book 701 of Maps at pages 32 and 33, Santa Clara County Records.

Together with that portion of Parcel One, as said Parcel is shown on said Parcel Map described as follows:

Beginning at the Northwest corner of said Parcel One; thence North 73° 34' 12" East 1162.81 feet along the Northerly line of said Parcel One to the Northeast corner of said Parcel One; thence South 8° 05' 10" East 286.06 feet along the Easterly Line of said Parcel One; thence South 81° 54' 50" West 1155.25 feet to a point on the Westerly line of said Parcel One and the beginning of a non-tangent curve to the right to which point a radial line bears South 81° 33' 37" West; thence Northerly along said Westerly line, along said non-tangent curve to the right with a radius of 1260.00 feet, through a central angle of 5° 20' 29" for arc length of 117.46 feet to said point of beginning.

A.P.N.: 022-29-035

APN: 022-29-034 & 022-29-035

EXHIBIT B

Stormwater Control Operation and Maintenance Management Plan

STORMWATER CONTROL PLAN
For
McCARTHY CENTER REINVESTMENT
400-900 NORTH McCARTHY BOULEVARD

May 14, 2015

Rev. June 10, 2015

Prepared By:



KIER & WRIGHT
CIVIL ENGINEERS & SURVEYORS, INC.
3350 Scott Boulevard, Building 22 • (408) 727-6665
Santa Clara, California 95054 • FAX: (408) 727-5641

M. Barry Schmitt
M. BARRY SCHMITT RCE 32163



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I. PROJECT NARRATIVE

PROJECT NARRATIVE

1. PROJECT SETTING

A. Project description

The Stormwater Control Plan (SCP) provides recommendations on the use of permanent Best Management Practices ("BMP") for the proposed project. BMP technical requirements are presented in the Santa Clara Valley Urban Runoff Pollution Prevention Program ("SCVURPPP") C.3 Stormwater Handbook dated April, 2012.

The project is located at 400-900 North McCarthy Boulevard. (APN 022-29-034 & 035). Improvements to the 67.79± acre site include removal and replacement of courtyard areas, and removal and replacement of walkways and miscellaneous hardscape areas.

B. Site Features and Conditions

Existing Conditions

The existing site is already developed and is zoned as Industrial Park (MP). The site is currently made up of approximately 2,450,900 square feet (SF) or 83% impervious surface consisting of buildings, parking and drive aisles. The remaining 502,000 (SF) or 17% of the site is landscape and made up of grass, shrubs, and trees.

The site is relatively flat with an average elevation of 13 feet. There is an existing private storm drain system on the site that drains to public storm drain system in McCarthy Boulevard.

A Geotechnical Engineering Report has not been prepared for this SCP.

Proposed Conditions

Proposed improvements include hardscape replacement, construction of courtyard and landscaping improvements, and construction of stormwater treatment measures. The improvements will not be constructed all at once but over a period of time, and will involve several discreet applications to the building department.

The purpose of this SCP is to provide a "bank" of treatment measures that will provide treatment for existing impervious areas that will offset construction of future impervious areas. The stormwater treatment measures are bioretention

basins and are designed to treat 100,900 sf (Total effective impervious area) of existing parking lot and roof areas. This will offset 100,900 sf (Total effective impervious area) of future construction.

The total amount of impervious area to be constructed under this SCP is 61,857 sf. The total existing impervious area of the site is 2,450,900 sf. Therefore, by the 50% rule, only the new and replaced impervious areas are required to be treated.

As part of the Project, bioretention areas will be created to collect drainage from nearby paved areas and rooftops. Overflow from these bioretention areas will drain into a private storm drain system that is connected to the existing City of Milpitas storm drain system.

C. Opportunities and Constraints for Stormwater Control

Opportunities

- Landscape Areas - All landscape areas within the proposed site, including open space areas, provide an opportunity for storm water runoff infiltration.

Constraints

- High Density Land Use - Most portions of the site are covered by buildings and paving with limited open space for use of storm water control and site aesthetics (i.e. landscaping).
- Infiltration - The project site soils has been classified as Hydraulic Group D, making infiltration infeasible as a storm water treatment measure.

D. Hydromodification Management Requirements

The Project is exempt from the Hydromodification Management Plan requirements since the project is located in a sub-watershed that drains to a hardened channel.

2. MEASURES TO LIMIT IMPERVIOUSNESS

A. Measures to Limit Directly Connected Impervious Areas

- Where possible the improvements shall be designed to direct runoff from impervious surfaces into landscape areas.
- Pedestrian pathways within the landscape areas shall be sloped to drain

towards the adjacent landscape areas.

B. Selection of Paving Materials

Conventional concrete has been selected for use throughout this site.

3. SELECTION AND PRELIMINARY DESIGN OF STORMWATER TREATMENT BMPs

A. Hydrology

A rainfall intensity value of *0.2 inches per hour* is used for treatment flows based on the uniform intensity approach. The 4% method is used to calculate the treatment area required for sizing flow-based BMPs.

B. Recommended Permanent BMPs

This SCP identifies Bioretention Areas as the best methods to fulfill on-site treatment requirements and the recommended BMP solutions are shown in Appendix H. These BMPs will provide a level of treatment that meets the C.3 requirements for the runoff generated by the project improvements:

Bioretention Areas

Bioretention treatment areas are designed to filter pollutants from stormwater runoff from adjacent roofs, streets and landscape areas using a combination of vegetation, ponding, permeable planting soil, and a subdrain system. Bioretention treatment areas will be located along the Project's primary access isles, and will ultimately discharge into the private storm drain system that runs throughout the project. Existing parking lot areas and roof drainage will be directed to the bioretention areas.

Bioretention treatment areas will be sized for the watershed area draining into them. Runoff that is directed into the bioretention areas will infiltrate through 18" of bio-treatment soil (as identified in the SCVURPPP Handbook). The treatment soil and the planting material to be used within the bioretention treatment areas will have an infiltration rate of 5 inches or more per hour to meet the minimum infiltration criteria as described in the SCVURPPP bioretention design and sizing guidelines.

Each bioretention area is equipped with a bypass pipe that will direct excess water directly into the drainage system. In all cases, the rim of the overflow pipe will be set to meet the minimum ponding depth requirements for each individual

bioretention area.

Due to poorly draining soils (soil type D per soils report), stormwater infiltration is not feasible. Rainwater harvesting was also determined to be infeasible per Appendix B (Rainwater Harvesting and Use Feasibility Worksheet).

4. SOURCE CONTROL MEASURES

A. Structural Control Measures

1. It is unlawful to discharge any wastewater into storm drains, gutters, creeks, or the San Francisco Bay. Unlawful discharges to storm drains include, but are not limited to, discharges from toilets; sinks; industrial processes; cooling systems; boilers; fabric cleaning; equipment cleaning; or vehicle cleaning.
2. It is unlawful to cause hazardous domestic waste materials to be deposited in such a manner or location as to constitute a threatened discharge into storm drains, gutters, creeks or San Francisco Bay.

Pesticide/Fertilizer Application

1. Landscaping shall be designed to minimize irrigation and runoff, promote surface infiltration where possible, minimize the use of quick-release and/or synthetic fertilizers and pesticides that can contribute to stormwater pollution, and incorporate appropriate sustainable landscaping practices such as Bay Friendly Landscaping (see www.bayfriendly.org).
2. Additional requirements are covered in the "Model Conditions of Approval for Pest Resistant Landscaping" (August 19, 2002).

Pool, Spa, and Fountain Discharges

1. No new pools or fountains are planned.

Food Service Equipment Cleaning

1. No food service facilities are planned.

Refuse Areas

1. No new refuse areas are planned.

Fire Sprinkler Test Water

1. No new fire improvements are planned.

Miscellaneous Drain or Wash Water

1. No new drain or wash water facilities are planned.

B. Operational Control Measures

Paved Sidewalks and Parking Lots

1. Sidewalks and parking lots shall be swept regularly to prevent the accumulation of litter and debris. Debris resulting from pressure washing shall be trapped and collected to prevent entry into the storm drain system. Wash water containing any cleaning agent or degreaser shall be collected and discharged to the sanitary sewer and shall not be discharged to a storm drain. The applicant shall contact the local permitting authority and/or sanitary district with jurisdiction for specific connection and discharge requirements.

Vehicle/Equipment Repair and Maintenance

1. No person shall dispose of, nor permit the disposal, directly or indirectly, of vehicle fluids, hazardous materials, or rinse water from parts cleaning operations into storm drains.
2. No vehicle fluid removal shall be performed outside a building, nor on asphalt or ground surfaces, whether inside or outside a building, except in such a manner as to ensure that any spilled fluid will be in an area of secondary containment. Leaking vehicle fluids shall be contained or drained from the vehicle immediately.
3. No person shall leave unattended drip parts or other open containers containing vehicle fluid, unless such containers are in use or in an area of secondary containment.

5. PERMITTING AND CODE COMPLIANCE ISSUES

There are no known conflicts between the proposed Stormwater Control Plan and the City of Milpitas ordinances and policies. Any conflicts that are found will be resolved thru the design review process or during subsequent permitting.

6. BMP MAINTENANCE REQUIREMENTS

A. Recommended BMP Maintenance

Proper operation and maintenance of stormwater management facilities will be the responsibility of the property owner in perpetuity.

The applicant will prepare and submit, for the City's review, an acceptable Stormwater Control Operation and Maintenance Plan prior to the completion of construction and will execute a Stormwater Management Facilities Operation and Maintenance Agreement before sale, transfer, or permanent occupancy of the site. The applicant accepts the responsibility for maintenance of stormwater management facilities until such responsibility is transferred to another entity.

Treatment BMPs require minimum maintenance similar to that for any landscape areas. BMPs must be regularly maintained to insure that they continue to be effective and do not cause flooding or other harmful nuisances. The maintenance requirements are:

Bioretention Area

- Limit the use of fertilizers and/or pesticides. Mosquito larvicides should be applied only when absolutely necessary.
- Replace and amend plants and soils as necessary to insure the planters are effective and attractive. Plants must remain healthy and trimmed if overgrown. Soils must be maintained to efficiently filter the storm water.
- Visually inspect for ponding water to ensure that filtration is occurring.
- After all major storm events remove trash, inspect drain pipes and risers for obstructions and remove if necessary.
- Continue general landscape maintenance, including pruning and cleanup throughout the year.
- Irrigate throughout the dry season. Irrigation should be provided with sufficient quantity and frequency to allow plants to thrive.
- Excavate, clean and or replace filter media (sand, gravel, topsoil) to insure adequate infiltration rate (annually or as needed).

I. APPENDICES

APPENDIX A



City of Milpitas – Stormwater Requirements C.3 Data Form
Santa Clara Valley Urban Run-Off Pollution Prevention Program

Which Projects Must Comply with Stormwater Requirements?

All projects that create and/or replace 10,000 sq. ft. or more of impervious surface on the project site must fill out this worksheet and submit it with the development project application.

All restaurants, auto service facilities, retail gasoline outlets, and uncovered parking lot projects (stand-alone or part of another development project, including the top uncovered portion of parking structures) that create and/or replace 5,000 sq. ft. or more of impervious surface on the project site must also fill out this worksheet.

Interior remodeling projects, routine maintenance or repair projects such as re-roofing and re-paving, and single family homes that are not part of a larger plan of development are NOT required to complete this worksheet.

What is an Impervious Surface?

An impervious surface is a surface covering or pavement that prevents the land's natural ability to absorb and infiltrate rainfall/stormwater. Impervious surfaces include, but are not limited to rooftops, walkways, paved patios, driveways, parking lots, storage areas, impervious concrete and asphalt, and any other continuous watertight pavement or covering. Pervious pavement, underlain with pervious soil or pervious storage material (e.g., drain rock), that infiltrates rainfall at a rate equal to or greater than surrounding unpaved areas OR that stores and infiltrates the water quality design volume specified in Provision C.3.d of the Municipal Regional Stormwater Permit (MRP) is not considered an impervious surface.

For More Information

For more information regarding selection of Best Management Practices for stormwater pollution prevention or stormwater treatment in Santa Clara County: http://www.scvurppp-w2k.com/c3_handbook_2012.shtml

1. Project Information

Project Name: McCarthy Center Reinvestment **APN #** 022-29-034, 035

Project Address: 400-940 North McCarthy Boulevard

Cross Streets: Ranch Drive

Applicant/Developer Name: _____

Project Phase(s): _____ **of** _____ **Engineer:** Kier & Wright

Project Type (Check all that apply): ☐ New Development ☒ Redevelopment

☐ Residential ☐ Commercial ☐ Industrial ☐ Mixed Use ☐ Public ☐ Institutional

☐ Restaurant ☐ Uncovered Parking ☐ Retail Gas Outlet ☐ Auto Service (SIC code) _____

☐ Other _____ (5013-5014, 5541, 7532-7534, 7536-7539)

Project Description: Const. improvements in existing courtyard/landscaped areas,
replace existing hardscape with new hardscape.

Project Watershed/Receiving Water (creek, river, or bay): Coyote Creek

2. Project Size

a. Total Site Area: 67.798 acre		b. Total Site Area Disturbed: 2.567 acre (including clearing, grading, or excavating)		
	Existing Area (ft ²)	Proposed Area (ft ²)		Total Post-Project Area (ft ²)
		Replaced	New	
Impervious Area				
Roof	484272	0	0	484272
Parking	1818964	0	0	1818964
Sidewalks and Streets	147664	35568	26289	173953
c. Total Impervious Area	2450900	35568	26289	2477189
d. Total new and replaced impervious area		61857		
Pervious Area				
Landscaping	502381	49977	0	476092
Pervious Paving	0	0	0	0
Other (e.g. Green Roof)	0	0	0	0
e. Total Pervious Area	502381	49977	0	476092
f. Percent Replacement of Impervious Area in Redevelopment Projects (Replaced Total Impervious Area ÷ Existing Total Impervious Area) x 100% = 1.7 %				

3. State Construction General Permit Applicability:

a. Is #2.b. equal to one acre or more?

☒ Yes, applicant must obtain coverage under the State Construction General Permit (i.e., file a Notice of Intent and prepare a Stormwater Pollution Prevention Plan) (see www.swrcb.ca.gov/water_issues/programs/stormwater/construction.shtml for details).

☐ No, applicant does not need coverage under the State Construction General Permit.

4. MRP Provision C.3 Applicability:

a. Is #2.d. equal to 10,000 sq. ft. or more, or 5,000 sq. ft. or more for restaurants, auto service facilities, retail gas outlets, and uncovered parking?

☒ Yes, C.3. source control, site design, and treatment requirements apply.

☐ No, C.3. source control and site design requirements may apply – check with local agency

b. Is #2.f. equal to 50% or more?

☐ Yes, C.3. requirements (site design, source control, as appropriate, and stormwater treatment) apply to entire site.

☒ No, C.3. requirements only apply to impervious area created and/or replaced.

5. Hydromodification Management (HM) Applicability:

a. Does project create and/or replace one acre or more of impervious surface AND is the total post-project impervious area greater than the pre-project (existing) impervious area?

☒ Yes (continue)

☐ No – exempt from HM, go to page 3

b. Is the project located in an area of HM applicability (green area) on the HM Applicability Map? (www.scvurppp-w2k.com/hmp_maps.htm)

☐ Yes, project must implement HM requirements

☒ No, project is exempt from HM requirements

6. Selection of Specific Stormwater Control Measures:

Site Design Measures

- ☒ Minimize land disturbed
- ☒ Minimize impervious surfaces
- ☐ Minimum-impact street or parking lot design
- ☐ Cluster structures/pavement
- ☐ Disconnected downspouts
- ☐ Pervious pavement
- ☐ Green roof
- ☐ Microdetention in landscape
- ☐ Other self-treating area
- ☐ Self-retaining area
- ☐ Rainwater harvesting and use (e.g., rain barrel, cistern connected to roof drains) ¹
- ☐ Preserved open space:
_____ ac. or sq. ft.
(circle one)
- ☐ Protected riparian and wetland areas/buffers
(Setback from top of bank: _____ ft.)
- ☐ Other _____

Source Control Measures

- ☐ Alternative building materials
- ☐ Wash area/racks, drain to sanitary sewer²
- ☐ Covered dumpster area, drain to sanitary sewer²
- ☐ Sanitary sewer connection or accessible cleanout for swimming pool/spa/fountain²
- ☐ Beneficial landscaping (minimize irrigation, runoff, pesticides and fertilizers; promotes treatment)
- ☐ Outdoor material storage protection
- ☐ Covers, drains for loading docks, maintenance bays, fueling areas
- ☒ Maintenance (pavement sweeping, catch basin cleaning, good housekeeping)
- ☒ Storm drain labeling
- ☐ Other _____

Treatment Systems

- ☐ None (all impervious surface drains to self-retaining areas)

LID Treatment

- ☐ Rainwater harvest and use (e.g., cistern or rain barrel sized for C.3.d treatment)
- ☐ Infiltration basin
- ☐ Infiltration trench
- ☐ Exfiltration trench
- ☐ Underground detention and infiltration system (e.g. pervious pavement drain rock, large diameter conduit)

Biotreatment ³

- ☒ Bioretention area
- ☐ Flow-through planter
- ☐ Tree box with bioretention soils
- ☐ Other _____

Other Treatment Methods

- ☐ Proprietary tree box filter⁴
- ☐ Media filter (sand, compost, or proprietary media)⁴
- ☐ Vegetated filter strip⁵
- ☐ Dry detention basin⁵
- ☐ Other _____

Flow Duration Controls for Hydromodification Management (HM)

- ☐ Detention basin
- ☐ Underground tank or vault
- ☐ Bioretention with outlet control
- ☐ Other _____

¹ Optional site design measure; does not have to be sized to comply with Provision C.3.d treatment requirements.

² Subject to sanitary sewer authority requirements.

³ Biotreatment measures are allowed only with completed feasibility analysis showing that infiltration and rainwater harvest and use are infeasible.

⁴ These treatment measures are only allowed if the project qualifies as a "Special Project".

⁵ These treatment measures are only allowed as part of a multi-step treatment process.

7. Treatment System Sizing for Projects with Treatment Requirements

Indicate the hydraulic sizing criteria used and provide the calculated design flow or volume:

Treatment System Component	Hydraulic Sizing Criteria Used ³	Design Flow or Volume (cfs or cu.ft.)
TCM 1, 2, 3, & 4	2c	

- ³Key: 1a: Volume – WEF Method
1b: Volume – CASQA BMP Handbook Method
2a: Flow – Factored Flood Flow Method
2b: Flow – CASQA BMP Handbook Method
2c: Flow – Uniform Intensity Method
3: Combination Flow and Volume Design Basis

8. **Alternative Certification:** Was the treatment system sizing and design reviewed by a qualified third-party professional that is not a member of the project team or agency staff?

☒ Yes ☐ No

Name of Reviewer: Caitlin Gilmore - Schaaf & Wheeler

9. Operation & Maintenance Information

A. Property Owner's Name: The Irvine Company

B. Responsible Party for Stormwater Treatment/Hydromodification Control O&M:

a. Name: TBD

b. Address: _____

c. Phone/E-mail: _____

This section to be completed by City of Milpitas staff.

O&M Responsibility Mechanism

Indicate how responsibility for O&M is assured. Check all that apply:

☐ O&M Agreement

☐ Other mechanism that assigns responsibility (describe below):

Reviewed: _____

Planning Department

Planning Division: _____

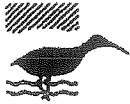
Other (Specify): _____

Public Works Department

Land Development: _____

Other (Specify): _____

APPENDIX B



Infiltration/Harvesting and Use Feasibility Screening Worksheet

Apply these screening criteria for **C.3 Regulated Projects*** required to implement Provision C.3 stormwater treatment requirements. See the Glossary (Attachment 1) for definitions of terms marked with an asterisk (*). Contact municipal staff to determine whether the project meets **Special Project*** criteria. If the project meets Special Project criteria, it may receive LID treatment reduction credits.

1. **Applicant Info**

Site Address: 400-900 North McCarthy Boulevard, Milpitas, CA, CA APN: 022-29-034,035

Applicant Name: The Irving Company Phone No.: 408 330-0110

Mailing Address: 5451 Great America Parkway, Ste. 201, Santa Clara, CA 95054

2. **Feasibility Screening for Infiltration**

Do site soils either (a) have a **saturated hydraulic conductivity*** (Ksat) that will NOT allow infiltration of 80% of the annual runoff (that is, the Ksat is LESS than 1.6 inches/hour), or, if the Ksat rate is not available, (b) consist of Type C or D soils?¹

☐ Yes (continue)

☐ No – complete the Infiltration Feasibility Worksheet. If infiltration of the C.3.d amount of runoff is found to be feasible, there is no need to complete the rest of this screening worksheet.

3. **Recycled Water Use**

Check the box if the project is installing and using a recycled water plumbing system for non-potable water use.

☒ The project is installing a recycled water plumbing system, and installation of a second non-potable water system for harvested rainwater is impractical, and considered infeasible due to cost considerations. Skip to Section 6.

4. **Calculate the Potential Rainwater Capture Area* for Screening of Harvesting and Use**

Complete this section for the entire project area. If rainwater harvesting and use is infeasible for the entire site, and the project includes one or more buildings that each have an individual roof area of 10,000 sq. ft. or more, then complete Sections 4 and 5 of this form for each of these buildings.

4.1 Table 1 for (check one): ☐ The whole project ☐ Area of 1 building roof (10,000 sq.ft. min.)

Table 1: Calculation of the Potential Rainwater Capture Area*				
The Potential Rainwater Capture Area may consist of either the entire project area or one building with a roof area of 10,000 sq. ft. or more.				
	1	2	3	4
	Pre-Project Impervious surface ² (sq.ft.), if applicable	Proposed Impervious Surface ³ (IS), in sq. ft.		Post-project landscaping (sq.ft.), if applicable
		Replaced ³ IS	Created ⁴ IS	
a. Enter the totals for the area to be evaluated:				
b. Sum of replaced and created impervious surface:	N/A			N/A
c. Area of existing impervious surface that will NOT be replaced by the project.		N/A		N/A

¹ Base this response on the site-specific soil report, if available. If this is not available, consult soil hydraulic conductivity maps in Attachment 3.

² Enter the total of all impervious surfaces, including the building footprint, driveway(s), patio(s), impervious deck(s), unroofed porch(es), uncovered parking lot (including top deck of parking structure), impervious trails, miscellaneous paving or structures, and off-lot impervious surface (new, contiguous impervious surface created from road projects, including sidewalks and/or bike lanes built as part of new street). Impervious surfaces do NOT include vegetated roofs or pervious pavement that stores and infiltrates rainfall at a rate equal to immediately surrounding, unpaved landscaped areas, or that stores and infiltrates the **C.3.d amount of runoff***.

³ "Replaced" means that the project will install impervious surface where existing impervious surface is removed.

⁴ "Created" means the project will install new impervious surface where there is currently no impervious surface.

* For definitions, see Glossary (Attachment 1).

- 4.2 Answer this question ONLY if you are completing this section for the entire project area. If existing impervious surface will be replaced by the project, does the area to be replaced equal 50% or more of the existing area of impervious surface? (Refer to Table 1, Row "a". Is the area in Column 2 > 50% of Column 1?)

- ☐ Yes, C.3. stormwater treatment requirements apply to areas of impervious surface that will remain in place as well as the area created and/or replaced. This is known as the 50% rule.
- ☐ No, C.3. requirements apply only to the impervious area created and/or replaced.

- 4.3 Enter the square footage of the **Potential Rainwater Capture Area***. If you are evaluating only the roof area of a building, or you answered "no" to Question 4.2, this amount is from Row "b" in Table 1. If you answered "yes" to Question 4.2, this amount is the sum of Rows "b" and "c" in Table 1.:

_____ square feet.

- 4.4 Convert the measurement of the **Potential Rainwater Capture Area*** from square feet to acres (divide the amount in Item 4.3 by 43,560):

_____ acres.

5. Feasibility Screening for Rainwater Harvesting and Use

- 5.1 Use of harvested rainwater for landscape irrigation:

Is the onsite landscaping LESS than 2.5 times the size of the **Potential Rainwater Capture Area*** (Item 4.3)? (Note that the landscape area(s) would have to be contiguous and within the same Drainage Management Area to use harvested rainwater for irrigation via gravity flow.)

- ☐ Yes (continue) ☐ No – Direct runoff from impervious areas to **self-retaining areas*** OR refer to Table 11 and the curves in Appendix F of the LID Feasibility Report to evaluate feasibility of harvesting and using the C.3.d amount of runoff for irrigation.

- 5.2 Use of harvested rainwater for toilet flushing or non-potable industrial use:

- a. **Residential Projects:** Proposed number of dwelling units: _____
Calculate the dwelling units per impervious acre by dividing the number of dwelling units by the acres of the **Potential Rainwater Capture Area*** in Item 4.4. Enter the result here:

Is the number of dwelling units per impervious acre LESS than 100 (assuming 2.7 occupants/unit)?

- ☐ Yes (continue) ☐ No – complete the Harvest/Use Feasibility Worksheet.

- b. **Commercial/Industrial Projects:** Proposed interior floor area: _____ (sq. ft.)

Calculate the proposed interior floor area (sq.ft.) per acre of impervious surface by dividing the interior floor area (sq.ft.) by the acres of the **Potential Rainwater Capture Area*** in Item 4.4. Enter the result here:

Is the square footage of the interior floor space per impervious acre LESS than 70,000 sq. ft.?

- ☐ Yes (continue) ☐ No – complete the Harvest/Use Feasibility Worksheet

- c. **School Projects:** Proposed interior floor area: _____ (sq. ft.)

Calculate the proposed interior floor area per acre of impervious surface by dividing the interior floor area (sq.ft.) by the acres of the **Potential Rainwater Capture Area*** in Item 4.4. Enter the result here:

Is the square footage of the interior floor space per impervious acre LESS than 21,000 sq. ft.?

- ☐ Yes (continue) ☐ No – complete the Harvest/Use Feasibility Worksheet

* For definitions, see Glossary (Attachment 1).

d. Mixed Commercial and Residential Use Projects

- Evaluate the residential toilet flushing demand based on the dwelling units per impervious acre for the residential portion of the project, following the instructions in Item 5.2.a, except you will use a prorated acreage of impervious surface, based on the percentage of the project dedicated to residential use.
- Evaluate the commercial toilet flushing demand per impervious acre for the commercial portion of the project, following the instructions in Item 5.2.a, except you will use a prorated acreage of impervious surface, based on the percentage of the project dedicated to commercial use.

e. Industrial Projects: Estimated non-potable water demand (gal/day): _____

Is the non-potable demand LESS than 2,400 gal/day per acre of the Potential Rainwater Capture Area?

- ☐ Yes (continue) ☐ No – refer to the curves in Appendix F of the LID Feasibility Report to evaluate feasibility of harvesting and using the C.3.d amount of runoff for industrial use.

6. **Use of Biotreatment**

If only the "Yes" boxes were checked for all questions in Sections 2 and 5, or the project will have a recycled water system for non-potable use (Section 3), then the applicant may use appropriately designed bioretention facilities for compliance with C.3 treatment requirements. The applicant is encouraged to maximize infiltration of stormwater if site conditions allow.

7. **Results of Screening Analysis**

Based on this screening analysis, the following steps will be taken for the project (check all that apply):

- ☒ Implement biotreatment measures (such as an appropriately designed bioretention area).
- ☐ Conduct further analysis of infiltration feasibility by completing the Infiltration Feasibility Worksheet.
- ☐ Conduct further analysis of rainwater harvesting and use (check one):
 - ☐ Complete the Rainwater Harvesting and Use Feasibility Worksheet for:
 - ☐ The entire project
 - ☐ Individual building(s), if applicable, describe: _____
 - ☐ Evaluate the feasibility of harvesting and using the C.3.d amount of runoff for irrigation, based on Table 11 and the curves in Appendix F of the LID Feasibility Report
 - ☐ Evaluate the feasibility of harvesting and using the C.3.d amount of runoff for non-potable industrial use, based on the curves in Appendix F of the LID Feasibility Report.

* For definitions, see Glossary (Attachment 1).

APPENDIX C
Not Applicable

APPENDIX D
No Soils Report has been prepared for this plan.

APPENDIX E

MRP CALCULATIONS

The project proposes to treat 4% of the new and/or replaced impervious area in bioretention treatment facilities on-site.

APPENDIX F

TREATMENT CONTROL CALCULATION SUMMARY TABLE

DMA	Indicates Drainage Management Area
TCM	Indicates Treatment Control Measure
EQ	Indicates Equivalent Treatment Area
N/A	Indicates "Not Applicable"

EQ	TCM	DESCRIPTION	Equivalent Impervious Area				Total Effective Impervious Area	TREATMENT TYPE	"TREATMENT AREA REQ'D (SF)"	TREATMENT AREA PROVIDED (SF)	DATE IMPROVEMENTS PERMITTED
			DMA (SF)	IMPERVIOUS AREA (SF)	PERVIOUS AREA (SF)	Previous Area (10% of Previous Area)					
N/A	DMA 1	Courtyard Improvements W/y of Bldg. 490	13,295	4,149	9,146	915	Not treated, see below note	203	203		
	DMA 2	Courtyard Improvements S'y of Bldg. 680	5,151	807	4,344	434	Not treated, see below note	50	50		
	DMA 3	Paver replacement at Bldgs. 670, 680, & 690	6,812	6,812	0	0	Not treated, see below note	272	272		
	DMA 4	Courtyard Improvements N'y of Bldg. 680	5,155	795	4,360	436	Not treated, see below note	49	49		
	DMA 5	Paver replacement E'y of Bldg. 690	1,067	1,067	0	0	Not treated, see below note	43	43		
	DMA 6	Central courtyard Improvements	4,850	1,930	1,930	193	Not treated, see below note	125	125		
	DMA 7	Courtyard Improvements S'y of Bldg. 880	5,077	798	4,279	428	Not treated, see below note	49	49		
	DMA 8	Paver replacement at Bldgs. 870, 880, and 890	6,726	6,726	0	0	Not treated, see below note	269	269		
	DMA 9	Courtyard Improvements N'y of Bldg. 880	9,159	2,518	6,641	664	Not treated, see below note	127	127		
	DMA-10	Paver replacement 900, 920, & 940	7,907	7,907	0	0	Not treated, see below note	316	316		
	DMA 11	Courtyard Improvements W'y of Bldg. 660	9,930	4,311	5,079	508	Not treated, see below note	193	193		
	DMA 12	Courtyard Improvements W'y of Bldg. 620	10,450	4,109	6,341	634	Not treated, see below note	190	190		
	DMA-13	Courtyard Improvements W'y of Bldg. 660	8,453	4,394	4,059	406	Not treated, see below note	192	192		
	DMA 14	Paver replacement at Bldgs. 620, 640, and 660	10,202	10,202	0	0	Not treated, see below note	408	408		
	DMA-15	Courtyard Improvements W'y of Bldg. 620	8,140	4,342	3,798	380	Not treated, see below note	189	189		
		Total:	111,834	61,857	49,977	66,855		2,674	2,674		

EQ Area (SF)				EQ Area PROVIDED (SF)				EQUIVALENT TREATMENT AREA PROVIDED (SF)	
	EQ 1	1	28,520	21,662	6,858	22,348	Flow (4% method)	N/A	894
	EQ 2	2	37,098	31,791	5,307	32,322	Flow (4% method)	N/A	1,295
	EQ 3	3	35,909	30,240	5,669	30,807	Flow (4% method)	N/A	1,232
	EQ 4	4	19,121	15,016	4,105	15,427	Flow (4% method)	N/A	617
	Total:		120,648	98,769	21,939	100,903			4,016

^a Treatment area required/provided

^a Treatment area required/provided

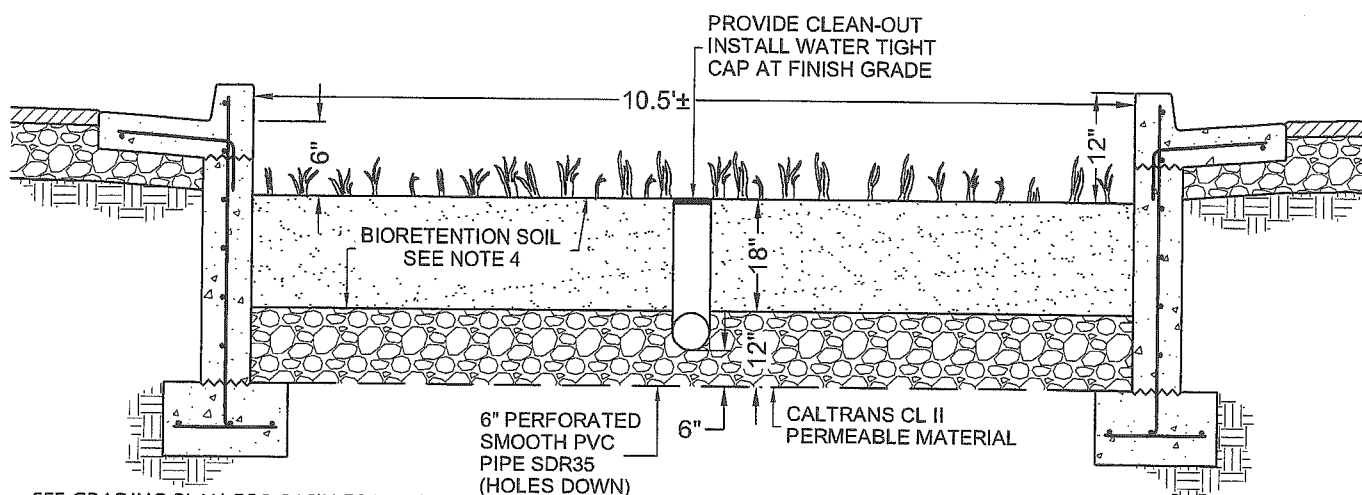
Total Treatment Area required for DMA 1 thru DMA 15 = 2,674 sf

Total Treatment Area provided by TCM 1 + TCM 2 + TCM 3 + TCM 4 = 4,036 sf (OK)

Surplus treatment area available for future improvements not shown on this plan:	1,362 sf	This treatment area is sufficient to treat 34,048 sf of new or replaced impervious area.

APPENDIX G

APPENDIX H

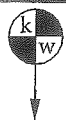


1. SEE GRADING PLAN FOR BASIN FOOTPRINT.
2. SEE LANDSCAPE PLANS FOR PLANTING REQUIREMENTS.
3. NO FLOATING BARK MULCH SHALL BE PLACED IN THE BIO-RETENTION BASIN.
4. THE INSTALLED BIORETENTION SOIL SHALL COMPLY WITH THE SPECIFICATIONS IN ATTACHMENT L OF THE MUNICIPAL REGIONAL STORMWATER PERMIT (MRP) OR IN APPENDIX C OF THE SCVURPPP C.3 STORMWATER HAND BOOK AND SHALL BE CAPABLE OF SUPPORTING THE PLANT MATERIAL SPECIFIED BY THE LANDSCAPE ARCHITECT (SEE PLANTING PLANS). THE CONTRACTOR SHALL SUBMIT THE PROPOSED PERVIOUS MATERIAL MIX TO THE SOILS ENGINEER AND LANDSCAPE ARCHITECT FOR REVIEW AND APPROVAL. FOLLOWING INSTALLATION OF THE PERVIOUS MATERIAL, IN-SITU TESTING SHALL BE PERFORMED BY THE PROJECT SOILS ENGINEER TO VERIFY THE SPECIFIED PERCOLATION RATE.

McCARTHY CENTER REINVESTMENT BIORETENTION BASIN

MILPITAS

CALIFORNIA



KIER & WRIGHT
CIVIL ENGINEERS & SURVEYORS, INC.
3350 Scott Boulevard, Building 22 (408) 727 6665
Santa Clara, California 95054 fax (408) 727 5641

DATE MAY 2015

SCALE N.T.S.

DR. BY MRL

JOB AT 258

SHEET NO.

OF

APPENDIX I

Bioretention Area Maintenance Plan for McCarthy Center Reinvestment

April 2015

Project Address and Cross Streets North McCarthy Boulevard and Highway 237

Assessor's Parcel No.: 022-29-034 & 035

Property Owner: The Irvine Company _____ Phone No.: _____

Designated Contact: Peter Banzhaf _____ Phone No.: 408 330-0110 _____

Mailing Address: 5451 Great America Parkway, Ste. 201, Santa Clara, CA 95054

The property contains 2 bioretention area(s), located as described below and as shown in the attached site plan¹.

- **Bioretention Area No. 1** located E'ly of central courtyard
- **Bioretention Area No. 2** located E'ly of bioretention area #1
- **Bioretention Area No. 3** located W'ly of central courtyard
- **Bioretention Area No. 4** located E'ly of bioretention area #3

I. Routine Maintenance Activities

The principal maintenance objective is to prevent sediment buildup and clogging, which reduces pollutant removal efficiency and may lead to bioretention area failure. Routine maintenance activities, and the frequency at which they will be conducted, are shown in Table 1.

Table 1 Routine Maintenance Activities for Bioretention Areas		
No.	Maintenance Task	Frequency of Task
1	Remove obstructions, debris and trash from bioretention area and dispose of properly.	Monthly, or as needed after storm events
2	Inspect bioretention area for ponded water. If ponded water does not drain within 2-3 days, till and replace the surface soil and replant.	Monthly, or as needed after storm events
3	Inspect inlets for channels, soil exposure or other evidence of erosion. Clear obstructions and remove sediment.	Monthly, or as needed after storm events
4	Remove and replace all dead and diseased vegetation.	Twice a year
5	Maintain vegetation and the irrigation system. Prune and weed to keep bioretention area neat and orderly in appearance. Remove and or replace any dead plants.	Twice a year
6	Check that mulch is at appropriate depth (2 inches per soil specifications) and replenish as necessary before wet season begins.	Monthly
7	Inspect the energy dissipation at the inlet to ensure it is functioning adequately, and that there is no scour of the surface mulch.	Annually, before the wet season begins
8	Inspect bioretention area using the attached inspection checklist.	Monthly, or after large storm events, and after removal of accumulated debris or material

¹ Attached site plan must match the site plan exhibit to Maintenance Agreement.

Bioretention Area Maintenance Plan
Property Address: 400-900 North McCarthy Blvd.

Date of Inspection: _____
Treatment Measure No.: _____

II. Use of Pesticides

The use of pesticides and quick release fertilizers shall be minimized, and the principles of integrated pest management (IPM) followed:

1. Employ non-chemical controls (biological, physical and cultural controls) before using chemicals to treat a pest problem.
2. Prune plants properly and at the appropriate time of year.
3. Provide adequate irrigation for landscape plants. Do not over water.
4. Limit fertilizer use unless soil testing indicates a deficiency. Slow-release or organic fertilizer is preferable. Check with municipality for specific requirements.
5. Pest control should avoid harming non-target organisms, or negatively affecting air and water quality and public health. Apply chemical controls only when monitoring indicates that preventative and non-chemical methods are not keeping pests below acceptable levels. When pesticides are required, apply the least toxic and the least persistent pesticide that will provide adequate pest control. Do not apply pesticides on a prescheduled basis.
6. Sweep up spilled fertilizer and pesticides. Do not wash away or bury such spills.
7. Do not over apply pesticide. Spray only where the infestation exists. Follow the manufacturer's instructions for mixing and applying materials.
8. Only licensed, trained pesticide applicators shall apply pesticides.
9. Apply pesticides at the appropriate time to maximize their effectiveness and minimize the likelihood of discharging pesticides into runoff. With the exception of pre-emergent pesticides, avoid application if rain is expected.
10. Unwanted/unused pesticides shall be disposed as hazardous waste.

III. Vector Control

Standing water shall not remain in the treatment measures for more than five days, to prevent mosquito generation. Should any mosquito issues arise, contact the Santa Clara Valley Vector Control District (District). Mosquito larvicides shall be applied only when absolutely necessary, as indicated by the District, and then only by a licensed professional or contractor. Contact information for the District is provided below.

Santa Clara Valley Vector Control District
1580 Berger Dr.
San José, California 95112
Phone: (408) 918-4770 / (800) 675-1155 - Fax: (408) 298-6356
www.sccgov.org/portal/site/vector

IV. Inspections

The attached Bioretention Area Inspection and Maintenance Checklist shall be used to conduct inspections monthly (or as needed), identify needed maintenance, and record maintenance that is conducted.

Bioretention Area Inspection and Maintenance Checklist

Property Address: 400-900 North McCarthy Blvd., Milpitas, CA Property Owner: The Irvine Company

Treatment Measure No.: 1 Date of Inspection: _____ Type of Inspection: Monthly Pre-Wet Season
Inspector(s): _____ After heavy runoff End of Wet Season
Other: _____

Defect	Conditions When Maintenance Is Needed	Maintenance Needed? (Y/N)	Comments (Describe maintenance completed and if needed maintenance was not conducted, note when it will be done)	Results Expected When Maintenance Is Performed
1. Standing Water	Water stands in the bioretention area between storms and does not drain within 2-3 days after rainfall.			There should be no areas of standing water once storm event has ceased. Any of the following may apply: sediment or trash blockages removed, improved grade from head to foot of bioretention area, or added underdrains.
2. Trash and Debris Accumulation	Trash and debris accumulated in the bioretention area.			Trash and debris removed from bioretention area and disposed of properly.
3. Sediment	Evidence of sedimentation in bioretention area.			Material removed so that there is no clogging or blockage. Material is disposed of properly.
4. Erosion	Channels have formed around inlets, there are areas of bare soil, and/or other evidence of erosion.			Obstructions and sediment removed so that water flows freely and disperses over a wide area. Obstructions and sediment are disposed of properly.
5. Vegetation	Vegetation is dead, diseased and/or overgrown.			Vegetation is healthy and attractive in appearance.
6. Mulch	Mulch is missing or patchy in appearance. Areas of bare earth are exposed, or mulch layer is less than 2 inches in depth.			All bare earth is covered, except mulch is kept 6 inches away from trunks of trees and shrubs. Mulch is even in appearance, at a depth of 2 inches.
7. Miscellaneous	Any condition not covered above that needs attention in order for the bioretention area to function as designed.			Meets the design specifications.

Bioretention Area Inspection and Maintenance Checklist

Property Address: 400-900 North McCarthy Blvd., Milpitas, CA Property Owner: The Irvine Company

Treatment Measure No.: 2 Date of Inspection: _____ Type of Inspection: Monthly Pre-Wet Season
Inspector(s): _____ After heavy runoff End of Wet Season
Other: _____

Defect	Conditions When Maintenance Is Needed	Maintenance Needed? (Y/N)	Comments (Describe maintenance completed and if needed maintenance was not conducted, note when it will be done)	Results Expected When Maintenance Is Performed
1. Standing Water	Water stands in the bioretention area between storms and does not drain within 2-3 days after rainfall.			There should be no areas of standing water once storm event has ceased. Any of the following may apply: sediment or trash blockages removed, improved grade from head to foot of bioretention area, or added underdrains.
2. Trash and Debris Accumulation	Trash and debris accumulated in the bioretention area.			Trash and debris removed from bioretention area and disposed of properly.
3. Sediment	Evidence of sedimentation in bioretention area.			Material removed so that there is no clogging or blockage. Material is disposed of properly.
4. Erosion	Channels have formed around inlets, there are areas of bare soil, and/or other evidence of erosion.			Obstructions and sediment removed so that water flows freely and disperses over a wide area. Obstructions and sediment are disposed of properly.
5. Vegetation	Vegetation is dead, diseased and/or overgrown.			Vegetation is healthy and attractive in appearance.
6. Mulch	Mulch is missing or patchy in appearance. Areas of bare earth are exposed, or mulch layer is less than 2 inches in depth.			All bare earth is covered, except mulch is kept 6 inches away from trunks of trees and shrubs. Mulch is even in appearance, at a depth of 2 inches.
7. Miscellaneous	Any condition not covered above that needs attention in order for the bioretention area to function as designed.			Meets the design specifications.

Bioretention Area Inspection and Maintenance Checklist

Property Address: 400-900 North McCarthy Blvd., Milpitas, CA Property Owner: The Irvine Company

Treatment Measure No.: 3 Date of Inspection: _____ Type of Inspection: Monthly Pre-Wet Season
Inspector(s): _____ After heavy runoff End of Wet Season
Other: _____

Defect	Conditions When Maintenance Is Needed	Maintenance Needed? (Y/N)	Comments (Describe maintenance completed and if needed maintenance was not conducted, note when it will be done)	Results Expected When Maintenance Is Performed
1. Standing Water	Water stands in the bioretention area between storms and does not drain within 2-3 days after rainfall.			There should be no areas of standing water once storm event has ceased. Any of the following may apply: sediment or trash blockages removed, improved grade from head to foot of bioretention area, or added underdrains.
2. Trash and Debris Accumulation	Trash and debris accumulated in the bioretention area.			Trash and debris removed from bioretention area and disposed of properly.
3. Sediment	Evidence of sedimentation in bioretention area.			Material removed so that there is no clogging or blockage. Material is disposed of properly.
4. Erosion	Channels have formed around inlets, there are areas of bare soil, and/or other evidence of erosion.			Obstructions and sediment removed so that water flows freely and disperses over a wide area. Obstructions and sediment are disposed of properly.
5. Vegetation	Vegetation is dead, diseased and/or overgrown.			Vegetation is healthy and attractive in appearance.
6. Mulch	Mulch is missing or patchy in appearance. Areas of bare earth are exposed, or mulch layer is less than 2 inches in depth.			All bare earth is covered, except mulch is kept 6 inches away from trunks of trees and shrubs. Mulch is even in appearance, at a depth of 2 inches.
7. Miscellaneous	Any condition not covered above that needs attention in order for the bioretention area to function as designed.			Meets the design specifications.

Bioretention Area Inspection and Maintenance Checklist

Property Address: 400-900 North McCarthy Blvd., Milpitas, CA Property Owner: The Irvine Company

Treatment Measure No.: 4 Date of Inspection: _____ Type of Inspection: Monthly Pre-Wet Season
Inspector(s): _____ After heavy runoff End of Wet Season
Other: _____

Defect	Conditions When Maintenance Is Needed	Maintenance Needed? (Y/N)	Comments (Describe maintenance completed and if needed maintenance was not conducted, note when it will be done)	Results Expected When Maintenance Is Performed
1. Standing Water	Water stands in the bioretention area between storms and does not drain within 2-3 days after rainfall.			There should be no areas of standing water once storm event has ceased. Any of the following may apply: sediment or trash blockages removed, improved grade from head to foot of bioretention area, or added underdrains.
2. Trash and Debris Accumulation	Trash and debris accumulated in the bioretention area.			Trash and debris removed from bioretention area and disposed of properly.
3. Sediment	Evidence of sedimentation in bioretention area.			Material removed so that there is no clogging or blockage. Material is disposed of properly.
4. Erosion	Channels have formed around inlets, there are areas of bare soil, and/or other evidence of erosion.			Obstructions and sediment removed so that water flows freely and disperses over a wide area. Obstructions and sediment are disposed of properly.
5. Vegetation	Vegetation is dead, diseased and/or overgrown.			Vegetation is healthy and attractive in appearance.
6. Mulch	Mulch is missing or patchy in appearance. Areas of bare earth are exposed, or mulch layer is less than 2 inches in depth.			All bare earth is covered, except mulch is kept 6 inches away from trunks of trees and shrubs. Mulch is even in appearance, at a depth of 2 inches.
7. Miscellaneous	Any condition not covered above that needs attention in order for the bioretention area to function as designed.			Meets the design specifications.

**Stormwater Treatment Measure Operation and Maintenance
Inspection Report to the City of Milpitas, California**

This report and attached Inspection and Maintenance Checklists document the inspection and maintenance conducted for the identified stormwater treatment measure(s) subject to the Maintenance Agreement between the City and the property owner during the annual reporting period indicated below.

I. Property Information:

Property Address or APN: 022-29-034 & 035

Property Owner: The Irvine Company

II. Contact Information:

Name of person to contact regarding this report: _____

Phone number of contact person: _____ Email: _____

Address to which correspondence regarding this report should be directed:

III. Reporting Period:

This report, with the attached completed inspection checklists, documents the inspections and maintenance of the identified treatment measures during the time period from _____ to _____.

IV. Stormwater Treatment Measure Information:

The following stormwater treatment measures (identified treatment measures) are located on the property identified above and are subject to the Maintenance Agreement:

Identifying Number of Treatment Measure	Type of Treatment Measure	Location of Treatment Measure on the Property
1	Bioretention	E'ly of central courtyard
2	Bioretention	E'ly of bioretention area #1
3	Bioretention	W'ly of central courtyard
4	Bioretention	E'ly of bioretention area #3

V. Summary of Inspections and Maintenance:

Summarize the following information using the attached Inspection and Maintenance Checklists:

Identifying Number of Treatment Measure	Date of Inspection	Operation and Maintenance Activities Performed and Date(s) Conducted	Additional Comments

VI. Sediment Removal:

Total amount of accumulated sediment removed from the stormwater treatment measure(s) during the reporting period: _____ cubic yards.

How was sediment disposed?

- D landfill
- D other location on-site as described in and allowed by the maintenance plan
- D other, explain _____

400-900 North McCarthy Blvd.

VII. Inspector Information:

The inspections documented in the attached Inspection and Maintenance Checklists were conducted by the following inspector(s):

Inspector Name and Title	Inspector's Employer and Address

VIII. Certification:

I hereby certify, under penalty of perjury, that the information presented in this report and attachments is true and complete:

Signature of Property Owner or Other Responsible Party

Date

Type or Print Name

Company Name

Address

Phone number: _____ Email: _____

Please submit the Operation and Maintenance inspection reports for each BMP to the following address:

City of Milpitas
455 E. Calaveras Blvd.
Milpitas, CA 95035
Attn: Utility Engineer

Schaaf & Wheeler
CONSULTING CIVIL ENGINEERS

James R. Schaaf, Ph. D, PE
Kirk R. Wheeler, PE
Peder C. Jorgensen, PE
Charles D. Anderson, PE
Daniel J. Schaaf, PE

870 Market Street, Suite 1278
San Francisco, CA 94102-2906
415-433-4848
Fax 415-433-1029

M. Eliza McNulty, PE
Benjamin L. Shick, PE
Leif M. Coponen, PE
Principal Emeritus
David A. Foote, PE

May 20, 2015

Babak Kaderi
Land Development Engineering
City of Milpitas
455 E Calaveras Blvd.
Milpitas, CA, 95035

Subject: McCarthy Center Preliminary 3rd Party SWCP Approval

Dear Mr. Kaderi:

At the request of Irvine Company and Kier & Wright engineers, we have performed a preliminary third-party review of the McCarthy Center Development Stormwater Control Plan (SWCP) dated May 15, 2015. The project will disturb approximately 2.6 acres of the 68± acre site and includes the reconstruction of surface improvements such as paving, sidewalks and landscaping. The existing buildings will not be disturbed. The project is located in the Coyote Creek watershed at 400-900 North McCarthy Boulevard in Milpitas and connects to Coyote Creek through the City storm drain system.

We reviewed the following submittals with regard to this project:

- The Storm Water Control Plan (SWCP) dated May 15, 2015 which includes:
 - City of Milpitas C.3 Data Form
 - Completed Infiltration/Harvesting and Use Feasibility Screening Worksheet
- The following plan sheets:
 - C1.0-C6.4 Grading and Drainage Plan Set dated 4-24-15
 - C1.0-C4.0 Master Stormwater Management Plan dated 5-14-15
 - L3 Landscape Site Plan dated 5-14-15

We reviewed the project submittals for compliance with the stormwater requirements in the NPDES Municipal Regional Stormwater Permit (Order No. R2-2009-0074 and amendment Order No. R2-2011-0083) provision C.3 and the City's Municipal Code section XI-16-6.

1. Applicability of NPDES Permit Provision C.3 Requirements

There is a total of 61,857 sf of replaced impervious area, which is greater than the 10,000 square foot threshold. Therefore, C.3 source control, site design and treatment requirements do apply to this project. The project only disturbs 2.567 acres of the total 67.798 acres, and therefore only the new and replaced impervious area must be treated under the 50% rule. The project did not receive final discretionary approval before 12/1/2011, therefore it must use LID treatment measures to treat 100% of the runoff as determined by section C.3.d of the Permit. LID treatment measures include

rainwater harvesting, infiltration, and evapotranspiration. These measures were determined infeasible for the project as shown in the completed Infiltration/Harvesting and Use Feasibility Screening Worksheet. Therefore, bio-treatment may be used per the Permit section C.3.c.i(2)(b)(ii).

