



REGULAR MEETING OF THE MILPITAS CITY COUNCIL



AGENDA

TUESDAY, SEPTEMBER 17, 2024

CITY COUNCIL CHAMBER, 455 E. CALAVERAS BLVD, MILPITAS, CA

6:00 PM (CLOSED SESSION)

7:00 PM (PUBLIC BUSINESS)

For assistance in the following languages, you may call:

Đối với Việt Nam, gọi 408-586-2400

Para sa Tagalog, tumawag sa 408-586-3051

Para español, llame 408-586-3072

** To access written translation during the meeting, scan the QR Code.*

The City Council meeting is held in the City Council Chamber at City Hall, 455 E. Calaveras Blvd., Milpitas and via teleconference/Zoom webinar.

You may watch the Council meeting without providing public comment by accessing it via links here.

Meeting shall be livestreamed - Go to:

Facebook: <https://www.facebook.com/CityofMilpitas/>

YouTube: <https://www.milpitas.gov/youtube>

Web Streaming: <https://www.milpitas.gov/webstreaming>

PUBLIC COMMENT INSTRUCTIONS

Oral public comments may only be provided live during the City Council meeting in person, unless the City Council approves remote public comment. All comments provided shall be limited to three minutes or less as determined by the Mayor. All members of the public will be limited to one comment per agenda item, and one comment for non-agenda items. Members of the public may submit written comments by email to CityClerk@milpitas.gov

The meeting will be streamed via Zoom for viewing purposes only unless the City Council approves remote public comment. To watch via Zoom, please register at:

https://ci-milpitas-ca-gov.zoom.us/webinar/register/WN_RHMZ1gDLTI6K_R8id8RTLQ

NOTE: If a member of the public wishes to share any presentation materials for Council consideration, they must be submitted to the Clerk's Office by email to CityClerk@milpitas.gov by 12:00 p.m. on the day of the meeting. No presentations will be accepted in person in the Council Chambers.

MILPITAS CITY COUNCIL CODE OF CONDUCT

- Be respectful and courteous (words, tone, and body language).
- Model civility.
- Avoid surprises.
- Praise publicly and criticize privately.
- Focus on the issue, not the person.
- Refrain from using electronic devices while on the Council dais.
- Disclose conflicts of interest and affiliations related to agenda items.
- Separate governing from campaigning.
- The Council speaks with one voice after making policy on issues.
- Respect the line between policy and administration.
- Council will hold one another accountable to comply with this Code of Conduct.

CALL MEETING TO ORDER by Mayor and ROLL CALL by City Clerk (6:00 PM)

ADJOURN TO CLOSED SESSION

(a) CONFERENCE WITH LEGAL COUNSEL - Anticipated Litigation

Anticipated Litigation Pursuant to Government Code § 54956.9(d)(4)
City as Plaintiff

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 Phan)

PRESENTATIONS

PUBLIC FORUM (7:05 PM)

Members of the public are invited to speak on any item that does not appear on today's agenda. Comments will be limited to three minutes or less at the Mayor's discretion. When called to speak, you are encouraged to state your name for the record. As an item not listed on the agenda, no action can be taken, however the City Council may instruct the City Manager to place the item on a future meeting agenda.

ANNOUNCEMENT OF CONFLICT OF INTEREST AND CAMPAIGN CONTRIBUTIONS

READING OF THE CITY COUNCIL CODE OF CONDUCT

APPROVAL OF AGENDA

CONSENT CALENDAR (7:15 PM)

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.

C1. Receive City Council Calendar of Meetings for September and October 2024 (Staff Contact: Suzanne Guzzetta, City Clerk, 408-586-3001)

Recommendation: Receive City Council Calendar of Meetings for September and October 2024.

C2. Approve City Council City Council Meeting Minutes of September 3, 2024 (Staff Contact: Suzanne Guzzetta, City Clerk, 408-586-3001)

Recommendation: Approve City Council Meeting minutes of September 3, 2024.

C3. Receive the Preview List of Anticipated Items for the Next Regular City Council Meeting (Staff Contact: Suzanne Guzzetta, City Clerk, 408-586-3001)

Recommendation: Receive the list of anticipated agenda items for the next regular City Council meeting.

C4. Receive and Review the List of Agenda Items Requested by City Councilmembers (Staff Contact: Suzanne Guzzetta, City Clerk, 408-586-3001)

Recommendation: Review the list of items that have been requested by City Councilmembers and provide direction to staff as necessary. No substantive discussion about any specific item shall occur and the City Council shall hold all debate about the item until it is scheduled as a full agenda item.

- C5. Adopt Ordinance 314, Adding Chapter 15 (“Residential Trespass, Canvassing and Solicitation”) to Title V (“Public Health, Safety and Welfare”) of the Milpitas Municipal Code Relating to Solicitation on Residential Property (Staff Contact: Michael Mutalipassi, City Attorney, 408-586-3040)**

Recommendation: (1) Move to waive second reading and adopt Ordinance 314, which would add Chapter 15 to Title V of the Milpitas Municipal Code to prohibit the trespass of canvassers, solicitors and others on residential property; and, (2) Make findings of exemption from environmental review pursuant to CEQA Guidelines §§15061(b)(3), 15183, 15305, and 15378.

- C6. Appointment of Voting Delegates for the Annual California League of Cities Conference (Staff Contact: Matt Cano, Assistant City Manager, 408-586-3012)**

Recommendation: Appoint Mayor Carmen Montano as the City’s voting delegate and City Manager Ned Thomas as the alternate voting delegate for the 2024 Annual League of California Cities Conference.

- C7. Adopt a Resolution Approving the City of Milpitas Investment Policy for Fiscal Year 2024-25 (Staff Contact: Luz Cofresí-Howe, Director of Finance, 408-586-3111)**

Recommendation: Adopt a Resolution Approving the City of Milpitas Investment Policy for FY 2024-25

- C8. Authorize the City Manager to Execute an Agreement with Staples Contract & Commercial LLC for Office Supplies (Staff Contact: Luz Cofresí-Howe, Finance Director, 408-586-3111)**

Recommendation: Authorize the City Manager to execute an agreement with Staples Contract & Commercial LLC for Office Supplies through a Sourcewell Cooperative Procurement Agreement for a five-year period in a not-to-exceed amount of \$725,000.

- C9. Adopt a Resolution Granting Acceptance of the Alviso Adobe House HVAC System, Project No. 5055, Authorizing the City Engineer to File a Notice of Completion, and Authorizing the City Engineer to Issue a Notice of Final Acceptance After the One-Year Warranty Period (Staff Contact: Christian Di Renzo, Public Works Director, 408-586-2602; and Michael Silveira, City Engineer, 408-586-3303)**

Recommendation: Adopt a resolution granting acceptance of the Alviso Adobe House HVAC System, Project No. 5055 authorizing the City Engineer to file a Notice of Completion and authorizing the City Engineer to issue a Notice of Final Acceptance after the one-year warranty period.

- C10. Receive an Update on the Security Improvements at the McCarthy Ranch Sewer Lift Station (Main Lift) and Determine that the Condition Continues to Constitute an Emergency (Staff Contact: Christian Di Renzo, Public Works Director, 408-586-2602)**

Recommendation: (1) Receive an update on the security improvements at the McCarthy Ranch Sewer Lift Station; and (2) Determine by a four-fifths vote that the condition continues to constitute an emergency.

PUBLIC HEARINGS (7:20 PM)

Members of the public may be allotted up to three (3) minutes or less at the Mayor’s discretion, to comment on any public hearing item. Applicants/Appellants and their representatives may be allotted up to a total of ten (10) minutes for opening statements and up to a total of five (5) minutes maximum for closing statements. Items requested/recommended for continuance are subject to Council’s consent at the meeting.

11. **Conduct a Public Hearing and Approve the Draft FY 2023-2024 Community Development Block Grant (CDBG) Consolidated Annual Performance and Evaluation Report (CAPER) (Staff Contact: Robert Musallam, Housing Official, 408-586-3275)**

Recommendation: (1) Conduct a public hearing; (2) Approve the draft FY 2023-2024 Community Development Block Grant (CDBG) Consolidated Annual Performance and Evaluation Report (CAPER); and (3) Authorize the City Manager, or designee, to make any necessary changes and submit the approved draft FY 2023-2024 CAPER to the U.S. Department of Housing and Urban Development (HUD) to comply with CDBG requirements.

LEADERSHIP AND SUPPORT SERVICES (8:30 PM)

12. **Review the List of Agenda Item Requests From Individual Councilmembers and Provide Direction to Staff Through the Council-Approved Prioritization Process (Staff Contact: Matt Cano, Assistant City Manager, 408-586-3012)**

Recommendation: (1) Review list of agenda item requests from individual Councilmembers and provide direction to staff, through the prioritization process, on which Group 1 items should be advanced; and (2) Provide additional input to staff, if any, on Group 1 items that received Council direction to advance.

ANNOUNCEMENTS AND FUTURE AGENDA ITEMS (9:00 PM)

Members of the City Council or City Manager may make brief announcements at this time. Members of the City Council may also suggest future agenda items. For future agenda items, the City Council shall not debate the topic or engage in discussion but shall simply state a “yes” or “no” as whether to move the item forward. If a majority of the City Council agrees to move the item forward, the City Manager shall place the item on a future agenda.

ADJOURNMENT (9:05 PM)

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 City agencies exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and 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: mmutalipassi@milpitas.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.milpitas.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 City website. City Council agendas and related materials can be viewed online: www.milpitas.gov/government/council/agenda_minutes.asp (select meeting date)

APPLY TO SERVE ON A CITY COMMISSION

Commission application forms are available online at www.milpitas.gov or at Milpitas City Hall. Contact the City Clerk's Office at 408-586-3001 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 CityClerk@milpitas.gov prior to the meeting. You may request a larger font agenda.

August 2024						
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MILPITAS CITY COUNCIL CALENDAR

September 2024

October 2024						
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Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
1	2 CITY HOLIDAY City Hall Closed 	3 6:00 PM -Closed Session 7:00 PM -City Council	4 1:00 PM -Santa Clara VTA Monthly Briefing - Northeast Group (CM)	5 5:00 PM -Milpitas Chamber of Commerce Board (GB) 5:30 PM -Santa Clara VTA Board of Directors (CM)	6	7
8	9 4:30 PM -Economic Development and Trade Commission (CM) 7:00 PM -Parks, Recreation and Cultural Resources Commission (HL)	10 4:00 PM - Milpitas HOPE	11 7:00 PM -Silicon Valley Clean Energy Board of Directors (EC) (Milpitas)	12 4:00 PM -Silicon Valley Regional Interoperability Authority Board of Directors (GB) (Santa Clara) 4:00 PM -Santa Clara VTA Policy Advisory Committee (EC) 4:00 PM -Treatment Plant Advisory Committee (CM) (San Jose) 6:00 PM -Youth Advisory Commission (HL) 6:30 PM -Special Meeting CASCSC (CM) (Los Altos) 7:00 PM -CASCSC Board of Directors (CM) (Los Altos)	13	14
15	16 7:00 PM -Science, Technology, and Innovation Commission (GB) 7:00 PM -Library and Education Commission (EC) (Milpitas Public Library)	17 6:00 PM -Closed Session 7:00 PM -City Council	18 6:00 PM -Energy and Environmental Sustainability Commission (EC)	19 10:00 AM -VTA Congestion Management Program & Planning Committee (CM) (San Jose) 5:30 PM -Measure F Oversight Committee 6:30 PM -Bay Area Water Supply Conserv Agency (CM) (Sequoia Room – Burlingame Community Center) 7:00 PM -Public Safety and Emergency Preparedness Commission (HL)	20 9:00 AM -Santa Clara VTA Board of Directors Workshop (CM) 6:00 PM -Lantern Festival (Civic Center Plaza)	21
22	23 7:00 PM -Arts Commission (EC)	24 5:30 PM -Special Council Meeting	25 7:00 PM -Planning Commission	26 4:00 PM -Silicon Valley Regional Interoperability Authority Board of Directors (GB) 6:00 PM -Zoning Advisory Group	27	28
29	30					

September 2024						
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MILPITAS CITY COUNCIL CALENDAR

October 2024

November 2024						
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24	25	26	27	29	29	30

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
		1 6:00 PM -Closed Session 7:00 PM -City Council	2 1:00 PM -Santa Clara VTA Monthly Briefing - Northeast Group (CM) (Virtual) 5:30 PM -Veterans Commission (CM) 7:00 PM - Community Housing Commission (EC)	3 5:30 PM -Santa Clara VTA Board of Directors (CM)	4 9:00 AM to 2:30 PM -8 th Annual Manufacturing Day Event (McCarthy Blvd. area)	5
6	7 7:00 PM -Parks, Recreation & Cultural Resources Commission (HL)	8	9 7:00 PM -Silicon Valley Clean Energy Board of Directors (EC) (Cupertino) 7:00 PM -Planning Commission	10 4:00 PM -Treatment Plant Advisory Committee (CM) (San Jose) 4:00 PM -Santa Clara VTA Policy Advisory Committee (EC) 5:30 PM -CASC Legislative Action Committee (Los Altos) (CM) 6:00 PM -Youth Advisory Commission (HL) 7:00 PM -Cities Assoc of SCC Board of Directors (CM) (Los Altos)	11 9:00 AM -Valley Water Summit (CM) (Santa Clara) 4:00 PM -City/School Collaborative Subcommittee (CM/EC) (City Hall)	12
13	14 4:30 PM -Economic Development and Trade Commission (CM)	15 6:00 PM -Closed Session 7:00 PM -City Council	16 6:00 PM -Energy and Environmental Sustainability Commission (EC)	17	18	19
20	21	22 1:30 PM -Senior Advisory Commission (CM) 5:30 PM -Place Holder for a Special City Council Meeting (Approved on Nov 2023 Council meeting)	23 12:00 PM -Water Commission Meeting (CM) (San Jose) 5:30 PM -Cities Assoc. of SCC - Recycling and Waste Reduction Commission (CM) 7:00 PM -Planning Commission	24 12:00 PM -SCC Library JPA Board Meeting (CM) (Campbell)	25	26
27	28	29	30	31 		



REGULAR MEETING OF THE MILPITAS CITY COUNCIL

MINUTES

TUESDAY, SEPTEMBER 3, 2024

The City Council of the City of Milpitas convened on the regular City Council meeting day in a Regular Meeting of the Milpitas City Council on September 3, 2024, in the City Council Chamber, 455 E. Calaveras Blvd, Milpitas, CA, and via teleconference/Zoom webinar.

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

Mayor Montano called the Regular City Council meeting to order at 6:00 PM. Roll Call was taken by City Clerk Guzzetta.

PRESENT: Mayor Montano, Vice Mayor Chua, Councilmember Barbadillo (6:05 PM), Councilmember Lien, Councilmember Phan (6:02 PM)

ABSENT: None.

City Attorney Mutalipassi briefed the City Council on the items to be heard at Closed Session.

There were no public speakers.

The City Council adjourned to closed session at 6:02 pm.

ADJOURN TO CLOSED SESSION

(a) CONFERENCE WITH LEGAL COUNSEL - Existing Litigation

Existing Litigation Pursuant to Government Code § 54956.9(d)(2)

In the Matter of *City of Milpitas vs Toll Bros., Inc.*, Superior Court of California, County of Santa Clara, Case No.22CV406447
City as Defendant

CLOSED SESSION ANNOUNCEMENT:

The City Council reconvened at 7:00 pm.

City Attorney Mutalipassi reported that the Closed Session matter was settled for \$40,000.

PLEDGE OF ALLEGIANCE

Councilmember Barbadillo led the pledge of allegiance.

INVOCATION

Councilmember Phan provided the invocation.

PRESENTATIONS

Mayor Montano, joined by the City Council, presented proclamations in recognition of National Suicide Prevention Week, National Preparedness Month, American Muslim Appreciation and Awareness Month and National IT Professionals Day. Additionally, certificates were presented recognizing the Milpitas IT team.

PUBLIC FORUM

There were the following public speakers.

1. Virgil King

ANNOUNCEMENT OF CONFLICT OF INTEREST AND CAMPAIGN CONTRIBUTIONS

City Attorney Mutalipassi asked the Mayor and City Councilmembers if they had any personal conflicts of interest. By roll call, there were no conflicts of interest. City Attorney Mutalipassi asked the Mayor and City Councilmembers if they had any reportable campaign contributions. By roll call, there were no reportable campaign contributions.

READING OF THE CITY COUNCIL CODE OF CONDUCT

Vice Mayor Chua read the City Council Code of Conduct.

APPROVAL OF AGENDA

Mayor Montano made a motion: to move Item 12 to the Consent Calendar.

Motion/Second: Mayor Montano / Councilmember Lien
by the following:

AYES: Mayor Montano, Vice Mayor Chua, Councilmember Barbadillo, Councilmember Lien,
Councilmember Phan

NOES: None

Motion: to approve the agenda,

Motion/Second: Vice Mayor Chua / Mayor Montano

Motion carried by the following:

AYES: Mayor Montano, Vice Mayor Chua, Councilmember Barbadillo, Councilmember Lien,
Councilmember Phan

NOES: None

CONSENT CALENDAR

Councilmember Lien asked to pull Item C10 from the Consent Calendar.

There were no public speakers.

After discussion, motion: to pull Item C10 and approve the consent calendar.

Motion/Second: Councilmember Lien / Vice Mayor Chua

Motion carried by the following:

AYES: Mayor Montano, Vice Mayor Chua, Councilmember Barbadillo, Councilmember Lien

NOES: Councilmember Phan

1. **Receive City Council Calendar of Meetings for September 2024 (Staff Contact: Suzanne Guzzetta, City Clerk, 408-586-3001)**

Received City Council Calendar of Meetings for September 2024.

2. **Approve City Council Meeting Minutes of August 13 and 20, 2024 (Staff Contact: Suzanne**

Guzzetta, City Clerk, 408-586-3001)

Approved City Council Meeting minutes of August 13 and 20, 2024.

3. Receive the Preview List of Anticipated Items for the Next Regular City Council Meeting (Staff Contact: Suzanne Guzzetta, City Clerk, 408-586-3001)

Received the list of anticipated agenda items for the next regular City Council meeting.

4. Receive and Review the List of Agenda Items Requested by City Councilmembers (Staff Contact: Suzanne Guzzetta, City Clerk, 408-586-3001)

Reviewed the list of items that have been requested by City Councilmembers and provided direction to staff as necessary.

5. Consider Recommendations from Mayor Montano for Removal from and Appointments to City Commissions (Contact: Mayor Montano, 408-586-3024)

Received Mayor Montano's recommendations, approved removal from the Public Safety and Emergency Preparedness Commission, and approved and confirmed recommendations for appointments to City Commissions as follows:

Economic Development and Trade Commission:

1. Reappoint Lynne Rice to a full-term ending April 2027
2. Reappoint Parkash Daryani to a full-term ending April 2027
3. Reappoint Vasista Ramachandrani as a non-voting student member with a full-term ending April 2027
4. Reappoint Conrad Schapira as Alternate No. 1 with a full-term ending April 2027

Library and Education Advisory Commission:

1. Reappoint Yu-Lan Chou to a full-term ending June 2027
2. Reappoint Rekha Pardeshi to a full-term ending June 2027

Parks, Recreation and Cultural Resources Commission:

1. Reappoint Ricky Davis to a full-term ending June 2027
2. Reappoint Joseph Ehardt to a full-term ending June 2027
3. Reappoint Allen Thomas to a full-term ending June 2027
4. Appoint Catalina Silva to a full-term ending June 2027

Public Safety and Emergency Preparedness Commission:

1. Remove Joe Nichols from a full voting seat with an unexpired term ending June 2026
2. Reappoint Evan Gan to a full-term ending June 2027
3. Appoint Norma Morales to a full-term ending June 2027
4. Appoint Diyan Shah as a non-voting student member with an unexpired term ending June 2026

Youth Advisory Commission:

1. Appoint Samyukta Rangarajan to an unexpired term ending September 2025

Measure F Oversight Committee:

1. Reappoint Joyita Ghose to a full-term ending March 2027
2. Reappoint Conrad Schapira to a full-term ending March 2027
3. Reappoint Madan Menon to a full-term ending March 2027
4. Appoint Anas Rehman to a full-term ending March 2027

6. **Approve Amendments to the Subscription and Services Agreement with RideCo for Milpitas SMART (Staff Contact: Jay Lee, Planning Director, 408-586-3077)**
- (1) Approved amendments to the subscription and services agreement with RideCo for Milpitas SMART, with a subscription and services fee increase per vehicle revenue hour but no change to the not-to-exceed contract amount of \$2,955,916; and (2) Authorized the City Manager to execute the amended agreements.
7. **Approve Personnel Realignment to Support Department Operations (Staff Contact: Christian Di Renzo, Public Works Director, 408-586-2602)**
- Approved the deletion of a vacant Fleet Maintenance Worker III and a vacant Maintenance Assistant position and the addition of two Maintenance Worker I/II positions in the Department of Public Works.
8. **Authorize the City Manager to Execute a Memorandum of Understanding between the City of Milpitas and Crown Castle Fiber LLC, a New York Limited Liability Company, to Install Telecommunication Equipment within the City Right-of-Way (Staff Contact: Christian Di Renzo, Public Works Director, 408-586-2602; and Michael Silveira, City Engineer, 408-586-3303)**
- Authorized the City Manager to execute a Memorandum of Understanding between the City of Milpitas and Crown Castle Fiber LLC, a New York Limited Liability Company, to conduct a pilot project using the Rapid Connect proprietary method to install telecommunication equipment within the City Right-of-Way.
9. **Receive an Update on the Security Improvements at the McCarthy Ranch Sewer Lift Station(Main Lift) and Determine that the Condition Continues to Constitute an Emergency (Staff Contact: Christian Di Renzo, Public Works Director, 408-586-2602)**
- (1) Received an update on the security improvements at the McCarthy Ranch Sewer Lift Station; and
(2) Determined by a four-fifths vote that the condition continues to constitute an emergency.
- *12. **Adopt a Resolution Adopting all of Volume 1 and the City of Milpitas Portion of Volume 2, of the Santa Clara County Multi-Jurisdictional Hazard Mitigation Plan (Staff Contact: Jason Schoonover, Fire Chief, 408-586-2811; and Toni Charlop, Emergency Management Coordinator 408-586-2801)**
- Adopted **Resolution No. 9352** adopting all of Volume 1 and the City of Milpitas Portion of Volume 2, of the Santa Clara County Operational Area Hazard Mitigation Plan.