Hydromodification Management requirements do not apply to this project since the project is located in an area specifically excluded from HM requirements on the City of Milpitas HMP Applicability Map (available from SCVURPPP).

2. Proposed Stormwater Measures and Sizing Calculations

Source Control Measures for the project are as follows (as shown on the C.3 Form and explained in the SWCP)

- Maintenance Activities (such as street sweeping, storm drain system cleansing)
- Storm Drain Labeling (to deter non-storm water discharges)

Site Design Measures are as follows (as shown on the C.3 Form and explained in the SWCP)

- Minimize impervious surfaces
- Minimize land disturbed (only 3.7% of the total property is disturbed)

Stormwater Treatment Measures

- Four bioretention basins collecting water from all existing rooftops, sidewalks, parking area and surface streets.

Due to the dispersed nature of the new construction, the project has elected to treat existing impervious surfaces in a centralized location in-lieu of the replaced and new impervious surface. The project has provided sufficient surplus treatment area to offset the current construction plan and allow for an additional 36,852 square feet of new or replaced impervious surface to be installed at a later date.

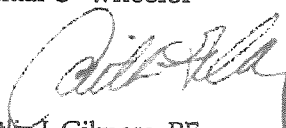
Schaaf & Wheeler verified that calculations for all bio-treatment measures were done correctly, based on a combined flow and volume based method. The details provided for all bio-treatment devices are consistent with the SCVURPPP C.3 Handbook.

Operations and Maintenance Plans have been included in the SWCP which clearly state the responsible party and describe maintenance of all stormwater treatment BMPs.

The preliminary sizing, selection, and design of the 100% LID storm water treatment control BMPs in the SWCP meet the requirements of City's Municipal Code XI-16-6, the Municipal Regional Stormwater Permit (Order No. R2-2009-0074 and amendment Order No. R2-2011-0083) provision C.3 and the SCVURPPP C.3 Handbook dated April 2012.

If you require any additional information, please feel free to call me at the number above.

Sincerely,
Schaaf & Wheeler


Caitlin J. Gilmore, PE
Senior Engineer



Backup material for agenda item:

Award the Bid for IFB No. 2281 to Crayon Software Experts, LLC for the Purchase of 500 Microsoft 365 Licenses for the Information Services Department in an Amount Not to Exceed \$277,620 for a Three-year License Period and Approve the First Year Payment of \$84,780 (Staff Contact: Mike Luu, 408-586-2706)

Recommendation: 1) Award the bid for IFB No. 2281 to Crayon Software Experts, LLC for the purchase of 500 Microsoft 365 Licenses for the Information Services Department for a Three-year license period in the not-to-exceed amount of \$277,620. 2) Authorize the Purchasing Agent to pay for year two and three without further City Council action except for appropriation of funds.



CITY OF MILPITAS AGENDA REPORT (AR)

Item Title:	Award the Bid for IFB No. 2281 to Crayon Software Experts, LLC for the Purchase of 500 Microsoft 365 Licenses for the Information Services Department, in an Amount Not to Exceed \$277,620.00 for a Three-year License Period and Approve the First Year Payment of \$84,780.00
Category:	Leadership and Support Services
Meeting Date:	1/15/2019
Staff Contact:	Chris Schroeder, 408- 586-3161 and Mike Luu, 408-586-2706
Recommendation:	Award the Bid for IFB No. 2281 to Crayon Software Experts, LLC for the purchase of 500 Microsoft 365 Licenses for the Information Services Department for a Three-year license period in the not-to-exceed amount of \$277,620.00. Authorize the Purchasing Agent to pay for year two and three without further City Council action except for appropriation of funds.

Background:

The City of Milpitas utilizes Microsoft Office Suite which includes e-mail (Outlook), Word, Excel, and PowerPoint. Some users also have Microsoft Access. The current version is locally installed and has no collaboration features. It also lacks new compliant requirements.

Staff is recommending to migrate to Microsoft Office 365. Microsoft Office 365 is an application hosted by Microsoft (SaaS or Software as a Service) that will allow access on five devices per user license to the complete suite of Office programs including Outlook, Word, Excel, PowerPoint, and Access. It also includes other services such as SharePoint, Cloud storage, and Microsoft Teams. Users can access these applications from anywhere with an internet connection. These applications work together to allow staff to collaborate. Migrating to Office 365 will result in labor savings and enhanced functionality.

The software is updated automatically and includes one terabyte of file storage, 24 x7 online support, and 99.9% uptime guaranteed (8.76 hours of downtime per year).

Staff issued Invitation for Bid (IFB) No. 2281 on November 9, 2018 for the City's purchase of 500 Microsoft 360 Licenses for the Information Services Department over a three-year license period. The bid was advertised on the City's website and through Public Purchase, the City's eProcurement system. Through Public Purchase, the Invitation for Bid was sent to 1,844 computer software suppliers on the Purchasing Division's bidder list. Sixty-two computer (62) software suppliers accessed the Request for Bid and three (3) responded with their bid. The bid was priced per year for each of the three years. Crayon Software Experts, LLC bid \$84,780.00 year one, \$96,420.00 year two, and \$96,420.00 for year three for a total purchase amount of \$277,620.00. The total of all bids is summarized below:

<u>Bidder</u>	<u>Amount</u>
Crayon Software Experts, LLC	\$277,620.00
CDW Government, LLC	\$296,640.00
Cornerstone Technologies	\$305,820.00

Analysis:

Currently, the City maintains an on-premises application delivery model where applications such as e-mail (Outlook), business applications (Word, Excel, PowerPoint, and Access) and hardware (servers and storage systems) are maintained and supported by Information Services (IS) staff. As the need for technology resources has grown in recent years, IS staff size has not kept pace.

By moving to an Office 365 cloud subscription model, staff will be able to utilize Outlook, Word, Excel, PowerPoint, and file storage where Microsoft will maintain and secure those systems in the cloud with a guaranteed Service Level Agreement (SLA) of 99.9% uptime. As a result, Information Services staff can focus on other priority projects.

Other benefits of Office 365 licensing model:

- Pricing will be locked in place over the three-year contractual period
- Enhanced security features against network intrusion attempts
- 24 x 7 technical support will be available to IS staff
- The “Home Use Program” is available to any authorized City staff member, which allows the download of Office 365 applications for personal use at home on up to 5 computers, 5 smart phones and 5 tablets at no cost to the City or employee.
- Access to Microsoft E-Learning/Training program and resources
- Advanced eDiscovery will significantly expedite public record and legal requests, litigation holds – providing efficiency and saving staff time in responding
- Data storage for each employee
- Improved archiving capabilities to support the City’s data retention policies
- Collaboration tools such as SharePoint and Microsoft Teams

If approved, staff plans to complete the Exchange and Office 365 migration in three to four months. Here is a list of deliverables:

- Project Plan
- Design and Configuration Diagrams
- Test and Validation Reports
- Master Migration Schedule
- Successful migration of users to Office 365

Policy Alternative:

The alternative is to continue to use the current on premise version. Microsoft just released Office version 2019. The City is currently using Office 2013 and Exchange 2010 which will be required to be upgraded in order to continue getting support and security patches from support.

Fiscal Impact:

The annual cost for the licenses required is: \$84,780.00 year one, \$96,420.00 year two, and \$96,420.00 for year three for a total of \$277,620.00. Currently, Microsoft will only allow for contract agreements with a maximum of three years. Crayon is an authorized Microsoft reseller and will handle the contract for the Office 365 licenses. The cost for the year one will be paid from the Technology Projects CIP #3427. The cost for year two and three will be included in the Information Systems operating budget.

Recommendation:

- 1.) Award the Bid for IFB No. 2281 to Crayon Software Experts, LLC for the purchase of 500 Microsoft 365 Licenses for the Information Services Department for a Three-year license period in the not-to-exceed amount of \$277,620.00.
- 2.) Authorize the Purchasing Agent to pay for year two and three without further City Council action except for appropriation of funds.

Attachments:

- 1) Microsoft License Packet
- 2) Bid Forms

Program Signature Form

MBA/MBSA number

Agreement number

01E73970

Note: Enter the applicable active numbers associated with the documents below. Microsoft requires the associated active number be indicated here, or listed below as new.

For the purposes of this form, "Customer" can mean the signing entity, Enrolled Affiliate, Government Partner, Institution, or other party entering into a volume licensing program agreement.

This signature form and all contract documents identified in the table below are entered into between the Customer and the Microsoft Affiliate signing, as of the effective date identified below.

Contract Document	Number or Code
Enterprise Enrollment (Indirect)	X20-10634
Product Selection Form	0789245.003_PSF

By signing below, Customer and the Microsoft Affiliate agree that both parties (1) have received, read and understand the above contract documents, including any websites or documents incorporated by reference and any amendments and (2) agree to be bound by the terms of all such documents.

Customer
Name of Entity (must be legal entity name)* City of Milpitas
Signature* _____
Printed First and Last Name*
Printed Title
Signature Date*
Tax ID

* indicates required field

Microsoft Affiliate
Microsoft Corporation
Signature _____
Printed First and Last Name
Printed Title
Signature Date (date Microsoft Affiliate countersigns)
Agreement Effective Date (may be different than Microsoft's signature date)

Optional 2nd Customer signature or Outsourcer signature (if applicable)

Customer
Name of Entity (must be legal entity name)*
Signature* _____
Printed First and Last Name*
Printed Title
Signature Date*

** indicates required field*

Outsourcer
Name of Entity (must be legal entity name)*
Signature* _____
Printed First and Last Name*
Printed Title
Signature Date*

** indicates required field*

If Customer requires physical media, additional contacts, or is reporting multiple previous Enrollments, include the appropriate form(s) with this signature form.

After this signature form is signed by the Customer, send it and the Contract Documents to Customer's channel partner or Microsoft account manager, who must submit them to the following address. When the signature form is fully executed by Microsoft, Customer will receive a confirmation copy.

Microsoft Corporation
Dept. 551, Volume Licensing
6100 Neil Road, Suite 210
Reno, Nevada 89511-1137
USA

Enterprise Enrollment

State and Local

Enterprise Enrollment number
(Microsoft to complete)

51091965

Framework ID
(if applicable)Previous Enrollment number
(Reseller to complete)**This Enrollment must be attached to a signature form to be valid.**

This Microsoft Enterprise Enrollment is entered into between the entities as identified in the signature form as of the effective date. Enrolled Affiliate represents and warrants it is the same Customer, or an Affiliate of the Customer, that entered into the Enterprise Agreement identified on the program signature form.

This Enrollment consists of: (1) these terms and conditions, (2) the terms of the Enterprise Agreement identified on the signature form, (3) the Product Selection Form, (4) the Product Terms, (5) the Online Services Terms, (6) any Supplemental Contact Information Form, Previous Agreement/Enrollment form, and other forms that may be required, and (7) any order submitted under this Enrollment. This Enrollment may only be entered into under a 2011 or later Enterprise Agreement. By entering into this Enrollment, Enrolled Affiliate agrees to be bound by the terms and conditions of the Enterprise Agreement.

All terms used but not defined are located at <http://www.microsoft.com/licensing/contracts>. In the event of any conflict the terms of this Agreement control.

Effective date. If Enrolled Affiliate is renewing Software Assurance or Subscription Licenses from one or more previous Enrollments or agreements, then the effective date will be the day after the first prior Enrollment or agreement expires or terminates. If this Enrollment is renewed, the effective date of the renewal term will be the day after the Expiration Date of the initial term. Otherwise, the effective date will be the date this Enrollment is accepted by Microsoft. Any reference to "anniversary date" refers to the anniversary of the effective date of the applicable initial or renewal term for each year this Enrollment is in effect.

Term. The initial term of this Enrollment will expire on the last day of the month, 36 full calendar months from the effective date of the initial term. The renewal term will expire 36 full calendar months after the effective date of the renewal term.

Terms and Conditions

1. Definitions.

Terms used but not defined in this Enrollment will have the definition in the Enterprise Agreement. The following definitions are used in this Enrollment:

"Additional Product" means any Product identified as such in the Product Terms and chosen by Enrolled Affiliate under this Enrollment.

"Community" means the community consisting of one or more of the following: (1) a Government, (2) an Enrolled Affiliate using eligible Government Community Cloud Services to provide solutions to a Government or a qualified member of the Community, or (3) a Customer with Customer Data that is subject to Government regulations for which Customer determines and Microsoft agrees that the use of Government Community Cloud Services is appropriate to meet Customer's regulatory requirements.

Membership in the Community is ultimately at Microsoft's discretion, which may vary by Government Community Cloud Service.

"Enterprise Online Service" means any Online Service designated as an Enterprise Online Service in the Product Terms and chosen by Enrolled Affiliate under this Enrollment. Enterprise Online Services are treated as Online Services, except as noted.

"Enterprise Product" means any Desktop Platform Product that Microsoft designates as an Enterprise Product in the Product Terms and chosen by Enrolled Affiliate under this Enrollment. Enterprise Products must be licensed for all Qualified Devices and Qualified Users on an Enterprise-wide basis under this program.

"Expiration Date" means the date upon which the Enrollment expires.

"Federal Agency" means a bureau, office, agency, department or other entity of the United States Government.

"Government" means a Federal Agency, State/Local Entity, or Tribal Entity acting in its governmental capacity.

"Government Community Cloud Services" means Microsoft Online Services that are provisioned in Microsoft's multi-tenant data centers for exclusive use by or for the Community and offered in accordance with the National Institute of Standards and Technology (NIST) Special Publication 800-145. Microsoft Online Services that are Government Community Cloud Services are designated as such in the Use Rights and Product Terms.

"Industry Device" (also known as line of business device) means any device that: (1) is not useable in its deployed configuration as a general purpose personal computing device (such as a personal computer), a multi-function server, or a commercially viable substitute for one of these systems; and (2) only employs an industry or task-specific software program (e.g. a computer-aided design program used by an architect or a point of sale program) ("Industry Program"). The device may include features and functions derived from Microsoft software or third-party software. If the device performs desktop functions (such as email, word processing, spreadsheets, database, network or Internet browsing, or scheduling, or personal finance), then the desktop functions: (1) may only be used for the purpose of supporting the Industry Program functionality; and (2) must be technically integrated with the Industry Program or employ technically enforced policies or architecture to operate only when used with the Industry Program functionality.

"Managed Device" means any device on which any Affiliate in the Enterprise directly or indirectly controls one or more operating system environments. Examples of Managed Devices can be found in the Product Terms.

"Qualified Device" means any device that is used by or for the benefit of Enrolled Affiliate's Enterprise and is: (1) a personal desktop computer, portable computer, workstation, or similar device capable of running Windows Pro locally (in a physical or virtual operating system environment), or (2) a device used to access a virtual desktop infrastructure ("VDI"). Qualified Devices do not include any device that is: (1) designated as a server and not used as a personal computer, (2) an Industry Device, or (3) not a Managed Device. At its option, the Enrolled Affiliate may designate any device excluded above (e.g., Industry Device) that is used by or for the benefit of the Enrolled Affiliate's Enterprise as a Qualified Device for all or a subset of Enterprise Products or Online Services the Enrolled Affiliate has selected.

"Qualified User" means a person (e.g., employee, consultant, contingent staff) who: (1) is a user of a Qualified Device, or (2) accesses any server software requiring an Enterprise Product Client Access License or any Enterprise Online Service. It does not include a person who accesses server software or an Online Service solely under a License identified in the Qualified User exemptions in the Product Terms.

"Reseller" means an entity authorized by Microsoft to resell Licenses under this program and engaged by an Enrolled Affiliate to provide pre- and post-transaction assistance related to this agreement;

"Reserved License" means for an Online Service identified as eligible for true-ups in the Product Terms, the License reserved by Enrolled Affiliate prior to use and for which Microsoft will make the Online Service available for activation.

"State/Local Entity" means (1) any agency of a state or local government in the United States, or (2) any United States county, borough, commonwealth, city, municipality, town, township, special purpose district, or other similar type of governmental instrumentality established by the laws of Customer's state and located within Customer's state's jurisdiction and geographic boundaries.

"Tribal Entity" means a federally-recognized tribal entity performing tribal governmental functions and eligible for funding and services from the U.S. Department of Interior by virtue of its status as an Indian tribe.

"Use Rights" means, with respect to any licensing program, the use rights or terms of service for each Product and version published for that licensing program at the Volume Licensing Site. The Use Rights supersede the terms of any end user license agreement (on-screen or otherwise) that accompanies a Product. The Use Rights for Software are published by Microsoft in the Product Terms. The Use Rights for Online Services are published in the Online Services Terms.

"Volume Licensing Site" means <http://www.microsoft.com/licensing/contracts> or a successor site.

2. Order requirements.

- a. Minimum order requirements.** Enrolled Affiliate's Enterprise must have a minimum of 250 Qualified Users or Qualified Devices. The initial order must include at least 250 Licenses for Enterprise Products or Enterprise Online Services.
 - (i) Enterprise commitment.** Enrolled Affiliate must order enough Licenses to cover all Qualified Users or Qualified Devices, depending on the License Type, with one or more Enterprise Products or a mix of Enterprise Products and the corresponding Enterprise Online Services (as long as all Qualified Devices not covered by a License are only used by users covered with a user License).
 - (ii) Enterprise Online Services only.** If no Enterprise Product is ordered, then Enrolled Affiliate need only maintain at least 250 Subscription Licenses for Enterprise Online Services.
- b. Additional Products.** Upon satisfying the minimum order requirements above, Enrolled Affiliate may order Additional Products.
- c. Use Rights for Enterprise Products.** For Enterprise Products, if a new Product version has more restrictive use rights than the version that is current at the start of the applicable initial or renewal term of the Enrollment, those more restrictive use rights will not apply to Enrolled Affiliate's use of that Product during that term.
- d. Country of usage.** Enrolled Affiliate must specify the countries where Licenses will be used on its initial order and on any additional orders.
- e. Resellers.** Enrolled Affiliate must choose and maintain a Reseller authorized in the United States. Enrolled Affiliate will acquire its Licenses through its chosen Reseller. Orders must be submitted to the Reseller who will transmit the order to Microsoft. The Reseller and Enrolled Affiliate determine pricing and payment terms as between them, and Microsoft will invoice the Reseller based on those terms. Throughout this Agreement the term "price" refers to reference price. Resellers and other third parties do not have authority to bind or impose any obligation or liability on Microsoft.
- f. Adding Products.**
 - (i) Adding new Products not previously ordered.** New Enterprise Products or Enterprise Online Services may be added at any time by contacting a Microsoft Account Manager or Reseller. New Additional Products, other than Online Services, may be used if an order is placed in the month the Product is first used. For Additional Products that are Online Services, an initial order for the Online Service is required prior to use.

- (ii) **Adding Licenses for previously ordered Products.** Additional Licenses for previously ordered Products other than Online Services may be added at any time but must be included in the next true-up order. Additional Licenses for Online Services must be ordered prior to use, unless the Online Services are (1) identified as eligible for true-up in the Product Terms or (2) included as part of other Licenses.
- g. True-up requirements.** Enrolled Affiliate must submit an annual true-up order that accounts for any changes since the initial order or last order. If there are no changes, then an update statement must be submitted instead of a true-up order.
- (i) **Enterprise Products.** For Enterprise Products, Enrolled Affiliate must determine the number of Qualified Devices and Qualified Users (if ordering user-based Licenses) at the time the true-up order is placed and must order additional Licenses for all Qualified Devices and Qualified Users that are not already covered by existing Licenses, including any Enterprise Online Services.
- (ii) **Additional Products.** For Additional Products that have been previously ordered under this Enrollment, Enrolled Affiliate must determine the maximum number of Additional Products used since the latter of the initial order, the last true-up order, or the prior anniversary date and submit a true-up order that accounts for any increase.
- (iii) **Online Services.** For Online Services identified as eligible for true-up in the Product Terms, Enrolled Affiliate may place a reservation order for the additional Licenses prior to use and payment may be deferred until the next true-up order. Microsoft will provide a report of Reserved Licenses ordered but not yet invoiced to Enrolled Affiliate and its Reseller. Reserved Licenses will be invoiced retroactively to the month in which they were ordered.
- (iv) **Subscription License reductions.** Enrolled Affiliate may reduce the quantity of Subscription Licenses at the Enrollment anniversary date on a prospective basis if permitted in the Product Terms, as follows:
- 1) For Subscription Licenses that are part of an Enterprise-wide purchase, Licenses may be reduced if the total quantity of Licenses and Software Assurance for an applicable group meets or exceeds the quantity of Qualified Devices and Qualified Users (if ordering user-based Licenses) identified on the Product Selection Form, and includes any additional Qualified Devices and Qualified Users added in any prior true-up orders. Step-up Licenses do not count towards this total count.
 - 2) For Enterprise Online Services that are not a part of an Enterprise-wide purchase, Licenses can be reduced as long as the initial order minimum requirements are maintained.
 - 3) For Additional Products available as Subscription Licenses, Enrolled Affiliate may reduce the Licenses. If the License count is reduced to zero, then Enrolled Affiliate's use of the applicable Subscription License will be cancelled.
- Invoices will be adjusted to reflect any reductions in Subscription Licenses at the true-up order Enrollment anniversary date and effective as of such date.
- (v) **Update statement.** An update statement must be submitted instead of a true-up order if, since the initial order or last true-up order, Enrolled Affiliate's Enterprise: (1) has not changed the number of Qualified Devices and Qualified Users licensed with Enterprise Products or Enterprise Online Services; and (2) has not increased its usage of Additional Products. This update statement must be signed by Enrolled Affiliate's authorized representative.
- (vi) **True-up order period.** The true-up order or update statement must be received by Microsoft between 60 and 30 days prior to each Enrollment anniversary date. The third-year true-up order or update statement is due within 30 days prior to the Expiration Date, and any license reservations within this 30 day period will not be accepted. Enrolled Affiliate

may submit true-up orders more often to account for increases in Product usage, but an annual true-up order or update statement must still be submitted during the annual order period.

(vii) Late true-up order. If the true-up order or update statement is not received when due, Microsoft will invoice Reseller for all Reserved Licenses not previously invoiced and Subscription License reductions cannot be reported until the following Enrollment anniversary date (or at Enrollment renewal, as applicable).

h. Step-up Licenses. For Licenses eligible for a step-up under this Enrollment, Enrolled Affiliate may step-up to a higher edition or suite as follows:

(i) For step-up Licenses included on an initial order, Enrolled Affiliate may order according to the true-up process.

(ii) If step-up Licenses are not included on an initial order, Enrolled Affiliate may step-up initially by following the process described in the Section titled "Adding new Products not previously ordered," then for additional step-up Licenses, by following the true-up order process.

i. Clerical errors. Microsoft may correct clerical errors in this Enrollment, and any documents submitted with or under this Enrollment, by providing notice by email and a reasonable opportunity for Enrolled Affiliate to object to the correction. Clerical errors include minor mistakes, unintentional additions and omissions. This provision does not apply to material terms, such as the identity, quantity or price of a Product ordered.

j. Verifying compliance. Microsoft may, in its discretion and at its expense, verify compliance with this Enrollment as set forth in the Enterprise Agreement.

3. Pricing.

a. Price Levels. For both the initial and any renewal term Enrolled Affiliate's Price Level for all Products ordered under this Enrollment will be Level "D" throughout the term of the Enrollment.

b. Setting Prices. Enrolled Affiliate's prices for each Product or Service will be established by its Reseller. Except for Online Services designated in the Product Terms as being exempt from fixed pricing, As long as Enrolled Affiliate continues to qualify for the same price level, Microsoft's prices for Resellers for each Product or Service ordered will be fixed throughout the applicable initial or renewal Enrollment term. Microsoft's prices to Resellers are reestablished at the beginning of the renewal term.

4. Payment terms.

For the initial or renewal order, Enrolled Affiliate may pay upfront or elect to spread its payments over the applicable Enrollment term. If an upfront payment is elected, Microsoft will invoice Enrolled Affiliate's Reseller in full upon acceptance of this Enrollment. If spread payments are elected, unless indicated otherwise, Microsoft will invoice Enrolled Affiliate's Reseller in three equal annual installments. The first installment will be invoiced upon Microsoft's acceptance of this Enrollment and remaining installments will be invoiced on each subsequent Enrollment anniversary date. Subsequent orders are invoiced upon acceptance of the order and Enrolled Affiliate may elect to pay annually or upfront for Online Services and upfront for all other Licenses.

5. End of Enrollment term and termination.

a. General. At the Expiration Date, Enrolled Affiliate must immediately order and pay for Licenses for Products it has used but has not previously submitted an order, except as otherwise provided in this Enrollment.

b. **Renewal option.** At the Expiration Date of the initial term, Enrolled Affiliate can renew Products by renewing this Enrollment for one additional 36-month term or by signing a new Enrollment. Microsoft must receive a Renewal Form, Product Selection Form, and renewal order prior to or at the Expiration Date. Microsoft will not unreasonably reject any renewal. Microsoft may make changes to this program that will make it necessary for Customer and its Enrolled Affiliates to enter into new agreements and Enrollments at renewal.

c. **If Enrolled Affiliate elects not to renew.**

(i) **Software Assurance.** If Enrolled Affiliate elects not to renew Software Assurance for any Product under its Enrollment, then Enrolled Affiliate will not be permitted to order Software Assurance later without first acquiring a new License with Software Assurance.

(ii) **Online Services eligible for an Extended Term.** For Online Services identified as eligible for an Extended Term in the Product Terms, the following options are available at the end of the Enrollment initial or renewal term.

1) **Extended Term.** Licenses for Online Services will automatically expire in accordance with the terms of the Enrollment. An extended term feature that allows Online Services to continue month-to-month ("Extended Term") for up to one year, unless designated in the Product Terms to continue until cancelled, is available. During the Extended Term, Online Services will be invoiced monthly at the then-current published price as of the Expiration Date plus a 3% administrative fee. If Enrolled Affiliate wants an Extended Term, Enrolled Affiliate must submit a request to Microsoft at least 30 days prior to the Expiration Date.

2) **Cancellation during Extended Term.** At any time during the first year of the Extended Term, Enrolled Affiliate may terminate the Extended Term by submitting a notice of cancellation to Microsoft for each Online Service. Thereafter, either party may terminate the Extended Term by providing the other with a notice of cancellation for each Online Service. Cancellation will be effective at the end of the month following 30 days after Microsoft has received or issued the notice.

(iii) **Subscription Licenses and Online Services not eligible for an Extended Term.** If Enrolled Affiliate elects not to renew, the Licenses will be cancelled and will terminate as of the Expiration Date. Any associated media must be uninstalled and destroyed and Enrolled Affiliate's Enterprise must discontinue use. Microsoft may request written certification to verify compliance.

d. **Termination for cause.** Any termination for cause of this Enrollment will be subject to the "Termination for cause" section of the Agreement. In addition, it shall be a breach of this Enrollment if Enrolled Affiliate or any Affiliate in the Enterprise that uses Government Community Cloud Services fails to meet and maintain the conditions of membership in the definition of Community.

e. **Early termination.** Any early termination of this Enrollment will be subject to the "Early Termination" Section of the Enterprise Agreement.

For Subscription Licenses, in the event of a breach by Microsoft, or if Microsoft terminates an Online Service for regulatory reasons, Microsoft will issue Reseller a credit for any amount paid in advance for the period after termination.

6. **Government Community Cloud.**

a. **Community requirements.** If Enrolled Affiliate purchases Government Community Cloud Services, Enrolled Affiliate certifies that it is a member of the Community and agrees to use Government Community Cloud Services solely in its capacity as a member of the Community and, for eligible Government Community Cloud Services, for the benefit of end users that are members of the Community. Use of Government Community Cloud Services by an entity that is not a member of the Community or to provide services to non-Community members is strictly

prohibited and could result in termination of Enrolled Affiliate's license(s) for Government Community Cloud Services without notice. Enrolled Affiliate acknowledges that only Community members may use Government Community Cloud Services.

- b. All terms and conditions applicable to non-Government Community Cloud Services also apply to their corresponding Government Community Cloud Services, except as otherwise noted in the Use Rights, Product Terms, and this Enrollment.
- c. Enrolled Affiliate may not deploy or use Government Community Cloud Services and corresponding non-Government Community Cloud Services in the same domain.
- d. **Use Rights for Government Community Cloud Services.** For Government Community Cloud Services, notwithstanding anything to the contrary in the Use Rights:
 - (i) Government Community Cloud Services will be offered only within the United States.
 - (ii) Additional European Terms, as set forth in the Use Rights, will not apply.
 - (iii) References to geographic areas in the Use Rights with respect to the location of Customer Data at rest, as set forth in the Use Rights, refer only to the United States.

Enrollment Details

1. Enrolled Affiliate's Enterprise.

- a. Identify which Agency Affiliates are included in the Enterprise. (Required) Enrolled Affiliate's Enterprise must consist of entire offices, bureaus, agencies, departments or other entities of Enrolled Affiliate, not partial offices, bureaus, agencies, or departments, or other partial entities. Check only one box in this section. If no boxes are checked, Microsoft will deem the Enterprise to include the Enrolled Affiliate only. If more than one box is checked, Microsoft will deem the Enterprise to include the largest number of Affiliates:

☒ Enrolled Affiliate only

☐ Enrolled Affiliate and all Affiliates

☐ Enrolled Affiliate and the following Affiliate(s) (Only identify specific affiliates to be included if fewer than all Affiliates are to be included in the Enterprise):

☐ Enrolled Affiliate and all Affiliates, with following Affiliate(s) excluded:

- b. Please indicate whether the Enrolled Affiliate's Enterprise will include all new Affiliates acquired after the start of this Enrollment: Exclude future Affiliates

2. Contact information.

Each party will notify the other in writing if any of the information in the following contact information page(s) changes. The asterisks (*) indicate required fields. By providing contact information, Enrolled Affiliate consents to its use for purposes of administering this Enrollment by Microsoft, its Affiliates, and other parties that help administer this Enrollment. The personal information provided in connection with this Enrollment will be used and protected in accordance with the privacy statement available at <https://www.microsoft.com/licensing/servicecenter>.

- a. **Primary contact.** This contact is the primary contact for the Enrollment from within Enrolled Affiliate's Enterprise. This contact is also an Online Administrator for the Volume Licensing Service Center and may grant online access to others. The primary contact will be the default contact for all purposes unless separate contacts are identified for specific purposes

Name of entity (must be legal entity name)* City of Milpitas

Contact name* First Daniel Last Nam

Contact email address* dnam@ci.milpitas.ca.gov

Street address* 1265 N. Milpitas Blvd.

City* Milpitas

State/Province* CA

Postal code* 95035-

(For U.S. addresses, please provide the zip + 4, e.g. xxxxx-xxxx)

Country* United States

Phone* 408-586-2712

Tax ID

** indicates required fields*

- b. **Notices contact and Online Administrator.** This contact (1) receives the contractual notices, (2) is the Online Administrator for the Volume Licensing Service Center and may grant online access to others, and (3) is authorized to order Reserved Licenses for eligible Online Services, including adding or reassigning Licenses and stepping-up prior to a true-up order.

☒ Same as primary contact (default if no information is provided below, even if the box is not checked).

Contact name* First Daniel Last Nam
Contact email address* dnam@ci.milpitas.ca.gov
Street address* 1265 N. Milpitas Blvd.
City* Milpitas
State/Province* CA
Postal code* 95035-
(For U.S. addresses, please provide the zip + 4, e.g. xxxxx-xxxx)
Country* United States
Phone* 408-586-2712

Language preference. Choose the language for notices. English

☐ This contact is a third party (not the Enrolled Affiliate). Warning: This contact receives personally identifiable information of the Customer and its Affiliates.

** indicates required fields*

- c. **Online Services Manager.** This contact is authorized to manage the Online Services ordered under the Enrollment and (for applicable Online Services) to add or reassign Licenses and step-up prior to a true-up order.

☐ Same as notices contact and Online Administrator (default if no information is provided below, even if box is not checked)

Contact name*: First Michael Last Yee
Contact email address* myee@ci.milpitas.ca.gov
Phone* 408-586-2704

☐ This contact is from a third party organization (not the entity). Warning: This contact receives personally identifiable information of the entity.

** indicates required fields*

- d. **Reseller information.** Reseller contact for this Enrollment is:

Reseller company name* Crayon Software Experts LLC
Street address (PO boxes will not be accepted)* 8111 LBJ Freeway Suite 1000
City* Dallas
State/Province* TX
Postal code* 75251-1313
Country* United States
Contact name* Crayon US OPS TEAM
Phone* 469-329-0290
Contact email address* license.us@crayon.com

** indicates required fields*

By signing below, the Reseller identified above confirms that all information provided in this Enrollment is correct.

Signature* _____
Printed name* _____
Printed title* _____
Date* _____

** indicates required fields*

Changing a Reseller. If Microsoft or the Reseller chooses to discontinue doing business with each other, Enrolled Affiliate must choose a replacement Reseller. If Enrolled Affiliate or the Reseller intends to terminate their relationship, the initiating party must notify Microsoft and the

other party using a form provided by Microsoft at least 90 days prior to the date on which the change is to take effect.

- e. If Enrolled Affiliate requires a separate contact for any of the following, attach the Supplemental Contact Information form. *Otherwise, the notices contact and Online Administrator remains the default.*

- (i) Additional notices contact
- (ii) Software Assurance manager
- (iii) Subscriptions manager
- (iv) Customer Support Manager (CSM) contact

3. *Financing elections.*

Is a purchase under this Enrollment being financed through MS Financing? ☐ Yes, ☒ No.

If a purchase under this Enrollment is financed through MS Financing, and Enrolled Affiliate chooses not to finance any associated taxes, it must pay these taxes directly to Microsoft.

Proposal ID

0789245.003

Enrollment Number

Language: English (United States)

Enrolled Affiliate's Enterprise Products and Enterprise Online Services summary for the initial order:

Profile	Qualified Devices	Qualified Users	Device / User Ratio	Enterprise Product Platform	CAL Licensing Model
Enterprise	500	500	1.0	No	User Licenses

Products	Enterprise Quantity
O365 GCC E3	500

Enrolled Affiliate's Product Quantities:

Price Group	1	2	3	4
Enterprise Products	Office Professional Plus + Office 365 ProPlus + Office 365 (Plans E3 and E5) + Microsoft 365 Enterprise	Client Access License + Office 365 (Plans E1, E3 and E5) + Microsoft 365 Enterprise	Client Access License + Windows Intune + EMS USL + Microsoft 365 Enterprise	Win E3 + Win E5 + Win VDA + Microsoft 365 Enterprise
Quantity	500	500	0	0

Enrolled Affiliate's Price Level:

Product Offering / Pool	Price Level
Enterprise Products and Enterprise Online Services USLs: Unless otherwise indicated in associated contract documents, Price level set using the highest quantity from Groups 1 through 4.	D
Additional Product Application Pool: Unless otherwise indicated in associated contract documents, Price level set using quantity from Group 1.	D
Additional Product Server Pool: Unless otherwise indicated in associated contract documents, Price level set using the highest quantity from Group 2 or 3.	D
Additional Product Systems Pool: Unless otherwise indicated in associated contract documents, Price level set using quantity from Group 4.	D

NOTES

Unless otherwise indicated in the associated contract documents, the price level for each Product offering / pool is set as described above, based upon the quantity to price level mapping below:

Quantity of Licenses and Software Assurance	Price Level
---	-------------

2,399 and below	A
2,400 to 5,999	B
6,000 to 14,999	C
15,000 and above	D
Note 1: Enterprise Online Services may not be available in all locations. Please see the Product List for a list of locations where these may be purchased.	
Note 2: If Enrolled Affiliate does not order an Enterprise Product or Enterprise Online Service associated with an applicable Product pool, the price level for Additional Products in the same pool will be price level "A" throughout the term of the Enrollment. Refer to the Qualifying Government Entity Addendum pricing provision for more details on price leveling.	

Microsoft Enrollment Request, All Programs

SIGNATURE AUTHORITY	
First & Last Name:	Mike Luu
Job Title	Information Services Director
Email Address:	mluu@ci.milpitas.ca.gov
Phone Number:	408-586-2706

PRIMARY CONTACT	
First & Last Name:	Daniel Nam
Email Address:	dnam@ci.milpitas.ca.gov
Street Address:	1265 N. Milpitas Blvd.
City, State, and Zip + 4:	Milpitas, CA 95035
Phone Number:	408-586-2712
Fax Number (if available):	

NOTICES CONTACT - (if DIFFERENT than the Primary Contact)	
First & Last Name:	
Email Address:	
Street Address:	
City, State, and Zip + 4:	
Phone Number:	
Fax Number (if available):	

ONLINE SERVICES MANAGER	
First & Last Name:	Michael Yee
Job Title	Information Services Analyst
Email Address:	myee@ci.milpitas.ca.gov
Phone Number:	408-586-2704

a. Primary contact - This contact is the primary contact for the Enrollment from within Enrolled Affiliate's Enterprise. This contact is also an Online Administrator for the Volume Licensing Service Center and may grant online access to others. The primary contact will be the default contact for all purposes unless separate contacts are identified for specific purposes.

b. Notices contact and Online Administrator - This contact (1) receives the contractual notices, (2) is the Online Administrator for the Volume Licensing Service Center and may grant online access to others, and (3) is authorized for applicable Online Services to add or reassign Licenses and step-up prior to a true-up order.

c. Online Services Manager - This contact is authorized to manage the Online Services ordered under the Enrollment and (for applicable Online Services) to add or reassign Licenses and step-up prior to a true-up order.

BID FORM

**THIS FORM MUST BE PRINTED OUT, COMPLETED AND UPLOADED BACK INTO THE
PUBLIC PURCHASE SYSTEM**

Name of Bidder: Crayon Software Experts, LLC

Contact Person: Eric Stout

Business Mailing Address: 12221 Merit Drive, Suite# 800
Dallas, Texas 75251

Business Street Address: 12221 Merit Drive, Suite# 800
Dallas, Texas 75251

Telephone: (310)600-3480 Email: eric.stout@crayon.com

By listing the Addenda Numbers below and checking the box next to "ADDENDA" below, Bidder acknowledges receipt of Addenda Number (s) __, __, __, __, from the Public Purchase website pertaining to this IFB (if any). ADDENDA: ☐

By checking the box next to "QUESTIONS" below, Bidder acknowledges receipt of Questions and Answers from the Public Purchase website pertaining to this IFB (if any): QUESTIONS: ☐

A. In response to the Notice Inviting Bids for the **Microsoft 360 Licenses** and in accordance with the other Contract Documents relating thereto, the undersigned Bidder hereby proposes to furnish to the City all materials and equipment, labor, technical and professional services, supervision, and to perform all operations necessary and required to complete the Project in accordance with the provisions of the Contract Documents and any addenda thereto, and at the prices set forth herein.

B. This Bid constitutes a firm offer to the City which cannot be withdrawn for 90 days after the date set for opening of Bids, or until a purchase order is executed by the City and a third party, whichever is earlier.

C. The undersigned certifies that it has examined and is fully familiar with all of the provisions of the Contract Documents and any addenda thereto; that it has carefully checked all of the figures shown in its Bid Schedule; that it has carefully reviewed the accuracy of all statements in this Bid and attachments hereto; and that it understands and agrees that the City will not be responsible for any errors or omissions on the part of the undersigned in preparing this Bid.

D. The undersigned hereby proposes the following price:

YEAR	PART #	Qty	Monthly Cost	Annual Price
1	AAA -11894 O365GCCE3 ShrdSrv ALNG SubsVL MVL Per User	500	\$14.13	\$84,780.00
2	AAA -11894 O365GCCE3 ShrdSrv ALNG SubsVL MVL Per User	500	\$16.07	\$96,420.00
3	AAA -11894 O365GCCE3 ShrdSrv ALNG SubsVL MVL Per User	500	\$16.07	\$96,420.00
			Sales Tax	\$0.00
				Total Bid Price: \$277,620.00

1. The Bidder shall furnish a price for all bid items and failure to do so will render the Bid non-responsive.

2. The costs for any work shown or required in the Documents, but not specifically identified as a line item are to be included in the related line items and no additional compensation shall be due to Contractor for the performance of the work.

3. In case of discrepancy between the "Unit Price" and the "Line Item Price" set forth for a unit basis item, the unit price shall prevail and shall be utilized as the basis for determining the lowest responsive, responsible Bidder. However, if the amount set forth as a unit price is ambiguous, unintelligible or uncertain for any cause, or is omitted, or is the same amount as the entry in the "Line Item Price" column, then the amount set forth in the "Line Item Price" column for the item shall prevail and shall be divided by the estimated quantity for the item and the price thus obtained shall be the Unit Price. For purposes of evaluating Bids, the City will correct any apparent errors in the extension of unit prices and any apparent errors in the addition of lump sum and extended prices.

4. The estimated quantities for Unit Price items are for purposes of comparing Bids only and the City makes no representation that the actual quantities of work performed will not vary from the estimates. Final payment shall be determined by the City from measured quantities of work performed based upon the Unit Price.

E. Bidder declares that the only persons or parties interested in this bid are those named herein, and that this bid is made without collusion with any person, firm or corporation. Bidder proposes and agrees, if the bid is accepted, that Bidder will execute a contract with the City, in the form set forth in the Contract Documents, and will perform the entire work for the prices set forth in this Bid, upon which the award is made.

F. Undersigned acknowledges that the representations made herein are made under penalty of perjury.

Company Name: Crayon Software Experts, LLC

By: *Ken Pharr* 11/ 15 / 18
(Signature and Date)

Ken Pharr
(Type or print name)

VP of Finance and Operations
(Title)

D. The undersigned hereby proposes the following price:

YEAR	PART #	Qty	Monthly Cost	Annual Price
1	AAA -11894 O365GCCE3 ShrdSrv ALNG SubsVL MVL Per User	500	\$ 8,495	\$ 101,940
2	AAA -11894 O365GCCE3 ShrdSrv ALNG SubsVL MVL Per User	500	\$ 8,495	\$ 101,940
3	AAA -11894 O365GCCE3 ShrdSrv ALNG SubsVL MVL Per User	500	\$ 8,495	\$ 101,940
			Sales Tax	0
				Total Bid Price: \$ 305,820

1. The Bidder shall furnish a price for all bid items and failure to do so will render the Bid non-responsive.

2. The costs for any work shown or required in the Documents, but not specifically identified as a line item are to be included in the related line items and no additional compensation shall be due to Contractor for the performance of the work.

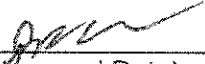
3. In case of discrepancy between the "Unit Price" and the "Line Item Price" set forth for a unit basis item, the unit price shall prevail and shall be utilized as the basis for determining the lowest responsive, responsible Bidder. However, if the amount set forth as a unit price is ambiguous, unintelligible or uncertain for any cause, or is omitted, or is the same amount as the entry in the "Line Item Price" column, then the amount set forth in the "Line Item Price" column for the item shall prevail and shall be divided by the estimated quantity for the item and the price thus obtained shall be the Unit Price. For purposes of evaluating Bids, the City will correct any apparent errors in the extension of unit prices and any apparent errors in the addition of lump sum and extended prices.

4. The estimated quantities for Unit Price items are for purposes of comparing Bids only and the City makes no representation that the actual quantities of work performed will not vary from the estimates. Final payment shall be determined by the City from measured quantities of work performed based upon the Unit Price.

E. Bidder declares that the only persons or parties interested in this bid are those named herein, and that this bid is made without collusion with any person, firm or corporation. Bidder proposes and agrees, if the bid is accepted, that Bidder will execute a contract with the City, in the form set forth in the Contract Documents, and will perform the entire work for the prices set forth in this Bid, upon which the award is made.

F. Undersigned acknowledges that the representations made herein are made under penalty of perjury.

Company Name: Cornerstone Technologies

By:  11/26/18
(Signature and Date)

Jim Comer
(Type or print name)

Account Executive
(Title)

BID FORM

**THIS FORM MUST BE PRINTED OUT, COMPLETED AND UPLOADED BACK INTO THE
PUBLIC PURCHASE SYSTEM**

Name of Bidder: CDW Government LLC

Contact Person: Sean McInerney

Business Mailing Address: 230 N. Milwaukee Ave
Vernon Hills, IL 60061

Business Street Address: same

Telephone: () (877) 325-6224 Email: seanm@cdwg.com

By listing the Addenda Numbers below and checking the box next to "ADDENDA" below, Bidder acknowledges receipt of Addenda Number (s) __, __, __, __, from the Public Purchase website pertaining to this IFB (if any). ADDENDA: ☐ N/A

By checking the box next to "QUESTIONS" below, Bidder acknowledges receipt of Questions and Answers from the Public Purchase website pertaining to this IFB (if any):
QUESTIONS: ☐

A. In response to the Notice Inviting Bids for the **Microsoft 360 Licenses** and in accordance with the other Contract Documents relating thereto, the undersigned Bidder hereby proposes to furnish to the City all materials and equipment, labor, technical and professional services, supervision, and to perform all operations necessary and required to complete the Project in accordance with the provisions of the Contract Documents and any addenda thereto, and at the prices set forth herein.

B. This Bid constitutes a firm offer to the City which cannot be withdrawn for 90 days after the date set for opening of Bids, or until a purchase order is executed by the City and a third party, whichever is earlier.

C. The undersigned certifies that it has examined and is fully familiar with all of the provisions of the Contract Documents and any addenda thereto; that it has carefully checked all of the figures shown in its Bid Schedule; that it has carefully reviewed the accuracy of all statements in this Bid and attachments hereto; and that it understands and agrees that the City will not be responsible for any errors or omissions on the part of the undersigned in preparing this Bid.

D. The undersigned hereby proposes the following price:

YEAR	PART #	Qty	Monthly Cost	Annual Price
1	AAA -11894 O365GCCE3 ShrdSrv ALNG SubsVL MVL Per User	500	197.76	98,880.00
2	AAA -11894 O365GCCE3 ShrdSrv ALNG SubsVL MVL Per User	500	197.76	98,880.00
3	AAA -11894 O365GCCE3 ShrdSrv ALNG SubsVL MVL Per User	500	197.76	98,880.00
			Sales Tax	0
				Total Bid Price: \$296,640

1. The Bidder shall furnish a price for all bid items and failure to do so will render the Bid non-responsive.

2. The costs for any work shown or required in the Documents, but not specifically identified as a line item are to be included in the related line items and no additional compensation shall be due to Contractor for the performance of the work.

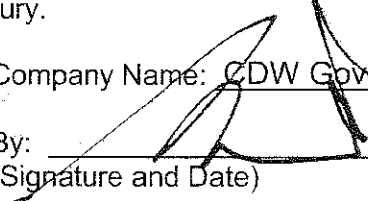
3. In case of discrepancy between the "Unit Price" and the "Line Item Price" set forth for a unit basis item, the unit price shall prevail and shall be utilized as the basis for determining the lowest responsive, responsible Bidder. However, if the amount set forth as a unit price is ambiguous, unintelligible or uncertain for any cause, or is omitted, or is the same amount as the entry in the "Line Item Price" column, then the amount set forth in the "Line Item Price" column for the item shall prevail and shall be divided by the estimated quantity for the item and the price thus obtained shall be the Unit Price. For purposes of evaluating Bids, the City will correct any apparent errors in the extension of unit prices and any apparent errors in the addition of lump sum and extended prices.

4. The estimated quantities for Unit Price items are for purposes of comparing Bids only and the City makes no representation that the actual quantities of work performed will not vary from the estimates. Final payment shall be determined by the City from measured quantities of work performed based upon the Unit Price.

E. Bidder declares that the only persons or parties interested in this bid are those named herein, and that this bid is made without collusion with any person, firm or corporation. Bidder proposes and agrees, if the bid is accepted, that Bidder will execute a contract with the City, in the form set forth in the Contract Documents, and will perform the entire work for the prices set forth in this Bid, upon which the award is made.

F. Undersigned acknowledges that the representations made herein are made under penalty of perjury.

Company Name: CDW Government LLC

By:  11/ 26 / 2018
(Signature and Date)

Matt Flood
(Type or print name)

Proposals Supervisor
(Title)

Backup material for agenda item:

Approve and Authorize the City Manager to Execute an Agreement with Kinsale Insurance Company to Provide Employment Practices Liability Coverage to the City of Milpitas and Appropriate \$129,103.20 in the FY 2018-19 General Fund Operating Budget for this Purpose (Staff Contact: Will Fuentes, 408-586-3111)

Recommendation: Approve and Authorize the City Manager to Execute an Agreement with Kinsale Insurance Company to Provide Employment Practices Liability Coverage to the City of Milpitas and Appropriate \$129,103.20 in the FY 2018-19 General Fund Operating Budget for this Purpose



CITY OF MILPITAS AGENDA REPORT (AR)

Item Title:	Approve and Authorize the City Manager to Execute an Agreement with Kinsale Insurance Company to Provide Employment Practices Liability Coverage to the City of Milpitas and Appropriate \$129,103.20 in the FY 2018-19 General Fund Operating Budget for this Purpose
Category:	Leadership and Support Services
Meeting Date:	1/15/2019
Staff Contact:	Will Fuentes; 408-586-3111
Recommendation:	Approve and Authorize the City Manager to Execute an Agreement with Kinsale Insurance Company to Provide Employment Practices Liability Coverage to the City of Milpitas and Appropriate \$129,103.20 in the FY 2018-19 General Fund Operating Budget for this Purpose

Background:

The City of Milpitas currently self-insures for General and Auto Liability up to \$100,000 per occurrence and participates in the Pooled Liability Assurance Network Joint Powers Authority (PLAN JPA) for any claims over its self-insured retention (SIR) amount. SIR is the equivalent of an insurance deductible. PLAN JPA is a joint powers insurance authority consisting of 28 member cities whose purpose is to benefit the citizens of each member community by establishing a stable, cost-effective self-insurance, risk sharing and risk management program for each member. PLAN JPA was formerly known as ABAG PLAN and the City has been a member for the past 22 years with the City's Director of Financial Services/Risk Manager serving as a Board Member.

However, while the City participates in PLAN JPA to mitigate most risk areas above its SIR, it is 100% self-insured for Employment Practices Liability (EPL) claims at all monetary levels. EPL relates to risk areas such as, but not limited to wrongful termination, discrimination, sexual harassment, and retaliation. The lack of EPL coverage leaves the City vulnerable to EPL claims at all monetary levels. Thus, to mitigate this risk, the City's Director of Financial Services/Risk Manager requested EPL coverage proposals through Alliant Insurance Services, Inc. Alliant is an independent insurance brokerage firm which contracts with PLAN JPA to access various types of liability coverage in the insurance markets for the benefit of member agencies. Attached to this agenda report, Council will find an EPL coverage proposal from Kinsale Insurance Company (redacted with the names of prior EPL claimants). Despite attempts by Alliant to secure at least three EPL proposals, only Kinsale was willing to submit a proposal. Nevertheless, the purchase of insurance is excluded from any competitive procurement and bidding requirements by Title I, Chapter 2, Section 12.01-5 of the City's Municipal Code. Thus, while obtaining three proposals is preferred, it is not required by the City's Municipal Code.

Analysis:

Over the past four years, the City has experienced twelve (12) EPL cases totaling \$2,279,951 for settlement and defense costs. This resulted in an average settlement and defense cost of \$189,996 per incident. The Kinsale proposal before City Council would provide EPL coverage to the City for cases above \$250,000 with limits of \$1,000,000 per incident. The annual cost would be \$129,103.20 (\$125,000 annual premium) plus \$4,103.20 for miscellaneous fees and taxes. All past claimants would be excluded from the Kinsale EPL coverage on a go forward basis and class action cases would also be excluded from the policy.

Over the past four years, two cases would have been covered by the Kinsale EPL coverage if it were in place. This would have resulted in insurance payments to the City of \$1,101,156 or \$275,289 per year. Thus, since the annual cost of \$129,103.20 is less than potential historical insurance payments of \$275,289 per year, staff recommends securing EPL coverage with Kinsale. The incremental savings over the past 4 years would have been \$146,185.80 per year (\$275,289 per year minus \$129,103.20 per year).

insurance payments less \$129,103.20 annual insurance cost). Due to changes in management and updating of the City's Personnel Rules and Procedures (estimated completion July 1, 2019), staff expects future EPL claims to be less in both frequency and cost. Nevertheless, EPL claims can arise at any time in any organization, despite the best management, policies, and procedures. Thus, staff again recommends securing cost-effective EPL coverage with Kinsale so as to mitigate the City's risk exposure. Such coverage would apply to claims and defense costs arising from the actions of any officers or employees of the City.

In the future, staff also recommends exploring City participation in the Employment Risk Management Authority (ERMA) program. ERMA is a joint powers authority (JPA) comprised of other joint powers authorities such as PLAN JPA. ERMA has twelve (12) members: 10 JPAs and two direct members (grandfathered from a dissolved JPA). Collectively, ERMA has 212 members, comprised of cities, towns and various special districts. The ERMA program year runs July 1 to June 30 with pooled coverage up to \$1 million and optional excess coverage of an additional \$2 million. ERMA offers SIRs between \$25,000 and \$500,000; dependent upon agency payroll, loss experience and other factors.

ERMA provides fifty (50) live, in-person trainings that cover AB 1825 (Sexual Harassment Training and Education) and other Human Resources related topics throughout the State each program year. Additionally, ERMA provides access to online training through their service partner, in2vate. Additionally ERMA has a designated panel of sixteen (16) investigation firms and twelve (12) defense firms. Each member of ERMA is provided with access of up to one (1) hour each month of legal guidance regarding employment issues via one of their two primary partner firms: Liebert Cassidy Whitmore (LCW) or Jackson Lewis. ERMA can also evaluate and recommend revisions to member agency personnel policies and procedures and is currently developing high-level training sessions specifically for City Managers, City Attorneys, Finance and Human Resources Directors and City Councilmembers as well as a supervisor/manager leadership development program.

While the City cannot join the ERMA program directly, the PLAN JPA Board did authorize at its December 5, 2018 meeting the exploration of having PLAN JPA join the ERMA program. Members of PLAN JPA could participate on an individual basis if PLAN JPA becomes a primary ERMA member. More information relating to costs, program features, and membership enrollment will be presented to the PLAN JPA Board in the early part of 2019. Thus, the City may be able to join ERMA as early as July 1, 2019 should ERMA be a cost-effective alternative to securing EPL coverage independently through Kinsale. At that time, the City could cancel EPL coverage with Kinsale and transition towards EPL coverage with ERMA, which also includes the trainings and benefits detailed above. Alliant has already indicated that this is possible and they would assist the City in the transition process to ensure that EPL coverage was continuous. Alliant is advising all PLAN JPA members who are independently considering EPL coverage with other providers to continue that pursuit and implementation until the ERMA program becomes an option for PLAN JPA members. Thus, City staff also recommends this approach and the current engagement of Kinsale for EPL coverage.

Policy Alternatives:

Alternative 1: City remains 100% self-insured for EPL coverage.

Pros: The City does not incur annual EPL coverage costs of \$129,103.20 payable to Kinsale and could potentially benefit from lower annual EPL settlement and defense costs than were incurred over the past 4 years due to enhanced management oversight and updating of the City's Personnel Rules and Procedures.

Cons: The City remain exposed for EPL settlement and defense costs at all monetary levels.

Reason not recommended: EPL cases are unpredictable in timing and level of cost and can arise at any time in any organization, despite the best management, policies, and procedures. Purchase of EPL coverage through Kinsale provides the City a cost-effective manner to mitigate EPL risk and potentially reduce annual costs for cases which exceed the City's deductible/SIR.

Alternative 2: City remains 100% self-insured for EPL coverage and waits for PLAN JPA to join the ERMA program and offer it to its member agencies.

Pros: The City does not incur annual EPL coverage costs of \$129,103.20 payable to Kinsale and could potentially benefit from lower annual EPL settlement and defense costs than were incurred over the past 4 years due to enhanced

management oversight and updating of the City's Personnel Rules and Procedures. The City also saves future time in transitioning from EPL coverage with Kinsale to EPL coverage with ERMA.

Cons: The City remain exposed for EPL settlement and defense costs at all monetary levels until the ERMA program is in place.

Reason not recommended: EPL cases are unpredictable in timing and level of cost and can arise at any time in any organization, despite the best management, policies, and procedures. Purchase of EPL coverage through Kinsale provides the City a cost-effective manner to mitigate EPL risk and potentially reduce annual costs for cases which exceed the City's deductible/SIR. It is also not guaranteed that PLAN JPA will join ERMA as a primary member. In addition, underlying members are underwritten on an individual basis and as such, participation in ERMA is not guaranteed, but rather based upon loss experience, financial stability, etc. The City of Milpitas would still need to apply to ERMA and be accepted should PLAN JPA become an ERMA member. Staff believes that this is probable due to interest expressed by each PLAN JPA member at the December 6, 2018 Board meeting and enhanced City management oversight and updating of the City's Personnel Rules and Procedures, but once again, nothing is guaranteed in regards to the ERMA program.

Fiscal Impact:

Engaging Kinsale for EPL coverage would cost the City \$129,103.20 per year. This is not currently appropriated in the City's FY 2018-19 General Fund Operating Budget and staff requests additional appropriations of \$129,103.20 from the General Fund for this purpose in FY 2018-19. Over the past four years, two cases would have been covered by the Kinsale EPL coverage if it were in place. This would have resulted in insurance payments to the City of \$1,101,156 or \$275,289 per year. Thus, since the annual cost of \$129,103.20 is less than potential historical insurance payments of \$275,289 per year, staff recommends securing EPL coverage with Kinsale. The incremental savings over the past 4 years would have been \$146,185.80 per year (\$275,289 in insurance payments less \$129,103.20 annual insurance cost). The City could expect to receive similar incremental annual savings in the future, but actual savings will be dependent on future unknown employment practices claims experience.

California Environmental Quality Act:

Not applicable.

Recommendation:

Approve and Authorize the City Manager to Execute an Agreement with Kinsale Insurance Company to Provide Employment Practices Liability Coverage to the City of Milpitas and Appropriate \$129.103.20 in the FY 2018-19 General Fund Operating Budget for this Purpose.

Attachments:

- 1) Alliant / Kinsale EPL Proposal
- 2) Kinsale EPL Policy Features
- 3) Kinsale Management Liability Policy

The background of the upper half of the page is a photograph of a modern glass skyscraper. The building's facade is composed of large glass panels framed by dark metal. A person is visible walking on a balcony or walkway on one of the upper floors. The sky is a clear, deep blue.

City of Milpitas

2018 – 2019

Employment Practices Liability Insurance Renewal Proposal

Presented by:

Seth Cole, ARM
Senior Vice President

Stacey Weeks, CRIS
Vice President

Thomas Joyce
Technical Assistant

Alliant Insurance Services, Inc.
100 Pine Street, 11th Floor
San Francisco, CA 94111
O 415 403 1400
F 415 874 4812

CA License No. 0C36861

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Company Profile

With a history dating back to 1925, Alliant Insurance Services is one of the nation's leading distributors of diversified insurance products and services. Operating through a national network of offices, Alliant offers a comprehensive portfolio of services to clients, including:

- Risk Solutions
- Employee Benefits
 - Strategy
 - Employee Engagement
 - Procurement
 - Analytics
 - Wellness
 - Compliance
 - Benefits Administration
 - Global Workforce
- Industry Solutions
 - Construction
 - Energy and Marine
 - Healthcare
 - Law Firms
 - Public Entity
 - Real Estate
 - Tribal Nations
 - And many other industries
- Co-Brokered Solutions
 - Automotive Specialty
 - Energy Alliance Program
 - Hospital All Risk Property Program
 - Law Firms
 - Parking/Valet
 - Public Entity Property Insurance Program
 - Restaurants/Lodging
 - Tribal Nations
 - Waste Haulers/Recycling
- Business Services
 - Risk Control Consulting
 - Human Resources Consulting
 - Property Valuation

The knowledge that Alliant has gained in its more than eight decades of working with many of the top insurance companies in the world allows us to provide our clients with the guidance and high-quality performance they deserve. Our solution-focused commitment to meeting the unique needs of our clients assures the delivery of the most innovative insurance products, services, and thinking in the industry.

Alliant ranks among the 15 largest insurance brokerage firms in the United States.

Your Service Team

Seth Cole, ARM
Senior Vice President
scole@alliant.com

Phone: 415 403 1419

Stacey Weeks, CRIS
Vice President
sweeks@alliant.com

Phone: 415 403 1448

Thomas Joyce
Technical Assistant
thomas.joyce@alliant.com

Phone: 415 403 1417

Named Insured / Additional Named Insureds

Named Insured(s)

City of Milpitas

Additional Named Insured(s)

None

NAMED INSURED DISCLOSURE

- The first named insured is granted certain rights and responsibilities that do not apply to other policy named insureds and is designated to act on behalf of all insureds for making policy changes, receiving correspondence, distributing claim proceeds, and making premium payments.
- **Are ALL entities listed as named insureds?** Coverage is **not** automatically afforded to all entities unless specifically named. Confirm with your producer and service team that all entities to be protected are on the correct policy. Not all entities may be listed on all policies based on coverage line.
- Additional named insured is (1) A person or organization, other than the first named insured, identified as an insured in the policy declarations or an addendum to the policy declarations. (2) A person or organization added to a policy after the policy is written with the status of named insured. This entity would have the same rights and responsibilities as an entity named as an insured in the policy declarations (other than those rights and responsibilities reserved to the first named insured).
- Applies to Professional Liability, Pollution Liability, Directors & Officers Liability, Employment Practices Liability, Fiduciary Liability policies (this list not all inclusive). Check your Policy language for applicability. These policies provide protection to the Named Insured for claims made against it alleging a covered wrongful act. Coverage is not afforded to any other entities (unless specifically added by endorsement or if qualified as a "Subsidiary" pursuant to the policy wording) affiliated by common individual insured ownership or to which indemnification is otherwise contractually owed. If coverage is desired for affiliated entities or for contractual indemnities owed, please contact your Alliant Service Team with a full list of entities for which coverage is requested. With each request, include complete financials and ownership information for submission to the carrier. It should be noted, that the underwriter's acceptance of any proposed amendments to the policy, including expansion of the scope of "Insureds" under the policy could result in a potential diminution of the applicable limits of liability and/or an additional premium charge.

Line of Coverage

Employment Practices Liability

NAMED INSURED:	City of Milpitas	
INSURANCE COMPANY:	Kinsale Insurance Company	
A.M. BEST RATING:	A- (Excellent) VIII	
CALIFORNIA STATUS:	Non-Admitted	
PROPOSED TERM:	TBD	
Coverage:	Employment Practices Liability	
Coverage Type:	Claims Made Basis	
Policy/Coverage Form(s):	Employment Practices Insurance Policy (MLGEN1000 (0817)	
Policy Period:	TBD	
Pending and Prior Date:	TBD	
Extended Reporting:	125%	12 months – Annual Premium
Proposed Limits:	\$1,000,000	Each Claim and Aggregate Limit
Retention:	\$250,000	Each Claim
Proposed Premium:	\$125,000.00	Policy Premium
	\$100.00	Wholesaler Fee
	\$3,753.00	Surplus Lines Tax
	\$250.20	Stamping Fee
	\$129,103.20	Total Cost
Minimum Earned Premium:	25%	Minimum Earned Premium
Endorsements & Special Exclusions <i>(including but not limited to):</i>	• MLGEN – Declarations – Management Liability Policy – MLGEN1000-0717 • Notice – Where to Report a Claim – ADF9013-0815 • Policyholder Notice – Risk Management Services – MLGEN9001-1217 • Schedule of Forms – ADF4001-0110 • Employment Practices Liability Coverage Section – MLEPL0001-0318	

Endorsements & Special Exclusions (including but not limited to): **Cont'd**

- Exclusion – Collection of Personal Identification Information – ADF3013-0611
- Exclusion – Class Action – MLEPL3001-0916
- Exclusion of Designated Person or Entity ([REDACTED])
[REDACTED] – MLGEN3002-0916
- Exclusion of Other Acts of Terrorism; Exclusion of Punitive Damages and NBCR Related Terrorism; Cap on Losses from Certified Acts of Terrorism – MLGEN3003-0916
- Notice of Terrorism Insurance Coverage – ADF9010-0115
- Disclosure Pursuant to Terrorism Risk Insurance Act – IL0985-0115
- Policy Changes – Remove Volunteer from definition of Employee – IL1201-1185
- Signature Endorsement – ADF9004-0110
- U.S. Treasury Department's Office of Foreign Assets Control (OFAC) Advisory Notice to Policyholders – ADF9009-0110

Binding Conditions:

As follows:

- Completed Kinsale EPL Application
- Provide date of when the employee handbook was updated
- Name of the alleged harasser involved in the [REDACTED] claim – excluded from coverage

Quote Valid Until:

January 17, 2019

Date Prepared:

December 18, 2018

See Disclaimer Page for Important Notices and Acknowledgement

Disclosures

This proposal of insurance is provided as a matter of convenience and information only. All information included in this proposal, including but not limited to personal and real property values, locations, operations, products, data, automobile schedules, financial data and loss experience, is based on facts and representations supplied to Alliant Insurance Services, Inc. by you. This proposal does not reflect any independent study or investigation by Alliant Insurance Services, Inc. or its agents and employees.

Please be advised that this proposal is also expressly conditioned on there being no material change in the risk between the date of this proposal and the inception date of the proposed policy (including the occurrence of any claim or notice of circumstances that may give rise to a claim under any policy which the policy being proposed is a renewal or replacement). In the event of such change of risk, the insurer may, at its sole discretion, modify, or withdraw this proposal, whether or not this offer has already been accepted.

This proposal is not confirmation of insurance and does not add to, extend, amend, change, or alter any coverage in any actual policy of insurance you may have. All existing policy terms, conditions, exclusions, and limitations apply. For specific information regarding your insurance coverage, please refer to the policy itself. Alliant Insurance Services, Inc. will not be liable for any claims arising from or related to information included in or omitted from this proposal of insurance.

Alliant embraces a policy of transparency with respect to its compensation from insurance transactions. Details on our compensation policy, including the types of income that Alliant may earn on a placement, are available on our website at www.alliant.com. For a copy of our policy or for any inquiries regarding compensation issues pertaining to your account you may also contact us at: Alliant Insurance Services, Inc., Attention: General Counsel, 701 B Street, 6th Floor, San Diego, CA 92101.

Analyzing insurers' over-all performance and financial strength is a task that requires specialized skills and in-depth technical understanding of all aspects of insurance company finances and operations. Insurance brokerages such as Alliant Insurance typically rely upon rating agencies for this type of market analysis. Both A.M. Best and Standard and Poor's have been industry leaders in this area for many decades, utilizing a combination of quantitative and qualitative analysis of the information available in formulating their ratings.

A.M. Best has an extensive database of nearly 6,000 Life/Health, Property Casualty and International companies. You can visit them at www.ambest.com. For additional information regarding insurer financial strength ratings visit Standard and Poor's website at www.standardandpoors.com.

Our goal is to procure insurance for you with underwriters possessing the financial strength to perform. Alliant does not, however, guarantee the solvency of any underwriters with which insurance or reinsurance is placed and maintains no responsibility for any loss or damage arising from the financial failure or insolvency of any insurer. We encourage you to review the publicly available information collected to enable you to make an informed decision to accept or reject a particular underwriter. To learn more about companies doing business in your state, visit the Department of Insurance website for that state.

NY Regulation 194

Alliant Insurance Services, Inc. is an insurance producer licensed by the State of New York. Insurance producers are authorized by their license to confer with insurance purchasers about the benefits, terms and conditions of insurance contracts; to offer advice concerning the substantive benefits of particular insurance contracts; to sell insurance; and to obtain insurance for purchasers. The role of the producer in any particular transaction typically involves one or more of these activities.

Compensation will be paid to the producer, based on the insurance contract the producer sells. Depending on the insurer(s) and insurance contract(s) the purchaser selects, compensation will be paid by the insurer(s) selling the insurance contract or by another third party. Such compensation may vary depending on a number of factors, including the insurance contract(s) and the insurer(s) the purchaser selects. In some cases, other factors such as the volume of business a producer provides to an insurer or the profitability of insurance contracts a producer provides to an insurer also may affect compensation.

The insurance purchaser may obtain information about compensation expected to be received by the producer based in whole or in part on the sale of insurance to the purchaser, and (if applicable) compensation expected to be received based in whole or in part on any alternative quotes presented to the purchaser by the producer, by requesting such information from the producer.

Other Disclosures / Disclaimers

FATCA:

The Foreign Account Tax Compliance Act (FATCA) requires the notification of certain financial accounts to the United States Internal Revenue Service. Alliant does not provide tax advice so please contact your tax consultant for your obligation regarding FATCA.

Claims Reporting:

Your policy will come with specific claim reporting requirements. Please make sure you understand these obligations. Contact your Alliant Service Team with any questions.

Claims Made Policy:

(Applicable to any coverage that is identified as claims made)

This claims-made policy contains a requirement stating that this policy applies only to any claim first made against the Insured and reported to the insurer during the policy period or applicable extended reporting period. Claims must be submitted to the insurer during the policy period, or applicable extended reporting period, as required pursuant to the Claims/Loss Notification Clause within the policy in order for coverage to apply. Late reporting or failure to report pursuant to the policy's requirements could result in a disclaimer of coverage by the insurer.

Other Disclosures / Disclaimers - Continued

Claims Made Policy (D&O/EPL):

(Applicable to any coverage that is identified as claims made)

This claims-made policy contains a requirement stating that this policy applies only to any claim first made against the Insured and reported to the insurer during the policy period or applicable extended reporting period. Claims must be submitted to the insurer during the policy period, or applicable extended reporting period, as required pursuant to the Claims/Loss Notification Clause within the policy in order for coverage to apply. Late reporting or failure to report pursuant to the policy's requirements could result in a disclaimer of coverage by the insurer.

Any Employment Practices Liability (EPL) or Directors & Officers (D&O) with EPL coverage must give notice to the insurer of any charges / complaints brought by any state / federal agency (i.e. EEOC and similar proceedings) involving an employee. To preserve your rights under the policy, it is important that timely notice be given to the insurer, whether or not a right to sue letter has been issued.

NRRA:

(Applicable if the insurance company is non-admitted)

The Non-Admitted and Reinsurance Reform Act (NRRA) went into effect on July 21, 2011. Accordingly, surplus lines tax rates and regulations are subject to change which could result in an increase or decrease of the total surplus lines taxes and/or fees owed on this placement. If a change is required, we will promptly notify you. Any additional taxes and/or fees must be promptly remitted to Alliant Insurance Services, Inc.

Changes and Developments

It is important that we be advised of any changes in your operations, which may have a bearing on the validity and/or adequacy of your insurance. The types of changes that concern us include, but are not limited to, those listed below:

- Changes in any operations such as expansion to another states, new products, or new applications of existing products.
- Travel to any state not previously disclosed.
- Mergers and/or acquisition of new companies and any change in business ownership, including percentages.
- Any newly assumed contractual liability, granting of indemnities or hold harmless agreements.
- Any changes in existing premises including vacancy, whether temporary or permanent, alterations, demolition, etc. Also, any new premises either purchased, constructed or occupied
- Circumstances which may require an increased liability insurance limit.
- Any changes in fire or theft protection such as the installation of or disconnection of sprinkler systems, burglar alarms, etc. This includes any alterations to the system.
- Immediate notification of any changes to a scheduled of equipment, property, vehicles, electronic data processing, etc.
- Property of yours that is in transit, unless previously discussed and/or currently insured.

Other Disclosures / Disclaimers - Continued

Certificates / Evidence of Insurance

A certificate is issued as a matter of information only and confers no rights upon the certificate holder. The certificate does not affirmatively or negatively amend, extend or alter the coverage afforded by a policy. Nor does it constitute a contract between the issuing insurer(s), authorized representative, producer or certificate holder.

You may have signed contracts, leases or other agreements requiring you to provide this evidence. In those agreements, you may assume obligations and/or liability for others (Indemnification, Hold Harmless) and some of the obligations that are not covered by insurance. We recommend that you and your legal counsel review these documents.

In addition to providing a certificate of insurance, you may be required to name your client or customer on your policy as an additional insured. This is only possible with permission of the insurance company, added by endorsement and, in some cases, an additional premium.

By naming the certificate holder as additional insured, there are consequences to your risks and insurance policy including:

- Your policy limits are now shared with other entities; their claims involvement may reduce or exhaust your aggregate limit.
- Your policy may provide higher limits than required by contract; your full limits can be exposed to the additional insured.
- There may be conflicts in defense when your insurer has to defend both you and the additional insured.

See Request to Bind Coverage page for acknowledgment of all disclaimers and disclosures.

Optional Coverages

The following represents a list of insurance coverages that are not included in this proposal, but are optional and may be available with further underwriting information.

Note some of these coverages may be included with limitations or insured elsewhere. This is a partial listing as you may have additional risks not contemplated here or are unique to your organization.

- Crime / Fidelity Insurance
- Directors & Officers Liability
- Earthquake Insurance
- Employed Lawyers
- Employment Practices Liability
- Event Cancellation
- Fiduciary Liability
- Fireworks Liability
- Flood Insurance
- Foreign Insurance
- Garage Keepers Liability
- Kidnap & Ransom
- Law Enforcement Liability
- Media and Publishers Liability
- Medical Malpractice Liability
- Network Security / Privacy Liability and Internet Media Liability
- Pollution Liability
- Owned/Non-Owned Aircraft
- Owned Watercraft
- Special Events Liability
- Student Accident
- Volunteer Accidental Death & Dismemberment (AD&D)
- Workers' Compensation
- Workplace Violence

Glossary of Insurance Terms

Below are a few links to assist you in understanding the insurance terms you may find within your insurance coverages:

<http://insurancecommunityuniversity.com/UniversityResources/InsuranceGlossaryFREE.aspx>

<http://www.ambest.com/resource/glossary.html>

<http://www.irmi.com/online/insurance-glossary/default.aspx>

Bind Order / Request to Bind Coverage Form

City of Milpitas

We have reviewed the proposal and agree to the terms and conditions of the coverages presented. We are requesting coverage to be bound as outlined by coverage line below:

Coverage Line	Bind Coverage for:
Employment Practices Liability Limit: \$1,000,000 Premium: \$129,103.20	☐

This Authorization to Bind Coverage also acknowledges receipt and review of all disclaimers and disclosures, including exposures used to develop insurance terms, contained within this proposal.

_____ Signature of Authorized Insurance Representative	_____ Date
_____ Title	
_____ Printed / Typed Name	

This proposal does not constitute a binder of insurance. Binding is subject to final carrier approval. *The actual terms and conditions of the policy will prevail.*



Employment Practices Liability Management Liability Division

Employment Practices Liability Policy Features:

X	Claims-Made and reported policy;
X	Duty to defend with consent to settle wording;
X	Definition of insured includes any past, present and future principal, partner, officer, director, stockholder, trustee, member, manager, or employee, of the named insured policyholder, and the heirs, executors, administrators and legal representative of each insured;
X	Spouse or domestic partner is covered in a claim solely by reason of such spousal or domestic partner's status or such party's ownership interest in property or assets sought as recovery;
X	Named insured subsidiary organization coverage provided;
X	Definition of covered employment practices wrongful acts includes fifteen (15) specifically listed covered exposures;
X	Deductible applies to claims and defense costs;
X	Worldwide coverage territory, provided claims are brought in the United States, its territories or possessions, or Canada;
X	Definition of employee includes any individual whose labor or service is engaged by and directed by the named insured policyholder including volunteer and staff members (including part-time, full-time, seasonal, temporary, joint and leased employees);
X	The named insured may cancel the policy immediately upon written notification;
X	Cancellation or non-renewal notices at least 30 days prior to the expiration date (10 days for non-payment of premium or deductible);
X	Automatic mini-Extended Reporting Period Included;
X	Optional extended reporting periods of various lengths may be available;
X	Bi-lateral extended reporting period; and
X	Risk Management Hotline (see insert & policy for details).

This summary does not alter or otherwise impact the insurance policy coverage or provisions issued by Kinsale. This summary is not a representation that coverage does or does not exist for any particular claim or loss under such policy. Coverage depends upon the facts and circumstances involved in the claim or loss and all applicable policy provisions. You **must read** the insurance policy for complete coverage details.

2221 Edward Holland Drive, Suite 600
Richmond, VA 23230
(804) 289-1300



DECLARATIONS - MANAGEMENT LIABILITY POLICY

Policy Number:

Producer Number:

Name and Address:

NAMED INSURED:

MAILING ADDRESS:

POLICY PERIOD: FROM TO at 12:01 AM at the address of the named insured as shown above.

MANAGEMENT LIABILITY COVERAGE SECTIONS SUMMARY

(All dates below apply at 12:01 AM at the address of the named insured) If "NA" appears in the Limits of Insurance Column(s) for any Coverage Section(s) shown below, such Coverage Section was not purchased and no coverage is provided under this Policy with respect to that Coverage Section.						
Coverage Section	LIMIT OF INSURANCE - EACH CLAIM	LIMIT OF INSURANCE - AGGREGATE	SEPARATE OR SHARED AGGREGATE LIMITS OF INSURANCE	DEDUCTIBLE	RETROACTIVE DATE	PRIOR OR PENDING LITIGATION DATE
Directors & Officers Liability Coverage - Private Organization						
Employment Practices Liability Coverage						
Fiduciary Liability Coverage						
Directors and Officers Liability Coverage - Not For Profit Organization						

TOTAL AGGREGATE LIMIT OF INSURANCE:

PREMIUM AND COMPANY FEES

Premium:

Company Fee:

Total (of Premium and Company Fee):

OPTIONAL EXTENDED REPORTING PERIOD

Period (in Months)	Percentage of Policy Premium
12	<ERP Percentage>

See Policy General Terms and Conditions for details.

ENDORSEMENTS

Refer to ADF4001, SCHEDULE OF FORMS

NOTICE—WHERE TO REPORT A CLAIM

It is important that losses, claims or incidents (if incident reporting is permitted under the Policy) are reported in writing and directly to Kinsale Insurance Company. Reporting losses, claims or incidents to an insurance agent or broker is not notice to Kinsale Insurance Company. Failure to report directly to Kinsale Insurance Company may jeopardize coverage under the Policy. Kinsale Insurance Company can be contacted easily and quickly by e-mail, fax or U.S. mail.

By E-mail:

Newclaimnotices@kinsaleins.com

By FAX:

1-804-482-2762, Attention Claims Department

or

By Mail:

Kinsale Insurance Company
Attention: Claims Department
P. O. Box 17008
Richmond, Virginia 23226

Street Address:

2221 Edward Holland Drive, Suite 600
Richmond, Virginia 23230

POLICYHOLDER NOTICE – RISK MANAGEMENT SERVICES

As a free additional benefit to its policyholders, Kinsale Insurance Company has arranged with the national law firm Wilson Elser Moskowitz Edelman & Dicker LLP (Wilson Elser), to offer a toll free Risk Management Hotline. The telephone number is (844) 318-0592 or you may contact a Wilson Elser attorney by email at KinsaleML@wilsonelser.com.

The hotline will entitle you to 2 free hours annually of confidential consultation time with an attorney experienced in this field with respect to any matter that you believe could result in a claim under your Employment Practices, Directors and Officers, or Fiduciary Liability coverage of this Policy. You may also use this service to obtain prospective risk management counseling to mitigate potential exposure with respect to matters insured under your Employment Practices, Directors and Officers, or Fiduciary Liability coverage of this Policy.

The conditions and limitations pursuant to which this service is provided will be further addressed during your first contact.

The Risk Management Hotline is **NOT** for reporting a claim as required under the Employment Practices Coverage, the Directors and Officers Coverage or the Fiduciary Liability Coverage of this Policy. To report a claim you must follow the claim reporting instructions contained in the Policy.

If you have any questions concerning the Risk Management Hotline, please contact your insurance agent or broker.

This notice is for information only and does not amend or become a part of or condition of the Policy document.

SCHEDULE OF FORMS

<i>Attached To and Forming Part of Policy</i>	<i>Effective Date of Endorsement</i> 12:01AM at the Named Insured address shown on the Declarations	<i>Named Insured</i>
<i>Additional Premium:</i>		<i>Return Premium:</i>

SPECIMEN

MANAGEMENT LIABILITY POLICY

THIS IS A CLAIMS MADE AND REPORTED POLICY. THE COVERAGE REQUIRES THAT A CLAIM BE FIRST MADE AGAINST AN INSURED DURING THE POLICY PERIOD AND BE REPORTED IN WRITING TO THE COMPANY WITHIN THE POLICY PERIOD OR AN EXTENDED REPORTING PERIOD, IF APPLICABLE. THE LIMIT OF INSURANCE WILL BE REDUCED BY PAYMENT OF LOSS, INCLUDING DAMAGES AND DEFENSE COSTS. PLEASE READ THE ENTIRE POLICY CAREFULLY.

GENERAL TERMS AND CONDITIONS

Various provisions in this Policy restrict coverage. Read the entire Policy carefully to determine rights, duties and what is and is not covered.

In consideration of payment of the premium, in reliance upon all statements made and information furnished to us, including the statements and information provided in the "application" which are made part of this Policy, and subject to all the terms, conditions and limitations of this Policy, its applicable Coverage Sections and its endorsements, we agree with the "insured" as follows:

A. SEVERABILITY OF GENERAL TERMS AND CONDITIONS

These General Terms and Conditions apply to each and every Coverage Section of this Policy. The terms and conditions of each separate Coverage Section apply only to that Coverage Section and shall not be construed to apply to any other Coverage Section. If any provision in these General Terms and Conditions is inconsistent or in conflict with the terms, conditions and limitations of any Coverage Section, the terms, conditions and limitations of such Coverage Section shall control for purposes of that Coverage Section.

B. DEFINITIONS

The words "we", "us" and "our" refer to the Company providing this insurance. Words and phrases that appear in quotation marks are defined below and have the meanings set forth in these General Terms and Conditions, and that meaning shall apply in any Coverage Section in which these words and phrases appear. Words and phrases that appear in quotation marks and are defined in a particular Coverage Section have the meaning set forth in that particular Coverage Section, and that meaning shall apply for purposes of that particular Coverage Section. All definitions shall apply equally to the singular and plural forms of the respective terms.

1. "Application" means any application, supplemental application or renewal application, and any other information furnished to us for this Policy and for all previous policies issued by us to the "insured" providing uninterrupted coverage until the effective date of this Policy.
2. "Claim" shall have the meaning set forth in the applicable Coverage Section.
3. "Damages" shall have the meaning set forth in the applicable Coverage Section.
4. "Defense costs" means:
 - a. Attorneys' fees, expert witness fees and other fees and costs including pre-judgment and post-judgment interest, paid by us or by the "insured" with our prior written consent, in the investigation and defense of a covered "claim";
 - b. All other fees, costs and expenses resulting from the investigation, defense, settlement and appeal of a covered "claim" as authorized by us;
 - c. Premiums for bonds required as a result of a covered "claim", including bonds to release attachments, but only for bond amounts not exceeding the applicable Limit of Insurance.

If we make an offer to pay the applicable Limit of Insurance, we will not pay any pre-judgment interest based on that period of time after the offer. Post-judgment interest includes interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable Limit of Insurance.

"Defense costs" shall not include salaries, wages, benefit expenses or overhead of any of our employees or of any "insured", or any amounts incurred in defense of any "claim" that any other insurer has a duty to defend, regardless of whether or not such other insurer undertakes such duty.

5. "Insured" shall have the meaning set forth in the applicable Coverage Section.
6. "Insured person" shall have the meaning set forth in the applicable Coverage Section.
7. "Loss" shall have the meaning set forth in the applicable Coverage Section.
8. "Minimum earned premium" means twenty-five percent (25%) of the combined sum of the total policy premium listed in the Declarations and any premium adjustments by endorsement.
9. "Organization" means the entity listed first as the named insured in the Declarations.
10. "Policy period" means the period shown in the Declarations, unless earlier cancelled.
11. "Property damage" means physical injury to tangible property, including all resulting loss of use of that property; or loss of use of tangible property that is not physically injured. Tangible property includes electronic data which means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.
12. "Wrongful act" shall have the meaning set forth in the applicable Coverage Section.

C. LIMITS OF INSURANCE AND DEDUCTIBLES

1. The **LIMITS OF INSURANCE** for Each Coverage Section as shown in the Declarations are the maximum Limits of Insurance for "claims" as described in each particular Coverage Section of this Policy. These Limits of insurance pertain only to the Coverage Section for which they are shown.

THE TOTAL AGGREGATE LIMIT OF INSURANCE amount shown on the Declarations shall be our maximum Limit of Insurance for all "claims" for "loss" during the "policy period" under all Coverage Sections.

If the Coverage Summary section of the Declarations shows that the Limits of Insurance for Each Coverage Section are **SHARED AGGREGATE LIMITS OF INSURANCE**, then, subject to the **TOTAL AGGREGATE LIMIT OF INSURANCE** amount shown on the Declarations, a reduction in the Limit of Insurance applicable to one Coverage Section will reduce the Limit of Insurance available under any other Coverage Section.

If the Coverage Summary section of the Declarations shows that the Limits of Insurance for Each Coverage Section are **SEPARATE AGGREGATE LIMITS OF INSURANCE**, then a reduction in the Limit of Insurance applicable to one Coverage Section shall not reduce the Limit of Insurance under any other Coverage Section.

2. In the event that a "claim" is covered under more than one Coverage Section of this Policy, the maximum limit of insurance for the "claim" shall not exceed the highest **LIMIT OF INSURANCE-EACH CLAIM** available under any one Coverage Section.

If two or more insurance policies issued by us or any of our affiliated companies apply to the same "claim", the most we shall be liable for under all such policies is the Limit of Insurance of that policy with the highest applicable Limit of Insurance. If the Limit of Insurance on each policy is the same, only one limit will apply. This provision will not apply to any insurance policy issued by us or an affiliated company to apply specifically as excess insurance over this Policy.

All "wrongful acts" that are logically or causally connected by any common fact, circumstance, situation, transaction, event, service, advice or decision, will be considered one "wrongful act." All "claims" based upon such logically or causally connected "wrongful acts" shall be deemed to constitute a single "claim" and be subject to a single, **LIMIT OF INSURANCE-EACH CLAIM**.

3. Deductible amounts reduce the Limit of Insurance payable under the applicable Coverage Section. The application of a Deductible under one Coverage Section shall not reduce the Deductible under any other Coverage Section.

D. TERRITORY

This Policy applies to “wrongful acts” of any “insured” anywhere in the world; provided, however, that any such “claim” must be brought in the United States, its territories or possessions, or Canada.

E. WHEN THERE IS A CLAIM

The “insured” shall immediately provide us with written notice of any “claim”. The “insured” shall immediately provide us with any demands, notices, summons or other documents received in connection with the “claim”, authorize us to obtain records and other information, and cooperate with us in the investigation, defense or settlement of the claim.

All “insureds” shall assist us in the enforcement of any right against any person or organization that may be liable to any “insured” because of “loss” to which this insurance may also apply.

No “insured” will make a payment, accept liability, assume any obligation or incur any expense without first obtaining our approval, except at that “insured’s” own cost.

F. AUTOMATIC ADDITIONAL TIME IN WHICH TO REPORT CLAIMS FIRST MADE AT THE END OF THE POLICY PERIOD

If a “claim” is first made against any “insured” during the last fourteen (14) calendar days of the “policy period”, such “claim” will be treated as if it had been reported to the Company during this “policy period”, if:

1. The “claim” results from a “wrongful act” committed on or subsequent to the applicable Coverage Section Retroactive Date and before the end of the “policy period”; and
2. The “insured” demonstrates reasonable effort to have reported such “claim” to us; and
3. The “insured” provides us with written notice of such “claim” no later than thirty (30) calendar days after the end of the “policy period”.

This provision does not apply to any “claim” that is covered in whole or in part under any other insurance, except insurance purchased specifically to apply as excess over this Policy. This applies whether that other insurance is issued by the Company or any other insurer, and to any “claim” that would be covered by that other insurance but for the exhaustion of the limit of insurance or but for the failure of any “insured” to comply with the terms and conditions of that other insurance.

This provision does not apply if an Optional Extended Reporting Period has been purchased.

G. OPTIONAL EXTENDED REPORTING PERIOD

If this Policy is cancelled or is not renewed for reasons other than non-payment of premium or Deductible, non-compliance with this Policy’s terms and conditions, or for misrepresentation or fraud, the “organization” shall have the right to purchase an Extended Reporting Period. If this Extended Reporting Period is purchased, the “insured” may report to us a “claim” to which this Policy applies, that is first made against any “insured” during such Extended Reporting Period, but only if such “claim” results from a “wrongful act” committed on or subsequent to the applicable Coverage Section Retroactive Date and before the end of the “policy period”.

The Extended Reporting Period shall be subject to all the terms and conditions of this Policy. The following additional terms and conditions apply to the Extended Reporting Period:

1. The “organization” must provide us a written request for the Extended Reporting Period endorsement and pay any premium due within thirty (30) days after the end of the “policy period”. The Extended Reporting Period will not go into effect unless the additional premium is paid promptly when due.
2. The Extended Reporting Period is provided by endorsement for an additional premium computed as a percentage of the combined sum of the policy premium listed in the Declarations and any premium adjustments by endorsement, not including a cancellation endorsement if applicable.

3. The premium for the Extended Reporting Period is deemed fully earned and is non-refundable the first day the Extended Reporting Period is effective. Once in effect, the Extended Reporting Period may not be cancelled by the "organization" or us.
4. The Limit of Insurance for "claims" made during the Extended Reporting Period is considered part of, and not in addition to, the Limit of Insurance for this Policy. There shall be no reinstatement of Limits of Insurance under any Extended Reporting Period. The fact that the period during which "claims" may be first made and reported to us under this Policy is extended by activation of the Extended Reporting Period does not in any way increase the available Limits of Insurance of this Policy.
5. The Extended Reporting Period does not apply to any "claim" that is covered in whole or in part under any other insurance, except insurance purchased specifically to apply as excess over this Policy. This applies whether that other insurance is issued by the Company or any other insurer, and to any "claim" that would be covered by that other insurance but for the exhaustion of the limit of insurance or but for the failure of any "insured" to comply with the terms and conditions of that other insurance.

H. GENERAL CONDITIONS

1. Bankruptcy

Bankruptcy or insolvency of any "insured" or of any "insured's" estate will not relieve us of our obligations under this Policy.

2. Legal Action Against Us

- a. No action may be brought against us unless there has been full compliance with all of the terms of this Policy and the ultimate amount of the "insured's" responsibility has been finally concluded either by a trial judgment against the "insureds" or by written agreement with the "insureds", all claimants, and us;
- b. No person or organization has any right under this Policy to join us as party into any suit to determine the liability of any "insured".

3. Representations

By accepting this Policy, the "insureds" agree that:

- a. The "application" and all other information and statements provided to us are true, accurate and complete;
- b. The "application" and all other information and statements provided to us are representations and warranties made to us on behalf of all "insureds";
- c. This Policy was issued in reliance upon the truth and accuracy of those representations and warranties; and
- d. Concealment, misrepresentation or fraud in the procurement of this Policy, which if known by us, would have led us to refuse to enter into this contract at its current terms, conditions or pricing, or to provide coverage for a "claim" hereunder, will be deemed material and this Policy shall be void. In such an event, the Company shall have no obligation to return any portion of the premium.

4. Subrogation

If any "insured" has rights to recover all or part of any "loss" that we paid under this Policy, those rights are transferred to us. "Insureds" must do nothing to harm these rights and will cooperate with us to enforce these rights.

5. "Organization's" Responsibilities

The "organization" listed first in the Declarations of this Policy shall act on behalf of all "insureds" for completing the "application" for this insurance, giving or receiving notice of cancellation or non-renewal, paying premium or receiving unearned premium, paying the Deductible, agreeing to any changes in this Policy, and electing whether or not to purchase the Extended Reporting Period described in item G.

OPTIONAL EXTENDED REPORTING PERIOD.

6. Spousal Extension

If a “claim” against an “insured” includes a claim against the lawful spouse or domestic partner of such “insured” solely by reason of (a) such spousal or domestic partner status, or (b) such spouse’s or domestic partner’s ownership interest in property or assets that are sought as recovery for a “wrongful act”, any such “claim” shall be deemed to be a “claim” against an “insured”.

All terms and conditions of this Policy, including the Deductible, will be applicable to such “claim”, provided however that extension of coverage afforded by this Spousal Extension shall not apply to the extent the “claim” alleges any wrongful act or omission by such spouse or domestic partner.

7. Cancellation and Non-Renewal

a. Cancellation

- 1) The “organization” listed first in the Declarations may cancel this Policy by mailing or delivering to us advance written notice of cancellation.
- 2) We may cancel this Policy by mailing or delivering to the “organization” written notice of cancellation at least:
 - i. Ten (10) days before the effective date of cancellation if we cancel for non-payment of premium or non-payment of Deductible; or
 - ii. Thirty (30) days before the effective date of cancellation if we cancel for any other reason.
- 3) We will mail or deliver our notice to the “organization’s” last mailing address known to us. If notice is mailed, proof of mailing will be sufficient proof of notice.
- 4) Notice of cancellation will state the effective date of cancellation. The “policy period” will end on that date.
- 5) If this Policy is cancelled, we will send the “organization” any refund due. If we cancel for reasons other than non-payment of premium, the refund will be pro rata. If we cancel due to non-payment of premium or if the “organization” cancels for any reason, the refund may be less than pro rata and is subject to the “minimum earned premium”. The cancellation will be effective even if we have not made or offered a refund.

b. Non-Renewal

- 1) If we elect not to renew this Policy, we shall mail written notice to the “organization’s” last mailing address known to us. Such written notice of non-renewal shall be mailed at least thirty (30) days prior to the end of the “policy period”.
- 2) If notice is mailed, proof of mailing will be sufficient proof of notice.

8. Change in Exposure: Mergers and Acquisitions

a. If during the “policy period”, any of the following events occur:

- 1) The acquisition of any “organization” by another entity or the merger or consolidation of the “organization” into or with another entity such that the “organization” is not the surviving entity; or
- 2) Another entity or person acquires more than fifty percent (50%) of the voting stock of the “organization”; or
- 3) Another entity or person acquires the right to elect or appoint more than fifty percent (50%) of the Board of Directors or other governing body of the “organization”; or
- 4) If the “organization” is a non-profit organization and the “organization” ceases to qualify as a non-profit organization under any federal law or the Internal Revenue Code

then the “organization” must give written notice of such event to the Company within fifteen (15) days and provide us with all information that we deem necessary and coverage under this Policy will cease with respect to “wrongful acts” after such event. After any such event, this Policy may not be cancelled by any “insured” and the entire premium for this Policy will be deemed fully earned.

- b. If during the “policy period”, any “organization” acquires the majority of the assets of another entity that is not a “subsidiary” as defined in this Policy, by merger into or consolidation with the “organization” no coverage shall be afforded under this Policy for any “claim” involving the entity which is consolidated or merged with or acquired, unless:
- 1) We are provided with written notice of such creation, acquisition, or merger within fifteen (15) days after the effective date thereof, but before Policy expiration, whichever is earlier; and
 - 2) We are provided with all information that we may deem necessary; and
 - 3) The “organization” accepts any terms, conditions, exclusions and pays any additional premium charged; and
 - 4) We, at our sole discretion, specifically agree to endorse that entity onto this Policy as a “subsidiary”.

If we agree to provide such coverage, it shall apply only to “wrongful acts” after the effective date of such transaction and shall apply as excess of any other valid and collectible insurance.

9. Fraudulent Acts

If any “insured” commits fraud in connection with any “claim” submitted to the Company, this insurance shall become void from the date such fraudulent “claim” is submitted. In such an event, the Company shall have no obligation to return any portion of the premium.

10. Assignment of Interest Limitation

Assignment of interest by the “insured” under this Policy shall not bind us unless we agree and endorse the assignment onto this Policy.

11. Service of Suit

In the event of the failure of the Company to pay any amount claimed to be due under this Policy, the Company will submit to the jurisdiction of any court of competent jurisdiction within the United States of America or Canada. All matters arising under this Policy shall be determined in accordance with the choice of law rules of such court. Nothing in this clause constitutes or should be understood to constitute a waiver of the Company’s rights to commence an action in any Court of competent jurisdiction in the United States, to remove an action to a United States District Court, or to seek a transfer of a case to another Court as permitted by the laws of the United States or of any State in the United States.

Service of process in any such suit may be made upon the President and Chief Executive Officer of the Company or his designee at the address shown on the Declarations of this Policy. In any suit instituted upon this contract and against the President and Chief Executive Officer of the Company or his designee, the Company will abide by the final decision of such Court or of any Appellate Court in the event of an appeal. The President and Chief Executive Officer of the Company or his designee are authorized and directed to accept service of process.

Pursuant to any statute of any state, territory or district of the United States of America, the Company designates the Superintendent, Commissioner or Director of Insurance or other officer specified for the purpose in the statute, or his successors in office, as its true and lawful attorney upon whom may be served any lawful process in any action, suit or proceeding instituted by or on behalf of the “insured” or any beneficiary under this Policy arising out of this contract of insurance. The Company designates the above-named as the person to whom said officer is authorized to mail such process or a true copy of such process.

12. Binding Arbitration

All disputes under this policy shall be subject to binding arbitration as follows:

- a. All disputes over coverage or any rights afforded under this Policy, including whether an entity or person is an “insured” or the effect of any applicable statutes or common law upon the contractual obligations owed, shall be submitted to binding arbitration, which shall be the sole and exclusive means to resolve the dispute. Either party may initiate the binding arbitration.

The arbitration forum and process shall be agreed to by the parties. In the event the parties cannot agree on an arbitration forum and process, the matter shall be submitted to the American Arbitration Association. The Arbitration shall be before a panel of three arbitrators, unless the parties agree to one arbitrator, all of whom shall have experience in insurance coverage of the type afforded by this Policy. If the parties select a panel of three arbitrators, each party shall select an arbitrator and the chosen arbitrators shall select a third arbitrator. The American Arbitration Association shall decide any disputes concerning the selection of the Arbitrators. The potential arbitrators from which the arbitrators shall be selected shall not be confined to those provided by the American Arbitration Association. Each party shall bear the costs of its arbitrator and shall share equally the costs of the third arbitrator and arbitration process. In the event of a single arbitrator, the cost shall be shared equally by the parties. The decision of the arbitration is final and binding on the parties.

- b. All disputes regarding payment(s) owed under this policy for any deductible or premium, including but not limited to any audit premium, shall be settled by binding arbitration administered by the American Arbitration Association in accordance with the AAA Expedited Procedures. This arbitration shall be the sole and exclusive means to resolve the dispute. Either party may initiate the binding arbitration.

Each party will provide relevant documents in support of its position. In order to eliminate undue burden and expense, there shall be no other discovery allowed. The arbitration will be based solely on the documents submitted by the parties and there shall be no in-person or oral hearing. The disputes shall be decided by a single arbitrator. The arbitrator's decision shall be accompanied by a reasoned opinion and shall be binding upon all parties. Any judgment or award rendered by the arbitrator may be entered in any court having jurisdiction to enforce such judgment or award. Each party shall bear its own costs and expenses and an equal share of the arbitrator's fee and any administrative fees associated with the arbitration.

Except as may be required by law, neither a party nor the arbitrator may disclose the existence, content, or results of any arbitration hereunder without the prior written consent of both parties.

EMPLOYMENT PRACTICES LIABILITY COVERAGE SECTION

SECTION I – COVERAGE

A. Insuring Agreement

1. We will pay “loss” in excess of the Deductible that the “insured” is obligated to pay for a “claim” for a “wrongful act”.
2. This insurance applies only if:
 - a. Prior to the effective date of this Policy, no “insured” had knowledge of any “wrongful act” that could reasonably give rise to a “claim” made under this Policy;
 - b. No common fact, circumstance, situation, transaction, incident, event, service, advice or decision was reported as a “claim” or potential claim under any prior policy or disclosed in the application for this Policy or any previous insurance policy;
 - c. The “claim” is not based on, does not arise out of, directly or indirectly result from or in any way involve any “claim” as of the Prior or Pending Litigation Date shown in the Declarations as applicable to this Coverage Section;
 - d. The “claim” is for a “wrongful act” that first took place on or subsequent to the Retroactive Date shown in the Declarations as applicable to this Coverage Section and before the end of this “policy period”; and
 - e. The “claim” is first made against the “insured” during this “policy period” and is reported to us in writing during this “policy period”, or within an Extended Reporting Period, if applicable.

B. Defense and Settlement

1. We have the right and duty to defend the “insured” against a covered “claim”. However, we have no duty to defend the “insured” against any “claim” to which this insurance does not apply. We may at our discretion, investigate any potential “claim”.
2. We have the right to settle any “claim”, whether within or above the Deductible, but we will seek the “insured’s” written consent to any settlement. If the “insured” refuses to consent to any settlement we recommend that is acceptable to the claimant, our Limit of Insurance for such “claim” is limited to the amount in excess of the Deductible we would have paid as “damages” had the “insured” consented to settlement at that time, including any “defense costs” incurred up to the date of such refusal to settle.
3. The amount we will pay for “loss” is limited to and shall reduce the applicable Limit of Insurance. Our right and duty to defend or settle ends when we have paid the applicable Limit of Insurance. At that time, we shall have the right to withdraw from further defense, payment or settlement of any “claim” by tendering control of such “claim” to the “insured”, which agrees to accept such tender as a condition of this Policy.

C. Multiple Claims

All “claims” for “damages” to the same person or entity will be deemed to have been made on the date when the first of all such logically or causally connected “claims” was made against any “insured”. All “wrongful acts” that are logically or causally connected by any common fact, circumstance, situation, transaction, event, service, advice or decision will be considered one “wrongful act” and will be deemed to have taken place at the time the first of these related “wrongful acts” took place. All “claims” based upon such logically or causally connected “wrongful acts” shall be deemed to constitute a single “claim” and be subject to a single LIMIT OF INSURANCE-EACH CLAIM.

SECTION II – DEFINITIONS

Defined terms applicable to this Coverage Section are defined below and appear in quotation marks throughout this Coverage Section.

- A. “Bodily injury” means physical injury, physical pain or sickness or death of any person.
- B. “Claim” means:
 - 1. A written demand for monetary damages or non-monetary relief, including injunctive relief, or for mediation, arbitration or the tolling or waiver of a statute of limitations;
 - 2. A charge, complaint or other notice of commencement of federal, state, or local administrative proceedings by or before any agency with authority over the “organization’s” employment practices.
- C. “Damages” means any compensatory amount any “insured” is legally obligated to pay as a result of a “claim” to which this Coverage Section applies, including judgments, awards and settlements, back pay, front pay, statutory attorneys’ fees and statutory liquidated damages.
- D. “Employee” means any past, present or future individual employed by and directed by the “organization” or “subsidiary”, including volunteers and staff members, whether part-time, full-time, seasonal, or temporary, and “leased employees”.
- E. “Employment practices wrongful act” means any actual or alleged:
 - 1. Violation of any federal, state, local or common law, prohibiting any kind of employment-related discrimination;
 - 2. Harassment, including any type of sexual or gender harassment as well as racial, religious, sexual orientation, pregnancy, disability, age, or national origin-based harassment and including workplace harassment by non-employees;
 - 3. Abusive or hostile work environment;
 - 4. Wrongful discharge or termination of employment, whether actual or constructive;
 - 5. Breach of an implied or written employment contract or of promissory estoppels as long as another “employment practices wrongful act” is also alleged;
 - 6. Wrongful failure or refusal to hire or promote, or wrongful demotion;
 - 7. Wrongful failure or refusal to provide equal treatment or opportunities;
 - 8. Employment termination, disciplinary action, demotion or other employment decision that violates public policy or the Family Medical Leave Act or similar state or local law;
 - 9. Wrongful failure or refusal to adopt or enforce adequate workplace or employment practices, policies or procedures;
 - 10. Wrongful, excessive or unfair discipline;
 - 11. Negligent infliction of emotional distress, mental anguish, or humiliation;
 - 12. Retaliation, including retaliation for exercising protected rights, supporting in any way another’s exercise of protected rights, or threatening or actually reporting wrongful activity of an “insured” such as violation of any federal, state, or local “whistle blower” law;
 - 13. Wrongful deprivation of career opportunity, negligent evaluation or failure to grant tenure;
 - 14. Violation of the Uniformed Services Employment and Reemployment Rights Act; or
 - 15. Negligent hiring or negligent supervision of others, including wrongful failure to provide adequate training, in connection with 1. through 14. above;

but only if the “employment practices wrongful act” is committed by an “insured” and directed against the “organization’s” past, present, or future “employee”, or an applicant for employment.
- F. “Executive” means any past, present or future duly elected or appointed officer, director, trustee, regent, governor or member of the board of directors.
- G. “Insured” means the “organization”, “subsidiary” and any “insured person”.