LEADERSHIP AND SUPPORT SERVICES

11. **Provide Feedback on and Potentially Introduce Ordinance 302, Adding Chapter 15 (“Residential Trespass, Canvassing and Solicitation”) to Title V (“Public Health, Safety and Welfare”) of the Milpitas Municipal Code Relating to Solicitation on Residential Property (Staff Contact: Michael Mutalipassi, City Attorney, 408-586-3040)**

City Manager Thomas introduced the item. City Attorney Mutalipassi provided additional background and Assistant City Attorney Creech presented the report.

Councilmember Lien raised several concerns about the ordinance and questioned the necessity of the new regulations. She expressed worry that the ordinance could impact political canvassing and other forms of community engagement and highlighted the importance of public education. She suggested that the ordinance should include a delayed effective date of January 1, 2025, to allow sufficient time for community outreach and education.

Vice Mayor Chua echoed Councilmember Lien’s concerns, emphasizing the need for a comprehensive

outreach strategy. She also mentioned potential challenges in enforcement and the importance of ensuring that the ordinance does not place an undue burden on city resources..

Councilmember Barbadillo, who initially proposed the ordinance, highlighted the importance of protecting homeowners' rights and providing them with peace of mind.

Councilmember Phan supported the ordinance, noting that it offered residents additional tools to control access to their homes while acknowledging the concerns about political canvassing.

After discussion, the council agreed on a delayed implementation.

Vice Mayor Chua made a motion: to waive the reading beyond the title and introduce Ordinance 302, which would add Chapter 15 to Title V of the Milpitas Municipal Code to prohibit the trespass of canvassers, solicitors and others on residential property with an effective date of January 1, 2025; and make findings of exemption from environmental review pursuant to CEQA Guidelines Sections 15061(b)(3), 15183, 15305, and 15378. Mayor Montano seconded the motion.

Motion/Second: Vice Mayor Chua / Mayor Montano

Motion carried by the following:

AYES: Mayor Montano, Vice Mayor Chua, Councilmember Barbadillo, Councilmember Phan

NOES: Councilmember Lien

PUBLIC SAFETY

- *12. Adopt a Resolution Adopting all of Volume 1 and the City of Milpitas Portion of Volume 2, of the Santa Clara County Multi-Jurisdictional Hazard Mitigation Plan (Staff Contact: Jason Schoonover, Fire Chief, 408-586-2811; and Toni Charlop, Emergency Management Coordinator 408-586-2801)**

Item added to Consent Calendar

ITEMS PULLED FROM CONSENT CALENDAR

- 10. Approve the Addition of Jose Esteves to the Milpitas Historical Names Naming List and Adopt a Resolution to Rename the Milpitas Library (Staff Contact: Renee Lorentzen, Recreation and Community Services Director, 408-586-3409)**

Councilmember Lien raised concerns about the timing of the proposal to rename the Milpitas Library to the Milpitas Jose Esteves Library, suggesting that the process should be postponed until after the upcoming election. She emphasized the importance of community outreach to ensure residents are involved in the decision.

Councilmember Phan supported moving forward with the renaming, noting that the request was made well in advance and had already gone through the appropriate processes, including input from the ad hoc subcommittee on naming.

Councilmember Barbadillo expressed support for the renaming, emphasizing that it was a deserving recognition based on the established naming criteria. He suggested that staff look for funding sources for new signage and recommended implementing the name change before the election.

Assistant City Manager Cano clarified that if the renaming was approved, it would take effect immediately in practice, but new signage would depend on securing funding.

After discussion, motion: to (1) Approve adding Jose Esteves to the Milpitas Historical Names Naming List; and (2) Adopt a resolution to rename the Milpitas Library to “Milpitas Jose Esteves Library”.

Motion/Second: Councilmember Barbadillo / Councilmember Phan

Motion carried by the following:

AYES: Mayor Montano, Vice Mayor Chua, Councilmember Barbadillo, Councilmember Phan

NOES: Councilmember Lien

ANNOUNCEMENTS AND FUTURE AGENDA ITEMS

City Manager Thomas informed the council that community recreation facilities would be open as cooling centers on September 4 and 5, due to warm weather, from 7:00 AM to 9:00 PM.

Vice Mayor Chua proposed updating the animal control ordinance to include other animals such as horses and cats. There was unanimous consensus to add the item to the prioritization list.

Mayor Montano made the following requests:

1. Explore the creation of a compassion fund to support community members dealing with cancer or other significant life events. There was unanimous consensus to add the item to the prioritization list.
2. Consider reducing the maximum rental assistance grant from \$5,000 to \$3,500 to assist more residents. There was consensus to add the item to the prioritization list (4-1. No: Phan).
3. Increase the days of operation for the local food pantry from two to five days a week to better serve community needs. The council agreed to have staff investigate this issue, as discussions with the food pantry are already in progress.
4. Reestablish or highlight the existing graffiti hotline due to an increase in graffiti. It was noted that graffiti can already be reported through the My Milpitas app, so no formal consensus was required.

Councilmember Barbadillo requested that staff explore funding options for new signage following the decision to rename the Milpitas Library to the Milpitas Jose Esteves Library. There was unanimous consensus to add the item to the prioritization list.

ADJOURNMENT

Mayor Montano adjourned the meeting at 8:30 PM.

Draft meeting minutes submitted by City Clerk, Suzanne Guzzetta

TENTATIVE CITY COUNCIL AGENDA ITEM LIST

as of 9/12/2024

October 1, 2024 – Regular Meeting

CLOSED SESSION

- City Manager Annual Performance Review

INVOCATION (Mayor Montano)

PRESENTATION

- Fire Prevention Week – October 6-12 (Proclamation)
- Indigenous Peoples' Day – October 14 (Proclamation)
- Hindu American Awareness and Appreciation Month (Proclamation)
- California Clean Air Day (Proclamation)

CONSENT CALENDAR

1. Receive City Council calendar for October 2024 (City Clerk)
2. Approve City Council meeting minutes of September 17, 2024 (City Clerk)
3. Preview list of items for October 15, 2024 (City Clerk)
4. Councilmember Request List (City Clerk)
5. Mayor and City Manager Travel to the League of California Cities Annual Conference in Long Beach from October 16-18, 2024 (City Manager)
6. Legislative Report (City Manager)
7. 1327 Terra Vista Hillside Home (Lot 3) (Planning)
8. Emergency Declaration Update - Main Sewer Lift Station Security Measures (Public Works)
9. Citywide Tree Maintenance Multi-Year Contract Award (Public Works)
10. 1355 California Circle Sewer Liner Reimbursement Agreement (Public Works / Engineering)

COMMUNITY SERVICES

11. Survey Results for Street Sweeping Pilot (Public Works)

PUBLIC SAFETY

12. PD Staffing Update / Lateral Incentives (Police / Human Resources)

**MILPITAS CITY COUNCIL
AGENDA ITEM REQUESTS**

OPEN ITEMS				
Request No.	Topic	Submitted by:	Date Requested	STATUS and/or DATE scheduled on City Council meeting agenda:
1	Explore funding options for new signage following the decision to rename the Milpitas Library to the Milpitas Jose Esteves Library	Barbadillo	9/3/2024	No status update at this time.
2	Consider reducing the maximum rental assistance grant from \$5,000 to \$3,500 to assist more residents	Montano	9/3/2024	An update on this item is included in the 9/17/2024 City Council prioritization item.
3	Explore the creation of a compassion fund to support community members dealing with cancer or other significant life events	Montano	9/3/2024	An update on this item is included in the 9/17/2024 City Council prioritization item.
4	Update the animal control ordinance to include other animals such as horses and cats	Chua	9/3/2024	An update on this item is included in the 9/17/2024 City Council prioritization item.
5	Bring back the Solicitation Ordinance as previously presented to City Council with Council comments from when it was last considered.	Barbadillo	8/20/2024	This item appears on the 9/17 City Council agenda
6	Look into a property for sale on Main Street to investigate the cost and feasibility of creating a museum for downtown or Old Town Main Street as part of the revitalization efforts.	Montano	8/13/2024	An update on this item is included in the 9/17/2024 City Council prioritization item.
7	Send a letter to Supervisory Otto Lee regarding the weeds on Montague Expressway	Montano	8/13/2024	An update on this item is included in the 9/17/2024 City Council prioritization item.
8	Look into adopting an ordinance similar to San Jose allowing ADUs (Accessory Dwelling Units) to have a separate title and be sold separately.	Chua	8/13/2024	An update on this item is included in the 9/17/2024 City Council prioritization item.
9	Bring back information on the process and steps required for renaming the Milpitas library after former Mayor Jose S. Esteves, including consultation with the library JPA and the naming subcommittee, for discussion at the August 20th council meeting.	Barbadillo	8/5/2024	An update on this item is included in the 9/17/2024 City Council prioritization item.
10	Prepare commendations or keys to the city for local Olympians representing Milpitas at the Olympics, to be presented after the conclusion of the Olympic games.	Montano	8/5/2024	An update on this item is included in the 9/17/2024 City Council prioritization item.
11	Return with a ceremonial resolution on childcare	Phan	8/5/2024	This item was approved at the 8/20/2024 city council meeting.
12	Send a letter signed by the Mayor and City Council to the County Administrator and Supervisor Lee, asking the county to investigate the treatment of horses by Chaparral Corporation at Ed Levine Park and the adjacent Chaparral Ranch	Chua	5/21/2024	This letter was sent to the County on June 7, 2024.

ACTIVE ITEMS				
Request No.	Topic	Submitted by:	Date Requested	STATUS and/or DATE scheduled on City Council meeting agenda:
13	Conduct a traffic study on Escuela Parkway to address circulation concerns	Montano	5/7/2024	An update on this item is included in the 9/17/2024 City Council prioritization item.
14	Explore the possibility of augmenting the Planning Commission stipend	Barbadillo	4/16/2024	An update on this item is included in the 9/17/2024 City Council prioritization item.
15	Explore changing or enhancing the focus of the community advisory commission to add housing	Chua	4/2/2024	This was completed at the 8/13/2024 City Council meeting.
16	Request that the Arts Commission explore alternatives for future of statue in front of City Hall	Phan	1/30/2024	This item was not prioritized at the 6/11/2024 city council meeting so is deemed complete.

NOTE: Deferred and Completed Items are not listed

**MILPITAS CITY COUNCIL
AGENDA ITEM REQUESTS**

ACTIVE ITEMS				
Request No.	Topic	Submitted by:	Date Requested	STATUS and/or DATE scheduled on City Council meeting agenda:
17	Update the Commissioner Handbook to include an option for outgoing commissioners to make presentations to other commissions	Chua	1/23/2024	This item was not prioritized at the 6/11/2024 city council meeting so is deemed complete.
18	Workshop for retailers focusing on best practices and safety with plans for quarterly sessions	Chua	1/23/2024	This was listed as completed at the 6/11/2024 city council meeting.
19	Explore possibility of naming the County library on Main Street	Phan	1/23/2024	An update on this item is included in the 9/17/2024 City Council prioritization item.
20	Consideration of the 20% Low Income Below Market Rate Housing	Montano	12/5/2023	An update on this item is included in the 9/17/2024 City Council prioritization item.
21	Bring back Bingo and the Tour at the Senior Center	Chua	11/7/2023	An update on this item is included in the 9/17/2024 City Council prioritization item.
22	Referral for utility infrastructure cost on Main Street from Carlo to Corning Streets	Montano	10/17/2023	An update on this item is included in the 9/17/2024 City Council prioritization item.
23	Consider a possible ordinance or policy regarding solicitations at home	Barbadillo	10/3/2023	An update on this item is included in the 9/17/2024 City Council prioritization item.
24	Main Street International Festival	Lien	10/3/2023	An update on this item is included in the 9/17/2024 City Council prioritization item.
25	Have the Police Chief direct staff to complete an analysis in partnership with the County to determine if it would be beneficial to have a location where residents can pickup Narcan	Chua	9/5/2023	An update on this item is included in the 9/17/2024 City Council prioritization item.
26	Explore taking steps towards becoming a Charter City	Phan	9/5/2023	An update on this item is included in the 9/17/2024 City Council prioritization item.
27	Human Resources Director to conduct a job fair specific to the job openings at City Hall	Chua	5/2/2023	An update on this item is included in the 9/17/2024 City Council prioritization item.
28	Pickleball Pilot Project	Chua	2/28/2023	An update on this item is included in the 9/17/2024 City Council prioritization item.
29	Main Street Infrastructure Projects	Montano	2/28/2023	An update on this item is included in the 9/17/2024 City Council prioritization item.
30	Main Street Flooding at Library	Chua	2/28/2023	An update on this item is included in the 9/17/2024 City Council prioritization item.
31	Satellite Consulate Office	Montano	2/28/2023	This was listed as completed at the 6/11/2024 city council meeting.
32	Have the City look into the possibility of a Citywide Senior Discount	Barbadillo	2/7/2023	An update on this item is included in the 9/17/2024 City Council prioritization item.
33	City Manager to look into defining either a standalone teen center or updating information to indicate the Senior Center also functions as a Teen Center	Chua	9/20/2022	An update on this item is included in the 9/17/2024 City Council prioritization item.
34	Discuss converting vacant lot that was a basketball court into a community garden at Vasona and Adobe	Montano	8/16/2022	This was listed as completed at the 6/11/2024 city council meeting.
35	City Manager look into implementing a workshop for small businesses on the bidding process for projects in the city	Chua	8/9/2022	An update on this item is included in the 9/17/2024 City Council prioritization item.
36	Quarterly or Monthly crime statistics on Homekey Project	Chua	6/7/2022	An update on this item is included in the 9/17/2024 City Council prioritization item.
37	Memorial Plaque in honor of youth skateboarder that passed away	Montano	6/7/2022	An update on this item is included in the 9/17/2024 City Council prioritization item.
38	Evaluate reopening the childcare center with a non-profit organization running the center	Montano	2/1/2022	An update on this item is included in the 9/17/2024 City Council prioritization item.
39	Staff to look into mural Art on Great Mall Parkway on the VTA owned Light rail pillars	Montano	11/16/2021	An update on this item is included in the 9/17/2024 City Council prioritization item.
40	Have a picture of Albert Vogel Sr. put up in the Senior Center	Montano	10/19/2021	An update on this item is included in the 9/17/2024 City Council prioritization item.

NOTE: Deferred and Completed Items are not listed

**MILPITAS CITY COUNCIL
AGENDA ITEM REQUESTS**

ACTIVE ITEMS				
Request No.	Topic	Submitted by:	Date Requested	STATUS and/or DATE scheduled on City Council meeting agenda:
41	Include a bust of Maria Lemire on the Mural in front of the Senior Center	Montano	8/17/2021	An update on this item is included in the 9/17/2024 City Council prioritization item.
42	Consider Community Museum and Park on Main St.	Phan	8/20/2019	Discussions with the property owner of this site are ongoing.

NOTE: Deferred and Completed Items are not listed



CITY OF MILPITAS AGENDA REPORT (AR)

Item Title:	Adopt Ordinance 314, Adding Chapter 15 (“Residential Trespass, Canvassing and Solicitation”) to Title V (“Public Health, Safety and Welfare”) of the Milpitas Municipal Code Relating to Solicitation on Residential Property (Staff Contact: Michael Mutalipassi, City Attorney, 408-586-3040)
Category:	Consent Calendar-Leadership and Support Services
Meeting Date:	9/17/2024
Recommendation:	(1) Move to waive second reading and adopt Ordinance 314, which would add Chapter 15 to Title V of the Milpitas Municipal Code to prohibit the trespass of canvassers, solicitors and others on residential property; and, (2) Make findings of exemption from environmental review pursuant to CEQA Guidelines §§15061(b)(3), 15183, 15305, and 15378.

BACKGROUND:

On September 3, 2024, the City Council by a vote of four to one introduced this ordinance for a first reading, with an amendment stating the ordinance will not take effect until January 1, 2025.

This ordinance as amended is now ready for its second reading and adoption.

FISCAL IMPACT:

There is no cost to adopt the proposed ordinance beyond incidental publication costs and staff time. There will, however, be minor costs associated with the enforcement of the proposed ordinance. That cost will be offset by the private right of enforcement, which will allow residents to control their property and vindicate their rights without the City having to unnecessarily expend limited enforcement resources.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA):

This ordinance is not a project and is not subject to CEQA review because it does not have the potential for resulting in either a direct physical change in the environment or a reasonably foreseeable indirect physical change, particularly in that it does not alter the use of land or at most does not do so inconsistently with uses already authorized, prohibited, or regulated by law. (Cal. Code Regs., tit. 14, §15378.) This ordinance also is not a project because it amounts to general policy and procedure making that does not relate to the enactment or amendment of zoning ordinances or the other activities identified as potential “projects.” (Cal. Code Regs., tit. 14, §15378(b)(2).) Furthermore, even if considered a project, this amending ordinance is categorically exempt from CEQA review in that it comprises of non-land use regulations or at most minor alterations in land use limitations that do not result in any changes in land use or density (Cal. Code Regs., tit. 14, §§15305, 15378(a)(1)) and by common sense can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment particularly in consideration of the activities already permitted, prohibited, or regulated by law (Cal. Code Regs., tit. 14, §15061(b)(3)). This amending ordinance is also exempt because it does not affect development density established by existing zoning and the City’s General Plan, for which an Environmental Impact Report was already certified, and does not have any project-specific significant environmental effects peculiar to the project or any site. (Cal. Code Regs., tit. 14, §15183.)

RECOMMENDATION:

1. Move to waive second reading and adopt Ordinance 314, which would add Chapter 15 to Title V of the Milpitas Municipal Code to prohibit the trespass of canvassers, solicitors and others on residential property.
2. Make findings of exemption from environmental review pursuant to CEQA Guidelines §§15061(b)(3), 15183, 15305, and 15378.

ATTACHMENT(S):

- (a) [Proposed] Ordinance 314, an Ordinance of the City Council of the City of Milpitas Adding Chapter 15 (“Residential Trespass, Canvassing and Solicitation”) to Title V (“Public Health, Safety and Welfare”) of the Milpitas Municipal Code

REGULAR

NUMBER: 314

**TITLE: AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MILPITAS
ADDING CHAPTER 15 ("RESIDENTIAL TRESPASS, CANVASSING AND
SOLICITATION") TO TITLE V ("PUBLIC HEALTH, SAFETY AND
WELFARE") OF THE MILPITAS MUNICIPAL CODE, RELATING TO THE
TRESPASS OF CANVASERS, SOLICITORS, AND OTHERS ON RESIDENTIAL
PROPERTY**

HISTORY: This Ordinance was introduced (first reading) by the City Council at its meeting of _____, upon motion by _____ 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:

APPROVED:

Suzanne Guzzetta, City Clerk

Carmen Montano, Mayor

APPROVED AS TO FORM:

Michael Mutalipassi, City Attorney

RECITALS AND FINDINGS:

WHEREAS, persons and entities have been visiting and continue to visit private residential properties for various uninvited purposes, including peddling goods, wares, merchandise, or services, canvassing for support, polls, volunteers, or other purposes, soliciting for orders, donations, or alms, or preaching, proselytizing, or otherwise discussing or distributing news, information, or views; and

WHEREAS, residents are concerned that some of these uninvited visitors are going door-to-door to gather information and scrutinize their homes for future burglaries or other crimes; and

WHEREAS, residents complain that they have been harassed, intimidated, threatened, or scared while in their own homes by some canvassers and/or solicitors going door-to-door; and

WHEREAS, uninvited door-to-door canvassing and solicitation of unwilling residents for any purpose jeopardizes the right of residents in the city to enjoy the privacy of their homes in tranquility and security; and

WHEREAS, property owners and occupants have the right to reasonably control and peacefully enjoy their residential property, including by preventing unlawful trespass upon that property; and

WHEREAS, the interests of residents in the privacy and the quiet enjoyment of residential premises are protected by reasonable regulation of unwanted and uninvited door-to-door visitors; and

WHEREAS, the City has the power and legitimate interest to secure to residents their ability to self-determine and control the ability of trespassers to intrude upon their residential property, including by prohibiting unwanted canvassers and solicitors; and

WHEREAS, the distribution of canvassing or solicitation materials upon residential property in the city creates a serious police problem and a threat to public safety and welfare including that residential property can become cluttered with an accumulation of such material or otherwise or in addition inadvertently advertise the absence of the owner or occupant and increase the likelihood of criminal activities on the property; and

WHEREAS, such practices, if not in compliance with the reasonable regulation thereof, are injurious and inimical to the public health, safety, and welfare of residents of the city, create a public nuisance, and should therefore be regulated by the city; and

WHEREAS, the City has limited resources and staff with which to remedy violations of this Chapter, and that the enforcement of this Chapter will be enhanced—and the public peace, health and safety will be protected—if the owner, occupant, or other person in charge of or lawfully in possession of the property is given a civil remedy against parties violating this Chapter.

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. ENACTMENT OF MILPITAS MUNICIPAL CODE TITLE V (“PUBLIC HEALTH, SAFETY AND WELFARE”), CHAPTER 15 (“RESIDENTIAL TRESPASS, CANVASSING AND SOLICITATION”)

Title V (“Public Health, Safety and Welfare”), Chapter 15 (“Residential Trespass, Canvassing and Solicitation”) of the Milpitas Municipal Code is hereby added to read as follows:

Chapter 15 – RESIDENTIAL TRESPASS, CANVASSING AND SOLICITATION

Section 1 – Legislative Findings and Declaration of Intent

V-15.1.01

The City finds and declares that persons and entities have been visiting and continue to visit private residential properties for various uninvited purposes, including peddling goods, wares, merchandise, or services, canvassing for support, polls, volunteers, or other purposes, soliciting for orders, donations, or alms, or preaching, proselytizing, or otherwise discussing or distributing news, information, or views. The City recognizes the traditional use of such door-to-door visitations for the purpose of communication and commercial pursuits, particularly among grassroot or community organizations and small or local businesses. The City also recognizes that property owners and occupants have the right to control and peacefully enjoy their residential property, and some residents find these activities to be intrusive upon their quiet and privacy. As such, the City enacts this Chapter for the purpose of securing to residents the power to self-determine and choose whether to allow such unsolicited visitors upon their property, including by posting appropriate signs. This Chapter is not intended to prevent or limit entry upon residential property for lawful and legitimate purposes as opposed to permissive entries that a resident may legally choose to limit or refuse.

Section 2 – Definitions

For the purpose of this Chapter only, and not for the purpose of construing any other part of this Code, the following words and phrases shall have the meaning respectively ascribed to them by this Section.

V-15-2.01 – Canvas, Canvasing, and Canvasser

“Canvas” or “Canvasing” shall mean the act of entering or otherwise intruding upon residential property in the city for the purpose of acquiring or disseminating news, information, writings, or views, whether for profit or not, including polling, surveying, preaching, proselytizing, or seeking support for or opposition to any person, cause, organization, philosophy, or venture. A “Canvasser” shall mean any person engaged in or attempting or assisting in canvasing.

V-15-2.02 – Resident

“Resident” shall mean the owner, occupant, or other person in lawful possession of a residential property, in whole or in part, jointly or severally. “Residents” include tenants, lessees, trustees, administrators, property managers, and any person lawfully residing at the property.

V-15-2.03 – Residential Property

“Residential Property” shall mean private property upon which a residential structure is located. “Residential Property” includes the entirety of the private property but does not include any public right of way or access easement over that property. For the purpose of multi-family properties with separately

habitable units, each unit shall be separately considered its own residential property and common areas shall not be considered residential property.

V-15-2.04 – Sign

“Sign” shall mean any form of signage otherwise meeting the requirements of Section V-15-3.05, including any placard, decal, sticker, banner, or graphic.

V-15-2.05 – Solicit, Solicitation, and Solicitor

“Solicit” or “Solicitation” shall mean the act entering or otherwise intruding upon residential property in the city for the purpose of offering or acquiring a good, service, investment, or venture, or seeking contributions, gifts, donations, or any other thing of value or compensation of any kind, for whatever purpose or cause whether for profit or not. A “Solicitor” shall mean any person engaged in or attempting or assisting in solicitation.

Section 3 – No Trespass Upon Residential Property

V-15-3.01 – Trespass on Residential Property Prohibited

Unless exempt pursuant to Section V-15-3.06, no person shall enter or remain upon any residential property after being notified by a resident to stay away or leave. No person shall enter or reenter residential property they have been so asked to stay away from or leave without receiving express permission to enter from a resident.

V-15-3.02 – Solicitation on Posted Residential Property Prohibited

No person shall solicit upon any residential property posted with a “No Soliciting” or other similar sign unless exempt pursuant to Section V-15-3.06.

V-15-3.03 – Canvassing on Posted Residential Property Prohibited

No person shall canvass upon any residential property posted with a “No Canvassing” or other similar sign unless exempt pursuant to Section V-15-3.06.

V-15-3.04 – Trespass on Posted Residential Property Prohibited

No person shall enter or remain upon any residential property posted with a “No Trespassing” or other similar sign, including for the purpose of soliciting or canvassing therein, unless exempt pursuant to Section V-15-3.06.

V-15-3.05 – Sign Placement and Standards

- a. For Sections V-15-3.02, V-15-3.03, or V-15-3.04 to apply, the residential property must be posted with at least one sign with letters at least two-inches in height stating “No Soliciting,” “No Canvassing,” “No Trespassing,” or other words to similar effect, as prescribed by the applicable section, conspicuously posted, visible, and unobstructed at one or more of the following locations:
 1. Upon or within five feet of any door or other entrance to any residential unit, structure, vestibule, or enclosed curtilage on the property;

2. At or within five feet of the beginning of the walk, driveway, or other path of travel into the property;
 3. If the property is enclosed by a fence, upon or within five feet of any gate or other opening in the fence through which people or vehicles could enter; or
 4. Upon the mailbox or mailbox post or holder for the property, if the mailbox is detached from the primary residence and located adjacent to the sidewalk.
- b. The sign may provide conditions to entry or exceptions to any prohibition against entry.
 - c. If at least one such sign is not visible from the sidewalk or other public way adjacent to the property, then without violating Sections V-15-3.02, V-15-3.03, or V-15-3.04, a person otherwise permitted upon the property may enter and directly follow the path of ordinary travel until such time as the sign would become visible and then immediately and without delay leave. In no event may a person so enter the property if he or she knows or reasonably should have known that the property is posted in substantial compliance with Sections V-15-3.02, V-15-3.03, or V-15-3.04.
 - d. A sign posted in substantial compliance with this Section shall be sufficient to sustain a violation. Where a sign does not strictly comply with this Section, however, there shall be no violation if a defendant can prove by a preponderance of the evidence they neither knew nor reasonable should have known that the property was posted in attempted compliance with Sections V-15-3.02, V-15-3.03, or V-15-3.04.

V-15-3.06 – Authorization of Police Department to Act

By posting a sign stating “No Soliciting,” “No Canvassing,” “No Trespassing,” or other words to similar effect, the residents of the property shall have authorized any law enforcement officer authorized to enforce a violation of this Chapter to act as their agent for the purpose of enforcement, including warning and forbidding persons from trespassing upon the residential property.

V-15-3.07 – Exception for Residents, Tenants, Occupants, Invitees, Licensees, and Others with Legal Right to Enter

The following persons or entities are exempt from violations of this Chapter:

- a. Any resident of the property.
- b. A neighbor who enters upon the residential property of another neighbor on an intermittent and infrequent basis for purposes common in the community.
- c. Persons delivering mail and shipments through a governmental, common, or private carrier.
- d. Any person who has express permission to enter or remain upon the property from any resident of the property. The resident who gave this permission may revoke this permission and tell the individual to leave in conformity with Section V-15-3.01 at any time. This exception includes:
 - i. Deliveries including newspaper deliveries a resident has requested.
 - ii. Good or service providers a resident has requested.
 - iii. Neighbors, relatives, and other persons who have been invited to the property, including on an open or standing basis.
- e. The City of Milpitas, or any other government entity, including any governmental employee, officer, official, agent, contractor, volunteer, or other person or entity acting on a government entity’s behalf.
- f. Any person who is upon another’s residential property under claim or color of legal right.

- g. Any person who is upon another's residential property pertaining to a dispute with a resident of the property where the participants have available to them practical and effective civil remedies, including the following situations:
 - i. Marital and post-marital disputes;
 - ii. Child custody or visitation disputes;
 - iii. Disputes regarding title to or rights in real property;
 - iv. Landlord-tenant disputes;
 - v. Disputes between members of the same family or between persons residing upon the property concerned up until the time of the dispute;
 - vi. Employer-employee or contractor-contractee disputes;
 - vii. Business disputes, including between business partners;
 - viii. Debtor-creditor disputes;
 - ix. Service of legal process; and
 - x. Instances wherein the person has a bona fide claim of right to be present pursuant to an order, decree, or process of any court or any executive, administrative, judicial, or quasi-judicial official or body.

V-15-3.08 – Calling on to Property, Knocking, Disturbing Peace Also Trespass

Even if they do not physically enter upon the property, a person or entity shall have trespassed, canvassed, or solicited in violation of Sections V-15-3.01, V-15-3.02, V-15-3.03, and V-15-3.04 if they otherwise intrude upon the quiet enjoyment of the property in violation of the relevant notification or sign, including by hawking or otherwise making noise, depositing a writing, or otherwise trespassing upon the property or causing or conveying an unwanted act of canvassing or solicitation upon the property.

V-15-3.09 – Sponsoring Person or Entity Liable

In addition to the principal violator, a person or entity on whose behalf an act of trespass, canvassing, or solicitation in violation of this Chapter is done shall be jointly and severally liable for each such violation unless the person or entity can prove by clear and convincing evidence either:

- a. The person or entity had no actual or constructive knowledge that the principal violator would be going door-to-door on their behalf; or
- b. The person or entity provided the principal violator with a written advisement about the requirements of this Chapter, including a copy of this Chapter, which the principal violator signed acknowledging receipt prior to going door-to-door.

For the purpose of the affirmative defense in Section V-15-3.09(a), there shall be a rebuttable presumption that a person or entity has actual or constructive knowledge of all actions of their employees, agents, officials, contractors, and assigns. The affirmative defense in Section V-15-3.09(b) shall not be available if the person or entity cannot produce a genuine original or copy of the signed written advisement.

V-15-3.10 – Enforcement

- a. In addition to all other remedies and actions allowed by law, any violation of this Chapter may be enforced by administrative citation, pursuant to Title I, Chapter 21 of this Code, or criminal prosecution, pursuant to Section I-1-4.09 of this Code.
- b. At the City Attorney's discretion, violations of this Chapter may be charged as a misdemeanor, punished by a fine not to exceed the sum of five hundred dollars (\$500) or by imprisonment in the County Jail not to exceed six (6) months or by both such fine and imprisonment, or an infraction, punished by a fine not exceeding one hundred dollars (\$100) for a first violation, a fine not exceeding two hundred dollars (\$200) for a second violation within one year, or a fine not exceeding five hundred dollars (\$500) for each additional violation within one year.

V-15-3.11 – Private Right of Action Permitted

- a. In addition to all other remedies and actions allowed by law, any resident of a property upon which an act of trespass, solicitation, or canvassing has occurred in violation of this Chapter may bring a civil action against any person or entity that has violated Sections V-15-3.01, V-15-3.02, V-15-3.03, V-15-3.04, and/or V-15-3.09.
- b. If the resident prevails in that action, the Court shall award:
 - a. Injunctive relief sufficient to prevent the defendant(s) from violating this Chapter or engaging in acts that aid, abet, operate, conceal, or allow violations of this Chapter;
 - b. Disgorgement of profits or other monies or value unlawfully obtained in violation of this Chapter;
 - c. Compensatory damages;
 - d. A statutory penalty up to one thousand dollars (\$1,000.00) per violation;
 - e. Treble damages and/or treble penalties for a second or subsequent violation in any two-year period; and
 - f. Reasonable attorney's fees and costs of suit and investigation.
- c. No award of attorney's fees against the resident shall be allowed in that action unless the Court determines, upon a duly noticed motion, that the action was not brought in good faith and with reasonable cause.
- d. The remedies described in this Section are in addition to any other remedy available at law and do not limit, preclude, or restrict any other right, remedy, or action otherwise available.

SECTION 3. CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)

The City Council finds and determines that the adoption of this ordinance is not a project and is not subject to CEQA review because it does not have the potential for resulting in either a direct physical change in the environment or a reasonably foreseeable indirect physical change, particularly in that it does not alter the use of land or does a most does not do so inconsistently with uses already authorized, prohibited, or regulated by law. (Cal. Code Regs., tit. 14, § 15378.) This ordinance also is not a project because it amounts to general policy and procedure making that does not relate to the enactment or amendment of zoning ordinances or the other activities identified as potential "projects." (Cal. Code Regs., tit. 14, § 15378(b)(2).) Furthermore, even if considered a project, this amending ordinance is categorically exempt from CEQA review in that it comprises of non-land use regulations or at most minor alterations in land use limitations that do not result in any changes in land use or density (Cal. Code Regs., tit. 14, § 15305, 15378(a)(1)) and by common sense can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment particularly in consideration of the activities already permitted, prohibited, or regulated by law (Cal. Code Regs., tit. 14, § 15061(b)(3)). This amending ordinance is also exempt because it does not affect development density established by existing zoning and the City's General Plan, for which an Environmental Impact Report was already certified, and does not have any project-specific significant environmental effects peculiar to the project or any site. (Cal. Code Regs., tit. 14, § 15183.)

SECTION 4. SEVERABILITY

The provisions of this Ordinance are separable, and the invalidity of any phrase, clause, provision or part shall not affect the validity of the remainder.

SECTION 5. EFFECTIVE DATE AND POSTING

In accordance with Section 36937 of the Government Code of the State of California, this Ordinance shall take effect thirty (30) days from and after the date of its passage. Notwithstanding this effective date, however, the provisions of this Ordinance shall not become operative until January 1, 2025. The City Clerk of the City of Milpitas shall cause this Ordinance or a summary thereof to be published in accordance with Section 36933 of the Government Code of the State of California.



CITY OF MILPITAS AGENDA REPORT (AR)

Item Title:	Appointment of Voting Delegates for the Annual California League of Cities Conference (Staff Contact: Matt Cano, Assistant City Manager, 408-586-3012)
Category:	Consent Calendar-Leadership and Support Services
Meeting Date:	9/17/2024
Recommendation:	Appoint Mayor Carmen Montano as the City's voting delegate and City Manager Ned Thomas as the alternate voting delegate for the 2024 Annual League of California Cities Conference.

BACKGROUND:

The League of California Cities holds its Annual Conference and Expo from October 16th to October 18th in Long Beach, California. Mayor Montano and City Manager Ned Thomas will likely be attending, pending City Council approval at the October 1, 2024 City Council meeting.

ANALYSIS:

The California League of Cities will hold its General Assembly on October 18, 2024. This is an important opportunity where city officials can directly participate in the development of Cal Cities policy. Every city has one voting delegate at the General Assembly. Cal Cities bylaws require that a city's voting delegate and up to two alternates be designated by its City Council and submitted to Cal Cities by September 25, 2024. This agenda report is being brought to the City Council for consideration prior to the request for travel approval, due to the need to appoint the voting delegate by September 25, 2024.

POLICY ALTERNATIVE(S):

Not Applicable

FISCAL IMPACT:

There is no fiscal impact associated with this action.

California Environmental Quality Act (CEQA):

The action is an organizational or administrative activity of the City government that will not result in direct or indirect physical changes in the environment and is not a project pursuant to Cal. Code of Regs., tit. 14, §15378.

RECOMMENDATION:

Appoint Mayor Carmen Montano as the City's voting delegate and City Manager Ned Thomas as the alternate voting delegate for the 2024 Annual League of California Cities Conference.

Attachment(s):

(a) Letter to Mayors, Councilmembers, City Clerks and City Managers from Cal Cities regarding the process for appointing a voting delegate.



Council Action Advised by September 25, 2024

DATE: Wednesday, July 10, 2024

TO: Mayors, Council Members, City Clerks, and City Managers

RE: DESIGNATION OF VOTING DELEGATES AND ALTERNATES
League of California Cities Annual Conference and Expo, Oct. 16-18, 2024
Long Beach Convention Center

Every year, the League of California Cities convenes a member-driven General Assembly at the [Cal Cities Annual Conference and Expo](#). The General Assembly is an important opportunity where city officials can directly participate in the development of Cal Cities policy.

Taking place on Oct. 18, the General Assembly is comprised of voting delegates appointed by each member city; every city has one voting delegate. Your appointed voting delegate plays an important role during the General Assembly by representing your city and voting on resolutions.

To cast a vote during the General Assembly, your city must designate a voting delegate and up to two alternate voting delegates, one of whom may vote if the designated voting delegate is unable to serve in that capacity. Voting delegates may either be an elected or appointed official.

Action by Council Required. Consistent with Cal Cities bylaws, a city's voting delegate and up to two alternates must be designated by the city council. Please note that designating the voting delegate and alternates **must** be done by city council action and cannot be accomplished by individual action of the mayor or city manager alone.

Following council action, please submit your city's delegates through [the online submission portal](#) by Wed., Sept. 25. When completing the Voting Delegate submission form, you will be asked to attest that council action was taken. You will need to be signed in to your My Cal Cities account when submitting the form.

Submitting your voting delegate form by the deadline will allow us time to establish voting delegate/alternate records prior to the conference and provide pre-conference communications with voting delegates.

Conference Registration Required. The voting delegate and alternates must be registered to attend the conference. They need not register for the entire conference; they may register for Friday only. Conference registration is open on the [Cal Cities](#) website.



For a city to cast a vote, one voter must be present at the General Assembly and in possession of the voting delegate card and voting tool. Voting delegates and alternates need to pick up their conference badges before signing in and picking up the voting delegate card at the voting delegate desk. This will enable them to receive the special sticker on their name badges that will admit the voting delegate into the voting area during the General Assembly.

Please view Cal Cities' [event and meeting policy](#) in advance of the conference.

Transferring Voting Card to Non-Designated Individuals Not Allowed. The voting delegate card may be transferred freely between the voting delegate and alternates, but *only* between the voting delegate and alternates. If the voting delegate and alternates find themselves unable to attend the General Assembly, they may *not* transfer the voting card to another city official.

Seating Protocol during General Assembly. At the General Assembly, individuals with a voting card will sit in a designated area. Admission to the voting area will be limited to the individual in possession of the voting card and with a special sticker on their name badge identifying them as a voting delegate.

The voting delegate desk, located in the conference registration area of the Long Beach Convention Center in Long Beach, will be open at the following times: Wednesday, Oct. 16, 8:00 a.m.-6:00 p.m. and Thursday, Oct. 17, 7:30 a.m.-4:00 p.m. On Friday, Oct. 18, the voting delegate desk will be open at the General Assembly, starting at 7:30 a.m., but will be closed during roll calls and voting.

The voting procedures that will be used at the conference are attached to this memo. Please share these procedures and this memo with your council and especially with the individuals that your council designates as your city's voting delegate and alternates.

Once again, thank you for submitting your voting delegate and alternates by Wednesday, Sept. 25. If you have questions, please contact Zach Seals at zseals@calcities.org.

Attachments:

- General Assembly Voting Guidelines
- Information Sheet: Cal Cities Resolutions and the General Assembly

General Assembly Voting Guidelines

1. **One City One Vote.** Each member city has a right to cast one vote on matters pertaining to Cal Cities policy.
2. **Designating a City Voting Representative.** Prior to the Cal Cities Annual Conference and Expo, each city council may designate a voting delegate and up to two alternates; these individuals are identified on the voting delegate form provided to the Cal Cities Credentials Committee.
3. **Registering with the Credentials Committee.** The voting delegate, or alternates, may pick up the city's voting card at the voting delegate desk in the conference registration area. Voting delegates and alternates must sign in at the voting delegate desk. Here they will receive a special sticker on their name badge and thus be admitted to the voting area at the General Assembly.
4. **Signing Initiated Resolution Petitions.** Only those individuals who are voting delegates (or alternates), and who have picked up their city's voting card by providing a signature to the credentials committee at the voting delegate desk, may sign petitions to initiate a resolution.
5. **Voting.** To cast the city's vote, a city official must have in their possession the city's voting card and voting tool; and be registered with the credentials committee. The voting card may be transferred freely between the voting delegate and alternates but may not be transferred to another city official who is neither a voting delegate nor alternate.
6. **Voting Area at General Assembly.** At the General Assembly, individuals with a voting card will sit in a designated area. Admission to the voting area will be limited to the individual in possession of the voting card and with a special sticker on their name badge identifying them as a voting delegate.
7. **Resolving Disputes.** In case of dispute, the credentials committee will determine the validity of signatures on petitioned resolutions and the right of a city official to vote at the General Assembly.

How it works: Cal Cities Resolutions and the General Assembly

Developing League of California Cities policy is a dynamic process that engages a wide range of members to ensure Cal Cities represents cities with one voice. These policies directly guide Cal Cities' advocacy to promote local decision-making, and lobby against statewide policies that erode local control.

The resolutions process and General Assembly is one way that city officials can directly participate in the development of Cal Cities policy. If a resolution is approved at the General Assembly, it becomes official Cal Cities policy. Here's how resolutions and the General Assembly work.