- H.** “Insured person” means any duly elected or appointed “executive”, principal, partner, stockholder, member, manager or “employee” of the “organization”. “Insured person” includes the heir, executor, administrator, and legal representative of each “insured person”, in the event of death, incompetency or bankruptcy of such “insured person”, but only for liability arising out of any actual or alleged “wrongful act” of the “insured person”.
- I.** “Leased employee” means any “employee” who is leased to the “organization” to perform work for or on behalf of the “organization” and over whom the “organization” controls the means and manner of their work.
- J.** “Loss” means “damages” and “defense costs”; however, “loss” shall not include:
1. Any fine, penalty, taxes or sanction of any type against any “insured”;
 2. Any matter or amount that is uninsurable by law;
 3. Any amount for which the “insured” is absolved from payment;
 4. Stock options or amounts reflecting the value of stock options;
 5. Amounts owed under employment contracts, partnership, stock or other ownership agreements, or any other type of contract;
 6. Severance pay;
 7. Disability, social security, workers’ compensation, medical, insurance, retirement or pension benefits, or settlement amounts representing benefits payments;
 8. The cost to modify any premises or provide any accommodation to any disabled person;
 9. The cost of instituting or conducting any program, procedure, or training;
 10. The cost of instating or reinstating employment, or providing any non-monetary relief;
 11. Any relief, whether pecuniary or injunctive, imposed or agreed to in connection with criminal lawsuits or proceedings; or
 12. Punitive or exemplary damages, or the amount of any multiplied damages awarded that is in excess of the damage award so multiplied, even if the multiple damages are considered liquidated damages.
- K.** “Reduction-in-force” means notification to an “employee” that such “employee’s” employment was or will be suspended for an indefinite or definite period of time, and/or notification to an “employee” that such “employee” was or will no longer be employed by the “organization” or “subsidiaries”, whether such notification was immediate or as to the future.
- L.** “Subsidiary” means
1. Any entity whose securities are not publicly traded, and for which the “organization”:
 - a. Owns directly or indirectly, more than fifty percent (50%) of the voting stock of such entity as of the inception date of this Policy; or
 - b. Has or controls the right to elect more than fifty percent (50%) of the Board of Directors or other governing body of such entity as of the inception date of this Policy.
 2. An entity whose securities are not publicly traded, that is created or acquired by the “organization” after the inception date of this Policy, if the entity’s total assets do not exceed thirty-five percent (35%) of the total consolidated assets of the “organization” as of the inception date of this Policy and the total number of the acquired entity’s employees does not exceed fifty percent (50%) of the total number of the “employees” of the “organization” and its “subsidiaries” as of the inception date of this Policy, provided the Company has been notified of creation or acquisition of such an entity within fifteen (15) days of its creation or acquisition.
 3. Any other entity added as a “subsidiary” by written endorsement to this Policy.
- Coverage under this Coverage Section is available to a “subsidiary” only for “wrongful acts” allegedly committed during the time such entity was a “subsidiary”.
- M.** “Wrongful act” means an “employment practices wrongful act”.

SECTION III – EXCLUSIONS

This Coverage Section does not apply to any “claim” for “loss”:

- A. Based upon, arising out of or in any way involving rights, duties, or liabilities of others, which any “insured” assumes under any contract or agreement, unless the “insured” would have been held legally liable in the absence of such contract or agreement.
- B. For “bodily injury”.
- C. Based upon, arising out of or in any way involving violation of any of the following:
1. The Fair Labor Standards Act (except the Equal Pay Act),
 2. The National Labor Relations Act,
 3. The Worker Adjustment and Retraining Notification Act,
 4. The Immigration Reform Control Act of 1986,
 5. The Consolidated Omnibus Budget Reconciliation Act of 1985, the Occupational Safety and Health Act,
 6. The Employee Retirement Income Security Act of 1974,
 7. Any workers’ compensation, unemployment insurance, social security, or disability benefits law,
 8. Other similar provisions of any federal, state, or local statutory or common law, including any actual or alleged violations of any federal, state or local wage and hour laws or regulations, whether or not such allegations are made in connection with any governmental or administrative proceeding;
- Provided however,
- a. This exclusion C. will not apply to any “claim” of any actual or alleged retaliatory treatment on account of the exercise of rights pursuant to any such law; and
 - b. In the event a “claim” excluded from coverage by this exclusion C. also alleges “wrongful acts” otherwise covered by this Coverage Section, notwithstanding the provisions of **SECTION I—COVERAGE, B. DEFENSE AND SETTLEMENT**, we agree to pay only that portion of “loss” arising solely from such “wrongful acts” allegations and subject to all other terms, conditions and exclusions contained in this Coverage Section.
- D. Based upon, arising out of or in any way involving any criminal act.
- E. Based upon, arising out of or in any way involving any fraudulent act, dishonest act, or intentional act, error, or omission committed with knowledge of its wrongful nature. However, if such allegations involve a “claim” to which this insurance otherwise applies, we shall defend such allegations against the “insured” until a judgment or other final adjudication establishes, or such “insured” admits, that the act, error, or omission was committed, or personally acquiesced in, by such “insured”.
- F. Based upon, arising out of or in any way involving any fact, circumstance, or situation:
1. That was the subject of written notice given under any prior policy of which this Policy is a renewal or replacement;
 2. That was the subject of any written demand for monetary damages, administrative or arbitration proceeding or civil or criminal litigation against any “insured” as of the Prior and Pending Date identified in the Declarations, or the same or substantially the same fact, circumstance, or situation underlying or alleged in the prior matter; or
 3. That was identified in any summary or statement of claims or potential claims submitted in connection with the “application”.
- G. Based upon, arising out of or in any way involving any “reduction-in-force” that occurred during the period of one year prior to the inception date of this Policy or during the “policy period”, and that resulted in the termination, or actual or constructive discharge, of ten percent (10%) or more of the “organization’s” total work force.
- H. Based upon, arising out of or in any way involving any refusal, failure or inability of any “insured” to pay “earned wages” (as opposed to tort-based back pay or front pay damages) or for improper payroll deduction taken by any “insured” from any “employee” or purported “employee” including, but not limited to, (i) any unfair business practice claim alleged because of the failure to pay “earned wages”, or (ii) any “claim” seeking “earned wages” because any “employee” or purported “employee” was

improperly classified or mislabeled as exempt. "Earned wages" means wages, compensation of any kind or overtime pay for services rendered.

- I. Based upon, arising out of or in any way involving any actual or alleged violation of the Telephone Consumer Protection Act (TCPA), the CAN-SPAM Act of 2003, the Fair Credit Reporting Act (FCRA), the Fair and Accurate Credit Transaction Act (FACTA), the Fair Debt Collection Practices Act (FDCPA) and any amendments to such laws; and including violation of any other statute, ordinance or regulation that limits or prohibits the printing, dissemination, disposal, collecting, recording, transmitting, communicating, sending or distribution of any material or information.

SECTION IV – LIMITS OF INSURANCE AND DEDUCTIBLE

Regardless of the number of "insureds" or "claims" made, our liability is limited as follows:

- A. The LIMIT OF INSURANCE-EACH CLAIM shown as applicable to this Coverage Section in the Declarations is our maximum liability for "loss" for each covered "claim" under this Coverage Section.
- B. The LIMIT OF INSURANCE-AGGREGATE shown in the Declarations as applicable to this Coverage Section is our maximum liability for the sum of all "loss" under this Coverage Section, subject to the LIMIT OF INSURANCE-EACH CLAIM.
- C. Under this Coverage Section, we shall be liable only for those amounts payable as "loss" incurred in a "claim" or suit which are in excess of the DEDUCTIBLE shown in the Declarations as applicable to this Coverage Section. Such Deductible applies to "loss" for each "claim" and shall be paid by the "organization". If we advance payment of all or part of the Deductible, the "organization" shall reimburse us within thirty (30) days of our request for reimbursement. This Deductible amount reduces the Limit of Insurance payable under this Coverage Section.

SECTION V – EMPLOYMENT PRACTICES LIABILITY COVERAGE SECTION CONDITIONS

Other Insurance

This Coverage Section's insurance is primary insurance for "wrongful acts" to which this Coverage Section applies, but shall be excess over any other valid insurance that applies to an "insured":

- 1. From or through a leasing company with respect to a "leased employee"; or
- 2. For whom coverage under this Coverage Section is provided subject to this Policy's **GENERAL CONDITIONS**, item 8.b. **Change in Exposure: Mergers and Acquisitions**.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION - COLLECTION OF PERSONAL IDENTIFICATION INFORMATION

<i>Attached To and Forming Part of Policy</i>	<i>Effective Date of Endorsement</i> 12:01AM at the Named Insured address shown on the Declarations	<i>Named Insured</i>
<i>Additional Premium:</i>		<i>Return Premium:</i>

This endorsement modifies insurance provided under the following:

ALL COVERAGE FORMS

The following exclusion is added to this policy:

This insurance does not apply to any claim or "suit", damages, defense costs, penalties or other expenses arising directly or indirectly out of, related to, or in any way involving any actual or alleged violation of the Song-Beverly Credit Card Act of 1971 (California Civil Code Section 1747-1748.7) or any other similar act, law or regulation regardless of where enacted.

ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**EXCLUSION OF OTHER ACTS OF TERRORISM;
EXCLUSION OF PUNITIVE DAMAGES AND NBCR RELATED TERRORISM;
CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM**

Attached To and Forming Part of Policy	Effective Date of Endorsement 12:01AM at the Named Insured address shown on the Declarations	Named Insured
Additional Premium:		Return Premium:

This endorsement modifies insurance provided under the following:

MANAGEMENT LIABILITY - ALL COVERAGE SECTIONS

A. The following exclusions are added to this Policy:

This insurance does not apply to:

OTHER ACT OF TERRORISM

"Loss" resulting from any "claim" based upon, attributable to, or arising directly or indirectly, out of an "other act of terrorism". However, this exclusion applies only when one or more of the following are attributed to such act:

1. The total of insured damage to all types of property exceeds \$25,000,000 (valued in U.S. dollars). In determining whether the \$25,000,000 threshold is exceeded, we will include all insured damage sustained by property of all persons and entities affected by the terrorism and business interruption losses sustained by owners or occupants of the damaged property. For the purpose of this provision, insured damage means damage that is covered by any insurance plus damage that would be covered by any insurance but for the application of any terrorism exclusions; or
2. Fifty or more persons sustain death or serious physical injury. For the purposes of this provision, serious physical injury means:
 - a. Physical injury that involves a substantial risk of death; or
 - b. Protracted and obvious physical disfigurement; or
 - c. Protracted loss of or impairment of the function of a bodily member or organ; or
3. The terrorism involves the use, release or escape of nuclear materials, or directly or indirectly results in nuclear reaction or radiation or radioactive contamination; or
4. The terrorism is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or
5. Pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the terrorism was to release such materials.

With respect to this exclusion, Paragraphs 1. and 2. describe the thresholds used to measure the magnitude of an incident of an "other act of terrorism" and the circumstances in which the threshold will apply for the purpose of determining whether this exclusion will apply to that incident.

In the event of an "other act of terrorism" that is not subject to this exclusion, coverage does not apply to any "loss" resulting from any "claim" that is otherwise excluded under this Policy or below.

TERRORISM PUNITIVE DAMAGES

Punitive damages awarded as a result of "loss" arising directly or indirectly out of any act of terrorism, including but not limited to any "other act of terrorism" or "certified act of terrorism".

TERRORISM – NUCLEAR, BIOLOGICAL, CHEMICAL OR RADIOLOGICAL (NBCR)

"Loss" arising directly or indirectly out of any act of terrorism, including but not limited to any "other act of terrorism" or "certified act of terrorism" that involves any violent act, including the threat of any activity or preparation for any activity that involves the use, release, dispersal, discharge, escape or application of nuclear materials, or directly results in nuclear reaction or radiation or radioactive contamination; or pathogenic or poisonous biological or chemical materials.

B. The following definitions are added:

- 1. "Certified act of terrorism"** means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act, to be an act of terrorism pursuant to such Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:
 - a.** The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act;
 - b.** The act resulted in damage:
 - (1)** Within the United States (including its territories and possessions and Puerto Rico); or
 - (2)** Outside of the United States in the case of:
 - (a)** An air carrier (as defined in Section 40102 of title 49, United States Code) or United States flag vessel (or a vessel based principally in the United States, on which United States income tax is paid and whose insurance coverage is subject to regulation in the United States), regardless of where the loss occurs; or
 - (b)** The premises of any United States mission; and
 - c.** The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.
- 2. "Other act of terrorism"** means a violent act or an act that is dangerous to human life, property or infrastructure that is committed by an individual or individuals and that appears to be part of an effort to coerce a civilian population or to influence the policy or affect the conduct of any government by coercion, and the act is not a "certified act of terrorism".

Multiple incidents of an "other act of terrorism" which occur within a seventy-two hour period and appear to be carried out in concert or to have a related purpose or common leadership shall be considered to be one incident.

- C. With respect to any one or more "certified acts of terrorism", we will not pay any amounts for which we are not responsible under the terms of the federal Terrorism Risk Insurance Act (including subsequent acts of Congress pursuant to the Act) due to the application of any clause which results in a cap on our liability for payments for terrorism**

ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF DESIGNATED PERSON OR ENTITY

Attached To and Forming Part of Policy	Effective Date of Endorsement 12:01AM at the Named Insured address shown on the Declarations	Named Insured
Additional Premium:		Return Premium:

This endorsement modifies insurance provided under the following:

MANAGEMENT LIABILITY - ALL COVERAGE SECTIONS

SCHEDULE

Excluded Person or Entity

The following exclusion is added to this Policy:

This Policy does not apply to any "claim" for "loss" based upon, arising out of, or in any way involving the person or entity named in the Schedule above.

ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION - CLASS ACTION

<i>Attached To and Forming Part of Policy</i>	<i>Effective Date of Endorsement</i> 12:01AM at the Named Insured address shown on the Declarations	<i>Named Insured</i>
<i>Additional Premium:</i>		<i>Return Premium:</i>

This endorsement modifies insurance under the following:

MANAGEMENT LIABILITY - EMPLOYMENT PRACTICES LIABILITY COVERAGE SECTION

SECTION III – EXCLUSIONS of this Coverage Section is amended by adding the following exclusion:

This insurance does not apply to any claims that are brought as or have been aggregated into a single action under any “class action” rule or statute.

SECTION II – DEFINITIONS of this Coverage Section is amended by adding the following definition:

“Class action” means any civil action filed under Rule 23 of the Federal Rules of Civil Procedure, or similar state statute or rule of judicial procedure, authorizing an action to be brought on behalf of a class by one or more representative persons.

ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.

NOTICE OF TERRORISM INSURANCE COVERAGE

You are hereby notified that under the federal Terrorism Risk Insurance Act, as amended ("the Act"), the Company must make available insurance coverage for losses arising out of acts of terrorism, as defined in Section 102(1) of the Act. This policy includes such coverage for damages arising out of certified acts of terrorism and is limited by the terms, conditions, exclusions, limits, other provisions of the coverage quote or renewal application/questionnaire to which this offer is attached and by the policy, any endorsements to the policy and generally applicable rules of law.

The term "act of terrorism" means any act that is certified by the Secretary of the Treasury, in consultation with the Secretary of Homeland Security, and the Attorney General of the United States to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of an air carrier or vessel or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

YOU SHOULD KNOW THAT COVERAGE PROVIDED BY THIS POLICY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM, SUCH LOSSES MAY BE PARTIALLY REIMBURSED BY THE UNITED STATES GOVERNMENT UNDER A FORMULA ESTABLISHED BY FEDERAL LAW. UNDER THE FORMULA, THE UNITED STATES GOVERNMENT GENERALLY REIMBURSES 85% THROUGH 2015; 84% BEGINNING ON JANUARY 1, 2016; 83% BEGINNING ON JANUARY 1, 2017; 82% BEGINNING ON JANUARY 1, 2018; 81% BEGINNING ON JANUARY 1, 2019 AND 80% BEGINNING ON JANUARY 1, 2020 OF COVERED TERRORISM LOSSES EXCEEDING THE STATUTORILY ESTABLISHED DEDUCTIBLE PAID BY THE INSURANCE COMPANY PROVIDING THE COVERAGE.

NO PREMIUM IS CHARGED FOR THIS COVERAGE NOR IS ANY CHARGE MADE FOR THE PORTION OF LOSS THAT MAY BE COVERED BY THE FEDERAL GOVERNMENT UNDER THE ACT.

YOU SHOULD ALSO KNOW THAT THE ACT, AS AMENDED, CONTAINS A \$100 BILLION CAP THAT LIMITS U.S. GOVERNMENT REIMBURSEMENT, AS WELL AS INSURERS' LIABILITY FOR LOSSES, RESULTING FROM CERTIFIED "ACTS OF TERRORISM" WHEN THE AMOUNT OF SUCH LOSSES IN ANY ONE CALENDAR YEAR EXCEEDS \$100 BILLION. IF THE AGGREGATE INSURED LOSSES FOR ALL INSURERS EXCEED \$100 BILLION, YOUR COVERAGE MAY BE REDUCED.

COVERAGE FOR "INSURED LOSSES" AS DEFINED IN THE ACT IS SUBJECT TO THE COVERAGE TERMS, CONDITIONS, AMOUNTS AND LIMITS IN THIS POLICY APPLICABLE TO LOSSES ARISING FROM EVENTS OTHER THAN "ACTS OF TERRORISM".

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

DISCLOSURE PURSUANT TO TERRORISM RISK INSURANCE ACT

Attached To and Forming Part of Policy	Effective Date of Endorsement 12:01AM at the Named Insured address shown on the Declarations	Named Insured
Additional Premium:		Return Premium:

SCHEDULE - PART I

Terrorism Premium (Certified Acts)	\$
The premium amount shown above is the total Certified Acts premium attributable to this Policy. If no premium amount is shown above, no additional premium is attributable to Certified Acts. Additional information, if any, concerning the terrorism premium is shown in this Policy	

SCHEDULE - PART II

Federal Share of Terrorism Losses	85% Year 2015
Federal Share of Terrorism Losses	84% Year 2016
Federal Share of Terrorism Losses	83% Year 2017
Federal Share of Terrorism Losses	82% Year 2018
Federal Share of Terrorism Losses	81% Year 2019
Federal Share of Terrorism Losses	80% Year 2020
(Refer to Paragraph B. in this endorsement.) Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

A. Disclosure Of Premium

In accordance with the federal Terrorism Risk Insurance Act, we are required to provide you with a notice disclosing the portion of your premium, if any, attributable to coverage for terrorist acts certified under the Terrorism Risk Insurance Act. The portion of your premium attributable to such coverage is shown in the Schedule of this endorsement or in the policy Declarations.

B. Disclosure Of Federal Participation In Payment Of Terrorism Losses

The United States Government, Department of the Treasury, will pay a share of terrorism losses insured under the federal program. The federal share equals a percentage (as shown in Part II of the Schedule of this endorsement or in the policy Declarations) of that portion of the amount of such insured losses that exceeds the applicable insurer retention. However, if aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a calendar year, the Treasury shall not make any payment for any portion of the amount of such losses that exceeds \$100 billion.

C. Cap On Insurer Participation In Payment Of Terrorism Losses

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a calendar year and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

POLICY CHANGES

POLICY NUMBER	POLICY CHANGES EFFECTIVE	COMPANY KINSALE INSURANCE COMPANY
NAMED INSURED		AUTHORIZED REPRESENTATIVE  President
COVERAGE PARTS AFFECTED		
CHANGES		

U.S. TREASURY DEPARTMENT'S OFFICE OF FOREIGN ASSETS CONTROL (OFAC)

ADVISORY NOTICE TO POLICYHOLDERS

This Notice shall not be construed as part of your policy and no coverage is provided by this Notice nor can it be construed to replace any provisions of your policy. You should read your policy and review your Declarations page for complete information on the coverages your policy provides.

This Notice provides information concerning possible impact on your insurance coverage due to directives issued by OFAC. Please read this Notice carefully.

The Office of Foreign Assets Control administers and enforces sanctions policy, based on Presidential declarations of national emergency. OFAC has identified and listed numerous Foreign Agents, Front Organizations, Terrorists, Terrorist organizations and Narcotics traffickers as "Specially Designated Nationals and Blocked Persons". This list can be located on the United States Treasury's web site—<http://www.treas.gov/ofac>.

In accordance with OFAC regulations, if it is determined that you or any other insured, or any person or entity claiming the benefits of this insurance has violated U.S. sanctions law or is a "Specially Designated National and Blocked Person", as identified by OFAC, this insurance will be considered a blocked or frozen contract and all provisions of this insurance are immediately subject to OFAC. When an insurance policy is considered to be such a blocked or frozen contract, no payments and no premium refunds may be made without authorization from OFAC. Other limitations on the premiums and payments also apply.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SIGNATURE ENDORSEMENT

<i>Attached To and Forming Part of Policy</i>	<i>Effective Date of Endorsement</i> 12:01AM at the Named Insured address shown on the Declarations	<i>Named Insured</i>
<i>Additional Premium:</i>		<i>Return Premium:</i>

This endorsement modifies insurance provided under the following:

ALL COVERAGE FORMS

By signing and delivering this policy to you, we state that it is a valid contract when signed as below by our authorized representatives.



Secretary



President

ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.

Backup material for agenda item:

Award the Bid and Authorize the City Manager to Execute the Letter Agreement with Casey Printing, Inc. for the City Manager's Office Printing Services for the Annual Not-To-Exceed Amount of \$50,176 and the Five-Year Contract Maximum of \$250,880 (Staff Contact: Jennifer Yamaguma, 408-586-3055)

Recommendation: 1) Award the Bid and Authorize the City Manager to Execute the Letter Agreement with Casey Printing, Inc. for the City Manager's Office Printing Services for the Annual Not-To-Exceed Amount of \$50,176 and the Five-Year Contract Maximum of \$250,880. 2) Authorize the Purchasing Agent to exercise the option year in accordance per the terms of the agreement and without further City Council Action, except for appropriation of funds.



CITY OF MILPITAS AGENDA REPORT (AR)

Item Title:	Award the Bid and Authorize the City Manager to Execute the Letter Agreement with Casey Printing, Inc. for the City Manager's Office Printing Services for the Annual Not-To-Exceed Amount of \$50,176.00 and the Five-Year Contract Maximum of \$250,880.00.
Category:	Consent Calendar-Leadership and Support Services
Meeting Date:	1/15/2019
Staff Contact:	Jennifer Yamaguma, (408) 586-3055
Recommendation:	1. Award the Bid and Authorize the City Manager to Execute the Letter Agreement with Casey Printing, Inc. for the City Manager's Office Printing Services for the Annual Not-To-Exceed Amount of \$50,176.00 and the Five-Year Contract Maximum of \$250,880.00. 2. Authorize the Purchasing Agent to exercise the option year in accordance per the terms of the agreement and without further City Council Action, except for appropriation of funds.

Background:

The City of Milpitas mails a quarterly newsletter, Connected, to all Milpitas residents to share information about City events, policies and programs. The newsletter is also available at City Hall, the Community Center, Senior Center and Library. In addition to the newsletter, the City of Milpitas mails minimum wage notices to all businesses so that they are informed of the scheduled increased in the City's minimum wage and have copies of the required notices. Notices will be translated into multiple languages and are required to be posted where employees can see. In the past the City had contracted year-to-year for these services; this was the first time staff issued an IFB for multiple years.

On December 14, 2018, the City of Milpitas issued an Invitation for Bid for City Manager Office Printing Services. The services outlined in IFB No. 2285 included Annual Minimum Wage Notices to be produced and mailed to City of Milpitas businesses and Quarterly City Newsletters to be produced and mailed to City of Milpitas residents.

Analysis:

The Bid was publically advertised on the City's website and on Public Purchase, the City's eProcurement website. Seventy-five firms were notified of the issuance of the IFB and twenty-three vendors downloaded the City's Bid document. The bid closed on December 28, 2018 and the City received seven bids. Postage for the mailing portion of the agreement was based on the prior year actual costs.

Casey Printing, Inc. provided the lowest-cost responsive and responsible bid and is recommended for the award of IFB No. 2285.

The Contract is for one year with a four one year options to renew beginning in February, 2019. Subsequent years contain a compensation adjustment clause based on the Consumer Price Index (CPI) for All Urban Consumers, Not Seasonally Adjusted, All Items, San Francisco-Oakland-Hayward or 5%, whichever is less. The five-year contract resulting from this solicitation is for the not-to-exceed amount of \$250,880.00, excluding CPI compensation adjustments.

Under the contract Casey Printing would print and mail to all Milpitas residents the City's quarterly newsletter 'Connected' four times per calendar year and print and mail the required posted Minimum Wage Notices once per calendar year to all businesses registered with the City of Milpitas.

Policy Alternatives:

Alternative 1: City Council does not award the Bid.

Pros: The City does not spend funds on printing services.

Cons: The City Manager's Office will not print and mail the quarterly newsletter to all residents or mail minimum wage notices to all businesses.

Reason not recommended: The Connected Quarterly Newsletter is a valuable source of information for residents.

Additionally the Minimum Wage Notices play a key role in keeping the Milpitas business community and employees informed about the City's legal requirements.

Fiscal Impact:

The City Manager's Office may spend up to \$50,176.00 per year in printing services and up to \$250,880.00 over the 5 year term of the contract. There are sufficient funds in the FY 2018-19 City Manager's Operating Budget for this purchase. No further budgetary appropriations are requested.

California Environmental Quality Act:

N/A

Recommendation:

1. Award the Bid and Authorize the City Manager to Execute the Letter Agreement with Casey Printing, Inc. for the City Manager's Office Printing Services for the Annual Not-To-Exceed Amount of \$50,176.00 and the Five-Year Contract Maximum of \$250,880.00.
2. Authorize the Purchasing Agent to exercise the option year in accordance per the terms of the agreement and without further City Council Action, except for appropriation of funds.

Attachments:

IFB #2285 Bid Award Table

City Manager's Office Printing Services Letter of Agreement/Contract

BID AWARD TABLE							
IFB #2285 City Manager's Office Printing Services	Bay Central Printing	Casey Printing	JP Graphics	Folger Graphics	Mail Stream	Commerce Printing Service	Fong & Fong Printers
Printing Quarterly Resident Newsletter	\$7,607.64	\$5,240.00	\$11,670.00	\$5,350.00	\$6,842.24	\$6,440.00	\$6,367.00
Yearly (4x)	\$30,430.56	\$20,960.00	\$46,680.00	\$21,400.00	\$27,368.96	\$25,760.00	\$25,468.00
Estimated Postage - 27,650 x .22	\$6,083.00	\$6,083.00	\$6,083.00	\$6,083.00	\$6,083.00	\$6,083.00	\$6,083.00
Yearly (4x)	\$24,332.00	\$24,332.00	\$24,332.00	\$24,332.00	\$24,332.00	\$24,332.00	\$24,332.00
Printing Minimum Wage Notices	\$2,190.00	\$2,998.00	\$4,825.00	\$3,695.00	\$2,768.80	\$3,360.00	\$2,676.00
Estimated Yearly Postage - 4100 x .46	\$1,886.00	\$1,886.00	\$1,886.00	\$1,886.00	\$1,886.00	\$1,886.00	\$1,886.00
1 YEAR TOTAL	\$58,838.56	\$50,176.00	\$77,723.00	\$51,313.00	\$56,355.76	\$55,338.00	\$54,362.00
5 YEAR TOTAL	\$294,192.80	\$250,880.00	\$388,615.00	\$256,565.00	\$281,778.80	\$276,690.00	\$271,810.00



**LETTER OF AGREEMENT
BETWEEN CITY OF MILPITAS
AND
CASEY PRINTING, INC.**

JANUARY 15, 2019

CASEY PRINTING, INC.
398 E. SAN ANTONIO DRIVE
KING CITY, CA 90930

Dear Richard Casey,

Letter Agreement for City Manager's Office Printing Services

This letter shall be our Agreement ("Letter Agreement") regarding the City Manager's Office Printing Services described below ("Services") to be provided by Casey Printing, Inc., a California corporation, ("Contractor") as an independent contractor to the City of Milpitas (the "City") for the City's Office Printing Services ("Project"). Contractor is retained as independent contractor and is not an employee of the City. City and Contractor are sometimes referred to herein as "Party" or "Parties."

Services

The Services to be provided include the following: to produce and mail annual and quarterly printed products. Annual Minimum Wage Notices will be produced and mailed to City of Milpitas businesses and Quarterly City Newsletters will be produced and mailed to City of Milpitas residents. Services on the Project shall begin immediately and shall be completed by January 15, 2020 unless extended by the City in writing.

Contract Term

Contract term will be for one (1) year from January 15, 2019 to January 15, 2020 (the "Anniversary Date"). The City reserves the right to review the Contractor's performance at the end of each year and cancel all or part of the contract. The City of Milpitas reserves the right to extend this contract for four (4) one (1) year options exercisable at the City's sole discretion, not to exceed five (5) years in total. The City may exercise the renewal option years by written notice to the Contractor by US Mail, fax or email, including a Purchase Order, sent no later than the last day of the current term. If a renewal option is exercised and/or a price increase is granted it will be transmitted to the Contractor using **"Exhibit A – Notice of Exercise of Option to Extend Agreement"**.

Applicable Law

Contractor shall perform all Services under this Letter Agreement in a skillful and competent manner, consistent with the standards generally recognized as being employed by professionals in the same discipline in the State of California, and consistent with all applicable laws. Contractor represents that it, its employees and subcontractors have all licenses, permits, qualifications and approvals of whatever nature that are legally required to perform the Services, including a City Business License, and that such licenses and approvals shall be maintained

throughout the term of this Letter Agreement.

Personnel

If Contractor has represented to the City that certain key personnel will perform and coordinate the Services under this Letter Agreement. Should one or more of such personnel become unavailable, Contractor may substitute other personnel of equal competence upon written approval of the City. In the event that the City and Contractor cannot agree as to the substitution of key personnel, the City shall be entitled to terminate this Letter Agreement for cause. The key personnel for performance of this Letter Agreement are as follows: Richard Casey.

Compensation

The total compensation shall not exceed \$59,000.00 without written approval of the CITY MANAGER. Contractor's invoices shall include a detailed description of the Services performed. Invoices shall be submitted to the City on a monthly basis as performance of the Services progresses. The City shall review and pay the approved charges on such invoices in a timely manner.

Compensation Adjustment

All prices shall remain fixed for the initial contract term. Eligibility for price adjustments occurs at each renewal period when an option is exercised to extend the contract, provided the Contractor requests the change in writing by US Mail or email to the Purchasing Agent not less than ninety (90) days prior to the anniversary date of the agreement. Prices quotes may remain the same, or be increased or decreased in direct proportion to the change in the Consumer Price Index (CPI) for All Urban Consumers, Series ID: CUURS49BSAO, Not Seasonally Adjusted, San Francisco – Oakland – Hayward, Ca, All Items, Base period 1982-84=100 for the month of October as reported by the Bureau of Labor Statistics of the U. S. Department of Labor. The base index shall be the October 2018 bi-monthly index. Subsequent price changes shall be based on the October 2018 bi-monthly index compared to the October 2019 bi-monthly index. Change in prices shall not exceed a maximum total of 5%.”

Contract Subject to Appropriation of Funds

The successful Bidder understands and accepts that at all times; the contract awarded from this solicitation is subject to appropriation of funds by the Milpitas City Council. The contract awarded from this solicitation may terminate without penalty, liability or expense of any kind to the City at the end of any fiscal year if funds are not appropriated for the next succeeding fiscal year. If funds are appropriated for a portion of the fiscal year, the contract will terminate, without penalty, liability or expense of any kind at the end of the term for which funds are appropriated. The City has no obligation to make appropriations for the contract in lieu of appropriations for new or other contracts. City budget decisions are subject to the discretion of the Mayor and City Council. Contractor's assumption of risk of possible non-appropriation is a part of the consideration for the contract. This section controls against any and all other provisions of the contract.

Labor Code Sections

Contractor is aware of the requirements of California Labor Code Section 1720, et seq., and 1770, et seq., as well as California Code of Regulations, Title 8, Section 16000, et seq., (“Prevailing Wage Laws”), which require the payment of prevailing wage rates and the performance of other requirements on “public works” and “maintenance” projects. If the Services are being performed as part of an applicable “public works” or “maintenance” project, as defined by the Prevailing Wage Laws, and since the total compensation is \$1,000 or more, Contractor agrees to fully comply with such Prevailing Wage Laws. City shall provide Contractor with a copy of the prevailing rates of per diem wages in effect at the commencement of this Letter Agreement upon request. Contractor shall make copies of the prevailing rates of per diem wages for each craft, classification or type of worker needed to execute the Services available to interested parties upon request, and shall post copies at the Contractor’s principal place of business and at the project site. Contractor shall defend, indemnify and hold the City, its officials, officers, employees and agents free and harmless from any claim or liability arising out of any failure or alleged failure to comply with the Prevailing Wage Laws. It shall be mandatory upon the Contractor and all subcontractors to comply with all California Labor Code provisions, which include but are not limited to prevailing wages (Labor Code Sections 1771, 1774 and 1775), employment of apprentices (Labor Code Section 1777.5), certified payroll records (Labor Code Sections 1771.4 and 1776), hours of labor (Labor Code Sections 1813 and 1815) and debarment of contractors and subcontractors (Labor Code Sections 1777.1). The requirement to submit certified payroll records directly to the Labor Commissioner under Labor Code Section 1771.4 shall not apply to work performed on a public works project that is exempt pursuant to the small project exemption specified in Labor Code Section 1771.4.

If the Services are being performed as part of an applicable “public works” or “maintenance” project, then pursuant to Labor Code Sections 1725.5 and 1771.1, the Contractor and all subcontractors performing such Services must be registered with the Department of Industrial Relations. Contractor shall maintain registration for the duration of the Project and require the same of any subcontractors, as applicable. Notwithstanding the foregoing, the contractor registration requirements mandated by Labor Code Sections 1725.5 and 1771.1 shall not apply to work performed on a public works project that is exempt pursuant to the small project exemption specified in Labor Code Sections 1725.5 and 1771.1.

This Project may also be subject to compliance monitoring and enforcement by the Department of Industrial Relations. It shall be Contractor’s sole responsibility to comply with all applicable registration and labor compliance requirements. Any stop orders issued by the Department of Industrial Relations against Contractor or any subcontractor that affect Contractor’s performance of services, including any delay, shall be Contractor’s sole responsibility. Any delay arising out of or resulting from such stop orders shall be considered Contractor caused delay and shall not be compensable by the City. Contractor shall defend, indemnify and hold the City, its officials, officers, employees and agents free and harmless from any claim or liability arising out of stop orders issued by the Department of Industrial Relations against Contractor or any subcontractor.

Insurance

Contractor shall provide proof of commercial general liability and business auto liability insurance to the City in amounts and with policies, endorsements and conditions required by the City for the Services. (See: EXHIBIT B – INSURANCE REQUIREMENTS GENERAL) If Contractor is an employer or otherwise hires one or more employees during the term of this Project, Contractor shall also provide proof of workers compensation coverage for such employees, which meets all requirements of State law, with endorsements and conditions required by the City.

Federal, State and Local Wage and Hour Laws

Contractor, and any subcontractor it employs to complete work under this Letter Agreement, shall comply with all applicable federal, state and local wage and hour laws. Applicable laws may include, but are not limited to, the Federal Fair Labor Standards Act, the California Labor Code and the Milpitas Minimum Wage Ordinance. By signing this Letter Agreement, Contractor affirms that it has disclosed any final judgments, decisions or orders from a court or investigatory government agency, finding in the five (5) years prior to executing this Letter Agreement that Contractor or its subcontractor(s) has violated any applicable wage and hour laws. Contractor further affirms that it or its subcontractor(s) has either fully satisfied each judgment, decision or order, or, if any judgment, decision or order has not been fully satisfied, Contractor affirms that it or its subcontractor(s) is currently satisfying said judgment, decision or order through a payment or alternative plan approved by the applicable court/government agency and that Contractor or its subcontractor(s) are in compliance with said plan as of the date of executing this Letter Agreement. If at any time during the term of this Letter Agreement, a court or investigatory government agency issues a final judgment, decision or order finding that Contractor or a subcontractor it employs to perform work under this Letter Agreement has violated any applicable wage and hour law, or Contractor learns of such a judgment, decision, or order that was not previously disclosed in its bid/proposal, Contractor shall inform the City no more than fifteen (15) calendar days after the judgment, decision or order becomes final or from the date of learning of the final judgment, decision or order. Contractor or its subcontractor(s) shall, within thirty (30) calendar days after notifying the City, either (i) fully satisfy any such judgment, decision, or order and provide the City with documentary evidence of satisfying said judgment, decision or order; or (ii) provide the City documentary evidence of a payment or other alternative plan approved by the court/government agency to satisfy the judgment, decision or order. If the Contractor or its subcontractor is subject to a payment or other alternative plan, the Contractor or its subcontractor shall continue to submit documentary evidence every thirty (30) calendar days during the term of the Letter Agreement demonstrating continued compliance with the plan until the judgment, decision or order has been fully satisfied. For purposes of this provision, a “final judgment, decision, or order” refers to one for which all appeals have been exhausted or the time period to appeal has expired. Relevant investigatory government agencies include: the United States Department of Labor, the California Division of Labor Standards Enforcement, the City, or any other governmental entity or division tasked with the investigation and enforcement of wage and hour laws. Failure to comply with any part of this provision constitutes a material breach of this Letter Agreement. Such breach may serve as a basis for immediate termination of this Letter Agreement and/or any other remedies available under this Letter Agreement and/or law. Notice provided to the City shall be addressed to: Attention:

Finance Director, 455 E. Calaveras Blvd. Milpitas, CA 95035. The notice provisions of this paragraph are separate from any other notice provisions in this Letter Agreement and, accordingly, only notice provided to the above address satisfies the notice requirements in this provision.

Termination

The City may terminate this Letter Agreement at any time with or without cause. If the City finds it necessary to terminate this Letter Agreement without cause before Project completion, Contractor shall be entitled to be paid in full for those Services adequately completed prior to the notification of termination. Contractor may terminate this Letter Agreement only upon 30 calendar days' written notice to the City only in the event of City's failure to perform in accordance with the terms of this Letter Agreement through no fault of Contractor.

Indemnity

To the fullest extent permitted by law, Contractor shall defend (with counsel of City's choosing), indemnify and hold the City, its officials, officers, employees, volunteers, and agents free and harmless from any and all claims, demands, causes of action, costs, expenses, liability, loss, damage or injury of any kind, in law or equity, to property or persons, including wrongful death, in any manner arising out of, pertaining to, or incident to any acts, errors or omissions, or willful misconduct of Contractor, its officials, officers, employees, subcontractors, contractors or agents in connection with the performance of the Contractor's services, the Project or this Letter Agreement, including without limitation the payment of all damages, expert witness fees and attorney's fees and other related costs and expenses. Contractor's obligation to indemnify shall not be restricted to insurance proceeds, if any, received by Contractor, the City, its officials, officers, employees, agents, or volunteers.

If Contractor's obligation to defend, indemnify, and/or hold harmless arises out of Contractor's performance of "design professional" services (as that term is defined under Civil Code section 2782.8), then, and only to the extent required by Civil Code section 2782.8, which is fully incorporated herein, Contractor's indemnification obligation shall be limited to claims that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of the Contractor, and, upon Contractor obtaining a final adjudication by a court of competent jurisdiction, Contractor's liability for such claim, including the cost to defend, shall not exceed the Contractor's proportionate percentage of fault.

Local, State and Federal Laws

Contractor shall keep itself fully informed of and in compliance with all local, state and federal laws, rules and regulations in any manner affecting the performance of the Project or the Services, including all Cal/OSHA requirements; all emissions limits and permitting requirements imposed by the California Air Resources Board (CARB) or other governmental agencies; and all water quality laws, rules and regulations of the Environmental Protection Agency, the State Water Resources Control Board and the City.

Employment of Undocumented Aliens

By executing this Letter Agreement, Contractor verifies that it fully complies with all requirements and restrictions of state and federal law respecting the employment of undocumented aliens, including, but not limited to, the Immigration Reform and Control Act of 1986, as may be amended from time to time. Contractor shall maintain records of its compliance, including its verification of each employee, and shall make them available to the City or its representatives for inspection and copy at any time during normal business hours. The City shall not be responsible for any costs or expenses related to Contractor's compliance with the requirements. To the same extent and under the same conditions as Contractor, Contractor shall require all of its subcontractors, sub-subcontractors and contractors performing any work relating to the Project or this Letter Agreement to make the same verifications and comply with all requirements and restrictions provided herein. Contractor's failure to comply or any material misrepresentations or omissions relating thereto shall be grounds for terminating this Letter Agreement for cause.

Worker's Compensation

By its signature hereunder, Contractor certifies that it is aware of the provisions of Section 3700 of the California Labor Code which require every employer to be insured against liability for Workers' Compensation or to undertake self-insurance in accordance with the provisions of that Code, and agrees to comply with such provisions before commencing the performance of the Services. Finally, Contractor represents that it is an equal opportunity employer and it shall not discriminate against any subcontractor, employee or applicant for employment in violation of state or federal law. As provided for in the indemnity obligations of this Letter Agreement, Contractor shall indemnify City against any alleged violations of this paragraph, including, but not limited to, any fines or penalties imposed by any governmental agency.

This Letter Agreement shall be interpreted in accordance with the laws of the State of California. If any action is brought to interpret or enforce any term of this Letter Agreement, the action shall be brought in a state or federal court situated in Santa Clara County, State of California. In addition to any and all contract requirements pertaining to notices of and requests for compensation or payment for extra work, disputed work, claims and/or changed conditions, Contractor must comply with the claim procedures set forth in Government Code sections 900 et seq. prior to filing any lawsuit against the City. Such Government Code claims and any subsequent lawsuit based upon the Government Code claims shall be limited to those matters that remain unresolved after all procedures pertaining to extra work, disputed work, claims, and/or changed conditions have been followed by Contractor. If no such Government Code claim is submitted, or if any prerequisite contractual requirements are not otherwise satisfied as specified herein, Contractor shall be barred from bringing and maintaining a valid lawsuit against the City.

Assignment

Contractor shall not assign, sublet, or transfer this Letter Agreement or any rights under or interest in this Letter Agreement without the written consent of the City, which may be withheld for any reason. This Letter Agreement may not be modified or altered except in writing signed by both parties. Except to the extent expressly provided for in the termination paragraph, there are no intended third party beneficiaries of any right or obligation of the Parties.

This is an integrated Letter Agreement representing the entire understanding of the parties as to those matters contained herein, and supersedes and cancels any prior oral or written understanding or representations with respect to matters covered hereunder. Since the Parties or their agents have participated fully in the preparation of this Letter Agreement, the language of this Letter Agreement shall be construed simply, according to its fair meaning, and not strictly for or against any Party. The captions of the various paragraphs are for convenience and ease of reference only, and do not define, limit, augment, or describe the scope, content or intent of this Letter Agreement.

Signature Authority

Contractor warrants that the individual who has signed this Letter Agreement has the legal power, right and authority to make this Letter Agreement and bind the Contractor hereto. If you agree with the terms of this Letter Agreement, please indicate by signing and dating where indicated below.

CITY OF MILPITAS

Approved By:

Julie Edmonds-Mares
City Manager

Date

Approved As To Form:

Christopher J. Diaz
City Attorney

Approved as to Scope

Will Fuentes, Director of Financial Services

Approved as to Content

CASEY PRINTING, INC.

Signature

Name

Title

Date

Alex Andrade, Economic Development Director

EXHIBIT A

NOTICE OF EXERCISE OF OPTION TO EXTEND AGREEMENT

AGREEMENT TITLE and DATE:	
CONTRACTOR Name and Address:	
DATE OF OPTION:	

(Date the notice is sent must be consistent with the time for exercise set forth in Agreement)

Pursuant to Section ____ of the Agreement referenced above, the City of Milpitas hereby exercises its option to extend the term under the following provisions:

OPTION NO.	
-------------------	--

NEW OPTION TERM

Begin date:	
End date:	

☐ **CHANGES IN RATE OF COMPENSATION**

Percentage change in ____ Index upon which adjustment is based:	
--	--

Pursuant to Section ____ of the Agreement the Rates of Compensation are hereby adjusted as follows:

(Use attachment if necessary)

MAXIMUM COMPENSATION for New Option Term:	
--	--

For the option term exercised by this Notice, City shall pay Contractor an amount not to exceed the amount set forth above for Contractor's services and reimbursable expenses, if any. The undersigned signing on behalf of the City of Milpitas hereby certifies that an unexpended appropriation is available for the term exercised by this Notice, and that funds are available as of the date of this signature.

CITY OF MILPITAS, a municipal corporation

CONTRACTOR, *(Insert Name)*

By _____

By _____

Name of Authorized Representative

Name of Authorized Representative

Title of Authorized Representative:

Title of Authorized Representative

EXHIBIT B

INSURANCE REQUIREMENTS - GENERAL

Definition:

For purposes of this contract, the following definition applies: City of Milpitas includes the duly elected or appointed officers, agents, employees and volunteers of the City of Milpitas, individually or collectively.

Insurance Required:

No work shall be done under this Contract unless there is in effect insurance required by the Contract and under this section, and such insurance has been approved by the City, nor shall the Contractor allow any subcontractor to commence work on his subcontract until all insurance required of the subcontractor has been so obtained and approved. The Contractor shall maintain or cause to be maintained adequate workers' compensation insurance as required under the laws of the State of California, for all labor employed by him or by any subcontractor under him who may come within the protection of such worker's compensation laws of the State of California and shall provide or cause to be provided employer's liability insurance for the benefit of his employees.

Minimum Scope of Insurance: (Check Mark Indicates Required)

Coverage must be *at least as broad as*:

(X) Insurance Services Office Commercial General Liability coverage (occurrence Form CG0001).

(X) Insurance Services Office Form Number CA 0001 covering Automobile Liability, Code 1 (any auto).

(X) Workers' Compensation insurance as required by the State of California and Employer's Liability Insurance.

() Professional Liability or Errors & Omissions Liability insurance appropriate to the contractor's profession.

() Architects' and Engineers' coverage is to be endorsed to include contractual liability.

Minimum Limits of Insurance:

Contractor must maintain limits no less than:

- | | |
|---|--|
| <p>1. General Liability:
(Including operations, products and completed operations, as applicable.)</p> | <p>\$1,000,000 per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability insurance with a general aggregate limit is used, either the general aggregate limit must apply separately to this project/location or the general aggregate limit must be twice the required occurrence limit.</p> |
|---|--|

2. **Automobile Liability:** **\$1,000,000** per accident for bodily injury and property damage.
3. **Workers' Compensation** Statutory
 Employer's Liability: **\$1,000,000** each accident
 \$1,000,000 disease-policy limit
 \$1,000,000 disease-each employee
4. **Professional Liability or Errors & Omissions Liability:** **\$1,000,000** each occurrence
 \$1,000,000 policy aggregate

Deductibles and Self-Insured Retentions:

Any deductibles or self-insured retentions must be declared to and approved by the City. The City may require the Contractor to provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention.

Other Insurance Provisions:

The general liability and automobile liability policies are to contain, or be endorsed to contain, the following provisions:

1. **The City of Milpitas, its officers, officials, employees, and volunteers** are to be covered as insureds with respect to liability arising out of automobiles owned, leased, hired or borrowed by or on behalf of the contractor; and with respect to liability arising out of work or operations performed by or on behalf of the Contractor including materials, parts or equipment furnished in connection with such work or operations. General liability coverage can be provided in the form of an endorsement to the Contractor's insurance (at least as broad as ISO Form CG 20 10 11 85), or as a separate owner's policy. General Liability endorsements for "Scheduled Person or Organization" and "Complete Operations" are required
2. For any claims related to this project, the **Contractor's insurance coverage shall be primary** insurance as respects the City, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the City, its officers, officials, employees, or volunteers shall be excess of the **Contractor's insurance and shall not contribute with it.**
3. The Insurance Company agrees to **waive all rights of subrogation** against the City, its elected or appointed officers, officials, agents and employees for losses paid under the terms of any policy which arise from work performed by the Named Insured for the City. This provision also applies to the Contractor's Workers' Compensation policy.
4. Each insurance policy required by this clause shall be endorsed to state that coverage shall not be canceled by either party, except after **thirty (30) days' prior written notice (10 days for non-payment)** by certified mail, return receipt requested, has been given to

the City. If Contractor's insurer refuses to provide this endorsement, Contractor shall be responsible for providing written notice to the City that coverage will be canceled thirty (30) days after the date of the notice or ten (10) days for non-payment.

Acceptability of Insurers:

Insurance is to be placed with licensed insurers admitted to transact business in the State of California with a current A.M. Best's rating of no less than A-VII. If insurance is placed with a surplus lines insurer, insurer must be listed on the State of California List of Eligible Surplus Lines Insurers (LESLI) with a current A.M. Best's rating of no less than A-X. Exception may be made for the State Compensation Fund when not specifically rated.

Verification of Coverage:

Contractor shall furnish the City with original certificates and amendatory endorsements effecting coverage required by this clause. The endorsements should be on insurance industry forms, provided those endorsements or policies conform to the contract requirements. All certificates and endorsements are to be received and approved by the City before work commences. The City reserves the right to require, at any time, complete, certified copies of all required insurance policies, including endorsements evidencing the coverage required by these specifications.

The Certificate with endorsements and notices shall be mailed to: City of Milpitas, Attention: Purchasing, 455 East Calaveras Boulevard, Milpitas California, 95035-5411.

Subcontractors:

Contractors must include all sub-contractors as insureds under its policies or furnish separate certificates and endorsements for each sub-contractor. All coverage for sub-contractors are subject to all of the requirements included in these specifications.

Absence of Insurance:

If the Contractor allows the insurance to lapse, be cancelled, or be reduced below the limits specified in this article, the Contractor shall cause all work in the Project to cease and any delays or expenses caused due to stopping of work and change of insurance shall be considered Contractor's delay and shall not be considered to increase cost to the City or increase time in which the Project shall be completed.

Contractor agrees that if it does not keep the aforesaid insurance in full force and effect, City may immediately terminate this Agreement

Backup material for agenda item:

Receive Preview List for Next Regular Council meeting: February 5, 2019 (Staff Contact: Mary Lavelle, 408-586-3001)

PREVIEW MILPITAS CITY COUNCIL MEETING AGENDA

TUESDAY, FEBRUARY 5, 2019

CONSENT CALENDAR

1. Receive City Council Calendar for February 2019 (Mary Lavelle)
2. Approve City Council Meeting Minutes: January 15, 2019 (Mary Lavelle)
3. Adopt Resolution setting date of Public Hearing on 3/05/19 for annual Weed Abatement Program (Albert Zamora)
4. Approve Agreement with Second Harvest Food Bank for food distribution in Milpitas (Renee Lorentzen)
5. Approve Agreement with Pump Repair Service Co. for Hillside Pump Station – not to exceed \$118,200 (Tony Ndah)
6. Approve the agreement with Pump Repair Service Co. for the water pump replacement at the Tularcitos Pump Station for amount not to exceed \$118,200 (Tony Ndah)
7. Approve Agreement for Safe, Clean Water Program Grant Approval for Lower Penitencia Creek Pedestrian Bridge, Project No. 2005 (Steve Erickson)
8. Approve Appointments and/or Re-appointments to City Commissions (Renee Lorentzen)
9. Preview next Regular Council agenda – February 19, 2019

PUBLIC HEARINGS

10. 1st reading/Introduce Ordinance for updated Water Rates (Tony Ndah)
11. 1st reading/Introduce Ordinance for updated Sewer Rates (Tony Ndah)

COMMUNITY SERVICES

12. Update report from staff on The Pines On-Street Parking program (Steve Chan)
13. Update report from staff on efforts to form a Regional Housing Needs Allocation (RHNA) Subregion. Review and receive direction on Cities Assoc of Santa Clara Co (Cities Association) draft resolution on RHNA formation

LEADERSHIP

14. Receive Report on Plan for OPEB and Pension Liabilities (Will Fuentes)

Backup material for agenda item:

HOUSING AUTHORITY: Receive Report on Housing Program Status and Provide Direction (Staff Contacts: Sharon Goei, 408-586-3260 and Robert Musallam, 408-586-3275)

Recommendation: Receive report on Housing Program Status; direct staff to research a commitment level up to \$6.5 million of Housing Authority Funds for Affordable Housing Construction at 355 Sango Court; direct staff to initiate research to develop Affordable Housing on Housing Authority and City-Owned Properties on South Main Street; and direct staff to review future development entitlement proposal for 308 Sango Court along with Sources and Uses of Funds, and authorize staff to process the predevelopment loan application for future City Council/Housing Authority Commission consideration.



CITY OF MILPITAS AGENDA REPORT (AR)

Item Title:	HOUSING AUTHORITY: Receive Report on Housing Program Status and Provide Direction (Staff Contacts: Sharon Goei, 408-586-3260 and Robert Musallam, 408-586-3275)
Category:	Community Development
Meeting Date:	1/15/2019
Staff Contact:	Sharon Goei, Director of Building and Housing, 408-586-3260; Robert Musallam, Housing Authority Administrator, 408-586-3275
Recommendation:	Receive Report on Housing Program Status; Direct Staff to Research a Commitment Level up to \$6.5 Million of Housing Authority Funds for Affordable Housing Construction at 355 Sango Court; Direct Staff to Initiate Research to Develop Affordable Housing on Housing Authority and City-Owned Properties on South Main Street; and Direct Staff to Review Future Development Entitlement Proposal for 308 Sango Court along with Sources and Uses of Funds, and Authorize Staff to Process the Predevelopment Loan Application for Future City Council/Housing Authority Commission Consideration

Background:

Milpitas, like many other cities in Santa Clara County, is challenged in building affordable housing. This is attributed to the effect of our vibrant economy, such as high land, labor, and materials cost; small amount of developable land; high residential market demand associated with employment growth; and limited housing supply. The high cost of constructing affordable housing or any type of housing has an impact on renters and potential homeowners alike; many of the homes or apartments for rent are increasingly unaffordable. Given the challenges to construct new affordable housing, the State has led the way by providing legislation of permissible housing policy that has facilitated discussion and action at the local government level to implement policies in support of increasing housing production as well as augmenting funding to incentivize affordable housing.

During the time of the former Milpitas Redevelopment Agency (RDA), the majority of the City's affordable housing program was implemented through RDA funding. At least 20% of the annual RDA tax-increment revenues was set aside for Low and Moderate Income Housing Fund (LMIHF) to expand and improve the supply of affordable housing. Low and moderate income are defined annually by the California Department of Housing and Community Development (HCD). HCD's income category for Santa Clara County as adjusted by household size is as follows:

Section 6932. 2018 Income Limits									
County	Income Category	Number of Persons in Household							
		1	2	3	4	5	6	7	8
Santa Clara County 4-Person Area Median Income: \$125,200	Extremely Low	27950	31950	35950	39900	43100	46300	49500	52700
	Very Low Income	46550	53200	59850	66500	71850	77150	82500	87800
	Low Income	66150	75600	85050	94450	102050	109600	117150	124700
	Median Income	87650	100150	112700	125200	135200	145250	155250	165250
	Moderate Income	105200	120200	135250	150250	162250	174300	186300	198350

However, on February 1, 2012, AB X1 26 dissolved all redevelopment agencies throughout the State, ending this significant affordable housing funding source. In anticipation of the dissolution, on February 15, 2011, the City Council adopted Resolution No. 8062, authorizing the establishment of the City of Milpitas Housing Authority (HA)--the successor housing agency to the dissolved Milpitas Redevelopment Agency (RDA), in order to manage the existing

affordable housing programs, loans, and assets. Thirteen real properties were transferred from the former RDA to the Housing Authority. Currently, the Housing Authority owns two residential units and the 1432-1446 South Main Street property. The City owns the 1452-1488 South Main Street properties.

Outline of Current City and Housing Authority Tools to Promote Affordable Housing:

1) Policies and Programs:

With the dissolution of RDA, the City of Milpitas and the Housing Authority implemented policy tools and sought opportunities to help build affordable units and provide assistance for the preservation or rehabilitation thereof. These include affordable housing ordinances, state law, County funding, and affordability by design as summarized below.

City Resolution No. 8491

The City adopted Resolution No. 8491 on June 16, 2015, which required all completely new residential development applications submitted after June 16, 2015, developing 5 units or more, to designate 5% of the total number of units as very-low or low income units, or contribute to the City the equivalent of 5% of the construction value, or a combination thereof. The Resolution indicated that “Affordable housing requirements shall apply to all completely new residential development applications submitted to the City after June 16, 2015. ‘Completely new residential development applications’ shall mean any residential development project for which no written application of any sort has been previously submitted to the City.”

Under Resolution No. 8491, five market rate projects were subject to the fee and expected to pay an estimated \$3 million within the next two years. The total construction value of all of the residential projects that are underway and were not subject to Resolution No. 8491 is approximately \$1.2 billion. These projects were not subject to the Resolution because the language and criteria for completely new residential development applications, as noted above, were interpreted and applied in a way that effectively exempted these projects. These projects were missed opportunities. If the Resolution were to apply to these projects, the City could have anticipated 5% of the construction value, or \$59 million, into the Affordable Housing Fund. This Resolution was repealed on the effective date of the Affordable Housing Ordinance No. 297 on July 20, 2018.

City Ordinance No. 297

On June 19, 2018, the City Council adopted a significantly more effective Affordable Housing Ordinance that requires new residential developments with 10 or more units to include 15% of very-low or low-income units for rental development and 15% of moderate income units for ownership development. This Ordinance became effective on July 20, 2018.

The Affordable Housing Ordinance requires developers to build 15% affordable units on-site. If the developer desires to pay an in-lieu fee instead of constructing 15% affordable units, the developer would need to make a formal request to City Council to opt out of constructing the units. The Affordable Housing Ordinance also requires new commercial developments or additions of 5,000 square feet or more to pay a fee per square foot that would contribute to the Affordable Housing Fund. The proposed residential and commercial fee levels were analyzed through the Affordable Housing Nexus Study by Keyser Marston Associates. The Study evaluated the nexus between new residential and commercial developments and the impacts these developments have on the demand for affordable housing. At the request of the City Council, staff is completing additional community/stakeholder outreach and intends to return to the City Council with a recommended fee program, tentatively scheduled for March 5, 2019.

State Density Bonus

Under State Density Bonus Law, cities are required to adopt a Density Bonus Ordinance consistent with the State’s or be more permissible. To attract developers to build affordable units, the Density Bonus Ordinance will allow developers the ability to build above their permitted densities in permitted zoning districts in exchange for the construction of affordable units. As an example, the developer, Core Companies, opted to reserve at least five percent of the total units for very low income households, achieving a 20% density bonus allowed by right under the State Density Bonus Law. The amount of bonus depends on the number of affordable units and the income levels that are provided. The maximum density increase is 35%.

Housing Authority Predevelopment Loans

Dependent on funding availability of Housing Authority funds, the Housing Authority has extended predevelopment loans on a case-by-case basis to developers producing affordable housing. These loans provide financing for predevelopment activities of the developer. The loans have full recourse to the Housing Authority from the sponsor.

The City's Affordable Housing Ordinance, Density Bonus Ordinance, and Housing Authority Predevelopment Loans are the driving tools that promote the production of new affordable housing units.

Santa Clara County Measure A - Affordable Housing Bond

In November 2016, Santa Clara County voters passed Measure A, a \$950 million affordable housing bond. Refer to more information below. The housing bond provides the County with opportunities to partner with cities, residents, and the housing community to address the housing needs of the most vulnerable populations. The bond funds are projected to create and/or preserve approximately 4,800 affordable housing units and assist 1,000 first-time homebuyers county-wide in the first ten years after Measure A approval.

Affordability by Design

Although not an adopted City policy, affordability by design is a strategy that does not necessarily require direct public agency participation or subsidy in designing market-rate housing at price points attractive to the middle income households, often identified as the "missing middle" or "workforce housing." Affordable by design is an efficient use of residential space, communal features, and a site ideally located near public transit which reduces the need for a car. New construction of missing-middle housing is generally at a lower cost due to low square footage and (potentially) the lack of a garage or yard, translating to lower prices. Typical locations for such housing are where zoning allows larger buildings, heights, and density in the form of multi-unit or clustered housing types that help meet the growing demand along a spectrum of affordability to support walkable communities, locally-serving retail, and public transportation options.

Another growing segment of design affordability is the Accessory Dwelling Units (ADU). ADUs demonstrate another opportunity for affordability by designing smaller efficient units by existing Milpitas homeowners on their existing residential property. ADUs offer residents the ability to extend the unit to a family member, or rent the unit for added income to age in place, while allowing additional affordable by design capacity to the City's housing stock.

2) Recent City and County Efforts to Promote Affordable Housing:

Santa Clara County Measure A - Affordable Housing Bond

Measure A funds are currently available to Santa Clara County jurisdictions for affordable housing for the most vulnerable populations: veterans, seniors, the disabled, foster youth, victims of abuse, the homeless and individuals suffering from mental or substance abuse illness, and low and moderate income households, including an emphasis on extremely low income households.

Santa Clara County has recently established its Measure A first-time homebuyer down payment assistance program, Empower Homebuyers. This program is administered by Housing Trust Silicon Valley and expected to assist households with incomes that do not exceed 120% of the Area Median Income over the first five years. The City is promoting this program to assist the Milpitas community.

The City has also successfully worked with the County and the developer of the 355 Sango Court project in receiving Measure A funding as identified below.

Sunnyhills Apartments

The Sunnyhills Apartment complex located at 1724 Sunnyhills Drive was developed in 1971. While the owner supplied affordable housing units to the City through project-based housing vouchers from the Housing and Urban Development (HUD) Department of the federal government over the last 30 years, the owner's contract with HUD was expiring in early 2018. As the City was committed to preserve the affordable units, the Council approved contributing \$250,000 per year for five years, totaling \$1.25 million, to assist with costs associated with capital improvements and repairs of the property. The City's contribution resulted in the owner's renewal of the HUD contract. Staff continues to work with the owner on his development application to ensure the preservation of affordable units.

MonteVista Apartments

In 1996, the former RDA of the City entered into an agreement with Bridge Housing to build the 306-unit MonteVista Apartments located at 1001 South Main Street. The property includes 76 low-income and 87 very-low income units for a total of 163 restricted units. The Housing Authority Commission approved Bridge Housing's loan restructuring and modification proposal with the exception of the foregoing of the first ten years of anticipated residual receipts loan payments. Bridge Housing is returning with an analysis and the same request to the Housing Authority. They would also designate 50 market rate units into low-income units. Bridge Housing's request does not involve any new funds. With no residual receipts loan payments for ten years at a cost of approximately \$200,000 per year, the cumulative amount is \$2 million. However, adding an additional 50 low-income units at this rate is more valuable to the City's long term goal of adding and maintaining affordable housing. This request will be considered by the Council subsequent to this agenda item.

355 Sango Court

In 2018, Council entitled 355 Sango Court, a 100% affordable housing project for 102 units (consisting of 101 affordable units and one above-moderate manager's unit). The City is able to count 101 units toward its Regional Housing Needs Allocation (RHNA) goals in categories of very-low and low income units. As a non-profit developer and a developer for a 100% affordable housing project, the project is based on public financing. The Housing Authority previously approved a \$150,000 predevelopment loan and the City awarded \$299,097 in Community Development Block Grant (CDBG) to support in funding the acquisition of the site. This past year, 355 Sango was approved for County Measure A funding for \$16 million. Since the developer is providing deeply affordable units, the project is seeking more funds from the City for construction as discussed below.

Other Regional Efforts

1) Regional Housing Needs Allocation (RHNA) Subregion

A RHNA Subregion would provide a regional approach to address the area's housing needs. For more details on RHNA, please see section below. Two or more contiguous cities and a county may form a subregional entity for the purpose of allocation of the subregion's existing and projected need for housing among its members. A subregion determines a methodology for allocating housing needs per state law and allocates the distribution of RHNA to the participating jurisdictions.

In 2016, a subcommittee was formed by the Cities Association of Santa Clara County (Cities Association) to develop a framework and processes necessary to form and implement a subregion within Santa Clara County for the next RHNA cycle (2023-2031), and to review potential options for further regional response to housing related issues. In October 2018, the Board of Directors of the Cities Association voted to initiate the formation of a RHNA Subregion for the next RHNA cycle (2023-2031). The City is currently evaluating the participation in the RHNA Subregion and staff will return to Council in the near future.

2) CASA Compact

Committee to House the Bay Area (CASA) is the name of a blue-ribbon task force of elected and civic leaders convened by the Association of Bay Area Governments (ABAG) and Metropolitan Transportation Commission (MTC). The CASA Compact is a 15-year emergency policy package to confront the region's housing crisis. It includes a series of policy reforms for the Bay Area to build more housing at all income levels while protecting tenants and low-income communities from unjust evictions and displacement. However, many concerns have been raised by jurisdictions and regional organizations, including concerns on the proposed funding mechanisms and changes to land use authority, and that a 'one size fits all' policy would not be appropriate. In December 2018, the Cities Association of Santa Clara County expressed concerns about the CASA Compact to ABAG, MTC, and State Assemblymembers and Senators representing Santa Clara County. Staff attended the December Cities Association special meeting and will continue to monitor the CASA Compact.

Regional Housing Needs and Housing Inventory:

The supply and affordability of housing, and construction thereof, is primarily accomplished at the local level. The State recognizes the important role of the local government in the supply of housing, and requires all cities to adopt a Housing Element as part of its General Plan to demonstrate how the city will meet its projected housing needs and at which income levels. For more information on the City's Housing Element goals, policies, and programs, refer to

<http://www.ci.milpitas.ca.gov/pdfs/AdoptedHousingElement2015-2023.pdf>.

Each jurisdiction must accommodate a Regional Housing Needs Allocation (RHNA) that is a state-mandated total number of housing units at various affordability levels with an eight-year cycle. For the cycle of 2015-2023, the City of Milpitas' total RHNA is 3,290 units. As last reported to the State, the City constructed 1,304 above-moderate units, meeting its above-moderate goals. However, the City is still required to produce 2,139 very-low, low and moderate units, as shown in the table below.

	Extremely Low/Very Low	Low	Moderate	Above Moderate	Total Units
Milpitas RHNA for 2015-2023	1,004	570	565	1,151	3,290
As reported 2017	0	0	0	1,304	1,304
Balance of RHNA	1,004	570	565	0	2,139

The City has recently approved affordable housing projects that can help meet RHNA goals if the units are in the process of building permit before 2023. The following are entitled projects in the pipeline:

Project	Extremely Low/Very Low	Low	Moderate	Above Moderate	Total Units
355 Sango Court	85	16	0	1	102
1380-1400 S. Main (Core Companies)	10	0	0	210	220
Senior Lifestyles Phase 1	10	0	0	189	199
Total	105	16	0	400	521

The three upcoming projects with affordable units will have a total of 121 affordable units for very-low and low income households. The City will remain short of its RHNA goal. The City will have approximately over 6,000 units being built or to be built in the pipeline as they were entitled prior to the effective date of the Affordable Housing Ordinance and/or exempt from Resolution No. 8491. As a result, none of these units can be counted toward the City's RHNA goals.

Funding Analysis:

The City currently receives various fees from residential projects, in particular the Transit Area Specific Plan (TASP) impact fees if applicable, park in-lieu fees, and public art fees. Many of these fees pay for upgrade in infrastructure and development related costs. As previously identified, five market rate projects are subject to the Resolution 8491 housing impact fee and pay 5% of the construction value to the City. The City can expect to receive approximately \$3 million during the time of building permit into the Affordable Housing Fund.

Currently, the Milpitas Housing Authority has approximately \$7.5 million in funds from previous HA land transactions and loan payments from previous Below-Market-Rate (BMR) homeowners. Meanwhile, the Housing Authority annual expenses are approximately \$1 million. The Housing Authority fund does not expect any major loan payoff from any previous properties or developers. The future funds from the Affordable Housing Ordinance Fund should not be confused with the Housing Authority Fund--each has its own statutes and restrictions of spending.

For the Housing Authority and City-owned properties on South Main Street, the City may have an opportunity to partner with Santa Clara County to develop affordable housing on the site, with the City selling the properties and County developing and financing the project through Measure A funding. The Housing Authority Fund would be replenished by the sale accordingly.

Project Requests:**1) 355 Sango Court**

At the time of this staff report preparation, the developer was scheduled to close escrow on this property on January 11, 2019 utilizing County Measure A dollars, as well as City CDBG funding. The Developer has made a further funding request of the Housing Authority in the amount of \$6.5 million to help fund construction along with County Measure A funds, other state and tax credit funding that is being pursued by the Developer.

Staff Comment: The Housing Authority needs to review its existing account balances to confirm that this amount is available or will be available prior to the commencement of construction. Staff's recommendation is for Council/Housing Authority Commission to direct staff to research a commitment level up to \$6.5 million of Housing Authority Funds for affordable housing construction at 355 Sango Court.

2) Prioritizing Resources for Properties on South Main Street

Due to the state of the housing crisis, State legislation and cities are implementing policies and extending funds within its budget. Currently the Milpitas Housing Authority funds are approximately \$7.5 million with \$1 million in annual expenditure. The funds will be augmented by the recently-adopted Affordable Housing Ordinance Fund in the future. Given the existing conservative amount of funds it is crucial that the City prioritize funding resources and consider leveraging the South Main Street properties to meet State required housing production while serving the most vulnerable households.

Staff Comment: The City and County have had informal discussions about the potential of the properties on South Main Street. Staff's recommendation is for Council/Housing Authority Commission to direct staff to initiate research to develop affordable housing on Housing Authority and City-owned properties on South Main Street.

3) 308 Sango Court

A developer requested a \$125,000 predevelopment loan to propose an affordable rental development located at 308 Sango Court. The developer has stated that \$6 million or more in local funding would be required for this project.

Staff Comment: As previously mentioned, middle income workforce housing is an important affordable housing objective. Staff recommends that the developer submit a Planning Application to the Planning Department, providing the details of the development proposal, along with sources and uses of funds, and initiating the process of entitlement. This information can then be reviewed by staff. If the development proposal meets the affordable housing income criteria, staff recommends that Council authorize staff to process the predevelopment loan application for future City Council/Housing Authority Commission consideration.

Fiscal Impact:

There is no immediate fiscal impact from the actions on the recommendations, but fiscal impact will occur when specific project requests are made to the City.

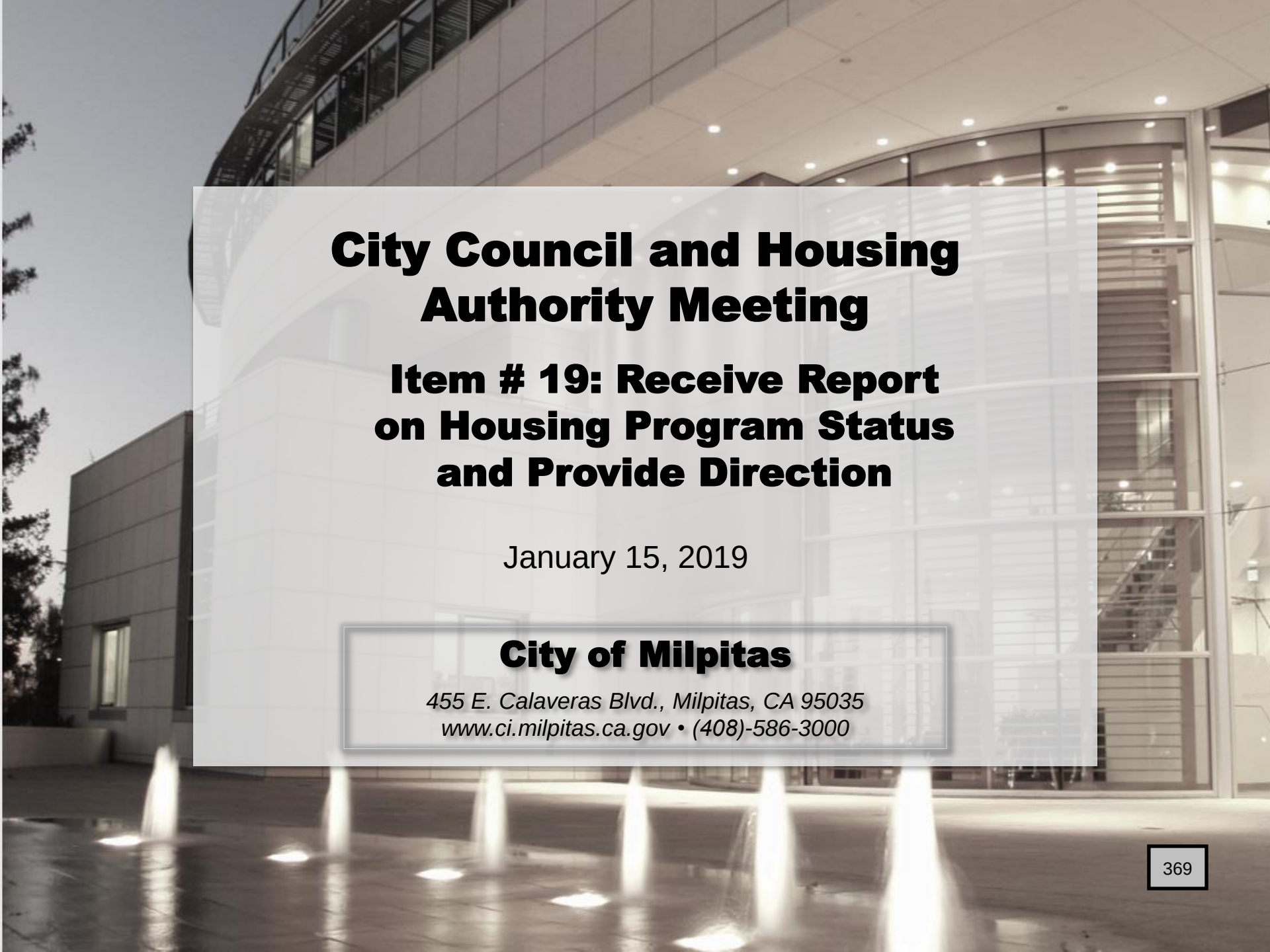
California Environmental Quality Act:

The action being considered has no potential for causing a significant effect on the environment and is exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15061(b)(3).

Recommendation:

1. Receive report on housing program status.
2. Direct staff to research a commitment level up to \$6.5 million of Housing Authority Funds for affordable housing construction at 355 Sango Court.
3. Direct staff to initiate research to develop affordable housing on Housing Authority and City-owned properties on South Main Street.
4. Direct staff to review future development entitlement proposal for 308 Sango Court along with sources and uses of funds, and authorize staff to process the predevelopment loan application for future City Council/Housing Authority Commission consideration.

Attachment: None



City Council and Housing Authority Meeting

Item # 19: Receive Report on Housing Program Status and Provide Direction

January 15, 2019

City of Milpitas

455 E. Calaveras Blvd., Milpitas, CA 95035
www.ci.milpitas.ca.gov • (408)-586-3000

City Council and Housing Authority Meeting

**Item #20: Adopt a Joint Resolution Authorizing the
Executive Director of the Housing Authority to Prepare
and Execute Loan Documents to Forego the First Ten
Years of Residual Receipts Loan Payments for the
MonteVista Apartments at 1001 South Main Street**

January 15, 2019

City of Milpitas

455 E. Calaveras Blvd., Milpitas, CA 95035
www.ci.milpitas.ca.gov • (408)-586-3000

Joint Presentation

- **Housing crisis**
- **Regional housing needs**
- **Affordable housing toolbox**
- **Recent City, County & regional efforts**
- **Housing Authority assets**
- **County presentation**
- **Project considerations**

Background

- Housing crisis
- Regional challenge
- Partnership with Santa Clara County
 - 2016 Measure A - Affordable Housing Bond
 - Project funding
 - Develop affordable housing
 - First-time homebuyer assistance

Background

2018 Santa Clara County Income Limits

Based on % of Area Median Income (AMI)

		Number of Persons in Household							
Income Category		1	2	3	4	5	6	7	8
Santa Clara County 4-Person Area Median Income: \$125,200	Extremely Low (30%)	\$27,950	\$31,950	\$35,950	\$39,900	\$43,100	\$46,300	\$49,500	\$52,700
	Very Low (50%)	\$46,550	\$53,200	\$59,850	\$66,500	\$71,850	\$77,150	\$82,500	\$87,800
	Low (80%)	\$66,150	\$75,600	\$85,050	\$94,450	\$102,050	\$109,600	\$117,150	\$124,700
	Median (100%)	\$87,650	\$100,150	\$112,700	\$125,200	\$135,200	\$145,250	\$155,250	\$165,250
	Moderate (120%)	\$105,200	\$120,200	\$135,250	\$150,250	\$162,250	\$174,300	\$186,300	\$198,350

Background

- Former Redevelopment Agency (RDA)
 - Produced over 1,200 affordable units
- RDA dissolution in 2012
- Milpitas Housing Authority (HA) – successor agency to RDA
- Currently, HA owns two residential units and 1432-1446 South Main Street
- \$7.5 million in HA Fund, \$1 million annual expenditure

Governor's State Budget Proposal

- 3.5 million units in 7 years
- \$500 million for local governments to combat homelessness
 - \$300 million for regional planning
 - \$200 million for cities that build new shelters or permanent supportive housing
- \$500 million for low-income housing tax credit
- \$500 million for “moderate-income” housing production

Regional Housing Needs Allocation (RHNA)

- RHNA process: HCD → regions → cities
- Cycle of 2015-2023: Total RHNA is 3,290 units
- Constructed 1,304 above-moderate units, meeting above-moderate goals
- Still need to produce 2,139 very-low, low, and moderate units

RHNA

	Extremely Low/Very Low	Low	Moderate	Above Moderate	Total Units
Milpitas RHNA for 2015-2023	1,004	570	565	1,151	3,290
As reported 2017	0	0	0	1,304	1,304
Balance of RHNA	1,004	570	565	0	2,139
355 Sango Court	85	16	0	1	102
1380-1400 S. Main (Core Companies)	10	0	0	210	220
Senior Lifestyles Phase 1	10	0	0	189	199
Entitled Projects	105	16	0	400	521

SCC RHNA Numbers

RHNA Results for 2015-2023 Cycle, through 2017

City	Affordable/BMR			Above Moderate			Total Units		
	RHNA for 2015- 2023	Permits Issued through 2017	% of RHNA Met	RHNA for 2015- 2023	Permits Issued through 2017	% of RHNA Met	RHNA for 2015- 2023	Permits Issued through 2017	% of RHNA Met
Saratoga	346	20	6%	93	12	13%	439	32	7%
Los Gatos	445	7	2%	174	60	34%	619	67	11%
Palo Alto	1401	115	8%	587	189	32%	1988	304	15%
Cupertino	794	27	3%	270	172	64%	1064	199	19%
Sunnyvale	3478	87	3%	1974	1017	52%	5452	1104	20%
Campbell	542	12	2%	391	211	54%	933	223	24%
San Jose	20849	890	4%	14231	7671	54%	35080	8561	24%
Santa Clara	1745	37	2%	755	611	81%	2500	648	26%
Milpitas	2139	0	0%	1151	1304	113%	3290	1304	40%
Monte Sereno	48	11	23%	8	14	175%	56	25	45%
Mountain View	1833	231	13%	1093	1205	110%	2926	1436	49%
Los Altos Hills	106	32	30%	15	29	193%	121	61	50%
Morgan Hill	612	75	12%	316	534	169%	928	609	66%
Los Altos	380	21	6%	97	319	329%	477	340	71%
Unincorporated	249	29	12%	28	229	818%	277	258	93%
Gilroy	495	287	58%	475	727	153%	970	1014	105%
County Total	35462	1881	5%	21658	14304	66%	57120	16185	28%

Affordable/Below Market Rate is separated into 3 categories: ELI/VLI, LI, M

Affordable Housing Toolbox

- **Former City Resolution No. 8491**
- **Recent City Ordinance No. 297**
- **Density Bonus**
- **Predevelopment Loans**
- **Affordability by Design**
- **Measure A – Affordable Housing Bond**

Former City Resolution No. 8491

- Adopted Resolution No. 8491 on June 16, 2015
- Completely new residential development applications
 - developing 5+ units
 - 5% of units or 5% of construction value
- Language and criteria for “completely new residential development applications” interpreted and applied in a way that effectively exempted projects
- Five projects subject to fee, estimated \$3 million
- Repealed by Affordable Housing Ordinance No. 297 on July 20, 2018

Recent City Ordinance No. 297

- Adopted Ordinance No. 297 on June 19, 2018
 - Effective July 20, 2018
- New residential developments with 10+ units
 - 15% of units
- In-lieu fee instead of constructing 15% affordable units

Density Bonus

- State Density Bonus Law/City's Density Bonus Ordinance
- Grants density bonus and other incentives to developers
- Bonus depends on % of affordable units and income category

Predevelopment Loans

- Dependent on funding availability of Housing Authority funds
 - HA determines on a case-by-case basis to developers producing affordable housing
- Recent example:
 - 355 Sango Court (100% affordable)

Affordability by Design

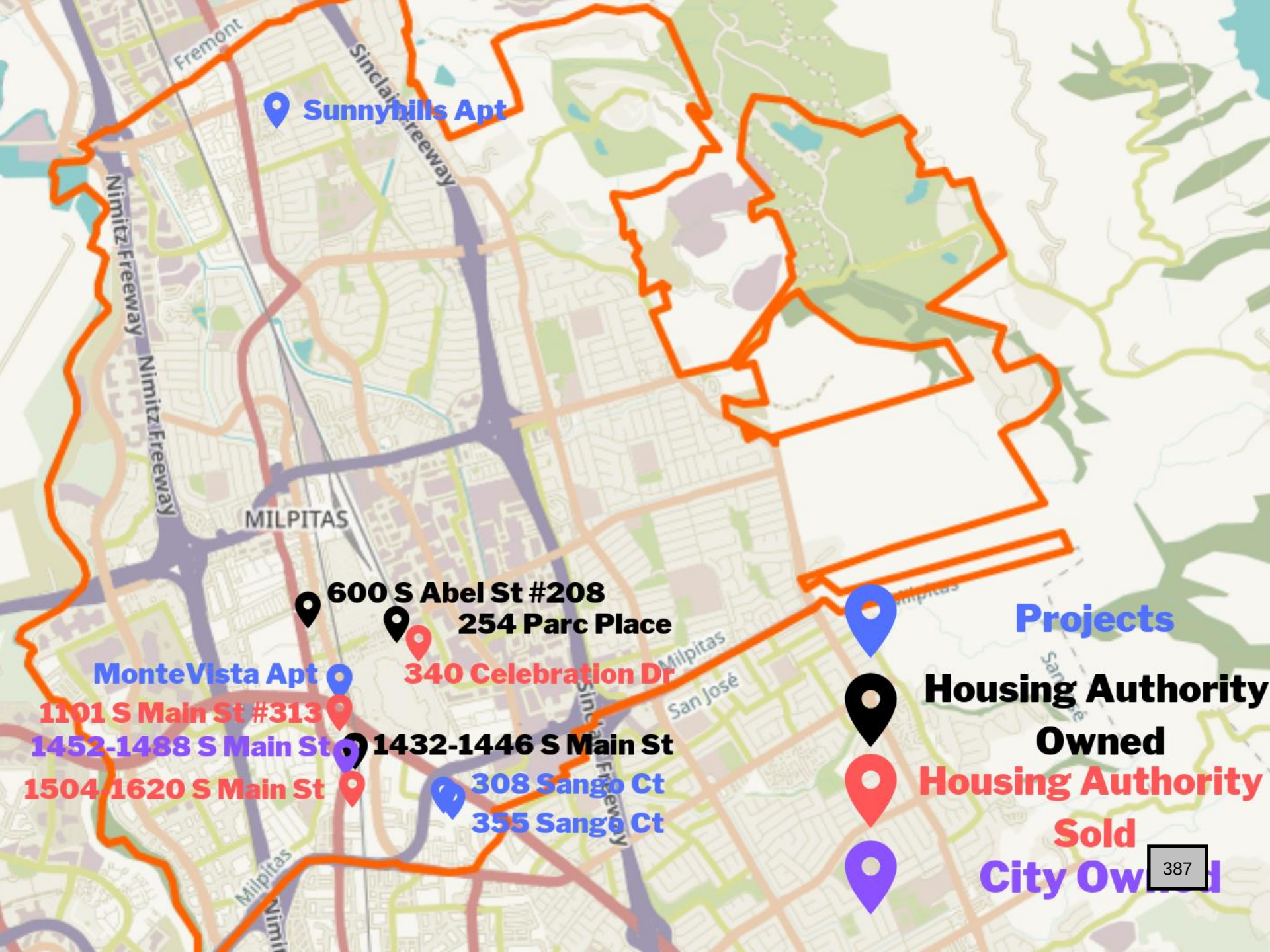
- Creation of affordable housing through unit size and efficiency
- Working with the private sector
- Ideally located near public transit
- Less car dependent
- Includes Accessory Dwelling Units (ADUs)

Recent City, County & Regional Efforts

- **Regional efforts**
 - RHNA Subregion
 - CASA Compact
- **City efforts**
 - Sunnyhills Apartments
 - 355 Sango Court
 - MonteVista Apartments
 - Leveraging Measure A resources
 - South Main Street properties

Regional Efforts

- RHNA Subregion
 - Regional approach to allocating housing needs to participating jurisdictions
 - Cities Association of Santa Clara County initiated formation of RHNA Subregion for next cycle
- CASA Compact
 - Committee to House the Bay Area (CASA) by ABAG & MTC
 - 15-year emergency policy package



Sunnyhills Apt

MILPITAS

600 S Abel St #208
254 Parc Place

340 Celebration Dr

MonteVista Apt

1101 S Main St #313

1452-1488 S Main St

1504/1620 S Main St

1432-1446 S Main St

308 Sango Ct

355 Sango Ct

Projects

Housing Authority

Owned

Housing Authority

Sold

City Owned

387

Sunnyhills Apartments

- Commitment of retaining affordability at the Sunnyhills Apartments
 - 5 Year HUD Contract Extension
 - City will reimburse ownership \$250,000 per year
 - Ongoing capital improvements and repairs of the property
- Discussions with ownership on a new 44-unit residential development on the Sunnyhills Apartment grounds
 - Project will be subject to City Ordinance No. 297

355 Sango Court

- 100% affordable housing project for 102 units
 - Consisting of 101 affordable units and one above-moderate manager's unit
 - 68 units at 30%AMI
 - 17 units at 50% AMI
 - 16 units at 60% AMI
 - 1 manager's unit
 - Unit Breakdown: 23 studios, 40 one-bedroom, 27 two-bedroom, and 12 three-bedroom

355 Sango Court

- \$150,000 predevelopment loan
- Closing escrow on January 23, 2019
 - \$299,097 CDBG loan
- County has committed \$16 million of Measure A
- City will determine funding commitment amount by February 19, 2019 Council/HA meeting
 - Developer is requesting \$6.5 million

MonteVista Apartments

- Located at 1001 S. Main Street
 - 76 low-income (60% of AMI) units
 - 87 very-low income (50% of AMI) units
 - A total of 163 restricted units for 55 years
 - 143 market rate units
- Bridge Housing Agenda Item #20
 - Proposal to restructure their existing loans with the MonteVista Apartments

MonteVista Apts Background

- June 12, 2018 Housing Authority Meeting
- Bridge Housing requested from Council:
 1. Authorize a short term Subordination of the City Loan to a short term lender and the long term subordination to the California Housing Finance Agency for the permanent loan
 2. Revise the Existing Interest Rate
 3. Forgive Accrued Interest
 4. Restructure the Housing Authority's share of the project cash flow, and
 5. Forego the first ten (10) years of anticipated residual receipts loan payments.
- 50 additional restricted units
 - 80% AMI

MonteVista Apts Background

- June 19, 2018 Housing Authority Meeting
- Resolution not adopted

MonteVista Apts Analysis

- County has forgiven ten (10) years of residual receipts payments
- More transparency in residual receipts spending
 - City staff is utilizing a similar approach
 - Bridge Housing will provide periodic reports
- Residual receipts funds
 - Rehabilitation of the apartments
 - Deferred developer fee

MonteVista Apts Fiscal Impact

- No residual receipts loan payments for ten years at a cost of approximately \$200,000 per year,
 - Cumulative amount of \$2.0 million.
- No new funds will need to be contributed

Measure A Resources

- \$950 million affordable housing bond
 - Addresses the housing needs of the most vulnerable populations
 - Projected to create and/or preserve approximately 4,800 affordable housing units
 - “Empowers Homebuyers” Program to assist first-time homebuyers

Housing Authority Assets

- \$7.5 million in HA Fund, \$1 million annual expenditure
- HA- and City-owned properties
 - HA owns 1432-1446 South Main Street
 - City owns 1452-1488 South Main Street
 - Develop affordable housing
 - Possible County partnership
- Update Council/HA twice a year

An aerial photograph of a suburban neighborhood. On the left, a residential street with many houses is labeled 'The Pines'. To the right of this street, a large commercial or industrial area is outlined in white. Within this white-outlined area, two specific buildings are highlighted: one with an orange border and one with a blue border. These two buildings are collectively labeled 'Core Project'. Below the blue-outlined building, another large area is outlined in white and labeled 'Senior Lifestyles'. The bottom right corner of the image contains a small black box with the number '398'.

Core Project

The Pines

Senior Lifestyles



1432-1446 S Main St
HA Owned

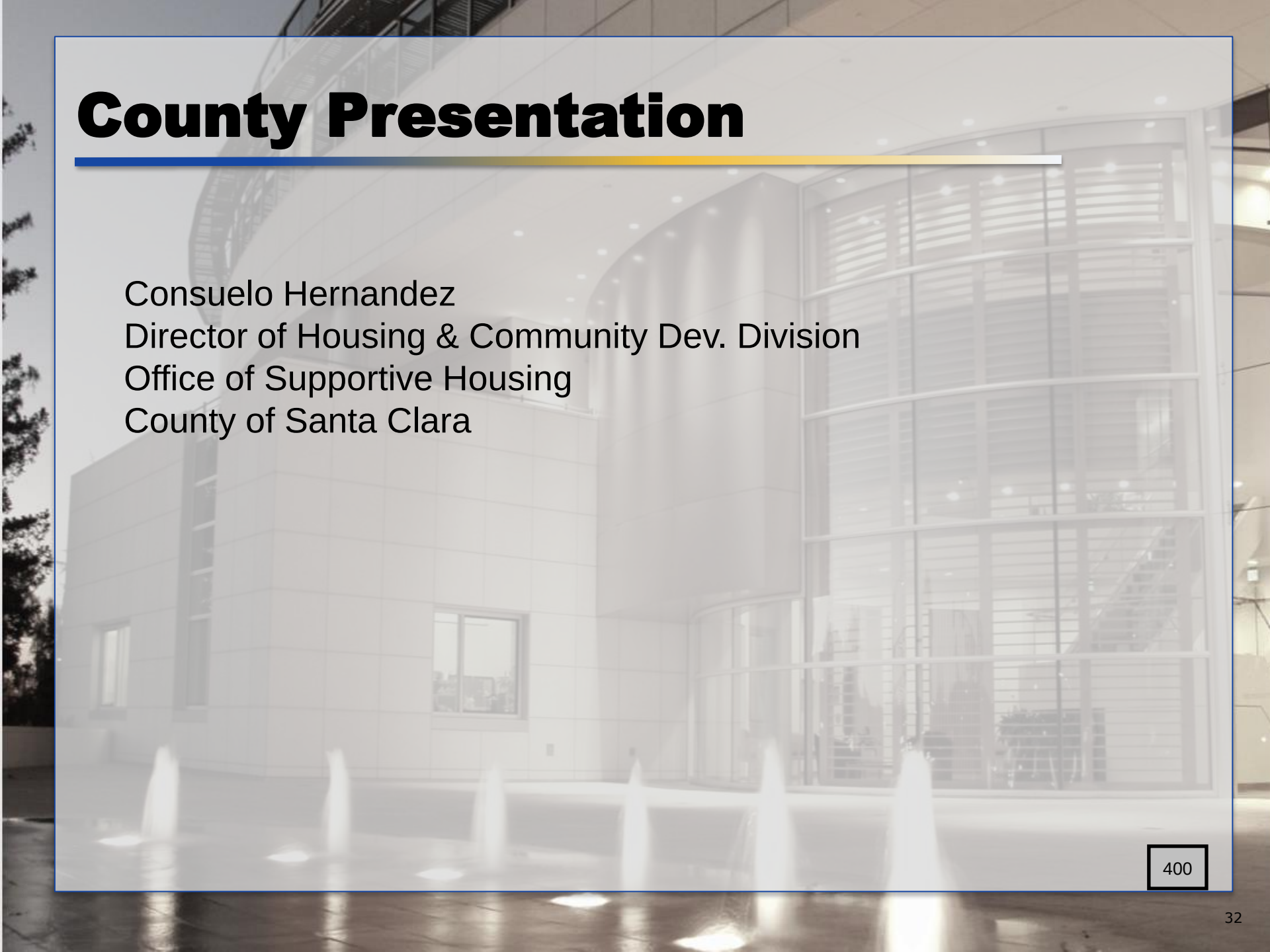
This aerial photograph shows a large industrial building with a grey roof and a paved parking lot filled with numerous cars. The property is outlined with a thick orange border. To the left of the property is a multi-lane road with traffic, and to the right is a grassy area with a drainage ditch.



1452-1488 S Main St
City Owned

This aerial photograph shows a large industrial building with a grey roof and a paved parking lot filled with numerous cars. The property is outlined with a thick blue border. To the left of the property is a multi-lane road with traffic, and to the right is a grassy area with a drainage ditch.

County Presentation



Consuelo Hernandez
Director of Housing & Community Dev. Division
Office of Supportive Housing
County of Santa Clara

Project Considerations

1) 355 Sango Court

Consider directing staff to research a commitment level up to \$6.5 million of Housing Authority Funds

2) Properties on South Main Street

Consider directing staff to initiate research to develop affordable housing

3) 308 Sango Court

Upon receipt of complete entitlement application from developer, consider directing staff to review development entitlement proposal along with sources and uses of funds, and authorize staff to process the predevelopment loan application for future City Council/Housing Authority Commission consideration

#19 Housing Program Recommendation

- Receive report on housing program status.
- Direct staff to research a commitment level up to \$6.5 million of Housing Authority Funds for affordable housing construction at 355 Sango Court.
- Direct staff to initiate research to develop affordable housing on Housing Authority and City-owned properties on South Main Street.
- Direct staff to review future development entitlement proposal for 308 Sango Court along with sources and uses of funds, and authorize staff to process the predevelopment loan application for future City Council/Housing Authority Commission consideration.

#20 MonteVista Recommendation

- Adopt a Resolution authorizing the Executive Director to prepare and execute loan documents to forego the first ten (10) years of residual receipts loan payments for the MonteVista Apartments located at 1001 South Main Street.



COUNTY OF SANTA CLARA OFFICE OF SUPPORTIVE HOUSING

January 15, 2019

2

Affordable Housing

Affordable Housing 101

3

- Developing Subsidized Housing
 - ▣ Land, Entitlements, Environmental Review, Conformity to local requirements and Public approval process
 - ▣ Can result in extended public process
- Restrictions
 - ▣ Income maximums for residential units with annual certifications of subsidized residents
 - ▣ Set-asides for target populations
 - ▣ Occupancy standards
- Financing structure and financing sources
 - ▣ Gap development financing and subsidy sources

Financing Stages Levels of Risk

4

Predevelopment

- Very risky, a project may not go through, developers and lenders try to limit their exposure during this time period.

Acquisition

- Less risky, the land can be security for a loan, but without entitlements, the land is not necessarily worth the amount needed to get through to construction.

Construction

- Fully entitled project, with rights for development, conveys more security for lenders. As the project enters construction, insurance and progress make this phase more secure.

Permanent

- Secure, fully developed property is no longer a risk, and lenders more easily make loans, knowing the building and its rents are secure.

Financing Housing Developments

5

Affordable Rental

- ❑ Subsidized affordable rental housing developments are paid for through:
 - ▣ Tax Credit Equity
 - ▣ Public Subsidy (loans and grants)
 - ▣ Commercial debt (mortgage)
- ❑ The mortgage amount is lower because of the supportable debt from the lower rents

Market-Rate Rental

- ❑ Market rate rental housing developments are paid for through:
 - ▣ Owner investment
 - ▣ Commercial Debt (mortgage)
- ❑ The mortgage amount is higher because the supportable debt from the market rate rent is higher

Financing Operations

6

Affordable Rental

- Standard Costs:
 - ▣ Property Management
 - ▣ Maintenance
 - ▣ Utilities
 - ▣ Amenities
 - ▣ Debt Service
 - ▣ *Service Coordination*
 - ▣ *Community facilities*
 - ▣ *Reserves*

Market-Rate Rental

- Standard Costs:
 - ▣ Property Management
 - ▣ Maintenance
 - ▣ Utilities
 - ▣ Amenities
 - ▣ Debt Service

Affordable Housing Finance

7

- ❑ Operating Subsidies
 - ▣ Project-based rental assistance or capitalized operating reserves
 - ▣ Pays the difference between tenant rents and costs of operations
- ❑ Development subsidies - Helps pay the costs of construction, development, or major rehabilitation – to allow for affordability/lower rents.
 - ▣ Low Income Housing Tax Credits (9% and 4%)
 - ▣ Federal Government HUD Grants (CDBG and HOME)
 - ▣ State Government Programs (AHSC, VHHP, SHMHP)
 - ▣ Local Government Funding (Linkage fees, in-lieu fees, incentives)
 - ▣ Quasi-Governmental Agencies (AHP)

8

2016 Measure A

Affordable Housing Bond Implementation

2016 Measure A – Housing Bond

9

Income Level	Investment	Program / Housing Type
Extremely Low-Income (ELI): 30% or less of Area Median Income (AMI)	\$700 M	Multifamily Rental including units used as Permanent Supportive Housing (PSH) or Rapid Rehousing (RRH)
Very Low-Income (VLI): 31% to 50% of AMI	\$100 M	Multifamily Rental (does not exclude PSH or RRH)
Up to 120% AMI	Up to \$150 M	Multifamily Rental and First-Time Homebuyers (Assistance and Production)

Objectives

10

- ❑ Construct or approve at least 4,200 new ELI units;
- ❑ Construct or approve at least 600 new VLI units;
- ❑ New rental housing that is affordable to households earning up to 120% of AMI;
- ❑ Assist at least 1,000 first-time homebuyers earning up to 120% of AMI;
- ❑ Fund and implement TBRA programs;
- ❑ Create capacity to prevent homelessness for up to 1,000 households annually; and
- ❑ Ensure new housing development and utilization of TBRA programs occur in cities/communities in a pattern that approximate RHNA allocations.

Key Implementation Strategies

11

- ❑ Consolidated NOFA prioritizing PSH, RRH and ELI
 - ❑ Countywide coordination
 - ❑ Multiple procurement methods
- ❑ Predevelopment Program for Supportive Housing
- ❑ Workforce Multifamily Rental Housing
- ❑ First-Time Homebuyer Down Payment Assistance
- ❑ Affordable For-Sale Housing Production
- ❑ Housing Ready Communities (HRC)



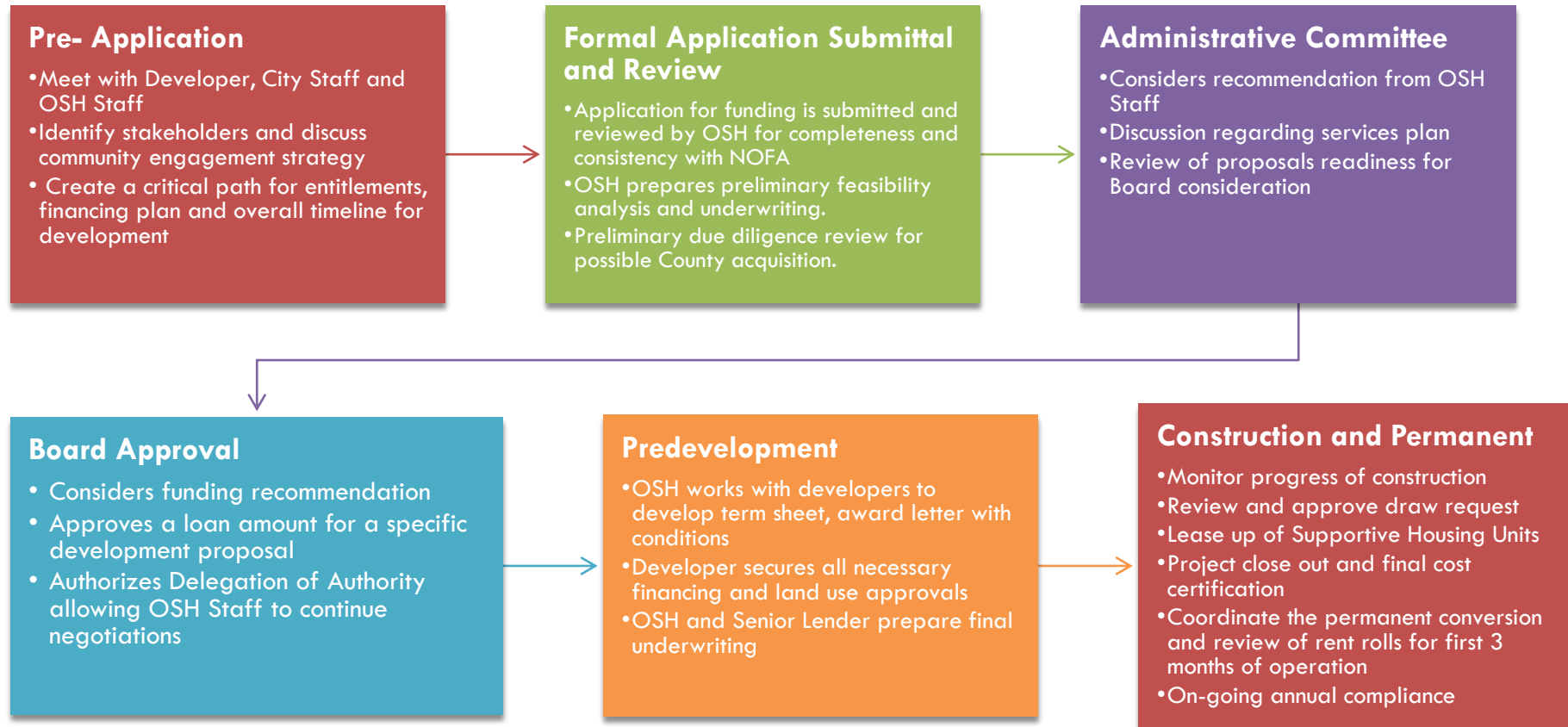
Supportive Housing Development Program

12

Type of Funds	Funding Amount	Restrictions	Maximum Subsidy Per Unit	Maximum Subsidy Per Project
2016 Measure A - Affordable Housing Bond	\$213 M (First Issuance)	Capital funding only	None	None
No Place Like Home (non-competitive allocation)	\$10 M	Capital and operating	TBD	TBD
No Place Like Home (competitive allocation)	\$86M	Capital and operating	TBD	TBD
Affordable Housing Fund	TBD	Capital and operating	None	None
Stanford Affordable Housing Fund	TBD	6 mile radius from Stanford	None	None
HOME Investment Partnership	\$700,000 annually	Subject to annual appropriations	\$140,107 - \$277,344 <i>See latest published numbers from HUD</i>	Varies by amount of HOME funding
Community Development Block Grant Program	\$500,000 annually	Subject to annual appropriations	None	None

How do developers apply?