Prior to the Annual Conference and Expo

General Resolutions



Sixty days before the Annual Conference and Expo, Cal Cities members may submit policy proposals on issues of importance

to cities. The resolution must have the concurrence of at least five additional member cities or individual members.

Policy Committees



The Cal Cities President assigns general resolutions to policy committees where members

review, debate, and recommend positions for each policy proposal. Recommendations are forwarded to the Resolutions Committee.

During the Annual Conference and Expo

Petitioned Resolutions



The petitioned resolution is an alternate method to introduce policy proposals during

the annual conference. The petition must be signed by voting delegates from 10% of member cities, and submitted to the Cal Cities President at least 24 hours before the beginning of the General Assembly.

Resolutions Committee



The Resolutions Committee considers all resolutions. General Resolutions approved¹ by either a policy committee

or the Resolutions Committee are next considered by the General Assembly. General resolutions not approved, or referred for further study by both a policy committee and the Resolutions Committee do not go to the General Assembly. All Petitioned Resolutions are considered by the General Assembly, unless disqualified.²

General Assembly



During the General Assembly, voting delegates debate and consider general and petitioned resolutions forwarded by the Resolutions Committee. Potential Cal Cities bylaws amendments are also considered at this meeting.

Who's who

Cal Cities policy development is a member-informed process, grounded in the voices and experiences of city officials throughout the state.

The **Resolutions Committee** includes representatives from each Cal Cities diversity caucus, regional division, municipal department, and policy committee, as well as individuals appointed by the Cal Cities president.

Voting delegates are appointed by each member city; every city has one voting delegate.

The **General Assembly** is a meeting of the collective body of all voting delegates—one from every member city.

Seven **policy committees** meet throughout the year to review and recommend positions to take on bills and regulatory proposals. Policy committees include members from each Cal Cities diversity caucus, regional division, and municipal department, as well as individuals appointed by the Cal Cities president.

¹ The Resolution Committee can amend a general resolution prior to sending it to the General Assembly.

² Petitioned Resolutions may be disqualified by the Resolutions Committee according to Cal Cities Bylaws Article VI, Sec. 5(f).



CITY OF MILPITAS AGENDA REPORT (AR)

Item Title:	Adopt a Resolution Approving the City of Milpitas Investment Policy for Fiscal Year 2024-25 (Staff Contact: Luz Cofresí-Howe, Director of Finance, 408-586-3111)
Category:	Consent Calendar-Leadership and Support Services
Meeting Date:	8/15/2024
Recommendation:	Adopt a resolution approving the City of Milpitas Investment Policy for FY 2024-25.

BACKGROUND:

California state law regarding the investment of public funds requires all local agencies develop an investment policy that must be considered annually by the legislative body of the local agency at a public meeting. Staff works closely with the City investment advisors to review and update the City Investment Policy (Policy) for City Council consideration, ensuring the Policy captures the latest changes to California Government Code as well as best practices. The Investment Policy for the City of Milpitas is herewith submitted for Council's annual review and approval.

ANALYSIS:

Staff and the City investment advisors collaborated in reviewing the current City Policy and determined it continues to comply with the provisions of the California Government Code (Code) §§16340, 16429.1-16429.4 and 53600 et seq., the authority governing investments for municipal governments. There were changes to the statutes that govern the City's investments as a result of the State adoption of Senate Bill 882, clarifying a gray area of Code regarding the categorization of pass-through securities issued by the United States government, its federal agencies, and government-sponsored enterprises. However, the current City investment policy already embodied the new interpretation.

The most substantive change to the City Policy is related to the inclusion of local government investment pools (LGIP) as permitted investments. LGIPs are governmental investment pools organized as joint powers authorities. The securities in the pools must be allowed in an approved investment policy by Code. Moreover, the pools currently available in California tend to be in the highest rating category and focus on providing their participants same-day or next-day liquidity. The City Policy already includes a section on performing due diligence on any pooled investments such as money market mutual funds and the State of California Local Agency Investment Fund (LAIF), the State Treasurer's pool. Inclusion of LGIPs in the City investment portfolio will allow the City to diversify its most liquid investments. LGIPs will also be subject to the City's usual, rigorous due diligence process.

There were additional minor changes intended to provide updates to acronyms and names, as well as cleaning up language from prior versions. Staff recommends adopting the changes as proposed.

FISCAL IMPACT:

None; there is no fiscal impact because of the changes recommended to the policy.

California Environmental Quality Act (CEQA):

The City Council adoption of the resolution is not a "project" under the California Environmental Quality Act (CEQA) pursuant to CEQA Guideline §15378(b)(5) because it is an administrative activity that will not result in a direct or indirect physical change in the environment.

RECOMMENDATION:

Adopt a resolution approving the City of Milpitas Investment Policy for FY 2024-25.

Attachment(s):

- (a) Investment Policy FY 2024-25 (Redlined)
- (b) Investment Policy FY 2024-25 (Clean)
- (c) Draft Resolution

EXHIBIT A
CITY OF MILPITAS
INVESTMENT POLICY-FISCAL YEAR 2024-25

POLICY OVERVIEW

PURPOSE

The purpose of this Investment Policy (Policy) is to establish overall guidelines for the management and investment of the City of Milpitas (City) unexpended funds under authority granted by the City Council. This Policy is in compliance with the provisions of the California Government Code, Sections 16340, 16429.1- 16429.4, and 53600-53686, the authority governing investments for municipal governments.

INVESTMENT OBJECTIVES

The primary objectives of this Policy, in order of priority, are safety, liquidity, and return:

- 1) **Safety.** Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. This objective shall be accomplished by mitigating credit risk and market risk.
- 2) **Liquidity.** The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. This objective shall be accomplished by structuring the portfolio so securities mature concurrently with anticipated needs. The investment portfolio shall consist largely of securities with active secondary or resale markets. Furthermore, a portion of the portfolio may be placed in money market funds or Local Agency Investment Fund (LAIF) which offer same day liquidity for short-term investment.
- 3) **Return.** The investment portfolio is designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into consideration the investment risk constraints and liquidity needs. Return on investment is of secondary importance compared to the safety and liquidity objectives described above. The core of investments is limited to relatively low risk securities in anticipation of earning a fair return relative to the risk being assumed. Nevertheless, investment performance shall be continually monitored and evaluated by the City Treasurer by comparison with other investment portfolio benchmarks.

Additionally, investments are to be made that will bear in mind the responsibility of the City government to its citizens. The following investment considerations, which enhance the quality of life, will be adhered to:

- **Divestment From Publicly-Traded Fossil Fuel Companies.** The City of Milpitas has a responsibility to protect the lives and livelihoods of its inhabitants from the threat of climate change. The City believes its investments should support a future where all ~~citizens-residents~~ can live healthy lives without the negative impacts of a warming environment. For the purposes of the Investment Policy, a "fossil fuel company" shall be defined as any of the two hundred publicly-traded companies with the largest coal, oil and gas reserves as measured by the gigatons of carbon dioxide that would be emitted if those reserves were extracted and burned, as listed in the Carbon Tracker Initiative's "Unburnable Carbon" report. Staff responsible for managing the City investment portfolio are directed to divest all City investment funds held in fossil fuel companies once they reach their maturities, and are prohibited from making any new investments in such companies.

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CITY OF MILPITAS
INVESTMENT POLICY-FISCAL YEAR 2024-25

SCOPE

The Policy applies to all financial assets of the City of Milpitas as accounted for in the Annual Comprehensive Financial Report (ACFR), including but not limited to the funds listed below:

- General Fund
- Special Revenue Funds
- Capital Projects Funds
- Debt Service Fund
- Enterprise Funds
- Internal Service Fund
- Trust and Agency Funds

Any new fund created by the City Council unless specifically exempted with the exception of the following:

- 1) The City Deferred Compensation Plan is excluded as it is managed by a third- party administrator and invested by individual plan participants.
- 2) Proceeds of debt issuance shall be invested in accordance with the investment objectives of this Policy. However, such proceeds are generally invested in accordance with permitted investment provisions of their specific bond indentures. If the City Treasurer determines that the matching of bond reserve funds with the maturity schedule of an individual bond issue is prudent, the Policy authorizes extending beyond the five-year maturity limitation as outlined in this document.

STANDARDS OF CARE

- 1) **Prudence.** Pursuant to California Government Code, Section 53600.3, all persons authorized to make investment decisions on behalf of the City are trustees and therefore fiduciaries subject to the prudent investor standard:

“...all governing bodies of local agencies or persons authorized to make investment decisions on behalf of those local agencies investing public funds pursuant to this chapter are trustees and therefore fiduciaries subject to the prudent investor standard. When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the Agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the Agency. Within the limitations of this section and considering individual investments as part of an overall strategy, investments may be acquired as authorized by law.”

The City Treasurer and other individuals assigned to manage the investment portfolio, acting within the intent and scope of the Policy and other written procedures, and exercising due diligence, shall be relieved of personal responsibility and liability for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely manner and appropriate action is taken to control adverse developments.

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- 2) **Ethics and Conflict of Interest.** Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program or could impair their ability to make impartial investment decisions. City employees involved in the investment process shall disclose to the City Manager any material financial interest in financial institutions that conduct business within the jurisdiction. They shall further disclose any large personal financial/investment positions that could affect the performance of the investment portfolio.
- 3) **Delegation of Authority.** Authority to manage the investment program is derived from California Government Code, Sections 41006 and 53600 et seq and granted to the City Treasurer by Section VI- 1-3.04 of the City of Milpitas Municipal Code. Under the oversight of the City Treasurer, responsibility for the operation of the investment program may be delegated to the Finance Administration staff, who shall act in accordance with established written procedures and internal controls consistent with the Policy. The City Treasurer shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of the subordinate staff members. The system of internal controls includes separation of duties, custodial safekeeping, avoidance of physical delivery securities, development of wire transfer agreement, and clear delegation of authority to subordinate staff members. The City may engage the services of one or more external investment advisers, who are registered under the Investment Advisers Act of 1940, to assist in the management of the City investment portfolio in a manner consistent with City objectives. External investment advisers may be granted discretion to purchase and sell investment securities in accordance with this Policy. The City overall investment program shall be designed and managed with a degree of professionalism that is worthy of the public trust. The City recognizes that in a diversified portfolio, occasional measured losses may be inevitable and must be considered within the context of the overall portfolio return and cash flow requirements of the City.

INVESTMENT GUIDELINES

INVESTMENT PARAMETERS

- **Maximum Maturities.** To the extent possible, the City shall attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the City will not directly invest in securities maturing more than five (5) years from the date of trade settlement. The intent to invest in securities beyond the five-year maturity limitation shall be disclosed in writing to the City Council no less than 3 months prior to the investment. Reserve funds established by the issuance of bonds and other funds with longer-term investment horizons may be invested in securities exceeding five years if the maturity of such investments is made to coincide with the expected use of funds.
- **Competitive Bidding.** It is the practice of the City to require that, where possible, all transactions with broker/dealers shall be selected on a competitive basis and their bid or offering prices shall be recorded. If there is no other readily available competitive offering, best efforts will be made to document quotations for comparable or alternative securities. When purchasing original issue instrumentality securities, no competitive offerings will be required as all dealers in the selling group offer those securities at the same original issue price.

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CITY OF MILPITAS
INVESTMENT POLICY-FISCAL YEAR 2024-25

PERFORMANCE EVALUATION/BENCHMARK

- The investment portfolio shall be designed to attain a market-average rate of return throughout budgetary and economic cycles, considering City risk constraints, the cash flow characteristics of the portfolio, and state and local laws, ordinances or resolutions that restrict investments. Investment performance is continually monitored and evaluated by the City Treasurer. Investment performance statistics and activity reports are prepared on a quarterly basis for presentation to the City Manager and City Council within ~~30~~45 days of the end of the quarter.
- The City Treasurer shall select an appropriate, readily available index to use as a market benchmark. The benchmark should be commensurate with the level of market risk of the portfolio, and should serve as a measure of risk, interest income, and fair value appreciation. Samples of readily available benchmarks include Intercity Exchange/Bank of America/Merrill Lynch 1-3 Year or 1-5 Year Treasury Indices.

SAFEKEEPING OF SECURITIES

- To protect against fraud or embezzlement or losses caused by collapse of an individual securities dealer, all securities owned by the City shall be held in safekeeping by a third-party bank trust department, acting as agent for the City under the terms of a custody agreement or master repurchase agreement. All trades executed by a dealer will settle delivery vs. payment (DVP) through the City safekeeping agent.
- Securities held in custody for the City shall be reviewed and verified quarterly by Finance staff who have not been assigned to the investment function.

INTERNAL CONTROL

The City Treasurer is responsible for establishing and maintaining an internal control structure designed to ensure the assets of the City are protected from loss, theft or misuse. The internal controls structure shall be designed to provide reasonable assurance these objectives are met. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits to be derived and that the valuation of costs and benefits requires estimates and judgments by management.

The internal controls shall address the following points:

- Control of collusion
- Separation of transaction authority from accounting and record keeping
- Custodial safekeeping
- Avoidance of physical delivery securities
- Clear delegation of authority to subordinate staff members
- Written confirmation of transactions for investments and wire transfers
- Development of a wire transfer agreement with the lead bank and third-party custodian

REPORTING

The City Treasurer shall review and render quarterly reports to the City Manager and City Council which shall include:

EXHIBIT A
CITY OF MILPITAS
INVESTMENT POLICY-FISCAL YEAR 2024-25

- Investment information, including the par and dollar amount of the investment, the classification of the investment, the percentage of the total portfolio which each type of investment represents, the name of the institution or entity, the rate of interest, the maturity date, the current market value, and the source of the market value.
- Statement that the projected cash flow is adequate to meet expected obligations over the next six months.
- A report of transactions by month.
- The weighted average maturity of the investment portfolio.
- The average weighted yield to maturity of the portfolio as compared to the applicable benchmark.
- Statement of compliance with the Policy.

The report is due within 45 days of the end of the quarter. The City Manager may, at his discretion, require this reporting on a monthly basis based upon market conditions.

QUALIFIED BROKER/DEALERS

The City shall transact business with financial institutions and security broker/dealers after careful review of their qualifications and creditworthiness. All dealers who desire to do business with the City shall provide the necessary information (e.g., audited financial statements, proof of state registration, proof of National Association of Securities Dealers certification, etc.) from which the City can determine their creditworthiness, the existence of any pending legal action against the firm or the individual broker, as well as an understanding of the security markets that they service. The City Treasurer shall annually send a copy of the current Policy to all financial institutions and broker/dealers approved to do business with the City. Confirmation of receipt of this Policy shall be considered evidence that the dealer understands the City Investment Policy and intends to sell the City only appropriate investments authorized by this Investment Policy.

In accordance with California Government Code Section 53601.5, any investment authorized pursuant to Section 53601 or 53601.1, not purchased directly from the issuer, shall be purchased either from an institution licensed by the state as a broker-dealer, as defined in Section 25004 of the Corporations Code, or from a member of a federally regulated securities exchange, from a national or state-chartered bank, from a savings association or federal association (as defined by Section 5102 of the Financial Code) or from a brokerage firm designated as a primary dealer by the Federal Reserve bank.

Selection of financial institutions and broker/dealers authorized to engage in transactions will be at the sole discretion of the City, except where the City utilizes an external investment adviser in which case the Agency may rely on the adviser for selection.

COLLATERAL REQUIREMENTS

Collateral is required for investments in non-negotiable certificates of deposit and repurchase agreements. To reduce market risk, the collateral level shall be at least 102% of market value of principal and accrued interest and marked-to-market weekly. Securities acceptable as collateral shall be the direct obligations of or are fully guaranteed as to principal and interest by the United States or any agency of the United States.

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The City shall require any bank or financial institution to comply with the collateralization criteria defined in California Government Code, Section 53651.

AUTHORIZED INVESTMENTS

Investment of City funds is governed by the California Government Code, Sections 16340, 16429.1-16429.4, and 53600-53686. Within the context of the limitations, the following investments are authorized, as further limited herein. In the event a discrepancy is found between this Policy and the Code, the more restrictive parameters will take precedence. Percentage holding limits and minimum credit quality requirements listed in this section apply at the time the security is purchased.

Any investment currently held at the time the Policy is adopted which does not meet the new Policy guidelines can be held until maturity and shall be exempt from the current Policy. At the time of the investment's maturity or liquidation, such funds shall be reinvested only as provided in the current Policy.

An appropriate risk level shall be maintained by primarily purchasing securities that are of high quality, liquid, and marketable. The portfolio shall be diversified by security type and institution to avoid incurring unreasonable and avoidable risks regarding specific security types or individual issuers.

- 1) **United States Treasury Bills, Bonds, and Notes** or those for which the full faith and credit of the United States are pledged for payment of principal and interest. There is no percentage limitation of the portfolio which can be invested in this category, though a five-year maturity limitation is applicable.
- 2) **Federal Agency Obligations** or United States Government-Sponsored Enterprise (GSE) obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government sponsored enterprises. There is no percentage limitation of the portfolio which can be invested in this category, although a five-year maturity limitation is applicable. Additionally, no more than 30% of the portfolio may be invested in any single Agency/GSE issuer, and the maximum percent of agency callable securities in the portfolio will be 20%.
- 3) **Banker's Acceptances.** Bills of exchange or time drafts drawn on and accepted by commercial banks, otherwise known as banker's acceptances. Banker's acceptances must be issued by institutions which have short-term debt obligations rated "A-1" or its equivalent or better by at least one nationally recognized statistical rating organization (NRSRO), or long-term debt obligations which are rated in a rating category of "A" or its equivalent or better by at least one NRSRO. Purchase of banker's acceptances may not exceed 180 days maturity or 40% of the value of the portfolio. Furthermore, no more than 5% of the value of the portfolio may be invested in the banker's acceptances of any one commercial bank.
- 4) **Commercial Paper** of the highest letter and number rating as provided by at least one NRSRO, either:
 - a. Issued by general corporations organized and operating within the United States, having assets in excess of \$500,000,000 and having a rating in the rating category of "A" or its equivalent or better rating on debt other than commercial paper as provided by at least one NRSRO, or

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- b. Issued by entities organized within the United States as a special purpose corporation, trust, or limited liability company. The securities must have program-wide credit enhancements including, but not limited to, overcollateralization, letters of credit, or a surety bond. The securities must be rated “A-1” or its equivalent or better by at least one NRSRO.

Purchases of eligible commercial paper may not exceed 270 days maturity nor represent more than 10% of the outstanding paper of the issuing corporation. Purchases of commercial paper may not exceed 25% of the value of the portfolio. No more than 5% of the portfolio may be invested in any single issuer. Under a provision sunsetting on January 1, 2026, no more than 40% of the portfolio may be invested in Commercial Paper if the City investment assets under management are greater than \$100,000,000.

- 5) **Negotiable Certificates of Deposit** issued by nationally or state-chartered banks, a savings association, or a federal association, a state or federal credit union, or by a federally-licensed or state-licensed branch of a foreign bank. Purchases of negotiable certificates of deposit may not exceed 30% of the value of the portfolio. No more than 5% of the portfolio may be invested in any single issuer. A maturity limitation of five years is applicable. The amount of negotiable certificates of deposit insured up to the FDIC limit does not require any credit ratings. Any amount above the FDIC insured limit must be issued by institutions which have short-term debt obligations rated “A-1” or its equivalent or better by at least one NRSRO, or long-term obligations rated in a rating category of “A” or its equivalent or better by at least one NRSRO.
- 6) **Repurchase Agreements.** Repurchase agreements collateralized with securities authorized under in accordance with California Government Code Section 53601(j). There are no limits on the dollar amount or percentage the City may invest. The maturity of the repurchase agreements shall not exceed one year. The market value of the securities used as collateral for the repurchase agreements shall be monitored by the investment staff weekly and shall not be allowed to fall below 102% of the value of the repurchase agreement. A Master Repurchase agreement is required between the City and the dealer for all repurchase agreements transacted.
- 7) **Time Deposits.** Time deposits, non-negotiable and collateralized in accordance with the California Government Code, may be purchased through banks or savings and loan associations. A maturity limitation of five years is applicable.
- 8) **Medium-Term Corporate Notes** issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States with a maximum maturity of five years may be purchased. Securities eligible for investment shall be rated in a rating category of “A” or its equivalent or better by at least one NRSRO. Purchase of medium-term notes may not exceed 30% of the value of the portfolio and no more than 5% of the value of the portfolio may be invested in notes issued by one corporation.
- 9) **Local Agency Investment Fund (LAIF).** a State of California managed investment pool may be used up to the maximum permitted in accordance with California Government Code Section 16429.1.
- 10) **Money Market Funds.** Money Market funds invested in U.S. Government securities are permitted under this Policy and under the California Government Code Section 53601. To be

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eligible for investment under this section, an investment objective of such a fund must be the maintenance of a price per share of \$1.00. Investment in such funds shall not exceed 20% of the City total portfolio and no more than 10% of the City total portfolio may be invested in any one money market fund. In addition, either one of the following criteria must be met:

- a. The fund shall have achieved a rating of "AAA" by at least two nationally recognized statistical rating organizations, or
- b. The fund shall have retained an advisor who is registered or exempt from registration with the Security Exchange Commission with not less than five years' experience managing money market funds with assets under management in excess of five hundred million dollars (\$500,000,000).

11) **Municipal Securities** including obligations of the City, the State of California, and any local agency within the State of California, provided that:

- a. The securities are rated in a rating category of "A" or its equivalent or better by at least one NRSRO.
- b. No more than 5% of the portfolio may be invested in any single issuer.
- c. No more than 30% of the portfolio may be in Municipal Securities.
- d. The maximum maturity does not exceed five (5) years.

12) **Municipal Securities (Registered Treasury Notes or Bonds)** of any of the other 49 states in addition to California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the other 49 states, in addition to California., provided that:

- a. The securities are rated in a rating category of "A" or its equivalent or better by at least one NRSRO.
- b. No more than 5% of the portfolio may be invested in any single issuer.
- c. No more than 30% of the portfolio may be in Municipal Securities.
- d. The maximum maturity does not exceed five (5) years.

13) **Asset-Backed, Mortgage-backed, Mortgage Passthrough Securities, and Collateralized Mortgage Obligations From Issuers Not Defined In Sections 1 And 2 of the Authorized Investments Section of this Policy**, provided that:

- a. The securities are rated in a rating category of "AA" or its equivalent or better by a NRSRO.
- b. No more than 20% of the total portfolio may be invested in these securities.
- c. No more than 5% of the portfolio may be invested in any single Asset-Backed or Commercial Mortgage security issuer.
- d. The maximum legal final maturity does not exceed five (5) years.

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- 14) **Collateralized Bank Deposits.** City deposits with financial institutions will be collateralized with pledged securities per California Government Code, Section 53651. There are no limits on the dollar amount or percentage that the City may invest in collateralized bank deposits.
- 15) **Supranational Securities.** Provided that issues are US dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank. The securities must be rated in a rating category of “AA” or its equivalent or better by a NRSRO. No more than 30% of the total portfolio may be invested in these securities. No more than 10% of the portfolio may be invested in any single issuer. The maximum maturity does not exceed five (5) years.

16) **Local Government Investment Pools (LGIP)** which are shares of beneficial interest issued by a joint powers authority organized pursuant to Section 6509.7 that invests in securities and obligations authorized in California Government Code 53601 subdivisions (a) to (r), inclusive, where each share shall represent an equal proportional interest in the underlying pool of securities owned by the joint powers authority.

- a. The joint powers authority issuing the shares must retain an investment adviser who is registered or exempt from registration with the Securities and Exchange Commission (SEC), has assets under management in excess of \$500 million, and has at least five years of experience investing in the securities and obligations authorized by Section 53601, subdivisions (a) to (q).
- b. Ratings of a LGIP must be in a rating category of “AAA” or its equivalent by at least one NRSRO. If rated by more than one organization, no rating may be lower than the category described in the preceding sentence.
- c. No more than 10% of the portfolio shall be invested in any single LGIP.
- d. LGIP investments may not exceed 20% of the City portfolio in the aggregate.

INELIGIBLE INVESTMENTS AND INVESTMENT PRACTICES

Ineligible investments are those that are not described herein, including but not limited to, common stocks, reverse repurchase agreements, inverse floaters, range notes, mortgage derived interest only strips, derivatives securities, or any security that could result in zero interest accrual. Under a provision sunseting on January 1, 2026, securities backed by the U.S. Government that could result in a zero- or negative-interest accrual if held to maturity are permitted. Trading securities for the sole purpose of speculating on the future direction of interest rates is prohibited. Purchasing or selling securities on margin is prohibited. The use of reverse repurchase agreements, securities lending or any other form of borrowing or leverage is prohibited. The purchase of foreign currency denominated securities is prohibited. The purchase of securities with a forward settlement date exceeding 45 days from the time of the investment is prohibited.

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RISK MANAGEMENT AND DIVERSIFICATION

Mitigating Credit Risk in the Portfolio. Credit risk is the risk a security or a portfolio will lose some or all its value due to a real or perceived change in the ability of the issuer to repay its debt. The City will mitigate credit risk by adopting the following strategies:

- The diversification requirements included in the “Authorized Investments” section of this Policy are designed to mitigate credit risk in the portfolio.
- No more than 5% of the total portfolio may be deposited with or invested in securities issued by any single issuer unless otherwise specified in this Policy.
- The City may elect to sell a security prior to its maturity and record a capital gain or loss to manage the quality, liquidity, or yield of the portfolio in response to market conditions or City risk preferences.
- If a security owned by the City is downgraded to a level below the requirements of this Policy, making the security ineligible for additional purchases, the following steps will be taken:
 - Any actions taken related to the downgrade by the investment manager will be communicated to the City Treasurer in a timely manner.
 - If a decision is made to retain the security, the credit situation will be monitored and reported to the City Council in the Quarterly Investment Report.

Mitigating Market Risk in the Portfolio. Market risk is the risk the portfolio value will fluctuate due to changes in the general level of interest rates. The City recognizes that, over time, longer-term portfolios have the potential to achieve higher returns. On the other hand, longer-term portfolios have higher volatility of return. The City will mitigate market risk by providing adequate liquidity for short-term cash needs, and by making longer-term investments only with funds that are not needed for current cash flow purposes.

The City further recognizes certain types of securities, including variable rate securities, securities with principal paydowns prior to maturity, and securities with embedded options, will affect the market risk profile of the portfolio differently in different interest rate environments. The City, therefore, adopts the following strategies to control and mitigate its exposure to market risk:

- The City will maintain a minimum of six months of budgeted operating expenditures in short term investments to provide sufficient liquidity for expected disbursements.
- The maximum stated final maturity of individual securities in the portfolio will be five (5) years, except as otherwise stated in this Policy.
- The duration of the portfolio will generally be approximately equal to the duration (typically, plus or minus 20%) of a market benchmark as described in the Performance Evaluation/Benchmark section of this Policy, an index selected by the City based on the City investment objectives, constraints, and risk tolerances.

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INVESTMENT POOLS/MUTUAL FUNDS

The City shall conduct a thorough investigation of any pool or mutual fund prior to making an investment, and on a continual basis thereafter. The Treasurer shall develop a questionnaire which will answer the following general questions:

- a. A description of eligible investment securities, and a written statement of Policy and objectives.
- b. A description of interest calculations and how it is distributed, and how gains and losses are treated.
- c. A description of how the securities are safeguarded (including the settlement processes), and how often the securities are priced and the program audited.
- d. A description of who may invest in the program, how often, what size deposit and withdrawal are allowed.
- e. A schedule for receiving statements and portfolio listings.
- f. Are reserves, retained earnings, etc. utilized by the pool/fund?
- g. A fee schedule, and when and how is it assessed.
- h. Is the pool/fund eligible for bond proceeds and/or will it accept such proceeds?

INTEREST EARNINGS

All moneys earned and collected from investments authorized in this Policy shall be allocated monthly to various fund accounts based on the cash balance in each fund as a percentage of the entire pooled portfolio.

ANNUAL POLICY APPROVAL

The City Investment Policy shall be adopted by resolution of the City Council on an annual basis. This Policy shall be reviewed at least annually to ensure its consistency with the overall objectives of safety of principal, liquidity and yield, and its relevance to current law and financial and economic trends. Any amendments to the Policy shall be forwarded to City Council for approval.

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GLOSSARY OF TERMS

Accrued Interest. Interest earned but not yet received.

Active Deposits. Funds which are immediately required for disbursement.

Amortization. An accounting practice of gradually decreasing (increasing) an asset's book value by spreading its depreciation (accretion) over a period of time.

Arbitrage. Transactions by which securities are bought and sold in different markets at the same time for the sake of the profit arising from a yield difference in the two markets.

Asked Price. The price a broker dealer offers to sell securities.

Banker's Acceptance. A high-quality, short-term money market instrument used to finance international trade. There has never been an instance of a failure to pay a banker's acceptance in full at its maturity date.

Basis Point. One basis point is one hundredth of one percent (.01).

Bid Price. The price a broker dealer offers to purchase securities.

Bond. A financial obligation for which the issuer promises to pay the bondholder a specified stream of future cash flows, including periodic interest payments and a principal repayment.

Book Value. The value at which a debt security is shown on the holder's balance sheet. Book value is acquisition cost less amortization of premium or accretion of discount.

Broker. Someone who brings buyers and sellers together and is compensated for his/her service.

Certificate of Deposit. A deposit insured by the FDIC at a set rate for a specified period of time.

Collateral. Securities, evidence of deposit or pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposit of public moneys.

Commercial Paper. Short-term, negotiable unsecured promissory notes of corporations.

Annual Comprehensive Financial Report (ACFR). The official annual financial report for the City, prepared in conformity with Generally Accepted Accounting Principles (GAAP).

Coupon. The annual rate of interest that a bond issuer promises to pay the bondholder on the bond's face value.

Credit Risk. Defined as the risk of loss due to failure of the issuer of a security.

Current Yield. The interest paid on an investment expressed as a percentage of the current price of the security.

Custodian. A bank or other financial institution that keeps custody of stock certificates and other assets.

Defeased Bond Issues. Issues that have sufficient money to retire outstanding debt when due so that the agency is released from the contracts and covenants in the bond document.

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GLOSSARY OF TERMS

Delivery vs. Payment (DVP). Delivery of securities with a simultaneous exchange of money for the securities.

Derivative. Securities that are based on, or derived from, some underlying asset, reference date, or index.

Discount. The difference between the cost of a security and its value at maturity when quoted at lower than face value.

Diversification. Dividing investment funds among a variety of securities offering independent returns and risk profiles.

Duration. A measure of the timing of the cash flows, such as the interest payments and the principal repayment, to be received from a given fixed-income security. This calculation is based on three variables: term to maturity, coupon rate, and yield to maturity. The duration of a security is a useful indicator of its price volatility for given changes in interest rates.

Fannie Mae. Trade name for the Federal National Mortgage Association (FNMA), a U.S. sponsored corporation.

Federal Reserve System. The central bank of the U.S. which consists of a seven member Board of Governors, 12 regional banks and 5,700 commercial banks that are members.

Federal Deposit Insurance Corporation (FDIC). Insurance provided to customers of a subscribing bank which guarantees deposits to a set limit (currently \$250,000) per account.

Fed Wire. A wire transmission service established by the Federal Reserve Bank to facilitate the transfer of funds through debits and credits of funds between participants within the Fed system.

Freddie Mac. Trade name for the Federal Home Loan Mortgage Corporation (FHLMC), a U.S. sponsored corporation.

Ginnie Mae. Trade name for the Government National Mortgage Association (GNMA), a direct obligation bearing the full faith and credit of the U.S. Government.

Government Accounting Standards Board (GASB). A standard-setting body, associated with the Financial Accounting Foundation, which prescribes standard accounting practices for governmental units.

Guaranteed Investment Contracts (GICS). An agreement acknowledging receipt of funds, for deposit, specifying terms for withdrawal, and guaranteeing a rate of interest to be paid.

Inactive Deposits. Funds not immediately needed for disbursement.

Interest Rate. The annual yield earned on an investment, expressed as a percentage.

Investment Agreements. An agreement with a financial institution to borrow public funds subject to certain negotiated terms and conditions concerning collateral, liquidity, and interest rates.

Liquidity. An asset that can easily and rapidly be converted into cash without significant loss of value.

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GLOSSARY OF TERMS

Local Agency Investment Fund (LAIF). A pooled investment vehicle for local agencies in California sponsored by the State of California and administered by the State Treasurer.

Local Agency Investment Pool. A pooled investment vehicle sponsored by a local agency or a group of local agencies for use by other local agencies.

Market Risk. Defined as market value fluctuations due to overall changes in the general level of interest rates.

Market Value. The price at which a security is trading and could presumably be purchased or sold.

Maturity. The date upon which the principal or stated value of an investment becomes due and payable.

Modified Duration. A measure of exposure to market risk of a security or a portfolio. It is the percent change in the price of a security (portfolio) or a 100-basis point change in the security (portfolio) yield.

Mutual Funds. An investment company that pools money and can invest in a variety of securities, including fixed-income securities and money market instruments.

Negotiable Certificate of Deposit. A large denomination certificate of deposit which can be sold in the open market prior to maturity.

New Issue. Term used when a security is originally "brought" to market.

Note. A written promise to pay a specified amount to a certain entity on demand or on a specified date.

Par Value. The amount of principal which must be paid at maturity. Also referred to as the face amount of a bond, normally quoted in \$1,000 increments per bond.

Perfected Delivery. Refers to an investment where the actual security or collateral is held by an independent third party representing the purchasing entity.

Portfolio. Combined holding of more than one stock, bond, commodity, real estate investment, cash equivalent, or other asset. The purpose of a portfolio is to reduce risk by diversification.

Primary Dealer. A group of government securities dealers that submit daily reports of market activity and security positions held to the Federal Reserve Bank of New York and are subject to its informal oversight.

Principal. The face value or par value of a debt instrument, or the amount of capital invested in a given security.

Prospectus. A legal document that must be provided to any prospective purchaser of a new securities offering registered with the SEC that typically includes information on the issuer, the issuer's business, the proposed use of proceeds, the experience of the issuer's management, and certain certified financial statements (also known as an "official statement")

Prudent Investor Standard. A standard of conduct where a person acts with care, skill, prudence, and diligence when investing, reinvesting, purchasing, acquiring, exchanging, selling and managing funds. The test of whether the standard is being met is if a prudent person acting in a similar situation would engage in similar conduct to ensure that investments safeguard principal and maintain liquidity.

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Purchase Date. The date in which a security is purchased for settlement on that or a later date.

Rate of Return. The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond or the current income return.

Repurchase Agreement (REPO). A transaction where the seller agrees to buy back from the buyer (City) the securities at an agreed upon price on demand or at a specified date.

Reverse Repurchase Agreement (REVERSE REPO). A transaction where the seller (City) agrees to buy back from the buyer the securities at an agreed upon price on demand or at a specified date.

Risk. Degree of uncertainty of return on an asset.

Rule G-37 of the Securities Rulemaking Board. Federal regulations to sever any connection between the making of political contributions and the awarding of municipal securities business.

Safekeeping Service. An arrangement under which a third-party institution holds securities or valuables under safe, controlled conditions. A safekeeping arrangement is evidenced by a safekeeping receipt.

Sallie Mae. Trade name for the Student Loan Marketing Association (SLMA), a U.S. sponsored corporation.

Secondary Market. A market made for the purchase and sale of outstanding issues following the initial distribution.

Securities and Exchange Commission (SEC). The federal agency responsible for supervising and regulating the securities industry.

Settlement Date. The date on which a trade is cleared by delivery of securities against funds.

Tax and Revenue Anticipation Notes (TRANS). Notes issued in anticipation of receiving tax proceeds or other revenues at a future date.

Time Certificate of Deposit. A non-negotiable certificate of deposit which cannot be sold prior to maturity.

Treasury Bills. U.S. Treasury Bills which are short-term, direct obligations of the U.S. Government issued with original maturities of 13 weeks, 26 weeks and 52 weeks; sold in minimum amounts of \$10,000 in multiples of \$5,000 above the minimum. Issued in book entry form only. T-bills are sold on a discount basis.

Trustee or trust company or trust department of a bank. A financial institution with trust powers which acts in a fiduciary capacity for the benefit of the bondholders in enforcing the terms of the bond contract.

Underwriter. A dealer which purchases a new issue of municipal securities for resale.

U.S. Government Agencies. Instruments issued by various US Government Agencies most of which are secured only by the credit worthiness of the respective agency.

U.S. Treasury Obligations. Debt obligations of the United States Government sold by the Treasury Department in the forms of Bills, Notes, and Bonds. Bills are short-term obligations that mature in 1

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year or less and are sold based on a rate of discount. Notes are obligations which mature between 1 year and 10 years. Bonds are long-term obligations which generally mature in 10 years or more.

Weighted Average Maturity (WAM). The average maturity of all the securities that comprise a portfolio that is typically expressed in days or years.

Yield. The rate of annual income return on an investment, expressed as a percentage. It is obtained by dividing the current dollar income by the current market price of the security.

Yield to Maturity. The rate of income return on an investment, minus any premium or plus any discount, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond, expressed as a percentage.

Yield Curve. A graphic representation that shows the relationship at a given point in time between yields and maturity for bonds that are identical in every way except maturity.

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POLICY OVERVIEW

PURPOSE

The purpose of this Investment Policy (Policy) is to establish overall guidelines for the management and investment of the City of Milpitas (City) unexpended funds under authority granted by the City Council. This Policy is in compliance with the provisions of the California Government Code, Sections 16340, 16429.1- 16429.4, and 53600-53686, the authority governing investments for municipal governments.

INVESTMENT OBJECTIVES

The primary objectives of this Policy, in order of priority, are safety, liquidity, and return:

- 1) **Safety.** Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. This objective shall be accomplished by mitigating credit risk and market risk.
- 2) **Liquidity.** The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. This objective shall be accomplished by structuring the portfolio so securities mature concurrently with anticipated needs. The investment portfolio shall consist largely of securities with active secondary or resale markets. Furthermore, a portion of the portfolio may be placed in money market funds or Local Agency Investment Fund (LAIF) which offer same day liquidity for short-term investment.
- 3) **Return.** The investment portfolio is designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into consideration the investment risk constraints and liquidity needs. Return on investment is of secondary importance compared to the safety and liquidity objectives described above. The core of investments is limited to relatively low risk securities in anticipation of earning a fair return relative to the risk being assumed. Nevertheless, investment performance shall be continually monitored and evaluated by the City Treasurer by comparison with other investment portfolio benchmarks.

Additionally, investments are to be made that will bear in mind the responsibility of the City government to its citizens. The following investment considerations, which enhance the quality of life, will be adhered to:

- **Divestment From Publicly-Traded Fossil Fuel Companies.** The City of Milpitas has a responsibility to protect the lives and livelihoods of its inhabitants from the threat of climate change. The City believes its investments should support a future where all residents can live healthy lives without the negative impacts of a warming environment. For the purposes of the Investment Policy, a "fossil fuel company" shall be defined as any of the two hundred publicly-traded companies with the largest coal, oil and gas reserves as measured by the gigatons of carbon dioxide that would be emitted if those reserves were extracted and burned, as listed in the Carbon Tracker Initiative's "Unburnable Carbon" report. Staff responsible for managing the City investment portfolio are directed to divest all City investment funds held in fossil fuel companies once they reach their maturities, and are prohibited from making any new investments in such companies.

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SCOPE

The Policy applies to all financial assets of the City of Milpitas as accounted for in the Annual Comprehensive Financial Report (ACFR), including but not limited to the funds listed below:

- General Fund
- Special Revenue Funds
- Capital Projects Funds
- Debt Service Fund
- Enterprise Funds
- Internal Service Fund
- Trust and Agency Funds

Any new fund created by the City Council unless specifically exempted with the exception of the following:

- 1) The City Deferred Compensation Plan is excluded as it is managed by a third- party administrator and invested by individual plan participants.
- 2) Proceeds of debt issuance shall be invested in accordance with the investment objectives of this Policy. However, such proceeds are generally invested in accordance with permitted investment provisions of their specific bond indentures. If the City Treasurer determines that the matching of bond reserve funds with the maturity schedule of an individual bond issue is prudent, the Policy authorizes extending beyond the five-year maturity limitation as outlined in this document.

STANDARDS OF CARE

- 1) **Prudence.** Pursuant to California Government Code, Section 53600.3, all persons authorized to make investment decisions on behalf of the City are trustees and therefore fiduciaries subject to the prudent investor standard:

“...all governing bodies of local agencies or persons authorized to make investment decisions on behalf of those local agencies investing public funds pursuant to this chapter are trustees and therefore fiduciaries subject to the prudent investor standard. When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the Agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the Agency. Within the limitations of this section and considering individual investments as part of an overall strategy, investments may be acquired as authorized by law.”

The City Treasurer and other individuals assigned to manage the investment portfolio, acting within the intent and scope of the Policy and other written procedures, and exercising due diligence, shall be relieved of personal responsibility and liability for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely manner and appropriate action is taken to control adverse developments.

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- 2) **Ethics and Conflict of Interest.** Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program or could impair their ability to make impartial investment decisions. City employees involved in the investment process shall disclose to the City Manager any material financial interest in financial institutions that conduct business within the jurisdiction. They shall further disclose any large personal financial/investment positions that could affect the performance of the investment portfolio.
- 3) **Delegation of Authority.** Authority to manage the investment program is derived from California Government Code, Sections 41006 and 53600 et seq and granted to the City Treasurer by Section VI- 1-3.04 of the City of Milpitas Municipal Code. Under the oversight of the City Treasurer, responsibility for the operation of the investment program may be delegated to the Finance Administration staff, who shall act in accordance with established written procedures and internal controls consistent with the Policy. The City Treasurer shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of the subordinate staff members. The system of internal controls includes separation of duties, custodial safekeeping, avoidance of physical delivery securities, development of wire transfer agreement, and clear delegation of authority to subordinate staff members. The City may engage the services of one or more external investment advisers, who are registered under the Investment Advisers Act of 1940, to assist in the management of the City investment portfolio in a manner consistent with City objectives. External investment advisers may be granted discretion to purchase and sell investment securities in accordance with this Policy. The City overall investment program shall be designed and managed with a degree of professionalism that is worthy of the public trust. The City recognizes that in a diversified portfolio, occasional measured losses may be inevitable and must be considered within the context of the overall portfolio return and cash flow requirements of the City.