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Developers can obtain a copy of the NOFA using the following link:

<https://www.sccgov.org/sites/osh/HousingandCommunityDevelopment/AffordableHousingBond/Pages/home>



Empower Homebuyers Program

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- The County of Santa Clara and the Housing Trust Silicon Valley are now launching Empower Homebuyers SCC
- Empower Homebuyers SCC is expected to assist approximately 250 households over the first five years.
- Empower Homebuyers is intended to put the dream of homeownership within reach for low to moderate income people— who are trying to buy a home in Santa Clara County.



How do buyers apply?

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Step 1 Intake

Complete an intake form and submit it to Housing Trust staff for pre-screening

Step 2 Find a Lender

Contact an approved lender for pre-approval. Housing Trust works with all approved lenders

Step 3 Application

With lender pre-approval, complete a Program Eligibility Application and contact Housing Trust staff for appointment

Buyers must attend an 8 Hour HUD certified Homebuyer Education Class

Project Sentinel, www.housing.org, 408-470-3732



Progress Towards Goals

16

Unit / Affordability Type	Total Units	Unit Goals	% of Goal Met
Permanent Supportive Housing	821	1,800	46%
Rapid Rehousing	125	1,600	8%
Affordable to ELI Households	197	800	25%
Affordable to VLI Households	273	600	46%
Totals	1,416	4,800	~30%

City and County Partnership

New Construction Opportunities

18

- Sango Court Apartments (355 Sango Court)
 - ▣ 102 Units – 40 units set aside as supportive housing
 - ▣ \$16M – 2016 Measure A Affordable Housing funds approved by the Board of Supervisors on June 5, 2018
- Other Opportunities:
 - ▣ Co-develop S. Main Street Properties
 - Option 1: City retains possession of parcels and issues a joint RFQ with the County for the development of the properties
 - Option 2: City sells properties to the County; City uses proceeds from sale to fund other affordable housing opportunities in the City; County issues an RFQ for the development of the properties with input from the City



Empower Homebuyers Program

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- Social Media
 - ▣ Share upcoming events and accomplishments
 - ▣ Coordinate posts with City of Milpitas
 - Common Tags: #SantaClaraCounty #EmpowerHomebuyers #AffordableHousing #AHomeInSCC
- Print and Online Materials
 - ▣ Flyers distributed at appropriate locations in the City
 - ▣ Print ads – Mercury News
 - ▣ Online
- “Lunch and Learn” for City staff
 - ▣ Provide information and marketing materials that can be shared with local residents
- Targeted City Outreach
 - ▣ Coordinate local outreach event to be hosted in Milpitas

Backup material for agenda item:

HOUSING AUTHORITY: Adopt a Joint Resolution Authorizing the Executive Director of the Housing Authority to Prepare and Execute Loan Documents to Forego the First Ten Years of Residual Receipts Loan Payments for the MonteVista Apartments at 1001 South Main Street (Staff Contacts: Sharon Goei, 408-586-3260 and Robert Musallam, 408-586-3275)

Recommendation: Adopt a Joint Resolution of the City Council, Housing Authority and Successor Agency authorizing the Executive Director of the Housing Authority to prepare and execute loan documents to forego the first 10 years of residual receipts loan payments for the MonteVista Apartments located at 1001 South Main Street in Milpitas.



CITY OF MILPITAS AGENDA REPORT (AR)

Item Title:	Adopt a Joint Resolution Authorizing the Executive Director of the Housing Authority to Prepare and Execute Loan Documents to Forego the First Ten (10) Years of Residual Receipts Loan Payments for the MonteVista Apartments Located at 1001 South Main Street
Category:	Community Development
Meeting Date:	1/15/2019
Staff Contact:	Sharon Goei, 408-586-3260; Robert Musallam, 408-586-3275
Recommendation:	Adopt a Joint Resolution of the City Council, Housing Authority and Successor Agency authorizing the Executive Director of the Housing Authority to prepare and execute loan documents to forego the first 10 years of residual receipts loan payments for the MonteVista Apartments located at 1001 South Main Street in Milpitas.

Background:

Milpitas Housing Associates (MHA), a California Limited Partnership, is an entity formed by Bridge Housing Corporation (Bridge Housing). Bridge Housing is a non-profit housing developer and property management organization that creates high-quality, affordable housing for working families and seniors throughout the Bay Area. Their portfolio includes multi-family, senior, supportive and assisted housing, totaling over 16,000 homes. Bridge Housing has one development in Milpitas, the MonteVista Apartments, which contains one, two and three bedroom affordable and market rate units on the property. Bridge Housing formed the Milpitas Housing Associates specifically for the development of the MonteVista Apartments.

In 1996, the former Redevelopment Agency (RDA) of the City of Milpitas entered into an agreement with Bridge Housing to build 306 units on the 16-acre property. The property, located at 1001 S. Main Street, includes 76 low-income (60% of Area Median Income, or AMI) units, and 87 very-low income (50% of AMI) units for a total of 163 restricted units. The affordable units are restricted for 55 years. The remaining 143 units are market rate apartment rental units.

June 12, 2018 Housing Authority Meeting

On June 12, 2018, the Milpitas Housing Authority met to discuss the request from Bridge Housing to restructure their existing loans with the MonteVista Apartments. Bridge Housing requested that the Housing Authority Commission consider approving the following five items as part of the loan restructuring. The items included:

1. Authorize a short term Subordination of the City Loan to a short term lender, LIIF Housing Preservation Fund, LLC; and the long term subordination to the California Housing Finance Agency for the permanent loan
2. Revise the Existing Interest Rate
3. Forgive Accrued Interest
4. Restructure the Housing Authority's share of the project cash flow, and
5. Forego the first ten (10) years of anticipated residual receipts loan payments.

The Commission approved Items 1-4 however there was additional discussion about Item No. 5. The discussion focused on potential areas where Bridge Housing could change in order to lessen the Housing

Authority's financial risk. Bridge Housing agreed to see if they could adjust Item 5 to meet the Commission's request. The Commission directed staff to discuss with the developer about possible options to reduce the City's risk. Bridge Housing revised their request and proposed that the City forego the first eight (8) years of anticipated residual receipts loan payments instead of foregoing ten (10) years.

June 19, 2018 Housing Authority Meeting

On June 19, 2018, the Milpitas Housing Authority met to revisit the last request of Bridge Housing to adopt a resolution to allow eight (8) versus ten (10) years of forgiveness of residual receipt payments to the Milpitas Housing Authority. With the initial proposal, the foregoing of ten (10) years of anticipated residual receipts payments of approximately \$200,000 per year would result in a cumulative amount of \$2.0 million. With foregoing eight (8) years of payments instead of ten (10) years, payments would be collected sooner than originally proposed. After some discussion, the resolution to forego eight (8) years of residual receipts loan payments was not adopted, and Bridge Housing would return with an analysis and request at a future meeting.

Analysis:

December 2018 Update

The financing Bridge Housing has secured to restructure the existing debt is contingent upon both the City of Milpitas and the County of Santa Clara foregoing ten (10) years of residual receipts payments. The County of Santa Clara has already agreed to forego ten (10) years of residual receipts payments in exchange for a more transparent view as to how the residual receipts will be spent. Staff is utilizing a similar approach with Bridge Housing to ensure that the residual receipts for the first ten (10) years will go to the funding of the rehabilitation of the apartments and the deferred developer fee. Staff believes this is a crucial distinction from Bridge Housing's original request of foregoing residual receipts.

As part of the original proposal, Bridge Housing will officially designate fifty (50) currently unrestricted units at the MonteVista Apartments into low-income (80% AMI) restricted units. The restriction will be added on attrition so as to avoid displacing any residents. Once one of these units becomes vacant, it would be rented to a household that meets the 80% AMI requirement. This new affordability restriction will be documented with the Housing Authority.

While the conversion of existing units to fifty (50) low income units will not count toward the City of Milpitas' Regional Housing Needs Allocation (RHNA) goals because it does not meet state requirements, the designation of 50 market rate units to 80% AMI (low income) would represent a significant addition of affordable housing units to the City of Milpitas inventory for a minimal reciprocal cost.

Policy Alternatives:

Alternative 1: Forego eight (8) years and instead of ten (10) years of residual receipts

Pros: The City would collect payments sooner than originally proposed.

Cons:

1. Bridge Housing would be unable to restructure their debt and refinance their existing partner off of title.
2. The City of Milpitas would lose the ability to secure 50 additional deed restricted units at a marginal rate of about \$40,000 per unit.
3. The maintenance issues at MonteVista would not be addressed in the short term.
4. Bridge Housing would have to secure private, more expensive debt to refinance their existing partner off of title. This will come at a greater cost to the City of Milpitas, The County of Santa Clara and Bridge Housing, which in turn would dramatically reduce future residual receipts payment amounts.

Reason not recommended:

Adding an additional 50 deed restricted units at a marginal rate is more valuable to the City of Milpitas' long term goal of adding and maintaining affordable housing than the \$2.0 million that would be added to the City's Housing Fund over the next ten years.

Fiscal Impact:

If approved, this action would result in no residual receipts loan payments for ten years at a cost of approximately \$200,000 per year to the City's Housing Fund, with a cumulative amount of \$2.0 million. The Housing Fund has a cash balance of \$7,424,050 as of the Fiscal Year ended June 30, 2018 and has the capacity to absorb this loss in residual receipts loan payments for ten years.

California Environmental Quality Act:

This Resolution has no potential for causing a significant effect on the environment. The action being considered is exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15061(b)(3).

Recommendation:

Adopt a Joint Resolution of the City Council, Housing Authority and Successor Agency authorizing the Executive Director of the Housing Authority to prepare and execute loan documents to forego the first 10 years of residual receipts loan payments for the MonteVista Apartments at 1001 South Main Street in Milpitas.

Attachment:

Joint Resolution

RESOLUTION NO. _____

A JOINT RESOLUTION OF THE CITY OF MILPITAS HOUSING AUTHORITY, THE CITY COUNCIL OF THE CITY OF MILPITAS, AND THE SUCCESSOR AGENCY OF THE REDEVELOPMENT AGENCY OF THE CITY OF MILPITAS TO AUTHORIZE AND ADOPT FINDINGS RELATING TO THE SUBORDINATION OF THE AGENCY LOAN TO LIIF HOUSING PRESERVATION FUND, LLC, A DELAWARE LIMITED LIABILITY COMPANY, SUBORDINATION TO THE CALIFORNIA HOUSING FINANCE AGENCY, REVISING THE LOAN INTEREST RATE, FORGIVENESS OF ACCRUED INTEREST AND FOREGOING OF THE FIRST 10 YEARS OF RESIDUAL RECEIPT PAYMENTS FOR THE MONTEVISTA APARTMENTS LOCATED AT 1001 S. MAIN STREET

WHEREAS, in 1996, Bridge Housing Inc., a local non-profit affordable housing developer, entered into an agreement with Summerfield Homes to build 306 residential units, including 76 low-income units and 87 very low-income units, at 1001 South Main Street, Milpitas, CA 95035 ("MonteVista Apartments"); and

WHEREAS, Bridge Housing formed Milpitas Housing Associates ("MHA"), a California Limited Partnership, for Low Income Housing Tax Credit purposes and executed a Limited Partnership Agreement ("LPA") with a Limited Partner with a Purchase Option to buy out the Limited Partner after the expiration of the 15-year compliance period; and

WHEREAS, MHA secured a loan from the California Housing Finance Agency ("CalHFA") to pay for costs related to the construction of the project; and

WHEREAS, on November 22, 1996, the Redevelopment Agency of the City of Milpitas ("Agency") approved a loan agreement with MHA whereby the Agency made a loan to MHA in the amount of Three Million Dollars (\$3,000,000) (the "Agency Loan") from the Agency's Low and Moderate-Income Housing Fund established pursuant to California Health and Safety Code Section 33334.2 ("Set-Aside Funds") to assist with the acquisition and construction of the MonteVista Apartments (the "Loan Agreement"); and

WHEREAS, the MonteVista Apartments Loan from the Agency is evidenced by:

1. A Promissory Note dated November 22, 1996, executed by MHA in favor of the Agency (the "Promissory Note"); and

2. A Deed of Trust and Assignment of Rents, executed by MHA as Trustor, dated August 22, 1997, and recorded on August 29, 1997, in the Official Records of Santa Clara County as Instrument No. 13834993 (the "Deed of Trust, Assignment of Rents, and Security Agreement").

The Promissory Note, the Loan Agreement, Deed of Trust and any other documents evidencing or securing the Agency Loan are collectively referred to as the "MonteVista Loan Documents"; and

WHEREAS, as the 15-year compliance period of the awarded Low Income Tax Credits has expired, MHA exercised its Purchase Option and bought out its Limited Partner utilizing a short-term loan from LIIF Housing Preservation Fund, LLC, a Delaware limited liability company ("LIIF"); and

WHEREAS, pursuant to ABx1 26 enacted effective June 28, 2011, as clarified and amended by AB 1484 effective June 27, 2012, (collectively, the "Redevelopment Dissolution Law"):

1. The Agency, together with every redevelopment agency in California, was dissolved as of February 1, 2012; and

2. The City of Milpitas Housing Authority (the "Housing Authority") Commission, the City Council, and the Agency Board of Directors adopted Joint Resolution HA3/8151/RA426 on January 4, 2012, whereby (a) the City, acting in a separate legal capacity and as a separate legal entity, elected to be the successor agency (the "Successor Agency") to the dissolved Redevelopment Agency for purposes of paying the obligations, unwinding the affairs, and liquidating specified assets of the dissolved Redevelopment Agency; and (b) the Housing Authority, acting in a separate legal capacity and as a separate legal entity, assumed the responsibility of performing the housing functions and a

transfer of all assets (including the MonteVista Loan Documents) of the dissolved Agency pursuant to California Health and Safety Code Section 34176(b)(2); and

WHEREAS, the Successor Agency does not have a legal interest in the subject of this Resolution since it involves assets now in the control of the Housing Authority under the Redevelopment Dissolution Law, but out of an abundance of caution, so that no cloud remain on the validity of actions taken herein, the Successor Agency does act in concurrence with the other Public Entity parties; and

WHEREAS, the City of Milpitas and the Housing Authority desire to ensure that MHA will continue to own and operate the MonteVista Apartments for low and very-low income persons; and

WHEREAS, in order to allow for such continued operation, MHA is seeking new financing that will allow it to pay off the short-term loan from LIIF and conduct additional needed rehabilitation of the MonteVista Apartments; and

WHEREAS, in order to secure such additional financing and to ensure that MHA will be in a position to pay all debt service associated with the MonteVista Apartments, MHA has requested that the Housing Authority restructure and amend the terms of the MonteVista Loan Documents, including the forgiveness of certain interest that has accrued to date and an agreement to forego any loan repayments for a ten year period, and to further allow for the subordination of the MonteVista Loan Documents to a new loan from CalHFA, in order to allow for the rehabilitation of the MonteVista Apartments, and the continued operation of the MonteVista Apartments for low and very-low income persons;

WHEREAS, on June 12th, 2018, the Housing Authority Commission, the City Council of the City of Milpitas, and the Successor Agency Board of Directors adopted Joint Resolution HA22/8797/SA 11, whereby:

1. The Successor Agency Board and Housing Authority Commission authorized their Executive Director or designees, to negotiate and execute a subordination agreement to subordinate the MonteVista Loan Documents to a short-term loan from LIIF Housing Preservation Fund , LLC, a Delaware limited liability company, in the principal amount of Seven Million Five Hundred Sixteen Thousand Five Hundred Eighty-Nine Dollars (\$7,516,589.00) and any other required documents to assign the MonteVista Apartments Loan Documents from the Successor Agency to the Milpitas Housing Authority, as the housing successor agency of the Redevelopment Agency of the City of Milpitas.

2. The Successor Agency Board and Housing Authority Commission authorized their Executive Director or designees, to negotiate and execute a long-term subordination agreement to subordinate the MonteVista Loan Documents to a long-term loan from the California Housing Finance Agency, a California Public Agency, and any other required documents to assign the MonteVista Apartments Loan Documents from the Successor Agency to the Milpitas Housing Authority, as the housing successor agency of the City of Milpitas.

3. The Housing Authority Commission authorized its staff to restructure the interest rate on the existing \$3,000,000 Housing Authority Loan. The current loan has a Five and Forty-Five Hundredths (5.45%) percent interest rate, and the interest rate shall be amended to a simple interest rate not to exceed Three and Five-Hundredths percent. (3.05%).

4. The Housing Authority Commission authorized its staff to forgive the accrued interest in the amount on the Housing Authority Loan in the amount of \$1,541,073.98.

5. The Housing Authority Commission authorized its staff to restructure the Housing Authority's share of project cash flow to represent the Housing Authority's pro rata share of the total anticipated debt on the Property. It is anticipated that the City would receive approximately 29% of any future cash flow.

WHEREAS, the Housing Authority did enter into a subordination agreement with MHA and LIIF for the short-term loan from LIIF, but did not proceed with any of the other steps authorized by Joint Resolution HA22/8797/SA 11, because in addition to those amendments, MHA also desires to suspend repayment of the Agency Loan for a period of ten years, which amendment was not authorized by the Joint Resolution; and

WHEREAS, after further consideration of this transaction, including additional information provided by MHA in connection with its proposed refinancing, the Housing Authority Commission desires to proceed with amend

MonteVista Loan Documents to reflect the terms requested by MHA, including those amendments authorized by Joint Resolution HA22/8797/SA 11 and the deferral of repayment on the Agency Loan for a period of ten years.

NOW, THEREFORE, the Housing Authority Commission, the City Council, and the Successor Agency Board hereby find, determine, declare and resolve as follows:

1. The Housing Authority Commission, the City Council, and the Successor Agency Board have considered the full record before them, which includes, but is not limited to, the supporting documentation, testimony by staff and the public, and other materials and evidence submitted or provided to them. Furthermore, the recitals set forth above are found to be true and correct and are incorporated herein by reference.
2. The Housing Authority Commission hereby reaffirms the approvals set forth in Joint Resolution HA22/8797/SA 11 and authorizes its staff to proceed to amend the MonteVista Loan Documents in accordance with the direction provided therein.
3. The Housing Authority Commission hereby authorizes its staff to forego the first ten (10) years of anticipated residual receipts loan payments and prepare and execute loan documents accordingly. The foregoing of the residual receipt payments for the first ten years will go to the funding of the rehabilitation and deferred developer fee.
4. The Housing Authority Commission, the City Council, and the Successor Agency Board hereby designate the City Clerk as the custodian of the documents and other materials which constitute the record of proceedings upon which the decision herein is based. These documents may be found at the City Clerk's Office at 455 East Calaveras Street, Milpitas, California 95035.

PASSED AND ADOPTED this _____ day of _____, 2019, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

APPROVED:

Mary Lavelle, Housing Authority Secretary/
City Clerk/Successor Agency Secretary

Rich Tran, Chair/Mayor/Chair

APPROVED AS TO FORM:

Christopher J. Diaz, Housing Authority Counsel/
City Attorney/Successor Agency Counsel

Backup material for agenda item:

Receive Report on Status Update and Provide Direction Regarding Potential Amendments to Milpitas Municipal Code Section XI-10-13.08 (“Second Family Unit”) (Staff Contact: Rozalynne Thompson, 408-586-3278)

Recommendation: Receive Report and Provide Direction Regarding Potential Amendments to the City of Milpitas Zoning Code Related to Accessory Dwelling Units



CITY OF MILPITAS AGENDA REPORT (AR)

Item Title:	Receive Report on Status Update and Provide Direction Regarding Potential Amendments to Milpitas Municipal Code Section XI-10-13.08 (“Second Family Unit”)
Category:	Community Development
Meeting Date:	1/15/2019
Staff Contact:	Rozalynne Thompson, Senior Planner, 408-586-3278
Recommendation:	Receive Report and Provide Direction Regarding Potential Amendments to the City of Milpitas Zoning Code Related to Accessory Dwelling Units

Background:

On September 27, 2016, Governor Brown signed Senate Bill (SB) 1069 and Assembly Bill (AB) 2299 into law, modifying a local jurisdiction’s ability to regulate Accessory Dwelling Units (ADUs). The new laws became effective on January 1, 2017.

On October 8, 2017, Governor Brown signed two additional bills related to ADUs – SB 229 and AB 494 – to further clarify and improve various provisions of the law to encourage the construction of ADUs, including allowing ADUs to be built concurrently with a single-family home, allowing ADUs to be built in all zoning districts that allow single-family uses, modifying fees from utilities, and reducing parking requirements. Both SB 229 and AB 494 became effective January 1, 2018.

In accordance with those bills, State law renders any existing local ordinance that fails to fully meet the requirements of State law null and void, unless and until the local agency adopts a compliant ordinance. Moreover, any city that did not amend its ADU ordinance to be consistent with state law by January 1, 2017 and remit a copy of the amended ordinance to the State of California Department of Housing and Community Development within 60 days of adoption will be required to apply the standards of the new State law until such time that the local jurisdiction adopts a compliant ordinance. Given that the most recent amendments to the ADU regulations in the City of Milpitas Zoning Code occurred in 2008, the City must amend the ADU regulations in the Zoning Code for consistency with State law if it wishes to continue enforcing certain local zoning regulations.

This report provides a status update on potential amendments to Section XI-10-13.08 (“Second Family Unit”) to the City of Milpitas Zoning Code.

In October, City staff circulated a memorandum to City Council that outlined a brief legislative history of the current state accessory dwelling unit (ADU) laws, the mandatory and discretionary elements of State law, the planned public outreach efforts, and tentative timeline. Specifically, staff stated in the memorandum that some elements of the new law are mandatory and thus, the City has no authority to adopt different regulations for those elements, while other elements of State ADU law provide some flexibility for local jurisdictions to tailor the requirements to their communities. Some of the discretionary elements are the following:

- Requiring Owner-occupancy;
- Increasing the quantity of ADUs per single family lot beyond one ADU;
- Eliminating the limit on the number of bedrooms;
- Requiring deed restrictions;
- Maximum height;

- Design standards;
- Permitting and creating development standards for JADUs; and
- Any other development standards or policy considerations that the Council would like staff to explore.

Further, staff also stated in the memorandum that feedback obtained from its outreach efforts will be considered to develop an ADU ordinance for future consideration by the Planning Commission and City Council. On December 13, 2018, City staff hosted an outreach session at Pearl Zanker Elementary School to review the new state ADU regulations and the proposed short-term rental regulations and receive feedback from the public. Topics of public comment included development standards, owner occupancy requirements, and number of bedrooms. Approximately 20 people attended the workshop.

Prior to the meeting, staff created a page on the City's website with notification of upcoming meetings. City staff has also provided information and solicited feedback on the City's Facebook page and Nextdoor page and displayed notifications on the local television channel before public hearings. Other means to receive feedback from the public will include email to the City. At the time of preparation of this report, an online survey has been posted as an alternative method to receive feedback and gather data and will remain active through January 2019. The link to the survey can be found at <http://www.ci.milpitas.ca.gov/str-adu-surveys/>.

A tentative timeline from this status update to the effective date of the ordinance is shown below:

Day of the Week	DATE	ACTION
Wednesday	12/26/19	Launch Online Survey
Tuesday	1/15/19	Update to City Council on revisions to the Zoning Code
Tuesday	1/17/19	Public Outreach Session #2
Wednesday	2/13/19	Planning Commission Recommendation of Ordinance
Tuesday	3/5/19	First reading of Ordinance by City Council
Tuesday	3/19/19	Second reading of Ordinance by City Council
Thursday	4/19/19	Ordinance effective date

Analysis:

As identified above, staff has conducted extensive public outreach to be concluded by the end of January 2019. To date, public comments have been favorable toward removing barriers to ADU production in Milpitas. Most comments have focused on flexibility in building height, setback, parking, aesthetics, and review process. Staff also notes that Milpitas residential lot size and general plan land use policies generally identify two distinct areas of Milpitas: (1) area within the Hillside combining district; and (2) area outside of the Hillside combining district. Thus, staff has identified considerations for different ADU development standards within these two areas of Milpitas.

For the purpose of discussion and general ease of understanding, staff developed an Informational ADU Ordinance Comparison Table (Attached) that identifies key components of the City's previous ADU ordinance, existing ordinance mandated by the State of California, and possible changes that may be considered to maximize the potential for ADU production within Milpitas. This information responds to public comments received to date, as well as staff's professional planning knowledge respective to ADU ordinance update trends across the State of California, within the Bay Area and within our neighboring jurisdictions.

Staff looks forward to receiving further City Council discussion, comments, and direction regarding amendments to the City of Milpitas Zoning Code Related to Accessory Dwelling Units, prior to preparing a formal ADU ordinance update.

Policy Alternatives:

Alternative 1: Do not amend Section XI-10-13.08 ("Second Family Unit") and defer to State law

Pros: Consistent with State law.

Cons: Potential impacts to neighborhoods

Reason not recommended: Deferring to State law has been confusing to Milpitas residents and property owners. In addition, staff has experienced difficulties with interpreting State versus City ordinance requirements which has hampered ADU processing/plan checking, and generally has not incentivized ADU production in Milpitas.

Fiscal Impact:

None.

California Environmental Quality Act:

This status update is not a project under the California Environmental Quality Act (CEQA). Alternatively, the adoption of an ordinance regarding second units in a single-family or multifamily residential zone by a city to implement the provisions of Sections 65852.1 and 65852.2 of the Government Code is statutorily exempt from CEQA per Section 15282(h) of the CEQA Guidelines.

Recommendation:

Receive report and provide direction regarding amendments to the City of Milpitas Zoning Code related to accessory dwelling units (ADUs).

Attachments:

Proposed Development Standards.

ACCESSORY DWELLING UNIT (ADU) INFORMATIONAL ADU ORDINANCE COMPARISON TABLE			
	Previous Ordinance	State ADU Requirements	Potential Amendment to ADU Ordinance
ORDINANCE TITLE	XI-10-13.08 - Second Family Unit	Change to nomenclature not required.	Consider change from Second Family Unit to “Accessory Dwelling Unit” , consistent with State reference and terminology.
ZONING	Allowed ADUs on lots zoned for residential uses (R1-2.5, R1-3, R1-4, R1-5, R1-6, R1-8, R1-10, R1-H) and developed with only one, existing, legal single -family residence.	May allow ADUs on lots zoned for single-family or multifamily uses when the lot contains a proposed or existing single-family dwelling. (GOV. CODE §65852.2(b)(1)(B)-(C))	Consider expansion of ADU use to lots developed with an existing residential duplex or on lots where a residential duplex is proposed (R2 zoning district).
LOT SIZE	No minimum lot size.	No minimum lot size required.	No change necessary.
MAXIMUM ADU SIZE	The attached second family unit in a non-Hillside combining district shall not exceed 475 square feet in size. The floor area of an attached second family unit in the Hillside combining district shall not exceed 1,200 square feet in size. However, in no case shall the overall building size exceed that allowed in Section XI-10-45, Hillside Combining District.	The increased floor area of an attached accessory dwelling unit shall not exceed 50 percent of the existing living area, with a maximum increase in floor area of 1,200 square feet. (GOV. CODE §65852.2(b)(1)(E)) The total area of floor space for a detached accessory dwelling unit shall not exceed 1,200 square feet. (GOV. CODE §65852.2(b)(1)(E))	Consider expansion of allowable ADU size as follows: <u>Attached ADU in a non-Hillside Combining District:</u> The area of an attached accessory dwelling unit in a non-Hillside Combining District shall not exceed 50 percent of the existing living area OR 800 square feet in size, whichever is less. <u>Attached ADU in a Hillside Combining District:</u> The area of an attached accessory dwelling unit in the Hillside combining district shall not exceed 50 percent of the existing living area or

			1,200 square feet in size, whichever is less. <u>Detached ADU in a non-Hillside Combining District:</u> A detached accessory dwelling unit in a non-Hillside combining district shall not exceed 50 percent of the existing living area or 800 square feet in size, whichever is less. <u>Detached ADU in a Hillside Combining District:</u> A detached accessory dwelling unit in the Hillside combining district shall not exceed 50 percent of the living area or 1,200 square feet in size, whichever is less.
MAXIMUM HEIGHT	A detached second family unit in a non-Hillside combining district shall be located on the rear half of the lot, shall not exceed 15 feet in height. A detached second family unit in the Hillside combining district shall not exceed 17 feet and one (1) story from finished grade to the highest ridgeline of the building	May impose standards on accessory dwelling units that include, but are not limited to, parking, height, setback, lot coverage, landscape, architectural review, maximum size of a unit, and standards that prevent adverse impacts on any real property that is listed in the California Register of Historic Places. (GOV. CODE §65852.2(a)(1)(B)(i))	For detached ADUs in the non-Hillside Combining districts, consider changing the existing single-story (15-foot height) restriction to two-story (28-foot height) to allow detached ADU over garage and flexibility in efficient use of rear yard space. Note 30-foot height is allowed for the primary residence in non-Hillside Combining districts. For detached ADUs in the Hillside Combining districts, consider changing existing single-story (17-foot height) restriction to two-story (27-foot height) to allow detached ADU over garage and flexibility in efficient use of rear yard

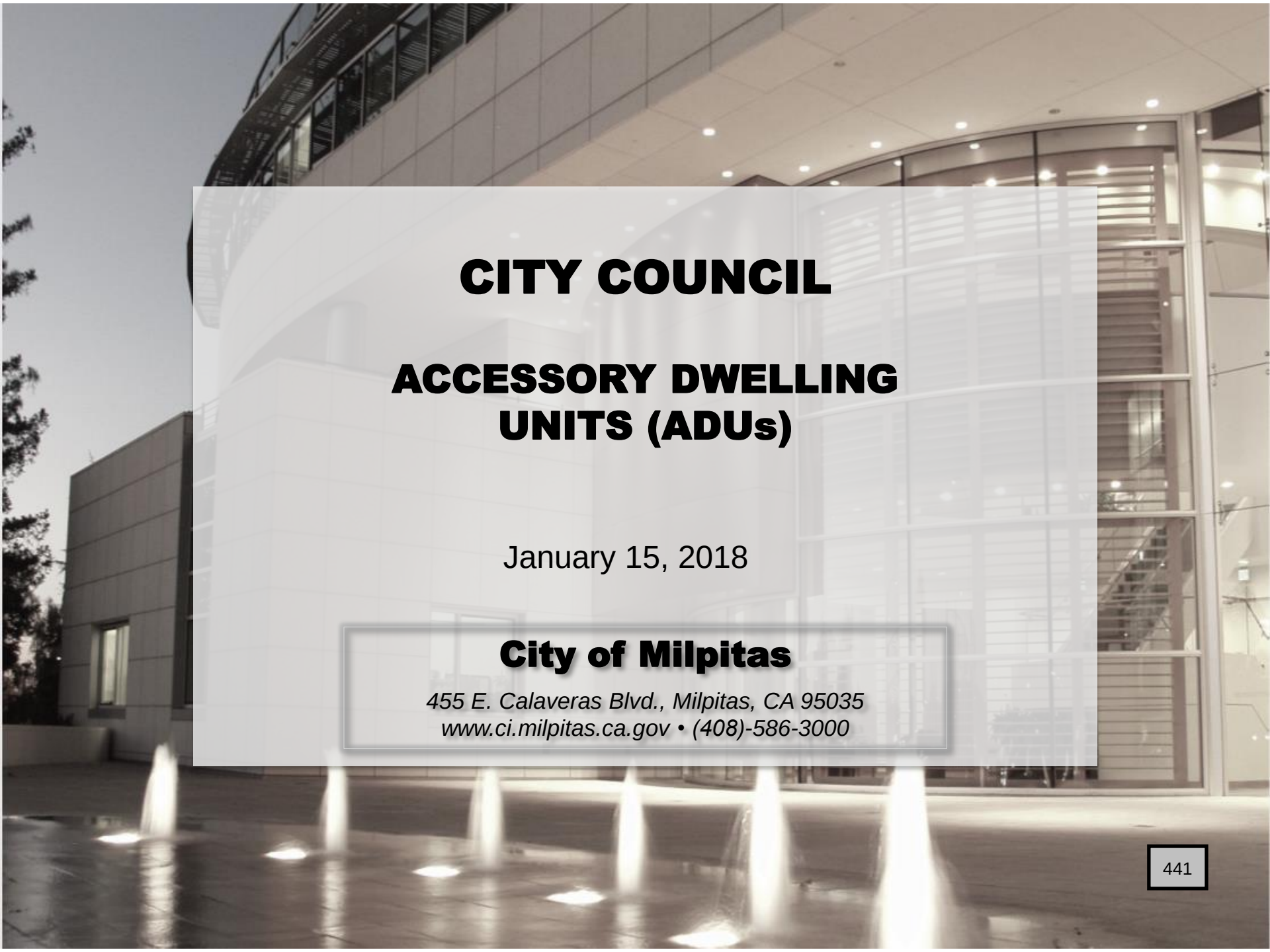
			space. Note that the 27 foot height is allowed for the primary residence Hillside Combining districts.
SETBACKS	Attached ADUs in all residential districts must comply with the same building setback requirements and limitations as the main dwelling. A detached second family unit in a non-Hillside combining district shall be shall be no closer than 6 feet, and no farther than 100 feet, from the main dwelling. It shall conform to the same yard setback regulations applicable to accessory buildings and structures, as per Section XI-10-54.08, Accessory Buildings and Structures. Any detached accessory building shall not be located within three (3) feet of any rear lot line or side line of the rear half of an adjacent lot or within seven (7) feet of the side line of the front half (½) of any adjacent lot; and, in the case of a corner lot, shall not project beyond the front line required or existing on the adjacent lot. Detached second family units in the Hillside combining district shall be located on the rear half of the lot, and shall be no closer than 6 feet, and no farther than 100 feet, from the main	No setback shall be required for an existing garage that is converted to an accessory dwelling unit or to a portion of an accessory dwelling unit, and a setback of no more than five feet from the side and rear lot lines shall be required for an ADU that is constructed above a garage. (GOV. CODE §65852.2(a)(1)(D)(vii))	No change necessary for ADUs attached to primary residence. <u>For non-Hillside Combining districts:</u> Consider reducing setbacks for detached ADUs anywhere from existing setback to zero to maximum ADU flexibility. Note that the required side yard setback in R-1 district varies, but is generally between 5 feet to 7 feet. The rear yard is generally 15 feet to 25 feet. Note any reduction to second floor setback should be balanced with potential issues regarding neighbor privacy. Note no change necessary to the existing 6-foot building separation requirement as this is a fire and building code requirement. <u>For Hillside combining districts:</u> No change necessary to the 40-foot side yard and rear yard setbacks of the main dwelling. Note no change necessary to the existing 6-foot building separation requirement as this is a fire and building code requirement.

	dwelling, and shall conform to the side yard setback requirements as the main dwelling, which is a minimum of 40 feet.		
LOT COVERAGE	Detached second family unit in non-Hillside Combining districts are limited cumulatively to a total area not exceeding thirty percent (30%) of the area of the required rear yard, Attached ADUs to the rear of the primary dwelling in non-Hillside Combining districts are limited to thirty percent (30%) of the required rear yard area The combined impervious surface coverage of an ADU, detached or attached, primary dwelling, and any other structures in a Hillside Combining district is eight thousand (8,000) square feet or ten (10) percent of the total lot area, whichever is greater for lots less than three (3) acres. For lots more than three (3) acres, the amount of impervious surface on the site is	Impose standards on accessory dwelling units that include, but are not limited to, parking, height, setback, lot coverage, landscape, architectural review, maximum size of a unit, and standards that prevent adverse impacts on any real property that is listed in the California Register of Historic Places. (GOV. CODE §65852.2(a)(1)(B)(i))	No change necessary to lot coverage limitations.

	limited to ten (10) percent of the total lot area, not to exceed 30,000 square feet.		
KITCHEN	Kitchen is required with sink, food preparation counter, storage, cabinet, and permanent cooking facilities such as an oven range or cooktop.	No regulations on the number of kitchens.	No change necessary.
BATHROOM	Only 1 bathroom is allowed. Must include sink, toilet, and shower and/or bath facilities.	No regulations on the number of bathrooms.	No change necessary.
BEDROOM	The second family unit shall not have more than one (1) bedroom.	No regulations on the number of bedrooms	No change necessary to bedroom limitation in non-Hillside combining district. Consider change to allow second bedrooms in Hillside combining district.
BUILDING FOUNDATION	A permanent foundation shall be required for all second family units.	No regulations on building foundations.	No change necessary. ADUs are not considered to be trailers or recreational vehicles
LOCATION	<u>Attached ADUs</u> : Must share a wall or have an integral roof structure with	Impose standards on accessory dwelling units that include, but are not limited to,	No change necessary.

	primary residence. <u>Detached ADUs in non-Hillside Combining districts:</u> Must be located on the rear half of the lot, shall be no closer than 6 feet, and no farther than one hundred 100 feet from the main dwelling. <u>Detached ADUs in Hillside Combining districts:</u> Must be located on the rear half of the lot, and shall be no closer than 6 feet, and no farther than 100 feet from the main dwelling.	parking, height, setback, lot coverage, landscape, architectural review, maximum size of a unit, and standards that prevent adverse impacts on any real property that is listed in the California Register of Historic Places. (GOV. CODE §65852.2(a)(1)(B)(i))	
PARKING	One (1) more off-street parking space than required for a single-family dwelling shall be provided. This additional parking space may be tandem and within the required front yard so long as it is located on the driveway serving the main dwelling	One space in addition to the required parking spaces for the primary dwelling, unless the unit qualifies for one of the following parking exemptions: 1) The accessory dwelling unit is located within one-half mile of public transit. 2) The accessory dwelling unit is located within an architecturally and historically significant historic district. 3) The accessory unit is part of an existing or proposed primary residence or accessory structure. 4) On-street parking permits are required but not offered to the occupant of the accessory dwelling unit. 5) When there is a car share vehicle	Parking requirements must comply with State law. Note that most residential areas within Milpitas meet the State-mandated parking exemptions. For example, most VTA bus routes within Milpitas qualify as “public transit”.

		located within one block of the accessory dwelling unit.	
DESIGN STANDARDS	Must be designed to be architecturally compatible and visually integrated with the main dwelling. It shall employ design, materials and colors matching those of the main dwelling.	Impose standards on accessory dwelling units that include, but are not limited to, parking, height, setback, lot coverage, landscape, architectural review, maximum size of a unit, and standards that prevent adverse impacts on any real property that is listed in the California Register of Historic Places. (GOV. CODE §65852.2(a)(1)(B)(i))	Consider change/clarification, as follows: <u>Attached accessory dwelling unit:</u> Overall design to match the architectural style, roof pitch, exterior materials, and color palette of the existing main dwelling. <u>Detached accessory dwelling unit:</u> Design to either match or complement the architectural style, roof pitch, exterior materials, and color palette of the existing main dwelling. If reductions in second story setback is permitted (by final ordinance update or by variance), second floor window sills height shall be a minimum of 5 feet at building walls facing rear and side property lines.
JUNIOR ACCESSORY DWELLING UNITS (JADUs)	Not allowed.	Local jurisdictions may permit the creation of JADUs, but the ordinance governing JADUs must meet specific State requirements. (GOV. CODE §65852.22)	Consider allowing JADUs as an additional housing option.



CITY COUNCIL

ACCESSORY DWELLING UNITS (ADUs)

January 15, 2018

City of Milpitas

455 E. Calaveras Blvd., Milpitas, CA 95035
www.ci.milpitas.ca.gov • (408)-586-3000

What is an ADU?

- A secondary dwelling unit with complete, independent living facilities – kitchen and living areas – either attached to or detached from a single-family dwelling
- Also known as granny flats, in-law units, backyard cottages, secondary units

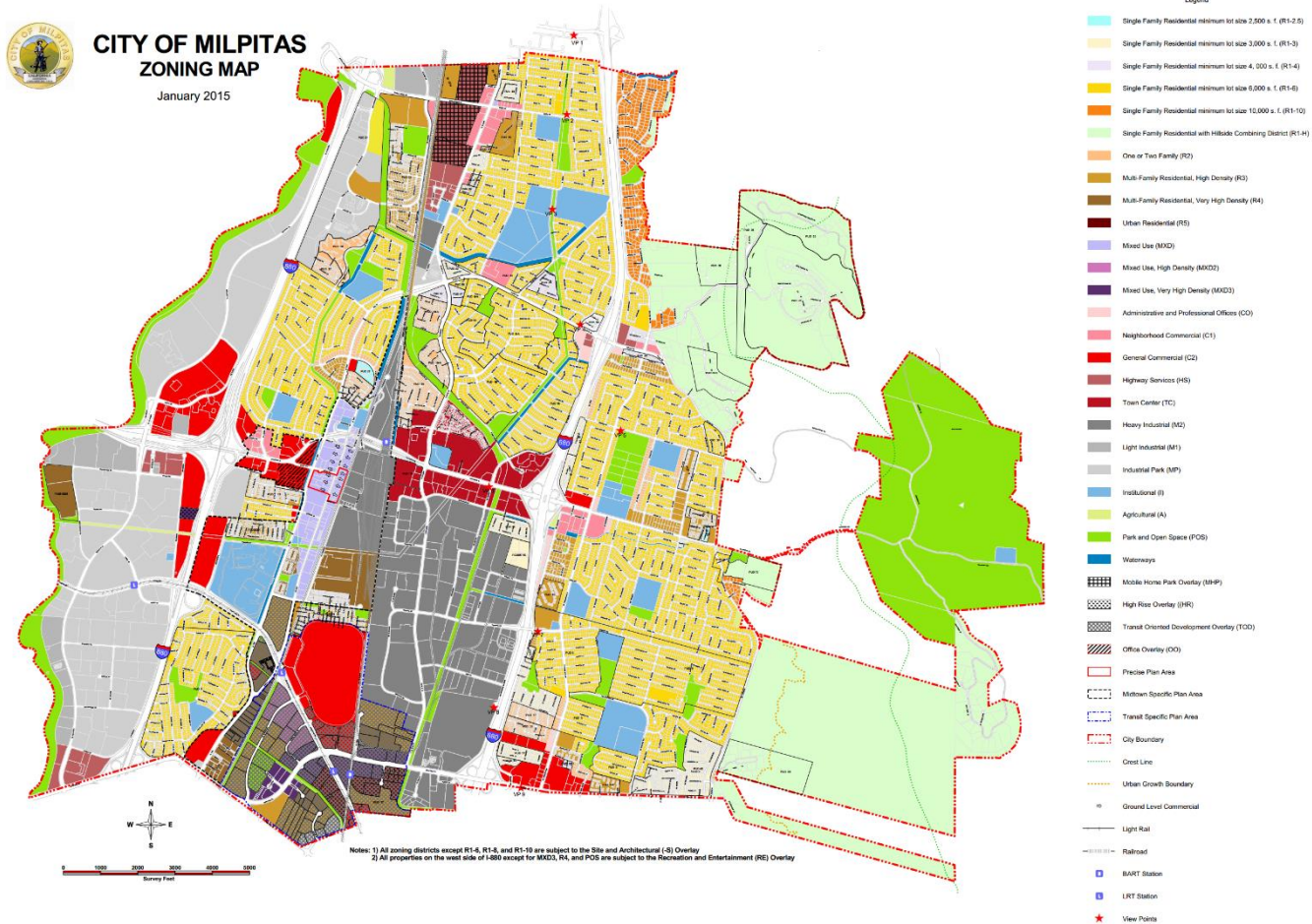


State Housing Crisis

- Cities and counties have been slow to react
- State has passed legislation over the past few years to address the housing crisis
- Recently-passed government budget includes more legislation and resources directed to local jurisdictions for housing production
- ADUs are widely considered “affordable by design”
- Zoning map indicates areas where ADUs can be located



Zoning Map



New State ADU Law

- In January 2017, new law that encourages the creation of ADUs took effect
- In January 2018, state ADU law was improved and clarified and new provisions were added to further encourage the construction of ADUs



Community Outreach

- On December 13, 2018, City staff hosted an outreach session at Pearl Zanker Elementary School to receive feedback from the public
- An additional outreach session is scheduled Thursday, January 17, 2019 at City of Milpitas City Hall at 6 p.m.
- An online survey has been posted as an alternative method to receive feedback and gather data and will remain active through January 2019. The link to the survey can be found at <http://www.ci.milpitas.ca.gov/str-adu-surveys/>.



What is the State ADU Law?

- State law requires cities and counties to update their ordinances to comply with the new laws
- Key requirements:
 - Location
 - Parking
 - Garage Conversion
 - Maximum Size



Location

- Must be allowed on lots zoned for single-family or multifamily use for a proposed or existing single-family dwelling
- ADU may either be attached, located within the living area of the proposed or existing primary dwelling, or detached



Parking

- Required parking shall not exceed one space per unit or per bedroom, whichever is less
- Parking not required if one of the following five criteria is met:
 - within ½ mile of public transit
 - within one block of a car share
 - ADU is part of the primary residence or accessory structure
 - ADU is located within a historic district
 - On-street parking permits unavailable to ADU occupant

Garage Conversions

- No setbacks required
- If replacement parking is required, parking may be in any configuration on the lot



Maximum Size

- Attached ADUs: limited to 50 percent of the primary dwelling living area or up to 1,200 square feet
- Detached ADUs: total area of floorspace shall not exceed 1,200 square feet



Discretionary Changes

Other than the mandatory changes required by State law, City Council may wish to consider discretionary changes to the ADU Ordinance.

**ACCESSORY DWELLING UNIT (ADU)
INFORMATIONAL ADU ORDINANCE COMPARISON TABLE**

	Previous Ordinance	State ADU Requirements	Potential Amendment to ADU Ordinance
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ORDINANCE TITLE	XI-10-13.08 - Second Family Unit	Change to nomenclature not required.	Consider change from Second Family Unit to “Accessory Dwelling Unit”, consistent with State reference and terminology.
ZONING	ADUs are allowed on residentially zoned lots (R1-2.5, R1-3, R1-4, R1-5, R1-6, R1-8, R1-10, R1-H) and contains only one, existing, legal single -family residence.	The lot is zoned for single-family or multifamily use and the lot contains a proposed or existing single-family dwelling. (GOV. CODE §65852.2(b)(1)(B)-(C))	Consider expansion of ADU use to lots developed with an existing residential duplex or on lots where a residential duplex is proposed (R2 zoning district).
LOT SIZE	No minimum lot size.	No minimum lot size required.	No change necessary.



ACCESSORY DWELLING UNIT (ADU) INFORMATIONAL ADU ORDINANCE COMPARISON TABLE

	Previous Ordinance	State ADU Requirements	Potential Amendment to ADU Ordinance
MAXIMUM ADU SIZE	<u>Attached ADU in a non-Hillside Combining District:</u> Shall not exceed thirty percent (30%) of the existing living area, not to exceed 475 square feet in size. <u>Attached ADU in a Hillside Combining District:</u> Shall not exceed thirty percent (30%) of the existing living area, not to exceed 1,200 square feet in size. However, in no case shall the overall building size exceed that allowed in Section XI-10-45, Hillside Combining District. <u>Detached ADU in a non-Hillside Combining District:</u> Not to exceed thirty percent (30%) of the required rear yard. <u>Detached ADU in a Hillside Combining District:</u> Not to exceed 1,200 square feet in size.	The increased floor area of an attached accessory dwelling unit shall not exceed 50 percent of the existing living area, with a maximum increase in floor area of 1,200 square feet. (GOV. CODE §65852.2(b)(1)(E)) The total area of floorspace for a detached accessory dwelling unit shall not exceed 1,200 square feet. (GOV. CODE §65852.2(b)(1)(E))	Consider expansion of allowable ADU size as follows: <u>Attached ADU in a non-Hillside Combining District:</u> The area of an attached accessory dwelling unit in a non-Hillside Combining District shall not exceed 50 percent of the existing living area OR 800 square feet in size, whichever is less. <u>Attached ADU in a Hillside Combining District:</u> The area of an attached accessory dwelling unit in the Hillside combining district shall not exceed 50 percent of the existing living area or 1,200 square feet in size, whichever is less. <u>Detached ADU in a non-Hillside Combining District:</u> A detached accessory dwelling unit in a non-Hillside combining district shall not exceed 50 percent of the existing living area or 800 square feet in size, whichever is less. <u>Detached ADU in a Hillside Combining District:</u> A detached accessory dwelling unit in the Hillside combining district shall not exceed 50 percent of the living area or 1,200 square feet in size, whichever is less.

**ACCESSORY DWELLING UNIT (ADU)
INFORMATIONAL ADU ORDINANCE COMPARISON TABLE**

	Previous Ordinance	State ADU Requirements	Potential Amendment to ADU Ordinance
MAXIMUM HEIGHT	<u>Attached ADUs in all Districts:</u> Shall comply with the maximum building height on the existing single-family dwelling. <u>Detached ADU in a non-Hillside Combining District:</u> Shall not exceed 15 feet in height. <u>Detached ADU in a Hillside Combining District:</u> Shall not exceed 17 feet and one (1) story from finished grade to the highest ridgeline of the building.	Impose standards on accessory dwelling units that include, but are not limited to, parking, height, setback, lot coverage, landscape, architectural review, maximum size of a unit, and standards that prevent adverse impacts on any real property that is listed in the California Register of Historic Places. (GOV. CODE §65852.2(a)(1)(B)(i))	<u>Detached ADU in a non-Hillside Combining District:</u> For detached ADUs in the non-Hillside Combining districts, consider changing the existing single-story (15-foot height) restriction to two-story (28-foot height) to allow detached ADU over garage and flexibility in efficient use of rear yard space. Note 30-foot height is allowed for the primary residence in non-Hillside Combining districts. <u>Detached ADU in a Hillside Combining District:</u> For detached ADUs in the Hillside Combining districts, consider changing existing single-story (17-foot height) restriction to two-story (27-foot height) to allow detached ADU over garage and flexibility in efficient use of rear yard space. Note that the 27 foot height is allowed for the primary residence Hillside Combining districts.

**ACCESSORY DWELLING UNIT (ADU)
INFORMATIONAL ADU ORDINANCE COMPARISON TABLE**

	Previous Ordinance	State ADU Requirements	Potential Amendment to ADU Ordinance
SETBACKS	<u>Attached ADUs in all Residential Districts:</u> Must comply with the same building setback requirements and limitations as the main dwelling. <u>Detached ADUs in a non-Hillside Combining District :</u> Shall be shall be no closer than 6 feet, and no farther than 100 feet, from the main dwelling. It shall conform to the same yard setback regulations applicable to accessory buildings and structures, as per Section XI-10-54.08, Accessory Buildings and Structures. Shall not be located within three (3) feet of any rear lot line or side line of the rear half of an adjacent lot or within seven (7) feet of the side line of the front half (½) of any adjacent lot; and, in the case of a corner lot, shall not project beyond the front line required or existing on the adjacent lot. <u>Detached ADUs in the Hillside Combining District:</u> Shall be located on the rear half of the lot, and shall be no closer than 6 feet, and no farther than 100 feet, from the main dwelling, and shall conform to the side yard setback requirements as the main dwelling, which is a minimum of 40 feet.	No setback shall be required for an existing garage that is converted to an accessory dwelling unit or to a portion of an accessory dwelling unit, and a setback of no more than five feet from the side and rear lot lines shall be required for an ADU that is constructed above a garage. (GOV. CODE §65852.2(a)(1)(D)(vii))	No change necessary for ADUs attached to primary residence. <u>For Detached ADUs in non-Hillside Combining Districts:</u> Consider reducing setbacks for detached ADUs anywhere from existing setback to zero to maximum ADU flexibility. Note that the required side yard setback in R-1 district varies, but is generally between 5 feet to 7 feet. The rear yard is generally 15 feet to 25 feet. Note any reduction to second floor setback should be balanced with potential issues regarding neighbor privacy. Note no change necessary to the existing 6-foot building separation requirement as this is a fire and building code requirement. <u>For Detached ADUs in Hillside Combining Districts:</u> No change necessary to the 40-foot side yard and rear yard setbacks of the main dwelling. Note no change necessary to the existing 6-foot building separation requirement as this is a fire and building code requirement.