INVESTMENT GUIDELINES

INVESTMENT PARAMETERS

- **Maximum Maturities.** To the extent possible, the City shall attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the City will not directly invest in securities maturing more than five (5) years from the date of trade settlement. The intent to invest in securities beyond the five-year maturity limitation shall be disclosed in writing to the City Council no less than 3 months prior to the investment. Reserve funds established by the issuance of bonds and other funds with longer-term investment horizons may be invested in securities exceeding five years if the maturity of such investments is made to coincide with the expected use of funds.
- **Competitive Bidding.** It is the practice of the City to require that, where possible, all transactions with broker/dealers shall be selected on a competitive basis and their bid or offering prices shall be recorded. If there is no other readily available competitive offering, best efforts will be made to document quotations for comparable or alternative securities. When purchasing original issue instrumentality securities, no competitive offerings will be required as all dealers in the selling group offer those securities at the same original issue price.

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PERFORMANCE EVALUATION/BENCHMARK

- The investment portfolio shall be designed to attain a market-average rate of return throughout budgetary and economic cycles, considering City risk constraints, the cash flow characteristics of the portfolio, and state and local laws, ordinances or resolutions that restrict investments. Investment performance is continually monitored and evaluated by the City Treasurer. Investment performance statistics and activity reports are prepared on a quarterly basis for presentation to the City Manager and City Council within 45 days of the end of the quarter.
- The City Treasurer shall select an appropriate, readily available index to use as a market benchmark. The benchmark should be commensurate with the level of market risk of the portfolio, and should serve as a measure of risk, interest income, and fair value appreciation. Samples of readily available benchmarks include Intercity Exchange/Bank of America/Merrill Lynch 1-3 Year or 1-5 Year Treasury Indices.

SAFEKEEPING OF SECURITIES

- To protect against fraud or embezzlement or losses caused by collapse of an individual securities dealer, all securities owned by the City shall be held in safekeeping by a third-party bank trust department, acting as agent for the City under the terms of a custody agreement or master repurchase agreement. All trades executed by a dealer will settle delivery vs. payment (DVP) through the City safekeeping agent.
- Securities held in custody for the City shall be reviewed and verified quarterly by Finance staff who have not been assigned to the investment function.

INTERNAL CONTROL

The City Treasurer is responsible for establishing and maintaining an internal control structure designed to ensure the assets of the City are protected from loss, theft or misuse. The internal controls structure shall be designed to provide reasonable assurance these objectives are met. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits to be derived and that the valuation of costs and benefits requires estimates and judgments by management.

The internal controls shall address the following points:

- Control of collusion
- Separation of transaction authority from accounting and record keeping
- Custodial safekeeping
- Avoidance of physical delivery securities
- Clear delegation of authority to subordinate staff members
- Written confirmation of transactions for investments and wire transfers
- Development of a wire transfer agreement with the lead bank and third-party custodian

REPORTING

The City Treasurer shall review and render quarterly reports to the City Manager and City Council which shall include:

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- Investment information, including the par and dollar amount of the investment, the classification of the investment, the percentage of the total portfolio which each type of investment represents, the name of the institution or entity, the rate of interest, the maturity date, the current market value, and the source of the market value.
- Statement that the projected cash flow is adequate to meet expected obligations over the next six months.
- A report of transactions by month.
- The weighted average maturity of the investment portfolio.
- The average weighted yield to maturity of the portfolio as compared to the applicable benchmark.
- Statement of compliance with the Policy.

The report is due within 45 days of the end of the quarter. The City Manager may, at his discretion, require this reporting on a monthly basis based upon market conditions.

QUALIFIED BROKER/DEALERS

The City shall transact business with financial institutions and security broker/dealers after careful review of their qualifications and creditworthiness. All dealers who desire to do business with the City shall provide the necessary information (e.g., audited financial statements, proof of state registration, proof of National Association of Securities Dealers certification, etc.) from which the City can determine their creditworthiness, the existence of any pending legal action against the firm or the individual broker, as well as an understanding of the security markets that they service. The City Treasurer shall annually send a copy of the current Policy to all financial institutions and broker/dealers approved to do business with the City. Confirmation of receipt of this Policy shall be considered evidence that the dealer understands the City Investment Policy and intends to sell the City only appropriate investments authorized by this Investment Policy.

In accordance with California Government Code Section 53601.5, any investment authorized pursuant to Section 53601 or 53601.1, not purchased directly from the issuer, shall be purchased either from an institution licensed by the state as a broker-dealer, as defined in Section 25004 of the Corporations Code, or from a member of a federally regulated securities exchange, from a national or state-chartered bank, from a savings association or federal association (as defined by Section 5102 of the Financial Code) or from a brokerage firm designated as a primary dealer by the Federal Reserve bank.

Selection of financial institutions and broker/dealers authorized to engage in transactions will be at the sole discretion of the City, except where the City utilizes an external investment adviser in which case the Agency may rely on the adviser for selection.

COLLATERAL REQUIREMENTS

Collateral is required for investments in non-negotiable certificates of deposit and repurchase agreements. To reduce market risk, the collateral level shall be at least 102% of market value of principal and accrued interest and marked-to-market weekly. Securities acceptable as collateral shall be the direct obligations of or are fully guaranteed as to principal and interest by the United States or any agency of the United States.

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The City shall require any bank or financial institution to comply with the collateralization criteria defined in California Government Code, Section 53651.

AUTHORIZED INVESTMENTS

Investment of City funds is governed by the California Government Code, Sections 16340, 16429.1-16429.4, and 53600-53686. Within the context of the limitations, the following investments are authorized, as further limited herein. In the event a discrepancy is found between this Policy and the Code, the more restrictive parameters will take precedence. Percentage holding limits and minimum credit quality requirements listed in this section apply at the time the security is purchased.

Any investment currently held at the time the Policy is adopted which does not meet the new Policy guidelines can be held until maturity and shall be exempt from the current Policy. At the time of the investment's maturity or liquidation, such funds shall be reinvested only as provided in the current Policy.

An appropriate risk level shall be maintained by primarily purchasing securities that are of high quality, liquid, and marketable. The portfolio shall be diversified by security type and institution to avoid incurring unreasonable and avoidable risks regarding specific security types or individual issuers.

- 1) **United States Treasury Bills, Bonds, and Notes** or those for which the full faith and credit of the United States are pledged for payment of principal and interest. There is no percentage limitation of the portfolio which can be invested in this category, though a five-year maturity limitation is applicable.
- 2) **Federal Agency Obligations** or United States Government-Sponsored Enterprise (GSE) obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government sponsored enterprises. There is no percentage limitation of the portfolio which can be invested in this category, although a five-year maturity limitation is applicable. Additionally, no more than 30% of the portfolio may be invested in any single Agency/GSE issuer, and the maximum percent of agency callable securities in the portfolio will be 20%.
- 3) **Banker's Acceptances.** Bills of exchange or time drafts drawn on and accepted by commercial banks, otherwise known as banker's acceptances. Banker's acceptances must be issued by institutions which have short-term debt obligations rated "A-1" or its equivalent or better by at least one nationally recognized statistical rating organization (NRSRO), or long-term debt obligations which are rated in a rating category of "A" or its equivalent or better by at least one NRSRO. Purchase of banker's acceptances may not exceed 180 days maturity or 40% of the value of the portfolio. Furthermore, no more than 5% of the value of the portfolio may be invested in the banker's acceptances of any one commercial bank.
- 4) **Commercial Paper** of the highest letter and number rating as provided by at least one NRSRO, either:
 - a. Issued by general corporations organized and operating within the United States, having assets in excess of \$500,000,000 and having a rating in the rating category of "A" or its equivalent or better rating on debt other than commercial paper as provided by at least one NRSRO, or

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- b. Issued by entities organized within the United States as a special purpose corporation, trust, or limited liability company. The securities must have program-wide credit enhancements including, but not limited to, overcollateralization, letters of credit, or a surety bond. The securities must be rated “A-1” or its equivalent or better by at least one NRSRO.

Purchases of eligible commercial paper may not exceed 270 days maturity nor represent more than 10% of the outstanding paper of the issuing corporation. Purchases of commercial paper may not exceed 25% of the value of the portfolio. No more than 5% of the portfolio may be invested in any single issuer. Under a provision sunsetting on January 1, 2026, no more than 40% of the portfolio may be invested in Commercial Paper if the City investment assets under management are greater than \$100,000,000.

- 5) **Negotiable Certificates of Deposit** issued by nationally or state-chartered banks, a savings association, or a federal association, a state or federal credit union, or by a federally-licensed or state-licensed branch of a foreign bank. Purchases of negotiable certificates of deposit may not exceed 30% of the value of the portfolio. No more than 5% of the portfolio may be invested in any single issuer. A maturity limitation of five years is applicable. The amount of negotiable certificates of deposit insured up to the FDIC limit does not require any credit ratings. Any amount above the FDIC insured limit must be issued by institutions which have short-term debt obligations rated “A-1” or its equivalent or better by at least one NRSRO, or long-term obligations rated in a rating category of “A” or its equivalent or better by at least one NRSRO.
- 6) **Repurchase Agreements.** Repurchase agreements collateralized with securities authorized under in accordance with California Government Code Section 53601(j). There are no limits on the dollar amount or percentage the City may invest. The maturity of the repurchase agreements shall not exceed one year. The market value of the securities used as collateral for the repurchase agreements shall be monitored by the investment staff weekly and shall not be allowed to fall below 102% of the value of the repurchase agreement. A Master Repurchase agreement is required between the City and the dealer for all repurchase agreements transacted.
- 7) **Time Deposits.** Time deposits, non-negotiable and collateralized in accordance with the California Government Code, may be purchased through banks or savings and loan associations. A maturity limitation of five years is applicable.
- 8) **Medium-Term Corporate Notes** issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States with a maximum maturity of five years may be purchased. Securities eligible for investment shall be rated in a rating category of “A” or its equivalent or better by at least one NRSRO. Purchase of medium-term notes may not exceed 30% of the value of the portfolio and no more than 5% of the value of the portfolio may be invested in notes issued by one corporation.
- 9) **Local Agency Investment Fund (LAIF).** a State of California managed investment pool may be used up to the maximum permitted in accordance with California Government Code Section 16429.1.
- 10) **Money Market Funds.** Money Market funds invested in U.S. Government securities are permitted under this Policy and under the California Government Code Section 53601. To be

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eligible for investment under this section, an investment objective of such a fund must be the maintenance of a price per share of \$1.00. Investment in such funds shall not exceed 20% of the City total portfolio and no more than 10% of the City total portfolio may be invested in any one money market fund. In addition, either one of the following criteria must be met:

- a. The fund shall have achieved a rating of "AAA" by at least two nationally recognized statistical rating organizations, or
- b. The fund shall have retained an advisor who is registered or exempt from registration with the Security Exchange Commission with not less than five years' experience managing money market funds with assets under management in excess of five hundred million dollars (\$500,000,000).

11) **Municipal Securities** including obligations of the City, the State of California, and any local agency within the State of California, provided that:

- a. The securities are rated in a rating category of "A" or its equivalent or better by at least one NRSRO.
- b. No more than 5% of the portfolio may be invested in any single issuer.
- c. No more than 30% of the portfolio may be in Municipal Securities.
- d. The maximum maturity does not exceed five (5) years.

12) **Municipal Securities (Registered Treasury Notes or Bonds)** of any of the other 49 states in addition to California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the other 49 states, in addition to California., provided that:

- a. The securities are rated in a rating category of "A" or its equivalent or better by at least one NRSRO.
- b. No more than 5% of the portfolio may be invested in any single issuer.
- c. No more than 30% of the portfolio may be in Municipal Securities.
- d. The maximum maturity does not exceed five (5) years.

13) **Asset-Backed, Mortgage-backed, Mortgage Passthrough Securities, and Collateralized Mortgage Obligations From Issuers Not Defined In Sections 1 And 2 of the Authorized Investments Section of this Policy**, provided that:

- a. The securities are rated in a rating category of "AA" or its equivalent or better by a NRSRO.
- b. No more than 20% of the total portfolio may be invested in these securities.
- c. No more than 5% of the portfolio may be invested in any single Asset-Backed or Commercial Mortgage security issuer.
- d. The maximum legal final maturity does not exceed five (5) years.

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- 14) **Collateralized Bank Deposits.** City deposits with financial institutions will be collateralized with pledged securities per California Government Code, Section 53651. There are no limits on the dollar amount or percentage that the City may invest in collateralized bank deposits.
- 15) **Supranational Securities.** Provided that issues are US dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank. The securities must be rated in a rating category of “AA” or its equivalent or better by a NRSRO. No more than 30% of the total portfolio may be invested in these securities. No more than 10% of the portfolio may be invested in any single issuer. The maximum maturity does not exceed five (5) years.
- 16) **Local Government Investment Pools (LGIP)** which are shares of beneficial interest issued by a joint powers authority organized pursuant to Section 6509.7 that invests in securities and obligations authorized in California Government Code 53601 subdivisions (a) to (r), inclusive, where each share shall represent an equal proportional interest in the underlying pool of securities owned by the joint powers authority.
- a. The joint powers authority issuing the shares must retain an investment adviser who is registered or exempt from registration with the Securities and Exchange Commission (SEC), has assets under management in excess of \$500 million, and has at least five years of experience investing in the securities and obligations authorized by Section 53601, subdivisions (a) to (q).
 - b. Ratings of a LGIP must be in a rating category of “AAA” or its equivalent by at least one NRSRO. If rated by more than one organization, no rating may be lower than the category described in the preceding sentence.
 - c. No more than 10% of the portfolio shall be invested in any single LGIP.
 - d. LGIP investments may not exceed 20% of the City portfolio in the aggregate.

INELIGIBLE INVESTMENTS AND INVESTMENT PRACTICES

Ineligible investments are those that are not described herein, including but not limited to, common stocks, reverse repurchase agreements, inverse floaters, range notes, mortgage derived interest only strips, derivatives securities, or any security that could result in zero interest accrual. Under a provision sunseting on January 1, 2026, securities backed by the U.S. Government that could result in a zero- or negative-interest accrual if held to maturity are permitted. Trading securities for the sole purpose of speculating on the future direction of interest rates is prohibited. Purchasing or selling securities on margin is prohibited. The use of reverse repurchase agreements, securities lending or any other form of borrowing or leverage is prohibited. The purchase of foreign currency denominated securities is prohibited. The purchase of securities with a forward settlement date exceeding 45 days from the time of the investment is prohibited.

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RISK MANAGEMENT AND DIVERSIFICATION

Mitigating Credit Risk in the Portfolio. Credit risk is the risk a security or a portfolio will lose some or all its value due to a real or perceived change in the ability of the issuer to repay its debt. The City will mitigate credit risk by adopting the following strategies:

- The diversification requirements included in the “Authorized Investments” section of this Policy are designed to mitigate credit risk in the portfolio.
- No more than 5% of the total portfolio may be deposited with or invested in securities issued by any single issuer unless otherwise specified in this Policy.
- The City may elect to sell a security prior to its maturity and record a capital gain or loss to manage the quality, liquidity, or yield of the portfolio in response to market conditions or City risk preferences.
- If a security owned by the City is downgraded to a level below the requirements of this Policy, making the security ineligible for additional purchases, the following steps will be taken:
 - Any actions taken related to the downgrade by the investment manager will be communicated to the City Treasurer in a timely manner.
 - If a decision is made to retain the security, the credit situation will be monitored and reported to the City Council in the Quarterly Investment Report.

Mitigating Market Risk in the Portfolio. Market risk is the risk the portfolio value will fluctuate due to changes in the general level of interest rates. The City recognizes that, over time, longer-term portfolios have the potential to achieve higher returns. On the other hand, longer-term portfolios have higher volatility of return. The City will mitigate market risk by providing adequate liquidity for short-term cash needs, and by making longer-term investments only with funds that are not needed for current cash flow purposes.

The City further recognizes certain types of securities, including variable rate securities, securities with principal paydowns prior to maturity, and securities with embedded options, will affect the market risk profile of the portfolio differently in different interest rate environments. The City, therefore, adopts the following strategies to control and mitigate its exposure to market risk:

- The City will maintain a minimum of six months of budgeted operating expenditures in short term investments to provide sufficient liquidity for expected disbursements.
- The maximum stated final maturity of individual securities in the portfolio will be five (5) years, except as otherwise stated in this Policy.
- The duration of the portfolio will generally be approximately equal to the duration (typically, plus or minus 20%) of a market benchmark as described in the Performance Evaluation/Benchmark section of this Policy, an index selected by the City based on the City investment objectives, constraints, and risk tolerances.

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INVESTMENT POOLS/MUTUAL FUNDS

The City shall conduct a thorough investigation of any pool or mutual fund prior to making an investment, and on a continual basis thereafter. The Treasurer shall develop a questionnaire which will answer the following general questions:

- a. A description of eligible investment securities, and a written statement of Policy and objectives.
- b. A description of interest calculations and how it is distributed, and how gains and losses are treated.
- c. A description of how the securities are safeguarded (including the settlement processes), and how often the securities are priced and the program audited.
- d. A description of who may invest in the program, how often, what size deposit and withdrawal are allowed.
- e. A schedule for receiving statements and portfolio listings.
- f. Are reserves, retained earnings, etc. utilized by the pool/fund?
- g. A fee schedule, and when and how is it assessed.
- h. Is the pool/fund eligible for bond proceeds and/or will it accept such proceeds?

INTEREST EARNINGS

All moneys earned and collected from investments authorized in this Policy shall be allocated monthly to various fund accounts based on the cash balance in each fund as a percentage of the entire pooled portfolio.

ANNUAL POLICY APPROVAL

The City Investment Policy shall be adopted by resolution of the City Council on an annual basis. This Policy shall be reviewed at least annually to ensure its consistency with the overall objectives of safety of principal, liquidity and yield, and its relevance to current law and financial and economic trends. Any amendments to the Policy shall be forwarded to City Council for approval.

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GLOSSARY OF TERMS

Accrued Interest. Interest earned but not yet received.

Active Deposits. Funds which are immediately required for disbursement.

Amortization. An accounting practice of gradually decreasing (increasing) an asset's book value by spreading its depreciation (accretion) over a period of time.

Arbitrage. Transactions by which securities are bought and sold in different markets at the same time for the sake of the profit arising from a yield difference in the two markets.

Asked Price. The price a broker dealer offers to sell securities.

Banker's Acceptance. A high-quality, short-term money market instrument used to finance international trade. There has never been an instance of a failure to pay a banker's acceptance in full at its maturity date.

Basis Point. One basis point is one hundredth of one percent (.01).

Bid Price. The price a broker dealer offers to purchase securities.

Bond. A financial obligation for which the issuer promises to pay the bondholder a specified stream of future cash flows, including periodic interest payments and a principal repayment.

Book Value. The value at which a debt security is shown on the holder's balance sheet. Book value is acquisition cost less amortization of premium or accretion of discount.

Broker. Someone who brings buyers and sellers together and is compensated for his/her service.

Certificate of Deposit. A deposit insured by the FDIC at a set rate for a specified period of time.

Collateral. Securities, evidence of deposit or pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposit of public moneys.

Commercial Paper. Short-term, negotiable unsecured promissory notes of corporations.

Annual Comprehensive Financial Report (ACFR). The official annual financial report for the City, prepared in conformity with Generally Accepted Accounting Principles (GAAP).

Coupon. The annual rate of interest that a bond issuer promises to pay the bondholder on the bond's face value.

Credit Risk. Defined as the risk of loss due to failure of the issuer of a security.

Current Yield. The interest paid on an investment expressed as a percentage of the current price of the security.

Custodian. A bank or other financial institution that keeps custody of stock certificates and other assets.

Defeased Bond Issues. Issues that have sufficient money to retire outstanding debt when due so that the agency is released from the contracts and covenants in the bond document.

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Delivery vs. Payment (DVP). Delivery of securities with a simultaneous exchange of money for the securities.

Derivative. Securities that are based on, or derived from, some underlying asset, reference date, or index.

Discount. The difference between the cost of a security and its value at maturity when quoted at lower than face value.

Diversification. Dividing investment funds among a variety of securities offering independent returns and risk profiles.

Duration. A measure of the timing of the cash flows, such as the interest payments and the principal repayment, to be received from a given fixed-income security. This calculation is based on three variables: term to maturity, coupon rate, and yield to maturity. The duration of a security is a useful indicator of its price volatility for given changes in interest rates.

Fannie Mae. Trade name for the Federal National Mortgage Association (FNMA), a U.S. sponsored corporation.

Federal Reserve System. The central bank of the U.S. which consists of a seven member Board of Governors, 12 regional banks and 5,700 commercial banks that are members.

Federal Deposit Insurance Corporation (FDIC). Insurance provided to customers of a subscribing bank which guarantees deposits to a set limit (currently \$250,000) per account.

Fed Wire. A wire transmission service established by the Federal Reserve Bank to facilitate the transfer of funds through debits and credits of funds between participants within the Fed system.

Freddie Mac. Trade name for the Federal Home Loan Mortgage Corporation (FHLMC), a U.S. sponsored corporation.

Ginnie Mae. Trade name for the Government National Mortgage Association (GNMA), a direct obligation bearing the full faith and credit of the U.S. Government.