ACCESSORY DWELLING UNIT (ADU) INFORMATIONAL ADU ORDINANCE COMPARISON TABLE

	Previous Ordinance	State ADU Requirements	Potential Amendment to ADU Ordinance
LOT COVERAGE	ADUs in Non-Hillside Combining Districts: Limited to a total area not exceeding thirty percent (30%) of the area of the required rear yard. Attached ADUs to the rear of the primary dwelling are limited to thirty percent (30%) of the required rear yard area ADUs in Hillside Combining Districts: The combined impervious surface coverage of an ADU, detached or attached, primary dwelling, and any other structures in a Hillside Combining district is eight thousand (8,000) square feet or ten (10) percent of the total lot area, whichever is greater for lots less than three (3) acres. For lots more than three (3) acres, the amount of impervious surface on the site is limited to ten (10) percent of the total lot area, not to exceed 30,000 square feet.	Impose standards on accessory dwelling units that include, but are not limited to, parking, height, setback, lot coverage, landscape, architectural review, maximum size of a unit, and standards that prevent adverse impacts on any real property that is listed in the California Register of Historic Places. (GOV. CODE §65852.2(a)(1)(B)(ii))	No change necessary to lot coverage limitations.

**ACCESSORY DWELLING UNIT (ADU)
INFORMATIONAL ADU ORDINANCE COMPARISON TABLE**

	Previous Ordinance	State ADU Requirements	Potential Amendment to ADU Ordinance
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KITCHEN	Kitchen is required with sink, food preparation counter, storage, cabinet, and permanent cooking facilities such as an oven range or cooktop.	No regulations on the number of kitchens.	No change necessary.
BATHROOM	Only 1 bathroom is allowed. Must include sink, toilet, and shower and/or bath facilities.	No regulations on the number of bathrooms.	No change necessary.
BEDROOM	The second family unit shall not have more than one (1) bedroom.	No regulations on the number of bedrooms	No change necessary to bedroom limitation in non-Hillside combining district. Consider change to allow second bedrooms in Hillside combining district.
BUILDING FOUNDATION	A permanent foundation shall be required for all second family units.	No regulations on building foundations.	No change necessary. ADUs are not considered to be trailers or recreational vehicles

ACCESSORY DWELLING UNIT (ADU) INFORMATIONAL ADU ORDINANCE COMPARISON TABLE

	Previous Ordinance	State ADU Requirements	Potential Amendment to ADU Ordinance
LOCATION	<u>Attached ADUs</u>: Must share a wall or have an integral roof structure with primary residence. <u>Detached ADUs in non-Hillside Combining districts</u>: Must be located on the rear half of the lot, shall be no closer than 6 feet, and no farther than one hundred 100 feet from the main dwelling. <u>Detached ADUs in Hillside Combining districts</u>: Must be located on the rear half of the lot, and shall be no closer than 6 feet, and no farther than 100 feet from the main dwelling.	Impose standards on accessory dwelling units that include, but are not limited to, parking, height, setback, lot coverage, landscape, architectural review, maximum size of a unit, and standards that prevent adverse impacts on any real property that is listed in the California Register of Historic Places. (GOV. CODE §65852.2(a)(1)(B)(i))	No change necessary.
PARKING	One (1) more off-street parking space than required for a single-family dwelling shall be provided.	One space in addition to the required parking spaces for the primary dwelling, unless the unit qualifies for one of the following parking exemptions: 1) The accessory dwelling unit is located within one-half mile of public transit. 2) The accessory dwelling unit is located within an architecturally and historically significant historic district. 3) The accessory unit is part of an existing or proposed primary residence or accessory structure. 4) On-street parking permits are required but not offered to the occupant of the accessory dwelling unit. 5) When there is a car share vehicle located within one block of the accessory dwelling unit.	Parking requirements must comply with State law. Note that most residential areas within Milpitas meet the State-mandated parking exemptions. For example, most VTA bus routes within Milpitas qualify as "public transit".

ACCESSORY DWELLING UNIT (ADU) INFORMATIONAL ADU ORDINANCE COMPARISON TABLE

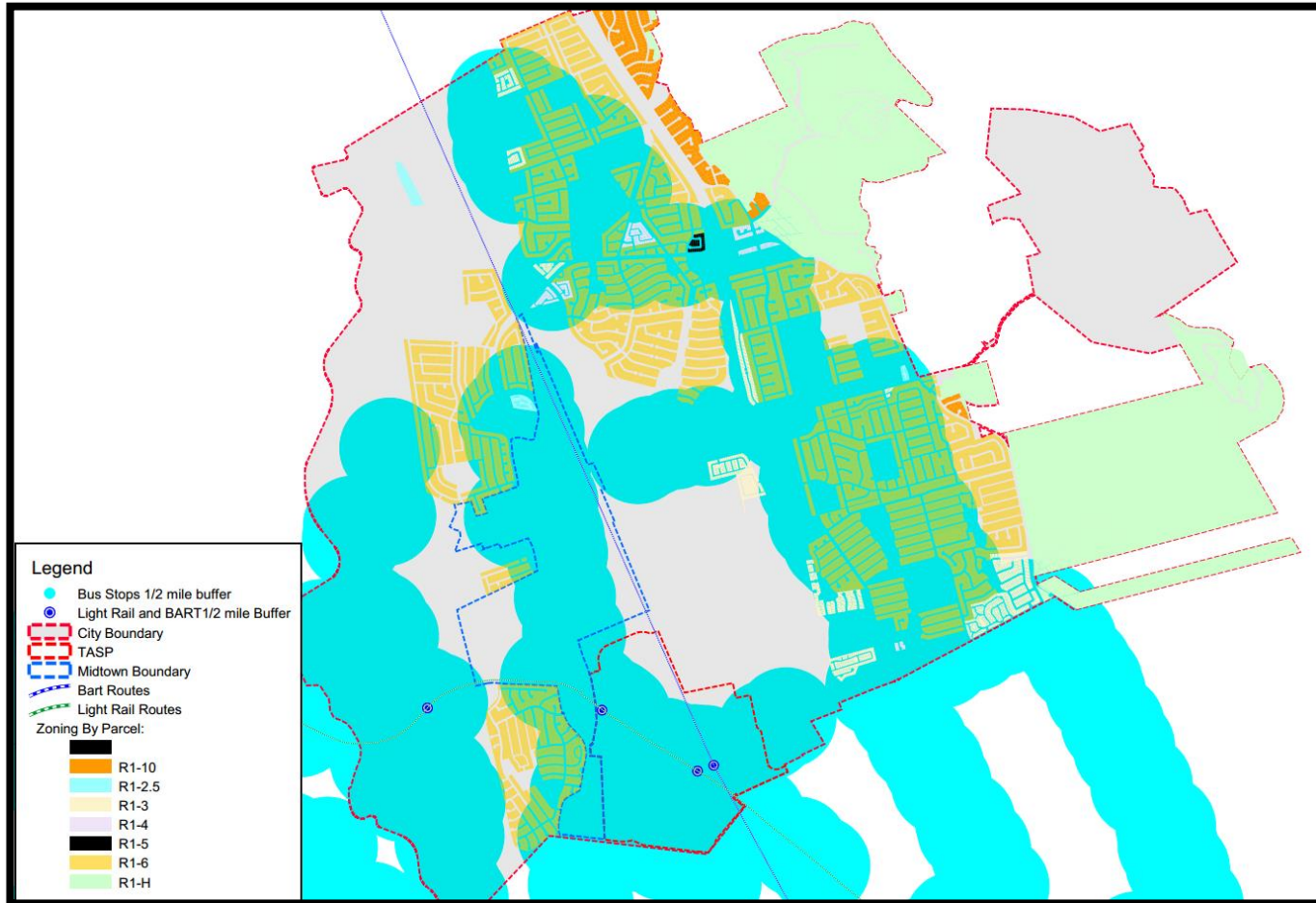
	Previous Ordinance	State ADU Requirements	Potential Amendment to ADU Ordinance
DESIGN STANDARDS	Must be designed to be architecturally compatible and visually integrated with the main dwelling. It shall employ design, materials and colors matching those of the main dwelling.	Impose standards on accessory dwelling units that include, but are not limited to, parking, height, setback, lot coverage, landscape, architectural review, maximum size of a unit, and standards that prevent adverse impacts on any real property that is listed in the California Register of Historic Places. (GOV. CODE §65852.2(a)(1)(B)(i))	Consider change/clarification, as follows: <u>Attached accessory dwelling unit:</u> Overall design to match the architectural style, roof pitch, exterior materials, and color palette of the existing main dwelling. <u>Detached accessory dwelling unit:</u> Design to either match or complement the architectural style, roof pitch, exterior materials, and color palette of the existing main dwelling. If reductions in second story setback is permitted (by final ordinance update or by variance), second floor window sills height shall be a minimum of 5 feet at building walls facing rear and side property lines.
JUNIOR ACCESSORY DWELLING UNITS (JADUs)	Not allowed.	Local jurisdictions may permit the creation of JADUs, but the ordinance governing JADUs must meet specific State requirements. (GOV. CODE §65852.22)	Consider allowing JADUs as an additional housing option.



Questions?



R1 Properties Located Within 1/2 Mile of Public Transit



Backup material for agenda item:

Receive Report and Provide Direction on Residential Short-Term Rental Regulation Options (Staff Contact: Daniel Degu, 408-586-3054)

Recommendation: Discuss and provide direction regarding potential regulation for residential short-term rentals.



CITY OF MILPITAS AGENDA REPORT (AR)

Item Title:	Receive Report and Provide Direction on Residential Short-Term Rental Regulation Options
Category:	Community Development
Meeting Date:	1/15/2019
Staff Contact:	Daniel Degu, 408-586-3054
Recommendation:	Discuss and provide direction regarding potential regulation for residential short-term rentals.

BACKGROUND:

Short-term rentals (STRs) allow partial to entire home rental to travelers seeking short-term accommodations through online rental marketplaces for a period of less than 30 days. Several online marketplaces like Airbnb (Air-bed and breakfast), HomeAway, and VRBO (Vacation Rentals by Owner), have enjoyed a rapid rise to relevancy as a global branded peer-to-peer home-sharing business. STR use is growing, causing local municipalities to address transitory lodging in residential neighborhoods. Many Bay Area local municipalities in Santa Clara County (as outlined below), have faced, and are beginning to address the regulation of short-term rentals.

STRs bring numerous benefits to those who operate them, and their guests. At the same time, the more intensive use of STRs in residential zoning districts has the potential to change the character of a residential neighborhood if left unregulated. The Milpitas Municipal Code currently defines STRs as hotels generally and does not allow them in any residential zoning district.

ANALYSIS:

The City Council has the authority to regulate or prohibit STRs within City limits. STRs typically provide guests with social benefits and a local experience differing from a traditional hotel or motel. STRs can also provide ancillary income to residential property owners, help expand the City's tourism and transient occupancy opportunities during peak hotel or motel occupancy times, such as major sporting events, and help stimulate commercial activity throughout the city.

As highlighted in the Background section above, the City's zoning code currently defines STRs as hotels. Broadly defined in terms of individual sleeping or living units for paying temporary guests, this definition for hotels includes inn, tourist home or house, motel, studio hotel, bachelor hotel, lodging house, rooming house, dormitory, public or private club, and mobilehomes. Furthermore, STRs are currently prohibited from operating in all five of the City's residential zoning districts, but may operate, via conditional use or by-right, in all three mixed-use zoning districts, and are conditionally allowed in three out of the five commercial zoning districts and in all three industrial zoning districts.

The City's current code also requires STRs to obtain a business license and regulates STRs by requiring the operators to collect and remit transient occupancy tax (TOT). To proactively enforce the current code requirements for STRs or to move forward with a new regulatory program could require additional staff effort, primarily because STR services do not provide basic information like an operator's full name, exact address, or occupancy rates for their listings.

Regulations for STRs can be tailored to fit the unique needs of the community. Thus far, there is no standard practice amongst municipalities, although the variables are relatively consistent. Municipalities in Santa Clara County have followed suit by taking different stances on the regulation of STRs. The cities of Cupertino, Los Altos Hills, Los Gatos, Mountain View, San Jose, and Sunnyvale are either actively regulating STRs or considering the regulation of STRs. The cities of Campbell, Gilroy, Monte Sereno, Morgan Hill, Palo Alto, Santa Clara, and Saratoga have no regul

place for STRs or prohibit the use of STRs entirely. **Exhibit A** (attached) provides a comprehensive overview of how municipalities in Santa Clara County have responded to STRs. Staff has identified the following 8 regulations that have been consistently addressed by those local municipalities that regulate STRs, which may be considered by the City Council for implementation:

1) Impose TOT registration and compliance on STRs of 30 days or less.

Staff Comment: Already a code requirement, but not actively enforcing for STRs. The City could contract with a third-party vendor to monitor STR listings, operate a hotline for residential complaints, and provide initial compliance communications with STR operators.

2) Require an STR business license and annual license fee.

Staff Comment: Already a code requirement. Calculated to cover all the City's costs of administering an STR program.

3) Require an STR special-use permit.

Staff Comment: Permit would provide the City basic information like an operator's full name, exact address, or occupancy rates for their listings needed to identify and cite violators.

4) Require a local contact person.

Staff Comment: The local contact person shall be available during the term of any stay for the purpose of responding to complaints or emergencies.

5) Limit the number of days allowed per year.

Staff Comment: This can be difficult to verify and enforce. Municipalities in Santa Clara County have taken varied stances (e.g., unlimited, 60, 90, or 180 days per year). Un-hosted rental days per year are typically significantly less than the number allowed for hosted rentals.

6) Limit the number of guests at one time.

Staff Comment: This can be difficult to verify and enforce. The number of guests could be calculated based on two adults per room plus one additional person per STR unit.

7) Limit the number of STRs.

Staff Comment: This can be difficult to verify and enforce. Some cities only allow one unit per parcel to be used as an STR. For example, if a home has an accessory dwelling unit (ADU), only the primary dwelling or the ADU could be allowed for STR but not both.

8) Address on-site and off-site parking requirements.

Staff Comment: Some municipalities require that parking related to STR use be contained on-site or limit the number of vehicles.

STRs have grown over 800 percent since 2011, according to Host Compliance, and totaled an unprecedented eight million rental listings worldwide in 2017. According to Host Compliance, there were approximately 341 STRs available within our City limits as of November 2018. Of the 341 STRs available within Milpitas, roughly 235 STRs (69 percent) are single-family, 85 STRs (25 percent) are multi family, and 21 STRs (6 percent) are unknown property types. Furthermore, of the 341 STRs available about 197 STRs (58 percent) are considered a partial home rental while 126 STRs (37 percent) are listed as an entire home.

Moreover, of the 341 STRs available within Milpitas, roughly 220 STRs (64.5 percent) are listed with Airbnb as of July 2018, according to Airbnb officials. With the majority of STR operators in Milpitas utilizing Airbnb, City staff engaged Airbnb regarding entering into a voluntary tax collection agreement with the City that would result in Airbnb collecting TOT on behalf of its users and remitting the revenue directly to the City. Over 45 California municipalities have executed a tax collection agreement with Airbnb, including the cities of Cupertino, Morgan Hill, Palo Alto, San Jose, Santa Clara, and Sunnyvale.

With City Council direction, staff will begin contract negotiations with Airbnb for the collection and remittance of the City's TOT. Staff would also return at a later date with an agreement for review and approval by the Council. Staff estimates that the City will generate an additional \$237,000 in TOT revenue annually by executing a voluntary tax collection agreement with Airbnb. This estimate is based on activity from July 2018 showing 220 active rentals in Milpitas and annual host earnings totaling \$7,700. The funds from the tax would be deposited into the City's TOT account in the General Fund.

City staff has conducted community engagement through social media such as Nextdoor, Facebook, and the city website. On Thursday, December 13, 2018, the first of two community meetings on STRs, in conjunction with ADUs, was held at Pearl Zanker Elementary School. Attendees received an oral presentation from Economic Development and Planning staff and answered questions. Community members at the meeting were in support of STRs with comments including that supplemental income from STRs is good for both the residential property owner and City. A community survey on STRs was launched on December 28, 2018, and will be disseminated through the City's website, social media, flyers and the City's local access government channel. The second community meeting is scheduled to take place on Thursday, January 17, 2019, held at City Hall in the Committee Conference Room at 6:00 PM.

The City Council may choose between one of several options.

1. The City may allow STRs, but limit their use. STRs are currently a prohibited use in every residential zone, but the City may amend the zoning code to make STRs an allowed or conditionally allowed use, in which case the City's current business-license and transient-occupancy tax regulations would apply. Every STR operator would have to obtain a business license and collect and remit TOT unless the City were to amend its code to remove those requirements. Also, if the City were to make STRs an allowed use, it may choose to impose new transitory-lodging-specific licensing and permitting requirements, good-neighbor rules, and use restrictions and provide additional enforcement tools.
 - a. If City Council chooses option 1, consider directing the City Manager to negotiate and execute a Voluntary Collection Agreement with Airbnb for collection of the City's transient-occupancy tax on behalf of Airbnb hosts who rent their residences to others using the Airbnb lodging platform.
2. Alternatively, the City may prohibit all transitory lodgings.
3. The last option is to exempt STRs from all local regulation except the City's existing business license requirements.

POLICY ALTERNATIVES:

This item is presented for City Council information, discussion, and direction to staff regarding potential regulation for short-term rentals. No policy action is recommended at this time.

FISCAL IMPACT:

No funding is requested at this time. City staff could propose additional allocation of resources based on City Council preference for a specific short-term rental regulatory program. To the extent that the City is successful in achieving a Voluntary Collection Agreement with Airbnb for the collection of the City's Transient Occupancy Tax on short-term rentals, subject to City Council approval, general fund revenues could increase by approximately \$237,000 per year.

California Environmental Quality Act:

The proposed action — to hold a study session and direct staff to recommend new STR regulations if desired — does not itself constitute a “project” under CEQA because it would not itself affect the environment in any way. Therefore CEQA does not apply. Even if the proposed project were a project under CEQA, the proposed action would be statutorily exempt under 14 Cal. Code Regs. § 15262 (exempting feasibility and planning studies). Any amendments that staff might recommend as a result of a study would be subject to a separate CEQA analysis when the amendments go before the appropriate legislative bodies (Commission and Council).

Attachment:

Exhibit A: Short-Term Rental Comparison Chart

COMPARISON CHART OF SHORT-TERM RENTAL REGULATIONS IN OTHER SANTA CLARA CITIES

City	* -- Cupertino	Los Altos Hills	Mountain View	San Jose	Sunnyvale
Days/Year Permitted: A. Host Present B. Host Not Present	A. Unlimited B. 60 Days/Yr.	A. None Specified B. None Specified	A. Unlimited B. 60 Days/Yr.	A. Unlimited B. 180 Days/Yr.	A. Unlimited B. Prohibited
Host Registration Requirements: A. Application/Permit B. License	A. STR Permit B. Business License	A. Not Specified B. STR License	A. Annual Registration B. Business License	A. Not Specified B. Business License	A. STR Application B. Business License
Local Contact Person	Required	Not Specified	Required	Required	Not Required (Host Already On-site)
Airbnb Agreement	Yes, 2018	No	No, Currently Exploring	Yes, 2015	Yes, 2018
Limit on STRs Per Property	One STR Rental Per Night	One STR Unit Per Property	Not Specified	Not Specified	Not Specified
Parking Requirements	On-site parking per zoning requirements.	On-site in approved parking areas with no overnight street parking.	Comply with residential parking standards and no designated parking required.	On-site parking per zoning requirements.	Not Specified
Maximum Occupancy Limits	2 times the number of bedrooms in the structure plus 2.	Not Specified	Not Specified	A. Host Present 3/one-family dwelling or mobilehome; 2/two-family or multi family dwelling. B. Host Not Present 2/studio unit; 3/first bedroom; 2/subsequent room, not to exceed 10 total users.	4 guests per night excluding children

* Proposed Regulation.

Note: The cities of Cupertino, Los Altos Hills, Los Gatos, Mountain View, San Jose, and Sunnyvale are either actively regulating STRs or considering the regulation of STRs, while the cities of Campbell, Gilroy, Monte Sereno, Morgan Hill, Palo Alto, Santa Clara, and Saratoga have no regulation in place for STRs or prohibit the use of STRs entirely. The cities of Cupertino, Morgan Hill, Palo Alto, San Jose, Santa Clara, and Sunnyvale have already executed a voluntary tax collection agreement with Airbnb.

Backup material for agenda item:

Adopt an Urgency Zoning Ordinance No. 299 to Prohibit Commercial Cannabis in the City and Regulate Cultivation of Cannabis for Personal Use

Recommendations:

Receive comments from the public, if any.

Following a reading aloud of the title of Urgency Ordinance No. 299 by the City Attorney, move to waive the reading beyond the title.

Adopt Urgency Zoning Ordinance No. 299 to prohibit commercial cannabis in the City and regulate cultivation of cannabis for personal use, by a 4/5 vote of the City Council.



CITY OF MILPITAS AGENDA REPORT (AR)

Item Title:	Adopt an Urgency Zoning Ordinance No. 299 to Prohibit Commercial Cannabis in the City and Regulate Cultivation of Cannabis for Personal Use
Category:	Community Development
Meeting Date:	1/15/2019
Staff Contact:	Ned Thomas, 408-586-3273
Recommendations:	1. Receive comments from the public, if any. 2. Following a reading aloud of the title of Urgency Ordinance No. 299 by the City Attorney, move to waive the reading beyond the title. 3. Adopt Urgency Zoning Ordinance No. 299 to prohibit commercial cannabis in the City and regulate cultivation of cannabis for personal use, by a 4/5 vote of the City Council.

Background: On November 9, 2016, California voters approved Proposition 64, the Control, Regulate and Tax Adult Use of Marijuana Act (AUMA), which legalized the non-medical use of marijuana by adults over 21 years of age, and provides for State licensing of adult-use marijuana businesses. Senate Bill 94 ("SB 94"), signed by the Governor on June 27, 2017 to take effect immediately, repealed the prior 2015 Medical Cannabis Regulation and Safety Act (MCRSA) and amended AUMA to consolidate the State licensing scheme applicable to both medical and adult-use commercial cannabis activity under a new law entitled the Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA).

On January 17, 2017, Urgency Ordinance No. 291 to place a temporary moratorium on certain cannabis-related activities was adopted by the City Council so as to allow time for the City Council and the community to decide on if, when, and how to allow cannabis activities in Milpitas. The temporary moratorium has been extended twice and will expire on January 17, 2019. No additional extensions may be granted, so a permanent ordinance to replace the moratorium needs to be adopted.

Based on prior City Council direction from the October 2, 2018 meeting, staff had been developing regulations to allow commercial cannabis establishments in the City. However, on November 20, 2018, as a result of significant community input, the City Council directed staff to instead bring forward an ordinance banning commercial cannabis, banning outdoor personal cannabis cultivation and regulating indoor cannabis cultivation for personal use. In accordance with this direction, staff brought forward Ordinance No. 298 to the City Council on December 19, 2018, for the first reading and introduction. Council unanimously approved staff recommendations.

Analysis:

AUMA and MAUCRSA do not contain language protecting permissive zoning, and contemplate that local jurisdictions will act to explicitly prohibit or regulate cannabis businesses. Without adopting an express ban, the City's current zoning code could have the unintended consequence of allowing commercial cannabis uses to establish in the jurisdiction.

Ordinance No. 298 is scheduled for the second reading and adoption by the City Council on January 15, 2019. If adopted by the City Council, Ordinance No. 298 will go into effect on February 14, 2019, thirty days following adoption.

However, this timeline results in a gap between expiration of the City's current moratorium on commercial cannabis uses and personal outdoor cannabis cultivation on January 17, 2019 and the effective date of the regular zoning ordinance (Ordinance No. 298) prohibiting commercial cannabis uses and personal outdoor cannabis cultivation that is anticipated to take effect on February 14, 2019.

This gap in regulations would threaten the public peace, health or safety of the City of Milpitas for the following reasons:

- (a) There is a risk that the State cannabis licensing authorities may approve commercial cannabis uses to establish in the City of Milpitas during the twenty-five day period prior to the effective date of the regular, non-urgency zoning ordinance.
- (b) The unintended establishment of commercial cannabis uses unregulated by local law poses a risk of unmitigated traffic and parking impacts as well as visual impacts from such businesses. Traffic, parking and visual impacts are not regulated under the state cannabis licensing regulations. Approval of commercial cannabis uses based solely on state standards, and without local regulations, would threaten the character of existing neighborhoods, and negatively impact property values, traffic flow, and parking.
- (c) Commercial cannabis uses are associated with potentially detrimental health, safety, and quality of life issues such as loitering, increased security risks to nearby residences and businesses due to the presence of large quantities of cash and valuable product, and strong odors that can be detectable beyond the property boundaries.
- (d) If commercial cannabis uses are allowed to proceed, such businesses could have deleterious effects on surrounding neighborhoods and businesses and may result in significant irreversible changes to neighborhood and community character.
- (e) The use, cultivation, sale and distribution of both medical and adult-use cannabis remains illegal under the federal Controlled Substances Act (codified in 21 U.S.C. § 801 et seq.).
- (f) The establishment of commercial cannabis uses within the city may increase cannabis consumption and availability within Milpitas, and may increase youth exposure to, and use of, cannabis. According to a study released by the Insurance Institute for Highway Safety released in 2017, increased cannabis use may also lead to an increase in car accidents.¹
- (g) If establishment or operation of commercial cannabis uses were allowed to proceed while the City is in the process of adopting permanent regulations to prohibit such uses, it would defeat the purpose of those efforts to prohibit medical and adult-use commercial cannabis uses.
- (h) Outdoor cultivation of cannabis for personal use also poses increased security risks to nearby residences and businesses due to the presence of valuable plants and the creation of strong odors that can be detectable beyond the property boundaries, which may cause deleterious effects on surrounding neighborhoods as well as cause increased youth exposure to, and use of, cannabis.

Therefore, the proposed Urgency Zoning Ordinance No. 299 is an urgency measure pursuant to Government Code Section 36937(b) to protect the public peace, health or safety and would become effective immediately upon adoption. Specifically, the proposed Urgency Ordinance will implement the following changes to the Milpitas Municipal Code:

¹ Insurance Institute for Highway Safety Highway Loss Data Institute, *Status Report*, "High Claims: Legalizing Recreational Marijuana is Linked to Increased Crashes," Vol. 54, No. 4, June 22, 2017, available online at: <https://www.iihs.org/iihs/sr/statusreport/article/52/4/1>

1. Add Subsection XI-10-13.15 entitled “Cannabis Uses” to the Milpitas Municipal Code, Title XI, Chapter 10, Section 13, as set forth on Exhibit A to the Urgency Ordinance.
2. Amend and restate Subparagraph (B)(9) of Subsection XI-10-13.05 entitled “Home Occupation” of the Milpitas Municipal Code, Title XI, Chapter 10, Section 13, to include Commercial Cannabis Uses as an prohibited use
3. Repeal and reserve Chapter 5 of the Milpitas Municipal Code, Title XI.

This Urgency Ordinance requires a four-fifths vote of the City Council.

Fiscal Impact: None. If the Urgency Zoning Ordinance is not adopted, there could be a fiscal impact as a result of the need to address any safety, traffic, or visual impacts related to commercial cannabis activities or personal cannabis cultivation in the City.

California Environmental Quality Act: This Ordinance is not a project within the meaning of Section 15378 of the State of California Environmental Quality Act (“CEQA”) Guidelines, because it has no potential for resulting in physical change in the environment, directly or indirectly, and therefore is exempt from environmental review pursuant to CEQA Guidelines, Section 15060(c)(3). As a separate and independent basis, if the Ordinance is deemed to be a project it is exempt from environmental review under the general rule stated in CEQA Guidelines, Section 15061(b)(3), that CEQA applies only to projects which have the potential for causing a significant effect on the environment.

Recommendations:

- a) Receive comments from the public, if any.
- b) Following a reading aloud of the title of Urgency Ordinance No. 299 by the City Attorney, move to waive the reading beyond the title.
- c) Adopt Urgency Zoning Ordinance No. 299 to prohibit commercial cannabis in the City and regulate cultivation of cannabis for personal use, by a 4/5 vote of the City Council.

Attachments:

- a) Urgency Zoning Ordinance No. 299
- b) Email correspondence from residents
- c) Powerpoint slides presented at meeting

URGENCY

NUMBER: 299

TITLE: AN URGENCY ZONING ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MILPITAS PURSUANT TO CALIFORNIA GOVERNMENT CODE SECTION 36937(C) ADDING SUBSECTION XI-10-13.15 ENTITLED "CANNABIS USES" AND AMENDING SUBSECTION XI-10-13.05 ENTITLED "HOME OCCUPATION" OF THE MILPITAS MUNICIPAL CODE, TITLE XI, CHAPTER 10, SECTION 13, TO REGULATE CANNABIS CULTIVATION FOR PERSONAL USE AND TO PROHIBIT ALL COMMERCIAL CANNABIS USES, AND MAKING FINDINGS OF EXEMPTION FROM ENVIRONMENTAL REVIEW PURSUANT TO CEQA GUIDELINES SECTIONS 15060(C)(3) AND 15061(b)(3)

HISTORY: This Ordinance was passed and adopted by the City Council at its meeting of _____, upon motion by _____. The Ordinance was duly passed and ordered published in accordance with law by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

Mary Lavelle, City Clerk

Rich Tran, Mayor

APPROVED AS TO FORM:

Christopher J. Diaz, City Attorney

RECITALS AND FINDINGS:

WHEREAS, the City of Milpitas, California (the “City”) is a municipal corporation, duly organized under the constitution and laws of the State of California; and

WHEREAS, California Government Code Section 65800 et seq. authorizes the adoption and administration of zoning laws, ordinances, rules and regulations by cities as a means of implementing the General Plan; and

WHEREAS, in 1996, the voters of the State of California approved the Compassionate Use Act of 1996 (“CUA”) (codified as Health and Safety Code, § 11362.5 et seq.) to enable seriously ill Californians to legally possess, use, and cultivate marijuana for personal medical use free from prosecution under enumerated provisions of State law; and

WHEREAS, in 2003, the California Legislature adopted the Medical Marijuana Program Act (“MMP”) (codified as Health and Safety Code, § 11362.7 et seq.), which permits qualified patients and their primary caregivers to associate collectively or cooperatively to cultivate marijuana for medical purposes without being subject to criminal prosecution under State law, however certain exemptions from criminal prosecution will expire on or about January 9, 2019 (Health & Safety Code, § 11362.775); and

WHEREAS, in 2013, the California Supreme Court issued its decision in *City of Riverside v. Inland Empire Patients Health and Wellness Center, Inc.* (2013) 56 Cal. 4th 729, holding that nothing in the CUA or MMP preempted cities’ authority to regulate or ban outright medical marijuana land uses; and

WHEREAS, in 2015, the California Legislature enacted the Medical Cannabis Regulation and Safety Act (MCRSA), which for the first time in the State’s history adopted comprehensive regulations and licensing for medical marijuana businesses; and

WHEREAS, in 2016, California voters approved Proposition 64, the Control, Regulate and Tax Adult Use of Marijuana Act (AUMA), which legalized the non-medical use of marijuana by adults over 21 years of age, and provides for State licensing of adult-use marijuana businesses; and

WHEREAS, Senate Bill 94 (“SB 94”), signed by the Governor on June 27, 2017 to take effect immediately, repealed the MCRSA, and amended AUMA to consolidate the State licensing scheme applicable to both medical and adult-use commercial cannabis activity under a new law entitled the Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA); and

WHEREAS, MAUCRSA recognizes, preserves and does not supersede or limit the authority of a local jurisdiction to adopt and enforce local ordinances that regulate licensed cannabis businesses, including, but not limited to, completely prohibiting the establishment or operation of one or more types of businesses licensed under MAUCRSA within the local jurisdiction (Business and Professions Code, § 26200); and

WHEREAS, AUMA, as amended by MAUCRSA, legalizes cultivation of not more than six living cannabis plants per property by persons 21 years of age or older for personal use; and

WHEREAS, AUMA, as amended by MAUCRSA, provides that a city shall not completely prohibit personal cultivation of cannabis inside a private residence or inside an accessory structure to a private residence that is fully enclosed and secure, but that a city may completely prohibit personal cultivation of cannabis outdoors (Health and Safety Code, § 11362.2); and

WHEREAS, on January 17, 2017, the City Council adopted Urgency Ordinance No. 291 pursuant to Government Code Section 65858, establishing a forty-five (45) day moratorium on all marijuana uses to the extent allowed by law in light of the passage of Proposition 64 in the State of California; and

WHEREAS, on February 21, 2017, the City Council adopted Urgency Ordinance No. 291.1 pursuant to Government Code Section 65858, extending the moratorium on all marijuana uses for a period of 10 months and 15 days; and

WHEREAS, in January 2017, the City Council adopted Urgency Ordinance No. 291.2 pursuant to Government Code Section 65858, extending the moratorium for an additional 12-month period for the full two years authorized under State law, to allow the City to complete its study of potential cannabis regulations; and

WHEREAS, without further action by the City Council, the moratorium adopted by Urgency Ordinance No. 291.2 will expire on January 17, 2019; and

WHEREAS, the City Council on November 20, 2018, held a public hearing to consider a proposal to allow certain commercial cannabis uses, but voted to reject the proposal and directed staff to prepare an ordinance to prohibit commercial cannabis uses; and

WHEREAS, pursuant to Section 36937 of the California Government Code, regular, non-urgency ordinances do not become effective until 30 days after adoption, i.e., 30 days after their second reading. Pursuant to Section 36934 of the California Government Code non-urgency ordinances may not be passed except at a regular meeting or at an adjourned regular meeting; and

WHEREAS, although a special meeting of the Planning Commission was held on December 6, 2018, and a special meeting of the City Council was held on December 19, 2018, the next regular meeting of the City Council available for second reading and adoption of a regular, non-urgency ordinance is January 15, 2019; and

WHEREAS, if this Ordinance were adopted in the normal course, meaning without a finding of urgency, it would have to be introduced on December 19, 2018, and adopted after a second reading on January 15, 2019. Further, it would not be effective until 30 days after the date of adoption, or February 14, 2019, which is twenty-five (25) days after the moratorium adopted by Urgency Ordinance No. 291.2 will expire; and

WHEREAS, Section 36937(b) of the California Government Code authorizes the City Council to adopt an ordinance that will take effect immediately if it is an ordinance for the immediate preservation of the public peace, health or safety, containing a declaration of the facts constituting the urgency, and is passed by a four-fifths (4/5) vote of the City Council.

NOW, THEREFORE, the City Council of the City of Milpitas does ordain as follows:

SECTION 1. RECORD AND BASIS FOR ACTION

The City Council has duly considered the full record before it, which may include but is not limited to such things as the City staff report, testimony by staff and the public, and other materials and evidence submitted or provided to the City Council. Furthermore, the recitals set forth above are found to be true and correct and are incorporated herein by reference.

SECTION 2. MUNICIPAL CODE AMENDMENT

The City Council hereby adds Subsection XI-10-13.15 entitled “Cannabis Uses” to the Milpitas Municipal Code, Title XI, Chapter 10, Section 13, as set forth on Exhibit A, attached hereto and incorporated herein by this reference.

SECTION 3. MUNICIPAL CODE AMENDMENT

The City Council hereby amends and restates Subparagraph (B)(9) of Subsection XI-10-13.05 entitled “Home Occupation” of the Milpitas Municipal Code, Title XI, Chapter 10, Section 13, as follows:

“9. The occupations listed below shall not be considered incidental and secondary to the residence because they will change the residential character of the dwelling and because they change the character of the neighborhood:

- a. Barber and beauty shops or similar cosmetology establishments;
- b. Kennels and other boarding for pets;
- c. Mechanical and auto repairs;
- d. Medical and dental offices;
- e. Retail sales (excluding retail sales in which all products are sold over the phone or internet and shipped to the customer);
- f. Commercial cannabis uses. See Subsection XI-10-13.15.”

All other provisions contained in Subsection XI-10-13.05 of the Milpitas Municipal Code shall remain in full force and effect.

SECTION 4. MUNICIPAL CODE AMENDMENT

The City Council hereby repeals and reserves Chapter 5 of the Milpitas Municipal Code, Title XI.

SECTION 5. DECLARATION OF URGENCY

The City adopts this Ordinance as an urgency measure pursuant to Government Code Section 36937(b) to protect the public peace, health or safety. There is a current and immediate threat to the public peace, health and safety based on the expiration of the City’s current moratorium on commercial cannabis uses and outdoor personal cannabis cultivation under Urgency Ordinance No. 291.2 on January 17, 2019. The expiration of Urgency Ordinance No. 291.2 twenty-five (25) days prior to the effective date of the regular, non-urgency zoning ordinance to ban commercial cannabis uses would threaten the public peace, health or safety of the City of Milpitas because:

- (a) The decision of the City Council on November 20, 2018, to reject the prior proposal to allow commercial cannabis uses demonstrates the City Council’s intent to completely prohibit the establishment or operation of commercial cannabis uses within the City of Milpitas. AUMA and MAUCRSA do not contain language protecting permissive zoning, and contemplate that local jurisdictions will act to explicitly prohibit or regulate cannabis businesses. Without adopting an express ban, the City’s current zoning code could have the unintended consequence of allowing commercial cannabis uses to establish in the jurisdiction.
- (b) If permanent regulations prohibiting the establishment or operation of all medical and adult-use commercial cannabis uses in the City are not adopted and in place as of January 17, 2019, there is a risk that the State cannabis licensing authorities may approve commercial cannabis uses to establish in the City of Milpitas during the twenty-five day period prior to the effective date of the regular, non-urgency zoning ordinance.
- (c) The unintended establishment of commercial cannabis uses unregulated by local law poses a risk of unmitigated traffic and parking impacts as well as visual impacts from such businesses. Traffic, parking and visual impacts are not regulated under the State cannabis licensing regulations. Approval of commercial cannabis uses based solely on State standards, and without local regulations, would threaten the character of existing neighborhoods, and negatively impact property values, traffic flow, and parking.
- (d) Commercial cannabis uses are associated with potentially detrimental health, safety, and quality of life issues such as loitering, increased security risks to nearby residences and businesses due to the presence of large quantities of cash and valuable product, and strong odors that can be detectable beyond the property boundaries.

- (e) If commercial cannabis uses are allowed to proceed, such businesses could have deleterious effects on surrounding neighborhoods and businesses and may result in significant irreversible changes to neighborhood and community character.
- (f) The use, cultivation, sale and distribution of both medical and adult-use cannabis remains illegal under the federal Controlled Substances Act (codified in 21 U.S.C. § 801 et seq.).
- (g) The establishment of commercial cannabis uses within the city may increase cannabis consumption and availability within Milpitas, and may increase youth exposure to, and use of, cannabis. According to a study released by the Insurance Institute for Highway Safety released in 2017, increased cannabis use may also lead to an increase in car accidents.¹
- (h) If establishment or operation of commercial cannabis uses were allowed to proceed while the City is in the process of adopting permanent regulations to prohibit such uses, it would defeat the purpose of those efforts to prohibit medical and adult-use commercial cannabis uses.
- (i) Outdoor cultivation of cannabis for personal use also poses increased security risks to nearby residences and businesses due to the presence of valuable plants and the creation of strong odors that can be detectable beyond the property boundaries, which may cause deleterious effects on surrounding neighborhoods as well as cause increased youth exposure to, and use of, cannabis.

Consequently, the City Council finds that this Urgency Ordinance is necessary to protect the public peace, health or safety by immediately banning commercial cannabis uses and outdoor personal cultivation.

SECTION 6. CALIFORNIA ENVIRONMENTAL QUALITY ACT

This Ordinance is not a project within the meaning of Section 15378 of the State of California Environmental Quality Act (“CEQA”) Guidelines, because it has no potential for resulting in physical change in the environment, directly or indirectly, and therefore is exempt from environmental review pursuant to CEQA Guidelines, Section 15060(c)(3). The City Council further finds that if this Ordinance is deemed to be a project, it is nonetheless exempt from further environmental review under the general rule stated in CEQA Guidelines, Section 15061(b)(3), that CEQA applies only to projects which have the potential for causing a significant effect on the environment. The Ordinance prohibits commercial cannabis businesses and outdoor personal cannabis cultivation from establishing or occurring in the City and therefore will maintain current development levels. Accordingly, the City Council finds that this Ordinance is categorically exempt from further CEQA review because it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment.

SECTION 7. SEVERABILITY

If any section, subsection, subdivision, sentence, clause, phrase, or portion of this Ordinance for any reason is held to be invalid or unconstitutional by the 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 adopted this Ordinance, and each section, subsection, subdivision, sentence, clause, phrase, or portion thereof, irrespective of the fact that any one or more sections, subsections, subdivisions, sentences, clauses, phrases, or portions thereof be declared invalid or unconstitutional.

¹ Insurance Institute for Highway Safety Highway Loss Data Institute, *Status Report*, “High Claims: Legalizing Recreational Marijuana is Linked to Increased Crashes,” Vol. 54, No. 4, June 22, 2017, available online at: <https://www.iihs.org/iihs/sr/statusreport/article/52/4/1>

SECTION 8. CUSTODIAN OF RECORDS

The documents and materials that constitute the record of proceedings on which this Ordinance is based are located at the City Clerk's office located at 455 East Calaveras Blvd., Milpitas, CA 95305. The custodian of these records is the City Clerk.

SECTION 9. RESTATEMENT OF EXISTING LAW

The adoption of this Ordinance shall not in any manner affect the prosecution for violations of ordinances, which violations were committed prior to the effective date hereof, nor be construed as a waiver of any license or penalty or the penal provisions applicable to any violation thereof.

SECTION 10. EFFECTIVE DATE

This Ordinance is an urgency ordinance and shall take effect immediately upon adoption.

SECTION 11. VOTE

This Urgency Ordinance was adopted by the necessary four-fifths vote of the members of the City Council pursuant to California Government Code Section 36937(b).

SECTION 12. CERTIFICATION

The City Clerk shall certify as to the adoption of this Ordinance and shall cause it to be published within fifteen (15) days of the adoption and shall post a certified copy of this Ordinance, including the vote for and against the same, in the Office of the City Clerk, in accordance with California Government Code Section 36933.

SECTION 13. FILING WITH STATE

The City Clerk shall submit a copy of this ordinance to the Bureau of Cannabis Control as provided by Business and Professions Code, Section 26055.

EXHIBIT A

XI-10-13.15 - Cannabis Uses

- A. Purpose. The purpose of this Subsection is to prohibit the establishment and operation of all commercial cannabis uses within the City of Milpitas, including all cannabis dispensaries, cannabis retailers, cannabis manufacturers, cannabis microbusinesses, cannabis testing laboratories, cannabis distribution, cannabis cultivation, and delivery of cannabis. It is also the intent of this Subsection to regulate indoor cannabis cultivation, and to prohibit all outdoor cultivation, for personal use, including by qualified patients and primary caregivers.
- B. Definitions. For purposes of this Subsection, the following definitions shall apply:
1. “Cannabis” means all parts of the plant *Cannabis sativa* Linnaeus, *Cannabis indica*, or *Cannabis ruderalis*, whether growing or not; the seeds thereof; the resin, whether crude or purified, extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or resin. “Cannabis” also means the separated resin, whether crude or purified, obtained from marijuana. “Cannabis” includes “cannabis” as defined in Business and Professions Code, Section 26001 and in Section 11018 of the Health and Safety Code.
 2. “Cannabis cultivation” means any activity involving the planting, growing, harvesting, drying, curing, grading, or trimming of cannabis.
 3. “Cannabis delivery” means the commercial transfer of cannabis or cannabis products to a customer. “Cannabis delivery” also includes the use by a cannabis retailer of any technology platform that enables customers to arrange for or facilitate the commercial transfer by a licensed retailer of cannabis or cannabis products.
 4. “Cannabis distribution” means the procurement, sale, and transport of cannabis and cannabis products and any other activity allowed under the State distributor license(s), including, but not limited to, cannabis storage, quality control and collection of State cannabis taxes.
 5. “Cannabis manufacture” means to compound, blend, extract, infuse, or otherwise make or prepare a cannabis product. Cannabis manufacture includes the production, preparation, propagation, or compounding of manufactured cannabis, or cannabis products either directly or indirectly or by extraction methods, or independently by means of chemical synthesis or by a combination of extraction and chemical synthesis at a fixed location that packages or repackages medical cannabis or cannabis products or labels or relabels its container.
 6. “Cannabis microbusiness” means a commercial cannabis business that must engage in at least three of the following commercial cannabis activities: cultivation, manufacturing using nonvolatile solvents, distribution, and/or retail.
 7. “Cannabis products” means cannabis that has undergone a process whereby the plant material has been transformed into a concentrate, including, but not limited to, concentrated cannabis, or an edible or topical product containing cannabis or concentrated cannabis and other ingredients. Cannabis products include “cannabis products” as defined in Business and Professions Code, Section 26001.
 8. “Cannabis retailer” means a facility where cannabis or cannabis products are offered, either individually or in any combination, for retail sale, including an establishment that delivers cannabis and cannabis products as part of a retail sale or conducts sales exclusively by delivery. The term “cannabis retailer” includes any nonprofits that may be licensed under Business and Professions Code, Section 26070.5. For purposes of this Chapter, “cannabis retailer” also includes medical cannabis dispensaries, patient collectives and cooperatives

operating, or proposing to operate, pursuant to the Compassionate Use Act (Health and Safety Code, § 11362.5) and/or the Medical Marijuana Program (Health and Safety Code, § 11362.7 et seq.), as may be amended.

9. “Cannabis testing laboratory” means a facility, entity, or site in the State that offers or performs tests of cannabis or cannabis products.
10. “Commercial cannabis use” includes all cannabis cultivation, cannabis manufacture, cannabis distribution, cannabis testing laboratories, cannabis microbusinesses, cannabis retailers, cannabis delivery, and sale of cannabis and/or cannabis products, whether intended for medical or adult-use, and whether or not such activities are carried out for profit. Commercial cannabis uses includes “commercial cannabis activity” as defined in Business and Professions Code, Section 26001, and includes any activity that requires, or may require in the future, a license from a State licensing authority pursuant to the Medicinal and Adult-Use Cannabis Regulation and Safety Act (Business and Professions Code, Division 10), as may be amended. Commercial cannabis use does not include those activities allowed for personal use by persons 21 years of age or older, without any compensation whatsoever, in strict accordance with Health and Safety Code, Section 11362.1 and does not include the activities of a qualified patient or a primary caregiver that are exempt from State licensure pursuant to Business and Professions Code, Section 26033.
11. “Indoor” means any location that is totally contained within a fully enclosed and secure private residence or accessory building located on the grounds of the private residence.
12. “Personal cultivation” means cannabis cultivation for a natural person’s own personal use and possession in accordance with this Code and state law, including but not limited to Health and Safety Code Sections 11362.1 and 11362.2, as may be amended, and such person does not sell or distribute cannabis to any other person. “Personal use” also means and includes cultivation of medical cannabis conducted by a qualified patient exclusively for his or her personal medical use, and cultivation conducted by a primary caregiver for the personal medical purposes of no more than five specified qualified patients for whom he or she is the primary caregiver, in accordance with state law, including Health and Safety Code Sections 11362.7 and 11362.765, as may be amended. Except as herein defined, personal cultivation does not include, and shall not authorize, any cultivation conducted as part of a business or commercial activity, including cultivation for compensation or retail or wholesale sales of cannabis.
13. “Private residence” means a house, an apartment unit, accessory dwelling unit, a mobile home, or other similar dwelling occupied for residential purposes.
14. “Outdoor” means any location that is not totally contained within a fully enclosed and secure accessory building or primary residence.

C. Personal Cultivation of Cannabis.

1. Indoor Personal Cultivation. The indoor personal cultivation of cannabis is prohibited except in compliance with the following:
 - a. Cannabis cultivation shall only occur indoors at a private residence, or inside an accessory structure located upon the grounds of a private residence.
 - b. Cannabis cultivation shall be limited to six plants total per residence, whether immature or mature, regardless of how many residents reside at the private residence.
 - c. Persons engaging in indoor cultivation must comply with all State and local laws regarding fire safety, water use, electrical wiring, buildings, and indoor cultivation, and with Health and Safety

Code Sections 11362.1 and 11362.2.

- d. The use of gas products (CO2, butane, propane, natural gas, etc.) or generators for cultivation of cannabis is prohibited. Use of gas products shall be limited to those allowed by the California Building, Electrical, and Fire Codes as adopted and amended by the City of Milpitas.
 - e. The residence shall maintain fully functional and usable kitchen, bathroom, and bedroom areas for their intended use by the resident(s), and the premises shall not be used primarily or exclusively for cannabis cultivation.
 - f. All areas used for cannabis cultivation shall be located within a fully enclosed and secure structure. "Fully enclosed and secure structure" means a space within a building, greenhouse or other legal structure which has a complete roof enclosure supported by connecting walls extending from the ground to the roof, which is secure against unauthorized entry, provides complete visual screening, and which is accessible only through one or more lockable doors and inaccessible to minors.
2. Outdoor Personal Cultivation Prohibited. Outdoor personal cultivation of cannabis is prohibited in all zoning districts in the City of Milpitas.

D. Commercial Cannabis Uses.

1. Commercial Cannabis Uses Prohibited. All medical and adult-use commercial cannabis uses as defined herein are prohibited from establishing or operating within the City of Milpitas. No use permit, variance, building permit, or any other entitlement or permit, whether administrative or discretionary, shall be approved or issued for the establishment or operation of a commercial cannabis use in any zoning district, and no person shall otherwise establish such businesses or operations in any zoning district.
2. Deliveries. To the fullest extent allowed by State law, the ban on commercial cannabis uses also prohibits the operation of a cannabis delivery service to customers in the City of Milpitas, including those deliveries originating from a physical location outside of the City.
3. This section shall not be construed to prohibit use of the public roads pursuant to Business and Professions Code, Section 26090 or those activities allowed by Section 26054, subdivisions (c) or (d).

E. Public Nuisance; Effect of State Law.

1. It is hereby declared to be a public nuisance for any person owning, leasing, occupying, or having charge or possession of any real property in the City to cause or allow such real property to be used for a commercial cannabis use or for the cultivation of cannabis except in strict compliance with this Chapter. Any condition caused or permitted to exist in violation of any of the provisions of this Chapter may be abated as a public nuisance as provided in this Code and/or under State law.
2. In the event of any conflict between the penalties enumerated under this Code and any penalties set forth in State law, the maximum penalties allowable under State law shall govern. The City Attorney or prosecuting attorney has the authority to declare and prosecute the violation as the maximum penalty permitted by State law, including but not limited to, those penalties prescribed by California Health & Safety Code, Section 11362.4. To the extent certain conduct is immune from arrest and criminal liability pursuant to State law, including the Compassionate Use Act of 1996 (Health and Safety Code Section 11362.5) or the Medical Marijuana Program (Health and Safety Code Section 11362.7 et seq.), criminal penalties shall not apply.

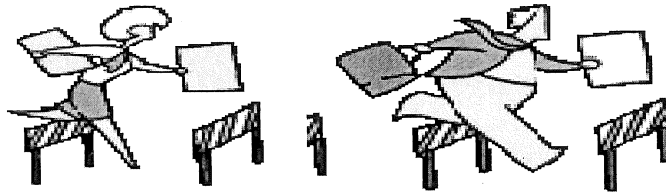


CITY OF MILPITAS

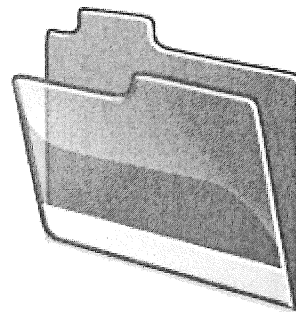
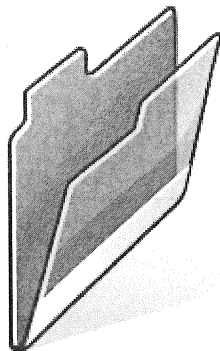
455 EAST CALAVERAS BOULEVARD, MILPITAS, CALIFORNIA 95035-5479
GENERAL INFORMATION: 408-586-3000, www.ci.milpitas.ca.gov

1/15/2019

Agenda Items No. 3 & 23



ATTACHMENT RELATED TO AGENDA ITEM AFTER AGENDA PACKET DISTRIBUTION



Mary Lavelle

From: Esguerra Diane <diane_esguerra@yahoo.com>
Sent: Monday, January 14, 2019 2:28 PM
To: Mary Lavelle
Subject: Marijuana Dispensaries

To whom it may concern:

I am e-mailing to let you know that I am against legalizing recreational marijuana in Milpitas, California. The only time marijuana should be used is when prescribed by a board certified physician when there is no other kind of medicine that would cure the condition, and if it is approved by the FDA. I am against any dispensaries here in Milpitas.

Sincerely,
Diane Esguerra

=====
This is an **EXTERNAL EMAIL**.

Please do not open unexpected attachments or those sent by unknown senders.
=====

City Clerk's Office
JAN 14 2019
RECEIVED

Mary Lavelle

From: Maruthi Veldandi <mveldandi@gmail.com>
Sent: Sunday, January 13, 2019 10:56 AM
To: Mary Lavelle
Subject: [BULK] No Marijuana Businesses in Milpitas

Importance: Low

Hi

I am Milpitas resident and US citizen. Please do **not** allow Marijuana Businesses in Milpitas as I believe it will have negative effects on Minors, safety of the community etc.

Thanks,
Maruthi Veldandi

=====
This is an **EXTERNAL EMAIL**.

Please do not open unexpected attachments or those sent by unknown senders.
=====

City Clerk's Office

JAN 14 2019

RECEIVED

Mary Lavelle

From: Guangde Chen <guangde.chen@gmail.com>
Sent: Tuesday, January 15, 2019 11:28 AM
To: Karina Dominguez
Cc: Mary Lavelle
Subject: [BULK] Yes to Ban MJ business at Milpitas today.

Importance: Low

City Clerk's Office
JAN 15 2019
RECEIVED

Dear Karina,

I have been living in PineWood for more than 4 years. I am working at LinkedIn. My background is to help building models for different purpose. For example, we built models to accurately predict the elected governor for Wisconsin in 2010 when I was a Ph.D student at the University of Wisconsin at Madison.

I learned about MJ last year around Nov. 10. After that, I went over to the Pinewood Park and my neighborhood to read people's opinion. I found that

1. Clearly, family with Kids/baby all like to ban MJ businesses
2. Most of Family without kids at home do not like MJ at all. They hate drug as well.
3. For the younger family (no kids) with good jobs do not like MJ business at Milpitas. Clearly, they will have baby in the next few years.

For the better of Milpitas, please vote Yes to ban MJ business at Milpitas today.

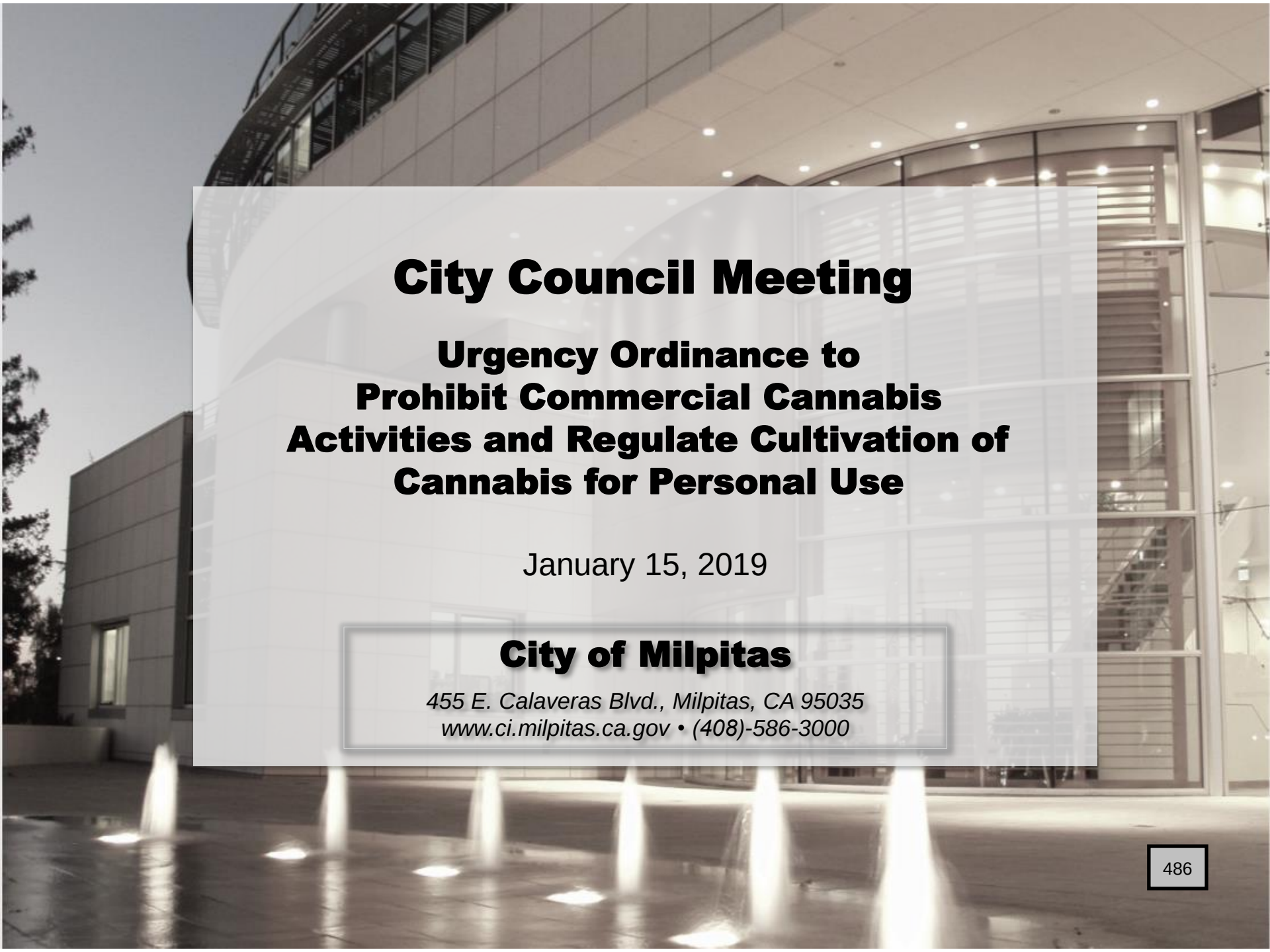
I appreciate your vote on 12/19.

Have a great day.

Guangde Chen

This is an **EXTERNAL EMAIL**.

Please do not open unexpected attachments or those sent by unknown senders.



City Council Meeting

Urgency Ordinance to Prohibit Commercial Cannabis Activities and Regulate Cultivation of Cannabis for Personal Use

January 15, 2019

City of Milpitas

455 E. Calaveras Blvd., Milpitas, CA 95035
www.ci.milpitas.ca.gov • (408)-586-3000

Background

- On November 8, 2016 – Proposition 64 approved by CA voters.
- SB 94 – statewide licensing framework with local regulations
- On January 17, 2017, the Council adopted Urgency Ordinance No. 291 and placed a moratorium on certain cannabis activities.
- The moratorium has been extended twice and will expire January 17, 2019, with no option for additional extensions.
- On December 19, 2018, Council approved the introduction of Ordinance No. 298 to amend City Code to prohibit commercial cannabis activities and regulate personal cultivation.

Timeline

Date	Action
December 6, 2018	Special Planning Commission Meeting held
December 19, 2018	Introduction of replacement Ordinance at Special City Council Meeting
January 15, 2019	• Adoption of regular replacement Ordinance • Adoption of Urgency Ordinance, effective immediately
January 17, 2019	Existing Moratorium expires
February 14, 2019	Effective date of regular Ordinance



Urgency Ordinance Need

- Without a moratorium in place, the State could approve commercial cannabis activities in Milpitas during the gap
- State standards with no local control would likely result in adverse impacts to commercial areas and neighborhoods
- Moratorium needed to protect public peace, health or safety
 - Protect neighborhood and community character
 - Avoid unmitigated traffic, parking, and visual impacts
 - Prevent undesirable odors, loitering and security risks
 - Protect homes, businesses, and youth

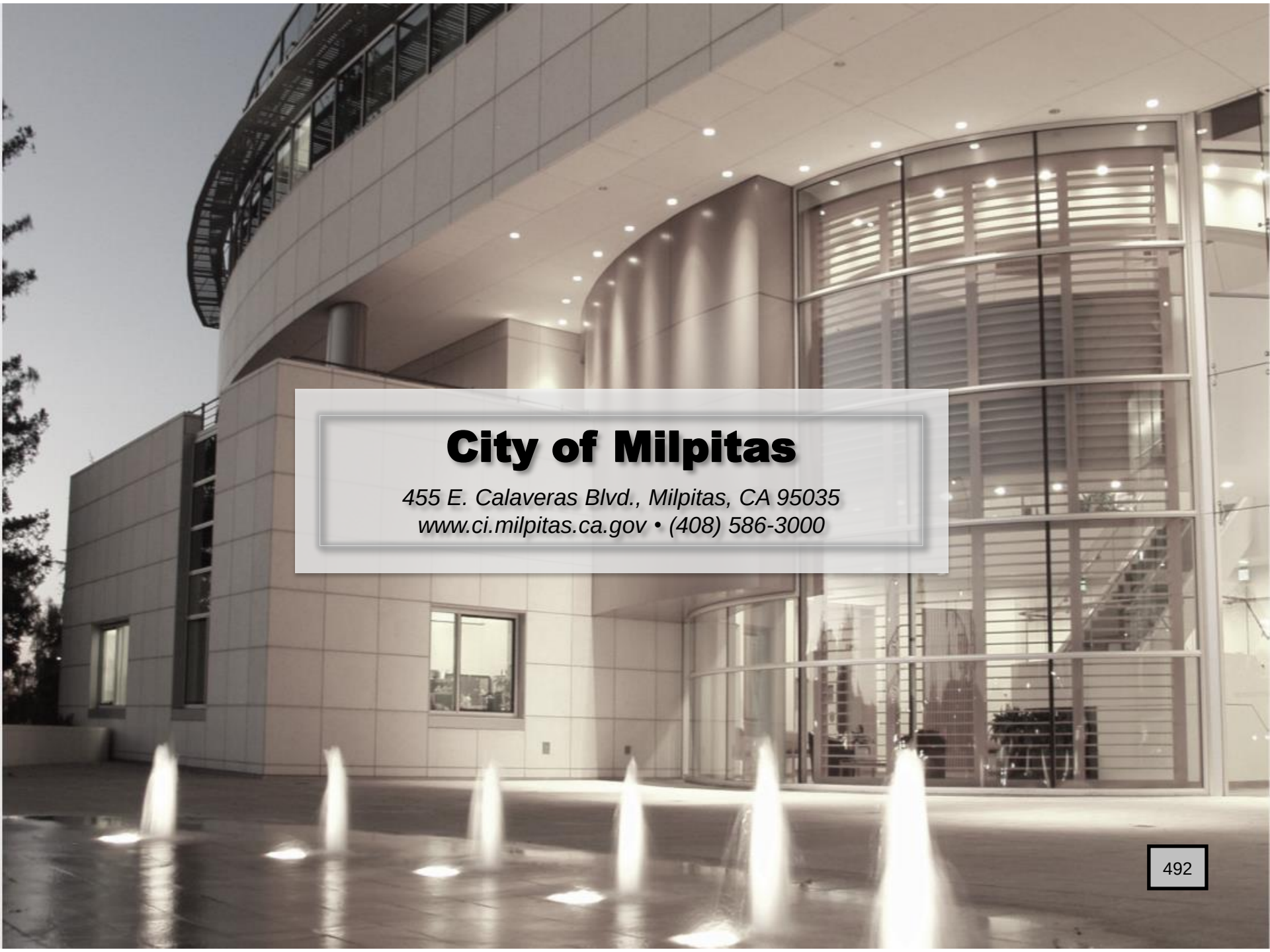


Urgency Ordinance Highlights

- Add a new subsection entitled “Cannabis Uses” to Title XI, Chapter 10, Section 13 of the Milpitas Municipal Code
- Include Commercial Cannabis Uses as an prohibited use under “Home Occupations”
- Repeal current language under Chapter 5 of the Milpitas Municipal Code and reserves this section for future use
- Exempt from environmental review under CEQA
- Urgency Ordinance will go into effect immediately

Staff Recommendation

1. Receive comments from the public, if any;
2. Following a reading aloud of the title of Urgency Ordinance No. 299 by the City Attorney, move to waive the reading beyond the title;
3. Adopt Urgency Ordinance No. 299 to prohibit commercial cannabis in the City and regulate cultivation of cannabis for personal use (requires a majority 4/5 vote of Council).

A photograph of the City of Milpitas building at dusk. The building is a modern, curved structure with large glass windows and a curved balcony on the upper level. The interior lights are on, and the building is reflected in the glass. In the foreground, there is a fountain with several water jets spraying upwards. The sky is a deep blue, and some trees are visible on the left side.

City of Milpitas

455 E. Calaveras Blvd., Milpitas, CA 95035
www.ci.milpitas.ca.gov • (408) 586-3000

Prior Direction

- Cannabis subcommittee was established in **February 2017**; met several times to review potential options for cannabis zoning, ordinances and tax measures.
- At the **August 7, 2018** Council meeting, staff was directed to work with the Cannabis Subcommittee to bring back options on allowing commercial cannabis establishments.
- At the **October 2, 2018** Council meeting, staff was directed to bring forward zoning and regulatory ordinances for commercial cannabis use, based on the Cannabis Subcommittee recommendations.
- At the **November 20, 2018** Council meeting, staff was directed to bring forward an ordinance banning commercial cannabis and regulating personal cannabis cultivation
- On **December 6, 2018** the Planning Commission recommended approving the regular zoning ordinance amendments recommended by staff (Ord. 298)

Ordinances in Santa Clara County

Allow Commercial Cannabis Activity	Considering Allowing Commercial Cannabis Activity	Allow Cannabis Deliveries Only	Prohibit All Commercial Cannabis Activity
• San Jose • Mountain View	• Santa Clara	• Campbell (medical only) • Cupertino (medical only) • Los Altos • Los Altos Hills • Monte Sereno (medical only) • Palo Alto	• Gilroy • Los Gatos • Morgan Hill • Santa Clara County • Saratoga • Sunnyvale



Community Outreach

Several meetings and surveys conducted over the course of almost two years on this topic

- Online and in-person surveys at special events
- Telephone polling
- Facilitated community meetings
- Ten Subcommittee meetings
- Four Council meetings



Backup material for agenda item:

Consider Mayor's Appointments of City Councilmembers as liaisons to City Commissions, and Outside Agency Boards and Committees (Contact: Mayor Rich Tran, 408-586-3029)

Recommendation: Consider Mayor's appointments of City Councilmembers to serve as liaisons to City Commissions and outside agencies, committees, and boards, and move to confirm those appointments.



CITY OF MILPITAS AGENDA REPORT (AR)

Item Title:	Consider Mayor's Appointments of City Councilmembers as liaisons to City Commissions, and Outside Agency Boards and Committees
Category:	Reports of Mayor and Councilmembers
Meeting Date:	1/15/2019
Staff Contact:	Mayor Rich Tran, 408-586-3029
Recommendation:	Consider Mayor's appointments of City Council members to liaisons of City Commissions and outside agencies, committees, and boards, and move to confirm those appointments.

BACKGROUND:

Milpitas City Councilmembers serve as liaisons to twelve (12) City Commissions and eighteen (18) outside agency boards and committees. Traditionally, after a local election, the Mayor will reassign City Councilmembers to both the City and outside agency bodies, with input on the Councilmembers' interests and availability. These assignments are placed on a Council agenda and approved at a City Council meeting. Mayor Tran has provided the attached recommendations for Councilmember appointments to City commissions, outside agencies, boards, and committees.

Recommendation: Consider Mayor's appointments of City Council members to liaisons of City Commissions and outside agencies and committees, and boards, and move to confirm those appointments.

Attachment:

- 1) List of recommendations

Councilmember: _____

APPOINTMENTS SUBMITTED BY MAYOR RICH TRAN 01/08/2019

INTERESTED	COMMISSION	MEETING SCHEDULE			LIAISON DEPARTMENT	OTHER INFORMATION
		DAY	TIME	LOCATION		
Councilmember Carmen Montano	Arts Commission	4th Monday of every other month: January, March, May, July, September, November	7:00PM	City Hall Committee Conference Room	Recreation & Community Services	
Councilmember Bob Nuñez	Community Advisory Commission	1st Wednesday of every month	7:00 PM	City Hall Committee Conference Room	Building and Neighborhood Services	Council Liaison should not be assigned to the Veterans Commission (meeting night conflict)
Vice Mayor Karina Dominguez	Economic Development and Trade Commission	2nd Monday of every month	4:00 PM	City Hall Committee Conference Room	Economic Development	
Councilmember Bob Nuñez	Energy and Environmental Sustainability Commission	4th Tuesday Quarterly: January, April, July, October	7:00 PM	City Hall Committee Conference Room	Public Works	Commission is recommending to meet monthly as part of their bylaw update
Councilmember Carmen Montano	Library and Education Commission	3rd Monday of every other month: January, March, May, July, September, November	7:00 PM	Milpitas Library Meeting Room	Recreation and Community Services	Council Liaison should not be assigned to the Science, Technology and Innovation Commission (meeting night conflict)
Councilmember Anthony Phan	Parks, Recreation and Cultural Resources Commission	1st Monday of every month	7:00 PM	City Hall Committee Conference Room	Recreation and Community Services	
	Planning Commission	2nd and 4th Wednesday of every month	7:00 PM	City Hall Council Chambers	Planning	
Vice Mayor Karina Dominguez	Public Safety and Emergency Preparedness Commission	3rd Thursday of every other month: January, March, May, July, September, November	7:00 PM	Fire Station 1 Training Room	Fire	Council Liaison should not be assigned to the VTA Board, Cities Association, Bay Area Water Supply Conservation and SF Bay Area Regional Water System BOD & RFA Member (meeting night conflict)
Councilmember Bob Nuñez	Science, Technology and Innovation Commission	3rd Monday of every month	7:00 PM	City Hall Committee Conference Room	Information Services	Council Liaison should not be assigned to the Library and Education Commission (meeting night conflict)
Councilmember Anthony Phan	Senior Advisory Commission	4th Tuesday of every other month: February, April, June, August, October, December	1:30 PM	Senior Center Room 140/141	Recreation and Community Services	
Mayor Rich Tran	Veterans Commission	1st Wednesday of every other month: February, April, June, August, October, December	5:30 PM	City Hall Committee Conference Room	Recreation and Community Services	Council Liaison should not be assigned to the Community Advisory Commission (meeting night conflict)
Councilmember Anthony Phan	Youth Advisory Commission	2nd Thursday of every month	7:00PM	Teen Center	Recreation and Community Services	Council Liaison should not be assigned to the Cities Association of Santa Clara County Cities Selection Committee & Legislative Action Committee (meeting night conflict)

Council Committee List - Outside Agencies Appointments

Councilmember: _____

INTERESTED	ORGANIZATION	COMMITTEE NAME	MEETING SCHEDULE			OTHER INFORMATION
			DAY	TIME	LOCATION	
Mayor Rich Tran	Valley Transportation Authority - VTA	VTa Northeast Group - Milpitas, Sunnyvale, Santa Clara grouping	The Wednesday before the 1st Thursday of the month VTA Board of Directors' meeting	usually 2pm but occasionally it depends on the availability of the 3 elected officials from Milpitas, Sunnyvale & Santa Clara	VTA Offices at River Oaks, 3331 N 1st Street San Jose Conf Room B-211	This Northeast Grouping consists of representatives from Milpitas, Santa Clara and Sunnyvale. At the January 4, 2018 VTA Board of Directors meeting, Milpitas representative was appointed as the Regular Member to the VTA Board of Directors effective January 1, 2018 for the calendar year; therefore can no longer be a PAC member.
Mayor Rich Tran		VTA Board of Directors	1st Thursday of the month	5:30 pm unless notified of time change	Board of Supervisors' Chambers, 70 W Hedding Street San Jose	Milpitas representative was appointed as Regular Member of the Board effective January 1, 2018. His alternate (from the Northeast Grouping) is Mayor Hendricks (Sunnyvale) The BoD sets VTA policy. The Board has 18 members and ex-officio members, all of whom are elected officials appointed to serve on the Board by the jurisdictions they represent. 15 Directors are City Councilmembers and 3 are County Supervisors. 12 Directors serve as voting members and there are 6 Directors who serve as alternates. The ex-officio members are non-voting members and are the 3 Santa Clara County representatives to the MTC.
Mayor Rich Tran		Capital Pogram Committee (CPC)	no specific day of the week	12:00 pm unless notified of time change	VTA Offices at River Oaks, 3331 N 1st Street San Jose Conf Room B-First floor	CM Nuñez's alternate (from the Northeast Grouping) is Mayor Glenn Hendricks (Sunnyvale) This committee monitors and oversees VTA capital projects with major resource, multi-jurisdictional coordination, or public perception/impact factors, making recommendations to the Board on project and policy-related issues. \$100 stipend per meeting.
Vice Mayor Karina Dominguez		Policy Advisory Committee (PAC)	2nd Thursday of the month	4:00 pm unless notified of time change	VTA Offices at River Oaks, 3331 N 1st Street San Jose Conference Room B-104	Consists of one city councilmember from each of the 15 cities and one member from the Santa Clara County Board of Supervisors. PAC ensures that all jurisdictions within the county have access to the development of VTA's policies. It represents the prioritized transportation policy views of the member agencies, individually and collectively, to the VTA Bod. It also proposes approaches to transportaion issues identified by the Board, VTA staff, and the PAC itself. <i>Council Liaison should not be assigned to the VTA BOD (conflict of interest) or SJ Treatment Plant Adv. Committee (meeting schedule conflict).</i>
Vice Mayor Karina Dominguez		Safety, Security and Transit Planning & Operations Committee	3rd Friday of the month	2:00pm unless notified of time change	VTA Offices at River Oaks, 3331 N 1st Street San Jose Conference Room B-106	This appointment is made by the VTA Board of Directors effective January 1, 2018. If CM Nuñez cannot attend, Mayor Hendrick (from the Northeast Grouping) is his alternate. This committee reviews policy recommendations pertaining to system safety and security planning, monitoring and reporting, transit planning, transit capital projects, transit operations, and marketing.
Mayor Rich Tran		Administration & Finance	3rd Thursday of the month	12:00 pm unless notified of time change - lunch provided	VTA Offices at River Oaks, 3331 N 1st Street San Jose Conference Room B-104	The appointment is made by VTA Board of Directors effective January 1, 2018. If CM O'Neill cannot attend, Mayor Hendricks is her alternate. This committee review policy recommendations pertaining to the general administration and finance management of VTA.
Councilmember Carmen Montano	Santa Clara Valley Water District	Congestion Management Program & Planning (CMPP)	3rd Thursday of the month	10:00 am unless notified of time change	VTA Offices at River Oaks, 3331 N 1st Street San Jose Conference Room B-104	None of the Northeast Grouping city representatives were appointed to this committee for calendar year 2018. This committee reviews policy recommendations pertaining to the congestion management program and the development of the countywide transportation plan for Santa Clara County.
Primary: CM Montano Alternate: VM Dominguez		Santa Clara Valley Water Commission	4th Wednesday of Jan, Apr, July, Oct unless notified of date change	12:00 pm unless notified of time change	SCVWD Headquarters Bldg Boardroom, 5700 Almaden Expressway, San Jose	January 24, 2018, RC sent an email to Wate Commission staff informing her of the alternate appointment of Tony Ndah due to Nina Hawk's departure. Assists the Santa Clara Valley Water Board of Directors with policies and issues pertaining to water supply, flood protectionand environmental stewardship.

Council Committee List - Outside Agencies Appointments

INTERESTED	ORGANIZATION	COMMITTEE NAME	MEETING SCHEDULE			OTHER INFORMATION
			DAY	TIME	LOCATION	
Primary: VM Dominguez Alternate: CM Montano	Silicon Valley Regional Interoperability Authority	SVRIA Board of Directors	4th Thursday of Jan, Mar, May, Jul, Sep, Nov	4:00 pm unless notified of time change	Santa Clara Police Department Community Room, 601 El Camino Real, Santa Clara	City of Milpitas is the primary representative, from July 1, 2016 to July 1, 2019 from the three-city grouping for this authority group. The three cities are Milpitas, Sunnyvale & Santa Clara. Vice Mayor Grilli was just appointed in Sept 2016. SVRIA represents the interests of all public safety agencies in Santa Clara County through its 15 municipal members. Its service area is the Santa Clara Operational Area which includes the County of Santa Clara, its 15 cities and towns, and all special districts.
Primary: VM Dominguez Alternate: CM Phan	Association of Bay Area Governments ABAG	ABAG General Assembly	scheduled as needed	10:00 am unless notified of time change	Bay Area Metro Center Yerba Buena Conference Room, 375 Beale Street, San Francisco	Meetings held on January 30 and June 5, 2017 but minutes were not available online (January 2018 checked website). Determines policy matters for the ABAG Association, including adoption of the annual general budget and summary work program. Other functions include reviews of major policy actions and recommendations of the Executive Board; establish annual membership fee or all members of the Association each year upon adoption of the annual budget; and reviews fundamental changes and adopts amendments to the Bylaws of the Association.
Primary: VM Alt: Mayor	League of California Cities - Peninsula Division	LCC Peninsula Division	scheduled quarterly as needed	Varies	Varies	
Primary: CM Montano Alternate: VM Dominguez	Cities Association of Santa Clara County	Board of Directors	2nd Thursday of the month	7:00 pm unless notified of time change	Sunnyvale City Hall West Conference Room, 456 West Olive Avenue, Sunnyvale	These three bodies meet concurrent starting at 6:00 pm with Cities Selection Committee (if needed) followed by Legislative Action Committee (if needed) then the Board of Directors group. It is good to suggest to have one (the same) primary and one (the same) alternate to the two committees and the Board. City Selection Committee was formed by the County gov't code that makes up the Mayors of all City members. It has the authority to appoint member to various governmental committees. Represents the mutual interests of the diverse 15 cities of Santa Clara County. It presents a unified voice in relationship to other agencies, organizations, and levels of government. <i>Council Liaison should not be assigned to the Youth Advisory Commission (meeting schedule conflict).</i>
Primary: CM Montano Alternate: VM Dominguez		Executive Board of Directors	1st Friday of the month	3:00 PM	Saratoga City Hall 13777 Fruitvale Avenue Saratoga, CA 95070	
Primary: Mayor Tran Alternate: CM Montano		Cities Selection Committee	2nd Thursday of the month	6:00 pm unless notified of time change	Sunnyvale City Hall West Conference Room, 456 West Olive Avenue, Sunnyvale	
Primary: CM Montano Alternate: VM Dominguez		Legislative Action Committee	2nd Thursday of the month	6:30 pm unless notified of time change	Sunnyvale City Hall West Conference Room, 456 West Olive Avenue, Sunnyvale	
Primary: CM Montano Alternate: CM Nuñez	Santa Clara County Library Joint Powers Authority	Board of Directors	usually 4th Thursday of Jan, Apr, Jun, Oct unless notified of date change	1:30 pm unless notified of time change	Library Services & Support Center, 1370 Dell Avenue Campbell	Provides policy direction and governance for the SCC Library District; carry out functions required by the JPA Agreement; approve budget and the disposition of revenues which include those generated by the CFD established in June 2005 to augment County Library District Services; recommend annual CFD rate to the SCC Board of Supervisors; approve and oversee the services and programs of the County Library District; serves as an Appeals Board for the review of assessment rates; make recommendations pursuant to the performance of the County Librarian and recommendations should be forwarded to the county Executive each year; it is the responsibility of each JPA Board member to report to and solicit comments from their member jurisdictions and to keep their respective organizations informed of the business of the JPA.

Council Committee List - Outside Agencies Appointments

INTERESTED	ORGANIZATION	COMMITTEE NAME	MEETING SCHEDULE			OTHER INFORMATION
			DAY	TIME	LOCATION	
Primary: CM Montano Alternate: CM Nuñez	San Jose / Santa Clara Treatment Plant Advisory Committee	Treatment Plant Advisory Committee	2nd Thursday of the month	4:00 pm unless notified of time change	San Jose City Hall Conference Room T-1734, 200 E Santa Clara Street, San Jose	An advisory group to the City Councils of San Jose and Santa Clara. The two cities jointly administers the operations of the San Jose- Santa Clara Regional Wastewater Facility (Facility). It advises both San Jose and Santa Clara on operation, maintenance, repair, and improvement to the Facility, and the development and administration of related programs and policies. It also advises on administrative matters including amendments to contracts and agreement, selling interests in the Facility to anyone other than San Jose and Santa Clara , entering into contracts awith anyone desiring to use the Facility on a rental or other basis, the type and amount of insurance to be purchased, and rental rates to be charges to "outside users" for use of the Facility. \$100 per regular meeting stipend. <i>Council Liaison should not be assigned to the SJ Treatment Plant Adv. Committee (meeting schedule conflict).</i>
Primary: CM Nuñez Alternate: VM Dominguez	Silicon Valley Clean Energy (SVCE)	Board of Directors	2nd Wednesday of the month	7:00 pm unless notified of time change	Cupertino Community Hall, 10350 Torre Ave Cupertino	Vice Mayor Grilli and Edesa were appointed by Milpitas Council on December 19, 2017. Motivated by a common interest in taking bold and effective climate action, twelve Santa Clara County communities came together in March 2016 to form Silicon Valley Clean Energy (SVCE), a new Community Choice Energy agency. As a public agency, SVCE is chartered to source clean, competitively-priced electricity on behalf of residents and businesses in the participating jurisdictions of Campbell, Cupertino, Gilroy, Los Altos, Los Altos Hills, Los Gatos, Monte Sereno, Morgan Hill, Mountain View, Saratoga, Sunnyvale and unincorporated parts of Santa Clara County.
CM Phan	Bay Area Water Supply & Conservation Agency and SF Bay Area Regional Water System Financing Authority	Board of Directors & RFA Member	3rd Thursday of every other month beginning January	7:00 pm unless notified of time change	varies (as posted on the agenda)	Term is from July 1, 2017 to June 30, 2021 RFA only meets in Jan and Jul for administrative purposes. IF RFA calls an April meeting, the representative will get a \$100 stipend for this April meeting. The Bay Area Water Supply and Conservation Agency is governed by a 26-member Board of Directors comprised of respected community leaders representing the 24 cities and water districts that are member agencies of BAWSCA, and two private utilities that also have appointees to the board, Stanford University and California Water Service Company. \$100 per regular meeting of both BAWSCA and RFA <i>Council Liaison should not be assigned to the Public Safety & Emerg. Prep Comm. (meeting schedule conflict).</i>
Primary: CM Montano Alt: Mayor	Milpitas Chamber of Commerce	Board of Directors	1st Thursday of the month	5:30pm	Chamber of Commerce Office, 828 N Hillview Dr	
Primary: CM Nuñez Alt: CM Phan	Terrace Gardens Senior Housing	Board of Directors	4th Thursday of the month	12pm unless notified of time change	Terrace Gardens Community Conf Room, 186 Beresford Ct	City Manager delegate attends too
Primary: CM Nuñez Alt: Mayor	South Bay Odor Stakeholders Group	various agencies	every other 2 months beginning January	11:30am	Soneta Silicon Valley	Engineering staff



CITY OF MILPITAS

455 EAST CALAVERAS BOULEVARD, MILPITAS, CALIFORNIA 95035-5479
GENERAL INFORMATION: 408-586-3000, www.ci.milpitas.ca.gov

1/15/2019

Agenda Item No. 24



ATTACHMENT RELATED TO AGENDA ITEM AFTER AGENDA PACKET DISTRIBUTION



MEMORANDUM



To: Milpitas Mayor and City Councilmembers

Through: Julie Edmonds-Mares, City Manager

From: Renee Lorentzen, Director of Recreation and Community Services

Subject: VTA Board and Subcommittee Assignments and Nomination Process

Date: January 14, 2019

At the January 15, 2019 City Council meeting, the City Council will be considering appointments to both City Commissions and outside agency boards and committees. The Milpitas City Council currently has representation on the following VTA Boards and Standing Committees:

- VTA Board of Directors – Councilmember Bob Nuñez
- VTA Safety, Security, and Transit Planning and Operations (SSTPO) Standing Committee – Bob Nuñez, Chair
- VTA Capital Program Standing Committee (CPC) – Bob Nuñez, Member
- VTA Governance & Audit Standing Committee (G&A) – Bob Nuñez as SSTPO Chair
- VTA Policy Advisory Committee – former Councilmember Garry Barbadillo

VTA has confirmed that the City of Milpitas City Council may appoint a liaison to the Policy Advisory Committee. This appointment can be forwarded to the VTA Board Secretary upon City Council confirmation.

The Milpitas City Council may appoint a new VTA Board of Directors representative, however, a new representative is not automatically appointed to the same roles on VTA Committees as their predecessor. A new Board of Directors representative is eligible for appointment by the VTA Board of Directors to the three (3) Standing Committees currently held by the Milpitas representative. The Milpitas City Council cannot appoint other Councilmembers to the separate Standing Committees.

The processes for a new Milpitas Councilmember representative to be considered for a VTA Standing Committee(s) are as follows:

1. The City of Milpitas sends a letter to the VTA “Northeast Group” representatives (besides Milpitas, City of Sunnyvale and City of Santa Clara) informing them of the new liaison from the City of Milpitas;
2. The Northeast Group representatives consider the replacement of the City of Milpitas Representative on the three (3) above listed Standing Committees;

MEMORANDUM



3. After consideration, the Northeast Group representatives have the authority to submit their recommendations for the replacement of the City of Milpitas representative, for full VTA Board consideration, with either:
 - a. the new City of Milpitas representative, or
 - b. a representative from one of the other Northeast Group cities;
4. The VTA Board of Directors, as the authority on all appointments to VTA Standing Committees, could consider the recommendation of the Northeast Group, but are likely to open up the three (3) committee seats for a new competitive process. This process would consider all interested VTA Board Members for appointment to the representative seats currently held by the City of Milpitas.

As the authority for these appointments is through the processes of the VTA Board of Directors, staff is submitting this memo for City Council information. The next meeting of the VTA Board of Directors to consider the replacement of the City of Milpitas representative is February 7, 2019.

Attachments:

VTA Board Memorandum 2019 Approved Appointments to Board Standing Committees, JP Boards, Policy Advisory Boards, Ad Hoc Committees (January 10, 2019)



Date: January 10, 2019
 Current Meeting: January 10, 2019
 Board Meeting: January 10, 2019

BOARD MEMORANDUM

TO: Santa Clara Valley Transportation Authority
 Board of Directors

FROM: Board Chairperson, Teresa O'Neill

SUBJECT: 2019 Appointments to Board Standing Committees, Joint Powers Boards,
 Policy Advisory Boards, and Ad Hoc Committees

APPROVED ACCEPTED ADOPTED AMENDED DEFERRED REVIEWED
 Santa Clara Valley Transportation Authority
 Board of Directors
 Elaine F. Ballao, Board Secretary

BY: 
 DATE: 1/10/19

Policy-Related Action: No

Government Code Section 84308 Applies: No

ACTION ITEM

RECOMMENDATION:

Approve appointments to Board Standing Committees, Joint Powers Boards, Policy Advisory Boards, and Ad Hoc Committees for 2019.

BACKGROUND:

The VTA Administrative Code specifies five Board standing committees:

- 1) Administration and Finance (A&F)
- 2) Congestion Management Program and Planning (CMPP)
- 3) Safety, Security, and Transit Planning and Operations (SSTPO)
- 4) Capital Program Committee (CPC)
- 5) Governance and Audit (G&A)

The Administrative Code further specifies that at its first meeting in January, the Board of Directors approves the members and chairpersons of all Board standing committees based on recommendations for these positions provided by the Board Chairperson. The term of appointment is one year, coinciding with the calendar year. Only directors, not alternates or ex-officio members, are eligible for appointment to standing committees. However, Board alternate members are eligible for VTA appointment to joint powers boards (JPBs), policy advisory boards (PABs), and ad hoc committees.

PABs are established by the Board of Directors for each major transit and highway corridor under study by VTA. They provide input, perspective and recommendations to the VTA Board of Directors and administration. The purpose of the PABs is to ensure that the local jurisdictions most affected by major transportation capital improvement projects are involved and have a voice in guiding the planning, development and design of those projects. The Board establishes each PAB with a defined purpose, and once that purpose has been fulfilled it is the Board's purview to retire the PAB from service.

DISCUSSION:

Submitted for consideration are recommended appointments to the indicated committees:

- ***Board Standing Committees***

Administration and Finance (A&F)

Larry Carr, Chair
Sam Liccardo
Teresa O'Neill
TBD

Congestion Management Program and Planning (CMPP)

Raul Peralez, Chair
Johnny Khamis
John McAlister
Rob Rennie

Safety, Security, and Transit Planning and Operations (SSTPO)

Bob Nuñez, Chair
Cindy Chavez
Lan Diep
Charles "Chappie" Jones

Capital Program Committee (CPC)

Larry Carr, Chair
Cindy Chavez
Charles "Chappie" Jones
Sam Liccardo
Bob Nunez
Rob Rennie

Governance & Audit (G&A)

Teresa O'Neill	Chair
Cindy Chavez	Vice Chair
Larry Carr	A&F
Bob Nuñez	SSTPO
Raul Peralez	CMPP

- ***Joint Powers Boards (JPBs)***

- Peninsula Corridor (Caltrain) Joint Powers Board

- Jeannie Bruins

- Cindy Chavez

- Dev Davis

- Capitol Corridor Joint Powers Board

- Teresa O'Neill

- Raul Peralez

- I-680 Sunol SMART Carpool Lane Joint Powers Board

- Lan Diep

- Santa Clara Valley Habitat Plan Joint Powers Board

- Ann Calnan

- Lani Lee Ho, Alternate

- ***Policy Advisory Boards (PABs)***

- County Expressways Policy Advisory Committee

- Johnny Khamis

- Teresa O'Neill

- Diridon Station Policy Advisory Board

- Cindy Chavez

- Eastridge to BART Regional Connector Policy Advisory Board

- David Cortese

- Sylvia Arenas

- Mobility Partnership

- Larry Carr

- Peter Leroe-Muñoz

- San Jose, Vacant

- Silicon Valley Regional Interoperability Authority (SVRIA)

- Larry Carr

- ***Other***

- SVRT/WSX Policy Advisory Board

- Sam Liccardo

- TBD

- MTA Committee for Transportation Mobility & Accessibility (ex-officio member)

- Cindy Chavez (Board chairperson or his/her designee serves as representative)

- Ad Hoc Committees

- *will be appointed by the Board Chair as needed

The appointments will take effect immediately following Board approval.

FISCAL IMPACT:

There is no fiscal impact as a result of this approval.

Prepared by: Jim Lawson, Director of Government Affairs & Executive Policy Advisor
Memo No. 6845

CITY COUNCIL MEETING

01/15/2019

SUMMARY OF ACTIONS

Item

Staff

CLOSED SESSION

No announcement out of Closed Session.

PUBLIC FORUM

- 1) Alysson MacDonald - need for residential rental protections
- 2) Resident said there's parking difficulty where he lived (Metro) near Great Mall.
- 3) Woman was concerned about crime.
- 4) Woman concerned about crime when BART opens.
- 5) Robert Marini - comments on Prop. 218 notice in mailbox
- 6) Stacy Brobst, resident of The Pines, waiting eagerly for the permit parking program Council voted to implement in her neighborhood.

ANNOUNCEMENTS

- 1) City Manager complimented Public Works and other staff on great job done repairing significant sinkhole on Montague Exp. over the previous weekend.
- 2) Mayor Tran asked City Manager to place on next Council agenda an item related to plans for Digital Billboard
- 3) Councilmember Montano requested to have discussion on Commissions, and consider forming a Transportation Commission.
- 4) Councilmember Phan noted for the record agenda item no. 3 on consent (ordinance to ban marijuana business) he would vote in favor with his colleagues.
- 5) Councilmember Nunez favored a Transportation Commission and discussing the signs, and looked forward to those coming back to Council.

- | | | |
|-----|---|---|
| *1. | <u>APPROVE CITY COUNCIL CALENDAR FOR JANUARY 2019</u>
Approved City Council calendar for January 2019.
VOTE: 5-0 | Mary Lavelle |
| *2. | <u>APPROVE CITY COUNCIL MEETING MINUTES OF DECEMBER 18 AND 19, 2018</u>
Approved City Council Meeting Minutes of December 18 and 19, 2018.
VOTE: 5-0 | Mary Lavelle |
| *3. | <u>WAIVE THE SECOND READING AND ADOPT ORDINANCE NO. 298 TO PROHIBIT COMMERCIAL CANNABIS & REGULATE CULTIVATION FOR PERSONAL USE</u>
Waived 2nd reading and adopted Ordinance No. 298 to Prohibit Commercial Cannabis in the City and Regulate Cultivation of Cannabis for Personal Use.
VOTE: 5-0 | Ashwini Kantak
Chris Diaz |
| *4. | <u>ADOPT A RESOLUTION AMENDING THE CLASSIFICATION PLAN, ADD 3 FIREFIGHTERS + 1 FIRE BATTALION CHIEF TO AUTHORIZED POSITIONS LIST, AND APPROPRIATING FUNDING NECESSARY TO SUPPORT THE INCREMENTAL COSTS OF 1 FIRE BATTALION CHIEF</u>
Adopted Resolution No. 8838 amending Classification Plan to establish classifications of Entry Firefighter + Entry Firefighter Paramedic, authorizing addition of 3 FTE Firefighter Paramedic positions and 1 FTE Fire Battalion Chief to Authorized Positions List; & approved budget amendment to appropriate \$60,000 in Fire Dept's FY 2018-19 General Fund Operating Budget to fund incremental salary and benefits for 1 Fire Battalion Chief position (above the SAFER grant).
VOTE: 5-0 | Liz Brown
Will Fuentes
Brian Sherrard |

CITY COUNCIL MEETING

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- *5. **ADOPT A RESOLUTION APPROVING SOLE SOURCE PURCHASE OF 2 JWC ENVIRONMENTAL CHANNEL MONSTER MODEL CDD6020 GRINDERS FOR THE PUBLIC WORKS DEPARTMENT FROM MISCOWATER FOR THE NOT-TO-EXCEED AMOUNT OF \$226,250**
Adopted Resolution No. 8839 approving the sole source purchase of two (2) JWC Environmental Channel Monster Model CDD6020 Grinders for the Public Works Department from MISCOWater for the not-to-exceed amount of \$226,250.
VOTE: 5-0
Tony Ndah and Chris Schroeder
6. **ADOPT A RESOLUTION APPROVING A PROFESSIONAL SERVICES AGREEMENT WITH CAYENTA, A DIVISION OF N. HARRIS COMPUTER CORPORATION INC., AS THE SOLE SOURCE VENDOR TO IMPLEMENT AN UPGRADE OF THE FINANCIAL AND UTILITY BILLING SOFTWARE SYSTEMS FOR A TOTAL NOT-TO-EXCEED AMOUNT OF \$419,892**
Adopted Resolution No. 8840 approving Professional Services Agreement with Cayenta as sole source vendor to implement an upgrade of the Financial and Utility Billing Software Systems for a total not-to-exceed amount of \$419,892; and, to authorize the City Manager to execute the agreement, subject to any revisions deemed necessary by the City Attorney.
VOTE: 5-0
Mike Luu
- *7. **RECEIVE RECOMMENDATION TO APPOINT ENERGY AND ENVIRONMENTAL SUSTAINABILITY COMMISSIONER AS THE COMMUNITY REPRESENTATIVE TO THE SOUTH BAY ODOR STAKEHOLDERS GROUP**
Received recommendation from the Energy and Environmental Sustainability Commission (EESC) and appointed EESC Commissioner Chia Ling Kong as Community Representative to the South Bay Odor Stakeholders Group.
VOTE: 5-0
Steve Erickson
- *8. **APPROVE THE COMMUNITY ADVISORY COMMISSION 2019 WORK PLAN**
Removed from the agenda.
Avery Stark
- *9. **APPROVE THE ENERGY AND ENVIRONMENTAL SUSTAINABILITY COMMISSION 2019 WORK PLAN**
Removed from the agenda.
Elaine Marshall
- *10. **APPROVE THE LIBRARY AND EDUCATION ADVISORY COMMISSION 2018-19 WORK PLAN**
Removed from the agenda.
John Macon
- *11. **RECEIVE AND APPROVE THE SCIENCE, TECHNOLOGY & INNOVATION COMMISSION WORK PLAN 2018-19**
Removed from the agenda.
Eliren Pasion

CITY COUNCIL MEETING

01/15/2019

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- *12. **APPROVE OUT OF STATE TRAVEL FOR 3 FIRE DEPARTMENT PERSONNEL TO CONDUCT FINAL INSPECTION OF THE NEW TILLER TRUCK FIRE APPARATUS AT THE PIERCE FACTORY IN APPLETON, WI**
Approved out of state travel for three Milpitas Fire Department personnel to conduct a final inspection of the new Tiller Truck Fire Apparatus at the Pierce Factory in Appleton, WI for the dates of January 21 - 24, 2019.
VOTE: 5-0
Brian Sherrad and Rick Frawley
- *13. **APPROVE FINAL MAP TRACT NO. 10408 FOR A MIXED USE DEVELOPMENT AT 1646 CENTRE POINTE DRIVE**
Approved Final Map Tract No. 10408 Centre Pointe at 1646 Centre Pointe Drive, acceptance of all offers of dedications as stated and depicted on the Final Map upon completion and acceptance of improvements.
VOTE: 5-0
Steve Erickson
14. **AUTHORIZE THE CITY MANAGER TO EXECUTE A STORMWATER MANAGEMENT FACILITIES OPERATION AND MAINTENANCE AGREEMENT FOR MCCARTHY CENTER HOLDINGS LLC FOR DEVELOPMENT AT 400-940 NORTH MCCARTHY BOULEVARD**
Authorized the City Manager to Execute a Stormwater Management Facilities Operation and Maintenance Agreement for McCarthy Center Holdings LLC for development at 400-940 North McCarthy Boulevard.
VOTE: 5-0
Steve Erickson
- *15. **AWARD THE BID FOR IFB NO. 2281 TO CRAYON SOFTWARE EXPERTS, LLC FOR THE PURCHASE OF 500 MICROSOFT 365 LICENSES FOR THE INFORMATION SERVICES DEPARTMENT, IN AN AMOUNT NOT TO EXCEED \$277,620.00 FOR A THREE-YEAR LICENSE PERIOD AND APPROVE THE FIRST YEAR PAYMENT OF \$84,780**
1) Awarded bid for IFB No. 2281 to Crayon Software Experts, LLC for the purchase of 500 Microsoft 365 Licenses for the Information Services Department for 3 year license period in amount not to exceed \$277,620.
2) Authorized Purchasing Agent to pay for year 2 and 3 without further City Council action except for appropriation of funds.
VOTE: 5-0
Mike Luu
16. **CONSIDER APPROVAL OF AGREEMENT WITH KINSALE INSURANCE COMPANY TO PROVIDE EMPLOYMENT PRACTICES LIABILITY COVERAGE TO THE CITY AND APPROPRIATE \$129,103.20 INTO FY 2018-19 GENERAL FUND OPERATING BUDGET**
1) City Manager and Finance Director/Risk Manager responded to questions from Mayor and Council to explain reason for this purchase.
2) Directed staff to bring this topic back to Council before end of FY, and provide more info. on current training/workshops of supervisory staff, current policies & practices, and keeping a safe, supportive work culture for employees in the City. Human Resources Director can provide current information to meet this request.
3) Return on a future agenda to consider an agreement with Kinsale Insurance Company to provide employment practices liability coverage to the City.
VOTE: 5-0
Will Fuentes
Liz Brown

CITY COUNCIL MEETING

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17. **AWARD THE BID AND AUTHORIZE THE CITY MANAGER TO EXECUTE THE LETTER AGREEMENT WITH CASEY PRINTING, INC. FOR THE CITY MANAGER'S OFFICE PRINTING SERVICES FOR THE ANNUAL NOT-TO-EXCEED AMOUNT OF \$50,176 AND THE FIVE-YEAR CONTRACT MAXIMUM OF \$250,880**
- Jennifer Yamaguma
- 1) Did not award to Casey Printing, Inc. for the City Manager's Office Printing Services, for city newsletter and minimum wage notice.
- 2) Directed staff to return to Council in the future with plan for a different newsletter, potentially online publication, with cultural competency.
- VOTE: 5-0
18. **RECEIVE PREVIEW LIST FOR NEXT REGULAR COUNCIL MEETING: FEBRUARY 5, 2019**
- Mary Lavelle
- 1) Received list provided in agenda packet of anticipated business items for the February 5, 2019 City Council meeting.
- 2) Requested the following items on upcoming meeting agendas: digital billboard, consider a Transportation Commission, review of all Commissions including what other cities have;, and description of what was anticipated to occur at Special Meeting on January 29..
- No vote was taken.
19. **HOUSING AUTHORITY: RECEIVE REPORT ON HOUSING PROGRAM STATUS AND PROVIDE DIRECTION**
- Sharon Goei and Robert Musallam
- 1) Received report from Building & Housing Director, Housing Authority Administrator and County staff on housing program status.
- 2) Directed staff to research a commitment level up to \$6.5 million of Housing Authority Funds for Affordable Housing Construction at 355 Sango Court.
- 3) Directed staff to initiate research to develop affordable housing on Housing Authority and City-owned properties on South Main Street.
- 4) Directed staff to review future development entitlement proposal for 308 Sango Court along with sources (including Measure A) and use of funds; and, authorized staff to process predevelopment loan application for future City Council/Housing Authority Commission.
- VOTE: 5-0
20. **HOUSING AUTHORITY: ADOPT A JOINT RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR OF THE HOUSING AUTHORITY TO PREPARE AND EXECUTE LOAN DOCUMENTS TO FOREGO THE FIRST TEN YEARS OF RESIDUAL RECEIPTS LOAN PAYMENTS FOR THE MONTEVISTA APARTMENTS AT 1001 SOUTH MAIN STREET**
- Sharon Goei and Robert Musallam
- Adopted Joint Resolution No. HA 27/ 8841/ SA12 of the City Council, Housing Authority and Successor Agency authorizing HA Executive Director to prepare and execute loan documents to forego first 10 years of residual receipts loan payments for MonteVista Apartments, 1001 So. Main Street, Milpitas.
- VOTE: 5-0

CITY COUNCIL MEETING

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21. **RECEIVE REPORT AND PROVIDE DIRECTION REGARDING POTENTIAL AMENDMENTS TO MILPITAS MUNICIPAL CODE SECTION XI-10-13.08 (“SECOND FAMILY UNIT”) REGARDING ACCESSORY DWELLING UNITS** Rozalynne Thompson
- Received report from Senior Planner Rozalynne Thompson and offered support for staff suggestions regarding future amendments to the City of Milpitas Municipal Code on zoning for Accessory Dwelling Units, in order to allow more affordable housing options in Milpitas.
VOTE: 5-0
22. **RECEIVE REPORT AND PROVIDE DIRECTION ON RESIDENTIAL SHORT-TERM RENTAL REGULATION OPTIONS** Daniel Degu
- This item was not heard.
23. **ADOPT AN URGENCY ZONING ORDINANCE NO. 299 TO PROHIBIT COMMERCIAL CANNABIS IN THE CITY AND REGULATE CULTIVATION OF CANNABIS FOR PERSONAL USE** Ashwini Kantak
- a) Receive comments from 22 speakers.
b) Following a reading aloud of the title of Urgency Ordinance No. 299 by the City Attorney, moved to waive the reading beyond the title.
c) Adopted Urgency Zoning Ordinance No. 299 to prohibit commercial cannabis in the City and regulate cultivation of cannabis for personal use.
- VOTE: 5-0
24. **CONSIDER MAYOR’S APPOINTMENTS OF CITY COUNCILMEMBERS AS LIAISONS TO CITY COMMISSIONS, AND OUTSIDE AGENCY BOARDS AND COMMITTEES** City Manager’s office
- Approved the Mayor’s recommended list of appointments of City Councilmembers to serve as liaisons to City Commissions and outside agencies, committees, and boards, and confirming those appointments, with the exception of Valley Transportation Authority’s Board Committees.
VOTE: 4 AYES and 1 ABSENT (Phan)