Government Accounting Standards Board (GASB). A standard-setting body, associated with the Financial Accounting Foundation, which prescribes standard accounting practices for governmental units.

Guaranteed Investment Contracts (GICS). An agreement acknowledging receipt of funds, for deposit, specifying terms for withdrawal, and guaranteeing a rate of interest to be paid.

Inactive Deposits. Funds not immediately needed for disbursement.

Interest Rate. The annual yield earned on an investment, expressed as a percentage.

Investment Agreements. An agreement with a financial institution to borrow public funds subject to certain negotiated terms and conditions concerning collateral, liquidity, and interest rates.

Liquidity. An asset that can easily and rapidly be converted into cash without significant loss of value.

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Local Agency Investment Fund (LAIF). A pooled investment vehicle for local agencies in California sponsored by the State of California and administered by the State Treasurer.

Local Agency Investment Pool. A pooled investment vehicle sponsored by a local agency or a group of local agencies for use by other local agencies.

Market Risk. Defined as market value fluctuations due to overall changes in the general level of interest rates.

Market Value. The price at which a security is trading and could presumably be purchased or sold.

Maturity. The date upon which the principal or stated value of an investment becomes due and payable.

Modified Duration. A measure of exposure to market risk of a security or a portfolio. It is the percent change in the price of a security (portfolio) or a 100-basis point change in the security (portfolio) yield.

Mutual Funds. An investment company that pools money and can invest in a variety of securities, including fixed-income securities and money market instruments.

Negotiable Certificate of Deposit. A large denomination certificate of deposit which can be sold in the open market prior to maturity.

New Issue. Term used when a security is originally "brought" to market.

Note. A written promise to pay a specified amount to a certain entity on demand or on a specified date.

Par Value. The amount of principal which must be paid at maturity. Also referred to as the face amount of a bond, normally quoted in \$1,000 increments per bond.

Perfected Delivery. Refers to an investment where the actual security or collateral is held by an independent third party representing the purchasing entity.

Portfolio. Combined holding of more than one stock, bond, commodity, real estate investment, cash equivalent, or other asset. The purpose of a portfolio is to reduce risk by diversification.

Primary Dealer. A group of government securities dealers that submit daily reports of market activity and security positions held to the Federal Reserve Bank of New York and are subject to its informal oversight.

Principal. The face value or par value of a debt instrument, or the amount of capital invested in a given security.

Prospectus. A legal document that must be provided to any prospective purchaser of a new securities offering registered with the SEC that typically includes information on the issuer, the issuer's business, the proposed use of proceeds, the experience of the issuer's management, and certain certified financial statements (also known as an "official statement")

Prudent Investor Standard. A standard of conduct where a person acts with care, skill, prudence, and diligence when investing, reinvesting, purchasing, acquiring, exchanging, selling and managing funds. The test of whether the standard is being met is if a prudent person acting in a similar situation would engage in similar conduct to ensure that investments safeguard principal and maintain liquidity.

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Purchase Date. The date in which a security is purchased for settlement on that or a later date.

Rate of Return. The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond or the current income return.

Repurchase Agreement (REPO). A transaction where the seller agrees to buy back from the buyer (City) the securities at an agreed upon price on demand or at a specified date.

Reverse Repurchase Agreement (REVERSE REPO). A transaction where the seller (City) agrees to buy back from the buyer the securities at an agreed upon price on demand or at a specified date.

Risk. Degree of uncertainty of return on an asset.

Rule G-37 of the Securities Rulemaking Board. Federal regulations to sever any connection between the making of political contributions and the awarding of municipal securities business.

Safekeeping Service. An arrangement under which a third-party institution holds securities or valuables under safe, controlled conditions. A safekeeping arrangement is evidenced by a safekeeping receipt.

Sallie Mae. Trade name for the Student Loan Marketing Association (SLMA), a U.S. sponsored corporation.

Secondary Market. A market made for the purchase and sale of outstanding issues following the initial distribution.

Securities and Exchange Commission (SEC). The federal agency responsible for supervising and regulating the securities industry.

Settlement Date. The date on which a trade is cleared by delivery of securities against funds.

Tax and Revenue Anticipation Notes (TRANS). Notes issued in anticipation of receiving tax proceeds or other revenues at a future date.

Time Certificate of Deposit. A non-negotiable certificate of deposit which cannot be sold prior to maturity.

Treasury Bills. U.S. Treasury Bills which are short-term, direct obligations of the U.S. Government issued with original maturities of 13 weeks, 26 weeks and 52 weeks; sold in minimum amounts of \$10,000 in multiples of \$5,000 above the minimum. Issued in book entry form only. T-bills are sold on a discount basis.

Trustee or trust company or trust department of a bank. A financial institution with trust powers which acts in a fiduciary capacity for the benefit of the bondholders in enforcing the terms of the bond contract.

Underwriter. A dealer which purchases a new issue of municipal securities for resale.

U.S. Government Agencies. Instruments issued by various US Government Agencies most of which are secured only by the credit worthiness of the respective agency.

U.S. Treasury Obligations. Debt obligations of the United States Government sold by the Treasury Department in the forms of Bills, Notes, and Bonds. Bills are short-term obligations that mature in 1

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GLOSSARY OF TERMS

year or less and are sold based on a rate of discount. Notes are obligations which mature between 1 year and 10 years. Bonds are long-term obligations which generally mature in 10 years or more.

Weighted Average Maturity (WAM). The average maturity of all the securities that comprise a portfolio that is typically expressed in days or years.

Yield. The rate of annual income return on an investment, expressed as a percentage. It is obtained by dividing the current dollar income by the current market price of the security.

Yield to Maturity. The rate of income return on an investment, minus any premium or plus any discount, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond, expressed as a percentage.

Yield Curve. A graphic representation that shows the relationship at a given point in time between yields and maturity for bonds that are identical in every way except maturity.

RESOLUTION NO. _____

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILPITAS APPROVING
THE INVESTMENT POLICY FOR FISCAL YEAR 2024-25**

WHEREAS, the Legislature of the State of California has declared that the deposit and investment of public funds by local officials and local agencies is an issue of statewide concern; and

WHEREAS, the legislative body of a local agency may invest surplus monies not required for the immediate needs of the local agency in accordance with the provisions of California Government Code Sections 16340, 16429.1-16429.4 and 53601 et seq.; and

WHEREAS, the Treasurer of the local agency shall annually prepare and submit a statement of investment policy and such policy, and any changes thereto, shall be considered by the legislative body at a public meeting; and

WHEREAS, the Investment Policy was last reviewed and approved by the City Council pursuant to Resolution No. 9267 on August 15, 2023.

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 has reviewed and considered the Investment Policy, including any changes, attached hereto as **Exhibit A**, and the Investment Policy for Fiscal Year 2024-25 is hereby approved.

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

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

APPROVED:

Suzanne Guzzetta, City Clerk
APPROVED AS TO FORM:

Carmen Montano, Mayor

Michael Mutalipassi, City Attorney



CITY OF MILPITAS AGENDA REPORT (AR)

Item Title:	Authorize the City Manager to Execute an Agreement with Staples Contract & Commercial LLC for Office Supplies (Staff Contact: Luz Cofresi-Howe, Finance Director, 408-586-3111)
Category:	Consent Calendar-Leadership and Support Services
Meeting Date:	9/3/2024
Recommendation:	Authorize the City Manager to execute an agreement with Staples Contract & Commercial LLC for Office Supplies through a Sourcewell Cooperative Procurement Agreement for a not-to-exceed amount of \$725,000 for 60 months (5 years).

BACKGROUND:

The City of Milpitas (City) requires office supplies for use by all City departments. The City is currently under contract with Staples Contract & Commercial LLC. The contract is based on a national solicitation by Sourcewell, under the Office Supply Catalog Solutions, cooperative purchasing program. The current contract with Staples Contract & Commercial LLC expires on October 31, 2024.

City of Milpitas Municipal Code §1-2-3.08 *Cooperative Procurement* specifically authorizes the Purchasing Agent to make such purchases based on an agreement or cooperative purchasing program entered into by a public agency, as defined by Government Code Section 6500, regardless of whether the City is a named party to the agreement or an actual participant in such a program, provided that the underlying purchase was made using competitive negotiation or bidding procedures at least as restrictive as the City's, and that the supplies or general services purchased must be the same and be offered at the same price as the supplies and general services subject to the agreement or program.

Sourcewell is a municipal contracting agency that operates as a public entity under legislative authority through Minnesota Statute 123A.21.Feb 24, 2017, which meets the definition of a public agency as defined by Government Code section 6500. Sourcewell was established with the statutory purpose to assist its members in meeting specific needs which are more effectively delivered cooperatively than by an individual entity. Sourcewell cooperative purchasing contracts are made available to its members through the Minnesota joint exercise of powers law. Sourcewell members outside of Minnesota may use its cooperative contracts under authority of joint powers or intergovernmental cooperation laws.

The City of Milpitas became a participating Sourcewell member on January 11, 2008. On December 5, 2019, Sourcewell solicited on behalf of its current and potential member agencies, Request for Proposal (RFP) No. 012320 for "Office Supply Catalog Solutions." On August 1, 2020, Sourcewell awarded Contract No. 012320 to Staples Contract & Commercial LLC. The contract period runs from August 1, 2020 to April 6, 2024. On December 6, 2022, the contract was extended to April 6, 2025.

Although Staples' current agreement with Sourcewell will expire April 6, 2025, Staples will honor all terms and conditions of the subject Sourcewell Program Agreement with the City of Milpitas beyond the expiration date, per section 2.0, Term, of the Sourcewell Program Agreement.

ANALYSIS:

The Purchasing Agent reviewed all the documentation from Sourcewell regarding the RFP and Contract No. 012320 and has determined the underlying purchase was made using competitive bidding procedures at least as restrictive as the City's, and the price for the supplies is the same as offered in the original contract.

POLICY ALTERNATIVE(S):

Alternative 1: Do not approve the Staples contract.

Pros: None

Cons: The current Milpitas contract with Staples will expire on October 31, 2024; the City will then be without a contract for office supplies and forced to purchase in the open market. Without the benefit of a competitively bid national contract, the terms, conditions, and pricing of office supplies could vary widely.

Reason for Not Recommending: See Cons.

FISCAL IMPACT:

The estimated cost for the FY 2024-25 contract period is \$145,000 which will be paid through City Departmental operating budgets as supplies are purchased. Future contract years will be subject to appropriation through the City's annual operating budget process.

California Environmental Quality Act (CEQA):

By the definition provided in the California Environmental Quality Act (CEQA) Guidelines Section 15378, this action does not qualify as a "project" for the purpose of CEQA.

RECOMMENDATION:

Authorize the City Manager to Execute an Agreement with Staples Contract & Commercial LLC for Office Supplies through a Sourcewell Cooperative Procurement Agreement for 60 months (5 years) in a not-to-exceed amount of \$725,000

Attachment(s):

1. Staples-Sourcewell Contract

**CITY OF MILPITAS
COOPERATIVELY PURCHASED AGREEMENT FOR CITYWIDE OFFICE SUPPLIES**

This Cooperatively Purchased Agreement for **Citywide Office Supplies** (“Agreement”) is entered into as of the day of _____ by and between the City of Milpitas, a municipal corporation organized under the laws of the State of California with its principal place of business at 455 E. Calaveras Boulevard, Milpitas, California 95035 (“City”) and **Staples Contract & Commercial LLC**, a Delaware limited liability company with its principal place of business at **500 Staples Drive, Framingham, MA 01702** (“Contractor”). City and Contractor are sometimes individually referred to as “Party” and collectively as “Parties” in this Agreement

RECITALS

WHEREAS, on August 1, 2020, the Sourcewell Cooperative awarded a contract to Contractor entitled Office Supply Catalog Solutions (“Original Contract”) for Citywide Office Supplies pursuant to a competitive solicitation process performed in accordance with the competitive procurement rules applicable to Sourcewell Cooperative; and

WHEREAS, pursuant to the City’s purchasing ordinance, the City is authorized to utilize cooperative purchasing to utilize contracts based on an agreement or entered into by any public agency or cooperative purchasing program utilizing public agency procurements as the basis for contracts offered, regardless of whether the City is a named party to the agreement or an actual participant in such a program; and

WHEREAS, the Original Contract is listed in the purchasing schedule offered by Sourcewell Cooperative, a National cooperative purchasing program; and

WHEREAS, the City desires to rely on the Original Contract entered into between Sourcewell Cooperative and Contractor and procure Citywide Office Supplies on the same terms and conditions set forth therein pursuant to this Agreement.

NOW, THEREFORE, in consideration of their mutual promises, obligations and covenants hereinafter contained, the parties hereto agree as follows:

1. **Recitals.** The foregoing recitals are true and correct and are a part of this Agreement.
2. **Term.** The term of this Agreement shall be from **November 1, 2024 to October 31, 2029**, unless earlier terminated as provided herein. The City reserves the right to review the Contractor’s performance at the end of each year and cancel all or part of the Agreement.
3. **Incorporation By Reference.** The Scope of Services is attached hereto as Exhibit “A” and incorporated herein by this reference. The Original Contract, including all documents incorporated by reference therein, is attached hereto as Exhibit “B” and incorporated herein by this reference – all references in the Original Contract to “Sourcewell Cooperative” shall be understood to mean the City of Milpitas. The Contractor’s Proposal is attached hereto as Exhibit “C” and is incorporated herein by reference. The incorporation of the Original Contract and the Contractor’s Proposal as part of this Agreement is subject to the order of precedence set forth below.
4. **Precedence of Agreement Documents.** If there is a conflict between Agreement documents, the document highest in precedence shall control. The precedence shall be:

One: This Agreement

Two: The Original Contract
Three: The Contractor's Proposal

Amendments, supplemental agreements, and approved revisions to the Agreement or any part thereof become a part of item One above.

5. **Obligations of the City.**

A. The City shall be obligated to pay Contractor based upon the unit and/or lump sum prices set forth in the Original Contract and/or the Contractor's Proposal for services authorized by the City.

B. Payments to the Contractor shall be made within 30 days after receipt of an original invoice from the Contractor and acceptance of the services by City.

C. In no event shall the total amount paid for this Agreement exceed **Seven Hundred Twenty-Five Thousand Dollars and Zero Cents (\$725,000.00)** unless otherwise agreed to by the parties in writing.

6. **Obligations of the Contractor.**

A. Contractor shall perform the Scope of Services as required by this Agreement.

B. Contractor shall obey all Federal, State, local, and special district laws, ordinances, and regulations. 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 Scope of Services 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. 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. Any stop orders issued by the Department of Industrial Relations against Contractor or any subcontractor that affect Contractor's performance of the Scope of Services, including any delay, shall be Contractor's sole responsibility and Contractor shall indemnify City from liability arising out of the same. It shall be mandatory upon the Contractor and all subcontractors to comply with all applicable 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), contractor registration (Labor Code Sections 1725.5 and 1771.1) 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 and to be registered with the California Department of Industrial Relations 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 1771.4, 1725.5 and 1771.1.

C. The Contractor shall keep a tally of the cost for the services ordered by City. The Contractor shall not accept work orders from the City if the cost for the work will exceed the amount indicated above unless otherwise agreed to by the parties in writing.

7. **Audit.** City shall have the option of inspecting and/or auditing all records and other written materials used by Contractor in preparing its statements to City as a condition precedent to any payment to Contractor.

8. **Hold Harmless and Indemnification.** To the fullest extent permitted by law, Contractor shall defend, 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 alleged acts, errors or omissions of Contractor, its officials, officers, employees, subcontractors, consultants or agents in connection with the performance of the Contractor's services or this Agreement, including without limitation the payment of all consequential damages, expert witness fees and attorneys' fees and other related costs and expenses. Notwithstanding the foregoing, to the extent Contractor's Services are subject to Civil Code Section 2782.8, the above indemnity shall be limited, to the extent required by Civil Code Section 2782.8, to claims that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of the Contractor.

9. **Amendments.** Any amendment, modification, or variation from the terms of this Agreement shall be in writing and shall be effective only upon mutual written approval by the City and Contractor.

10. **Anti-Discrimination.** In the performance of the terms of this Agreement, Contractor shall not engage in, nor permit subcontractors to engage in, discrimination in employment of persons because of the age, race, color, religious creed, sex, sexual orientation, national origin, ancestry, physical disability, mental disability, medical condition, or marital status of such persons.

11. **Termination.** City may, by written notice to Contractor, terminate the whole or any part of this Agreement at any time and without cause by giving written notice to Contractor of such termination, and specifying the effective date thereof, at least seven (7) days before the effective date of such termination. Upon termination, Contractor shall be compensated only for those services which have been adequately rendered to City, and Contractor shall be entitled to no further compensation. Contractor may not terminate this Agreement except for cause. If this Agreement is terminated as provided herein, City may require Contractor to provide all finished or unfinished documents and data and other information of any kind prepared by Contractor in connection with the performance of services under this Agreement. Contractor shall be required to provide such documents and other information within fifteen (15) days of the request. The Contractor understands and accepts that at all times; the Agreement is subject to appropriation of funds by the Milpitas City Council. The Agreement 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 Agreement 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 Agreement in lieu of appropriations for new or other agreements. 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 Agreement. This section controls against any and all other provisions of the Agreement

12. **Complete Contract.** This Agreement shall constitute the complete Agreement between the parties hereto. No verbal agreement, understanding, or representation not reduced to writing and specifically incorporated herein shall be of any force or effect, nor shall any such verbal agreement, understanding, or representation be binding upon the parties hereto.

13. **Time of Performance.** Time is of the essence in this Agreement.

14. **Successors and Assigns.** The terms hereof shall be binding upon and inure to the benefit of the successors and assigns of the parties hereto; provided, however, that no party hereto shall assign any of the benefits and burdens hereunder, whether voluntarily or by operation of law, without the prior written consent of the other party, and any such assignment without said consent shall be void.

15. **Authority to Execute Contract.** Both City and Contractor do covenant that each individual executing this Agreement on behalf of each party is a person duly authorized and empowered to execute contracts for such party.

16. **Insurance.** Contractor 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, Contractor shall not allow any subcontractor to commence work on any subcontract until it has secured all insurance required therein.

17. **Jurisdiction and Venue.** Jurisdiction is in the State of California and venue lies in Santa Clara County.

18. **Wage Theft Prevention.** Contractor, and any subcontractor 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. BY SIGNING THIS 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 AGREEMENT THAT CONTRACTOR OR ITS SUBCONTRACTORS 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 AGREEMENT. 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 Contractor or a subcontractor it employs to perform work under this 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 Agreement demonstrating continued compliance with the plan until the judgment, decision or order has been fully satisfied. 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. 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. 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.

19. **Notices.** All notices permitted or required under this Agreement shall be given to the respective parties at the following address, or at such other address as the respective parties may provide in writing for this purpose:

Contractor:

Staples Contract & Commercial LLC
500 Staples Drive
Framingham, MA 01702
Attn: Diana Pesantez, Sr. Account Manager

City:

City of Milpitas
455 E. Calaveras Boulevard
Milpitas, California 95035
Attn: Ria Abellera

Such notice shall be deemed made when personally delivered or when mailed, forty-eight (48) hours after deposit in the U.S. Mail, first class postage prepaid and addressed to the party at its applicable address. Actual notice shall be deemed adequate notice on the date actual notice occurred, regardless of the method of service.

[SIGNATURES ON NEXT PAGE]

**SIGNATURE PAGE FOR AGREEMENT FOR CITYWIDE OFFICE SUPPLIES
BETWEEN THE CITY OF MILPITAS
AND STAPLES CONTRACT & COMMERCIAL LLC**

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

CITY OF MILPITAS

Approved By:

Ned Thomas, City Manager

Date

Approved As To Form:

Michael Mutalipassi, City Attorney

Approved:

Luz Cofresí -Howe
Finance Director/Risk Manager

**STAPLES CONTRACT & COMMERCIAL
LLC**

Signature

Name

Title

Date

EXHIBIT “A”

SCOPE OF SERVICES

Contractor will provide:

Easy online ordering - a customized site just for you, with special pricing on the products used most by your organization.

Fast and FREE shipping on supplies - next-business-day in most of the country.

[Customized Pricing List on Following Page]

Customized Pricing List Only

SKU_NUMBER	ITEM_DESCRIPTION	CUST_ITEM_NUMBER	CONT_PRICE	UOM_CONV	SELL_UOM
658923	PILOT PRECISE RT RB	658923	\$17.27	1	DZ
620014	SPLS 8.5X11 100% RE	324971	\$57.11	1	CT
272153	EXPO ERASER EA	272153	\$2.01	1	EA
620014	SPLS 8.5X11 100% RE	234062	\$57.11	1	CT
100688	KCUP SBUX PIKE PLAC	100688	\$22.99	1	BX
563125	BOX STOR-ALL LETTE	563125	\$78.89	1	CT
377022	PM LIQ PAP CORRECT	377022	\$2.50	1	EA
1440263	KCUP SBUX BREAKFA	1440263	\$19.40	1	BX
268713	ADESSO IMOUSEG2IC	268713	\$25.78	1	EA
24448589	U&S MSH/FAB CHAIR	24448589	\$91.47	1	EA
620014	SPLS 8.5X11 100% RE	513096	\$57.11	1	CT
923273	10 PK FACIAL TISSUE	923273	\$15.72	1	PK
514249	PEN GEL RT MED BLA	514249	\$14.64	1	DZ
474335	EXPO2 8 COLOR SET	474335	\$8.15	1	PK
828116	FILE PKT LTR 5.25 EXP	828116	\$27.93	1	BX
962485	BIODEGRADABLE HOT	962485	\$3.50	1	PK
24378019	SEB REMAN HP 508A	24378019	\$68.99	1	EA
502850	BIC WITE-OUT EXACT	502850	\$9.07	1	PK
2518072	KCUP DUNKIN ORIG 22	2518072	\$14.60	1	BX
946977	1/2X36 YD MAGIC TAP	946977	\$75.68	1	CT
2796207	2019 DESKPAD 22X17	2796207	\$3.18	1	EA
815014	LETTER OPENER PLAS	815014	\$1.06	1	PK
490948	PASTELS 8.5X11 CANA	490948	\$6.61	1	RM
462788	WORKSAVER 5 TAB CL	462788	\$0.91	1	ST
686440	ALLI RUBBER BAND SI	686440	\$6.14	1	BX
501296	HIGHLIGHTER 4009 CH	501296	\$4.26	1	DZ
744907	OVAL PENCIL CUP ME	744907	\$11.49	1	EA
520149	SELF-INKING 20ML RE	520149	\$3.68	1	EA
357715	6 COMP VERT. FILE BL	357715	\$14.39	1	EA
620014	SPLS 8.5X11 100% RE	818051	\$57.11	1	CT
712196	SPLS ELECTRONICS D	712196	\$2.66	1	EA
374812	2IN WHITE VIEW BINDE	374812	\$2.80	1	EA
620014	SPLS 8.5X11 100% RE	135848	\$57.11	1	CT
860389	TONER FAX PANA UF5	860389	\$176.84	1	EA
24378017	SEB REMAN HP 508A E	24378017	\$61.82	1	EA
120741	EXPO DRY ERASE CLE	120741	\$2.89	1	EA
620014	SPLS 8.5X11 100% RE	492072	\$57.11	1	CT
951059	CLAW STAPLE REMOV	951059	\$0.28	1	EA
806630	INKJT CD LBL MATTE	806630	\$11.34	1	PK
817196	TAPE DSPR DESK 1 CC	817196	\$4.72	1	EA
502582	FOLDER CLASSIFICAT	502582	\$55.15	1	BX
408775	CREST CERTIFICATIO	408775	\$6.08	1	PK
24378018	SEB REMAN HP 508A C	24378018	\$68.99	1	EA
920274	SELF-INK RECEIVED W	920274	\$5.56	1	EA
2516934	KCUP DUNKIN MIDNIG	2516934	\$14.60	1	BX
45998	PEN 1MM BOLD BLAC	45998	\$11.56	1	DZ
163840	STPLS PAD PERF LTR	163840	\$8.21	1	DZ
1585355	HP 508A BLACK	1585355	\$182.10	1	EA
24418179	TR CLAW STAPLE REM	24418179	\$2.16	1	PK
292995	1ST POSITION LEGAL	292995	\$21.48	1	BX
328422	ULTRALUX 6 7/8 INCH	328422	\$7.52	1	PK
329399	MAGIC GREENER TAPE	329399	\$11.56	1	PK
901513	STAPLER LIGHT TOUC	901513	\$17.71	1	EA
164208	LYSOL DISFT WIPES L	164208	\$13.23	1	PK
683908	GEL MOUSEPAD WRIS	683908	\$21.76	1	EA
677045	HOT SPLS LAM POUCE	677045	\$3.71	1	PK
382955	MOUSE PAD BK	382955	\$0.73	1	EA
581761	SPLS 11X17 30% REC	581761	\$67.83	1	CT
2072175	HYPE TANK CHISEL AS	2072175	\$2.59	1	PK
24323890	CORRECTION TAPE MI	24323890	\$2.38	1	PK
24378020	SEB REMAN HP 508A Y	24378020	\$68.99	1	EA
176511	2 1/4INX130 ADDING M	176511	\$4.07	1	DZ
2093755	DUAL MONITOR DESK	2093755	\$86.27	1	EA
620014	SPLS 8.5X11 100% RE	122374	\$57.11	1	CT
565448	STICKIES 3X3 POP BRI	565448	\$3.16	1	PK
385581	LABEL ADDRESS WHT	385581	\$8.66	1	BX
496791	#65 CARDSTOCK	496791	\$12.90	1	PK
620014	SPLS 8.5X11 100% RE	620014	\$57.11	1	CT

EXHIBIT “B”
ORIGINAL CONTRACT

Attached Behind This Page



CONTRACT EXTENSION

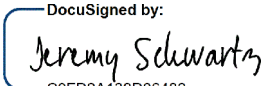
Contract Number: #012320-SCC

Sourcewell, 202 12th Street Northeast, P.O. Box 219, Staples, MN 56479 (Sourcewell) and Staples Contract & Commercial LLC, 500 Staples Drive, Framingham, MA 01702 have entered into Contract #012320-SCC for the procurement of Office Supply Catalog Solutions. The Contract has an expiration date of April 6, 2024, but the parties may extend the Contract by mutual consent.

Sourcewell and Vendor acknowledge that extending the Contract benefits the Vendor, Sourcewell and Sourcewell's Members. Vendor and Sourcewell agree to extend the Contract listed above for an additional period, with a new Contract expiration date of April 6, 2025. All other terms and conditions of the Contract remain in full force and effect.

Sourcewell

Staples Contract & Commercial LLC

DocuSigned by:

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

12/6/2022 | 3:28 PM CST
Date: _____

DocuSigned by:

By: 75B171C7A79249D...
Michele Parzianello
Title: Chief Sales officer

12/6/2022 | 4:07 PM CST
Date: _____

**Solicitation Number: RFP#012320****CONTRACT**

This Contract is between **Sourcewell**, 202 12th Street Northeast, P.O. Box 219, Staples, MN 56479 (Sourcewell) and **Staples Contract & Commercial LLC**, 500 Staples Drive, Framingham, MA 01702 (Vendor).

Sourcewell is a State of Minnesota local government agency and service cooperative created under the laws of the State of Minnesota (Minnesota Statutes Section 123A.21) that offers cooperative procurement solutions to its members. Participation is open to all levels of governmental entity, higher education, K-12 education, nonprofit, tribal government, and other public entities located in the United States and Canada.

Vendor desires to contract with Sourcewell to provide equipment, products, or services to Sourcewell and its Members (Members).

1. TERM OF CONTRACT

- A. **EFFECTIVE DATE.** This Contract is effective August 1, 2020.
- B. **EXPIRATION DATE AND EXTENSION.** This Contract expires April 6, 2024, unless it is cancelled sooner pursuant to Article 24. This Contract may be extended up to one additional one-year period upon request of Sourcewell and with written agreement by Vendor.
- C. **SURVIVAL OF TERMS.** Articles 11 through 16 survive the expiration or cancellation of this Contract.

2. EQUIPMENT, PRODUCTS, OR SERVICES

- A. **EQUIPMENT, PRODUCTS, OR SERVICES.** Vendor will provide the Equipment, Products, or Services as stated in its Proposal submitted under the Solicitation Number listed above. Vendor's Equipment, Products, or Services Proposal (Proposal) is attached and incorporated into this Contract.

All Equipment and Products provided under this Contract must be new/current model. Vendor may offer close-out or refurbished Equipment or Products if they are clearly indicated in Vendor's product and pricing list. Unless agreed to by the Member in advance, Equipment or Products must be delivered as operational to the Member's site.

This Contract offers an indefinite quantity of sales, and while substantial volume is anticipated, sales and sales volume are not guaranteed.

B. **LAWS AND REGULATIONS.** All Equipment, Products, or Services must comply fully with applicable federal laws and regulations, and with the laws of the state or province in which the Equipment, Products, or Services are sold.

C. **WARRANTY.** Vendor warrants that all Products and installation thereof will conform to specifications as stated in manufacturer documentation. Vendor will pass through all manufacturers' warranties to Member (copies of such manufacturer warranties provided upon request). Vendor warrants that all Products branded TRU RED, Perk, NXT Technologies, Union & Scale, or Coastwide Professional are: (1) merchantable; (2) of good quality and workmanship; (3) free from defects latent or patent in material design and workmanship for whichever period is shorter, either (a) one year from the date of purchase, or (b) as otherwise specified on the packaging of the Products; (4) fit sufficient and safe for their intended purpose and for the particular purpose for which they were designed; and (5) in conformity with Vendor's samples, if any. Vendor warrants that for a period of one year from performance, installation and assembly Services will meet or exceed generally accepted standards in the industry and will meet any required specifications mutually agreed upon by Vendor and Member.

Additional warranties applicable to specific product categories, if any, are set forth in Vendor's Proposal.

THESE WARRANTIES ARE EXCLUSIVE AND IN LIEU OF ALL OTHERS, ORAL OR WRITTEN, EXPRESS OR IMPLIED. VENDOR DISCLAIMS ALL WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION, WARRANTIES OF TITLE, NON-INFRINGEMENT, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

D. **DEALERS AND DISTRIBUTORS.** Upon Contract execution, Vendor will make available to Sourcewell a means to validate or authenticate Vendor's authorized Distributors/Dealers relative to the Equipment, Products, and Services related to this Contract. This list may be updated from time-to-time and is incorporated into this Contract by reference. It is the Vendor's responsibility to ensure Sourcewell receives the most current version of this list.

Vendor may utilize certain company affiliates under the Staples, Inc. umbrella to serve as authorized dealers and distributors under this agreement. Any sales by such affiliates pursuant to the Contract would be reflected in a written agreement between such affiliate and Sourcewell participating Member with reference made to this Contract. These affiliates include, but are not limited to, DEX Imaging, LLC, a leading nationwide managed print services provider.

3. PRICING

All Equipment, Products, or Services under this Contract will be priced as stated in Vendor's Proposal.

Regardless of the payment method chosen by the Member, the total cost associated with any purchase option of the Equipment, Products, or Services must always be disclosed in the pricing quote to the applicable Member at the time of purchase.

When providing pricing quotes to Members, all pricing quoted must reflect a Member's total cost of acquisition. This means that the quoted cost is for delivered Equipment, Products, and Services that are operational for their intended purpose, and includes all costs to the Member's requested delivery location.

A. SHIPPING AND SHIPPING COSTS. All delivered Equipment and Products must be properly packaged. Damaged Equipment and Products may be rejected. If the damage is not readily apparent at the time of delivery, Vendor must permit the Equipment and Products to be returned within a reasonable time at no cost to Sourcewell or its Members. Members reserve the right to inspect the Equipment and Products at a reasonable time after delivery where circumstances or conditions prevent effective inspection of the Equipment and Products at the time of delivery.

Vendor must arrange for and pay for the return shipment on Equipment and Products that arrive in a defective or inoperable condition.

Sourcewell may declare the Vendor in breach of this Contract if the Vendor intentionally delivers substandard or inferior Equipment or Products. In the event of the delivery of nonconforming Equipment and Products, the Member will notify the Vendor as soon as possible and the Vendor will replace nonconforming Equipment and Products with conforming Equipment and Products that are acceptable to the Member.

Vendor will use commercially reasonable efforts to ship Products ordered by Members before 4:00 p.m. local time within one (1) business day after acceptance of a Purchase Order, except for backordered, special-order, or out of stock Products. If a Product is backordered or shipment is delayed for any reason, Member will be notified of a delay and Vendor will deliver the delayed Product as promptly as commercially practicable. Vendor will treat delayed orders as active until Member contacts Vendor and provides other instructions. Vendor's standard shipments will be F.O.B. Member's location in the forty-eight (48) contiguous United States. Additional charges may apply for desk-top delivery, special delivery, non-standard delivery, rush delivery, or special or custom order products or as noted on Vendor's e-commerce platform. Title and risk of loss for the Products will pass to Member at the time the Products are delivered to Member. Eligible products purchased online and picked up at a Vendor retail location will be available for pick up two hours after approval, charged at time of pick up, and cancelled if not picked up after five (5) days. Sales tax will be calculated based upon order pick up location. Member's invoice may not separately designate these items as "in-store pick up." Certain items may incur an additional charge (typically furniture items) which will be invoiced to the Member,

if applicable. Unless otherwise agreed by Vendor and a Member all orders shall be subject to a minimum order size of 35.00 per order. If an order below this amount is placed, the Member will be informed it cannot be processed.

The following will apply for shipments to Alaska or Hawaii: Shipments up to 159lbs. are shipped UPS 2nd Day Air. Shipments over 159lbs. or items which cannot be shipped via UPS (e.g. items classified as hazmat and/or ORM-D) are shipped ocean freight. Vendor will not ship any fully regulated hazmat items, which are shipped directly from the vendor. Ocean shipments are delivered approximately fourteen (14) days from shipment. All shipments to Alaska or Hawaii will be subject to a 25% surcharge.

B. SALES TAX. Each Member is responsible for supplying the Vendor with valid tax-exemption certification(s). When ordering, Members must indicate if it is a tax-exempt entity.

C. HOT LIST PRICING. At any time during this Contract, Vendor may offer a specific selection of Equipment, Products, or Services at discounts greater than those listed in the Contract. When Vendor determines it will offer Hot List Pricing, it must be submitted electronically to Sourcewell in a line-item format. Equipment, Products, or Services may be added or removed from the Hot List at any time through a Sourcewell Price and Product Change Form as defined in Article 4 below.

Hot List program and pricing may also be used to discount and liquidate close-out and discontinued Equipment and Products as long as those close-out and discontinued items are clearly identified as such. Current ordering process and administrative fees apply. Hot List Pricing must be published and made available to all Members.

4. PRODUCT AND PRICING CHANGE REQUESTS

Vendor may request Equipment, Product, or Service changes, additions, or deletions at any time. All requests must be made in writing by submitting a signed Sourcewell Price and Product Change Request Form to the assigned Sourcewell Contract Administrator. This form is available from the assigned Sourcewell Contract Administrator. At a minimum, the request must:

- Identify the applicable Sourcewell contract number
- Clearly specify the requested change
- Provide sufficient detail to justify the requested change
- Individually list all Equipment, Products, or Services affected by the requested change, along with the requested change (e.g., addition, deletion, price change)
- Include a complete restatement of pricing documentation in Microsoft Excel with the effective date of the modified pricing, or product addition or deletion. The new pricing restatement must include all Equipment, Products, and Services offered, even for those items where pricing remains unchanged.

A fully executed Sourcewell Price and Product Request Form will become an amendment to this Contract and be incorporated by reference.

Core List. The “Core List” represents net priced items which are inclusive of those products predicted to be the most commonly used products by Sourcewell and its participating Members. Prices for Core List items provided under this contract are set forth in Exhibit 1.

The prices for Core List Items, excluding Premium Products, may be updated biannually on August 1st and February 1st of each year during the term that this contract is in effect. Vendor may request a price change adjustment for Core List items by submitting a price change addendum to Sourcewell thirty (30) days prior to August 1st and February 1st to reflect changes in stock availability, market conditions, buying expense, tariffs and other factors that affect the overall cost of such items.

The prices for Premium Products may be updated quarterly of each year during the term that this contract is in effect. Premium Products are defined as toner, ink, IT hardware, copy paper and furniture that Members purchase from Vendor.

Extraordinary Market Events. Vendor reserves the right to reasonably adjust a Core Item’s price if extraordinary market events require immediate adjustment (e.g. shortages, trade disputes, natural disasters, etc.) and to adjust pricing with the impact of tariffs, customs, or duties imposed on products. Any such adjustments shall be noticed to Sourcewell with thirty (30) days prior written notice accompanied by supporting documentation. Vendor will work with Sourcewell and affected Members to identify alternative products to mitigate the impact of the foregoing where possible.

Updated Items. For purposes of contract management, Vendor may provide to Sourcewell an updated report no more than once a calendar quarter, which shall identify the SKU numbers and prices for the new items that Vendor and Sourcewell have added, as well as SKU numbers for items that have been removed from the Core List. Vendor may from time to time propose substitutions to Core Items. Sourcewell agrees that it will not unreasonably withhold its consent.

Custom Pricing; Rebates & Incentives; Other Terms. Vendor may offer additional pricing discounts, rebates and/or incentives to an individual participating Member based upon commitments and variables that may include, but not limited to, Member size and scope, geography, purchase volume, guarantees, logistical expenses, manufacturer support, specific product usage and other contractual terms/requirements. Members receiving custom pricing or incentives may be required to sign a Participation Agreement with Vendor.

Non-Core Items. The prices for Non-Core Items shall appear on StaplesAdvantage.com and shall be adjusted to reflect changes in stock availability, market conditions, buying expense, and other factors that affect the overall cost of the Non-Core Items. Notwithstanding anything to the contrary Non-Core Items are not subject to customer audit, or any pricing guarantee, nor

shall Non-Core Items be subject to the Change Request process set forth in this Section 4.

Sourced Goods. Members may request certain goods that are non-stock or custom in nature. The prices for Sourced Goods shall be those prices that appear on the ordering platform at time of order, or as otherwise established between Vendor and the applicable participating Member at the time the order is placed. Sourced Goods may include additional delivery or handling charges that would be the responsibility of the ordering Member.

Pricing Exhibits. Please see the Pricing Exhibits for pricing details on the following categories:

- Exhibit 1 – Core List Pricing
- Exhibit 2 – Print & Copy Program
- Exhibit 3 – Promotional Products Program
- Exhibit 4 – Staples Technology Solutions
- Exhibit 5A – Managed Print Services Capabilities
- Exhibit 5B – Managed Print Services Pricing
- Exhibit 5C – Managed Print Services Sample Agreement

Tier One Diversity Program. Vendor reserves the right to implement a pricing upcharge when setting up a Tier One program for any Participating Member to reflect the additional cost of the diversity supplier's program.

5. MEMBERSHIP, CONTRACT ACCESS, AND MEMBER REQUIREMENTS

A. MEMBERSHIP. Membership in Sourcewell is open to public and nonprofit entities across the United States and Canada; such as municipal, state/province, K-12 and higher education, tribal government, and other public entities.

The benefits of this Contract should be available to all Members that can legally access the Equipment, Products, or Services under this Contract. A Member's authority to access this Contract is determined through its cooperative purchasing, interlocal, or joint powers laws. Any entity accessing benefits of this Contract will be considered a Service Member of Sourcewell during such time of access. Vendor understands that a Member's use of this Contract is at the Member's sole convenience and Members reserve the right to obtain like Equipment, Products, or Services from any other source.

Vendor is responsible for familiarizing its sales and service forces with Sourcewell membership requirements and documentation and will encourage potential members to join Sourcewell. Sourcewell reserves the right to add and remove Members to its roster during the term of this Contract.

Notwithstanding anything to the contrary a Member's participation hereunder including for the avoidance of doubt and extension of credit hereunder is contingent upon Member's satisfaction of Vendor's standard credit requirements. Vendor also reserve the right to refuse sales of Products to Members reselling such Products. To the extent a Member has a pre-

existing separate agreement with Vendor, Vendor reserves the right not to sell products and services under multiple agreements to that Member. In addition, Vendor may terminate this Contract for any reason (i.e., for convenience) with respect to an individual Member by delivering not less than ninety (90) days prior written notice thereof to Sourcewell and the applicable Member.

B. PUBLIC FACILITIES. Vendor's employees may be required to perform work at government-owned facilities, including schools. Vendor's employees and agents must conduct themselves in a professional manner while on the premises, and in accordance with Member policies and procedures, and all applicable laws.

6. MEMBER ORDERING AND PURCHASE ORDERS

A. PURCHASE ORDERS AND PAYMENT. To access the contracted Equipment, Products, or Services under this Contract, Member must clearly indicate to Vendor that it intends to access this Contract; however, order flow and procedure will be developed jointly between Sourcewell and Vendor. Typically a Member will issue a purchase order directly to Vendor. Members may use their own forms for purchase orders, but it should clearly note the applicable Sourcewell contract number. Members will be solely responsible for payment and Sourcewell will have no liability for any unpaid invoice of any Member.

B. ADDITIONAL TERMS AND CONDITIONS. Additional terms and conditions to a purchase order may be negotiated between a Member and Vendor, such as job or industry-specific requirements, legal requirements (such as affirmative action or immigration status requirements), or specific local policy requirements. Any negotiated additional terms and conditions must never be less favorable to the Member than what is contained in Vendor's Proposal.

C. PERFORMANCE BOND. If requested by a Member, Vendor will provide a performance bond that meets the requirements set forth in the Member's purchase order.

D. SPECIALIZED SERVICE REQUIREMENTS. In the event that the Member requires service or specialized performance requirements (such as e-commerce specifications, specialized delivery requirements, or other specifications and requirements) not addressed in this Contract, the Member and the Vendor may enter into a separate, standalone agreement, apart from this Contract. Sourcewell, including its agents and employees, will not be made a party to a claim for breach of such agreement.

E. TERMINATION OF PURCHASE ORDERS. Members may terminate a purchase order, in whole or in part, immediately upon notice to Vendor in the event of any of the following events:

1. The Member fails to receive funding or appropriation from its governing body at levels sufficient to pay for the goods to be purchased;

2. Federal or state laws or regulations prohibit the purchase or change the Member's requirements; or
3. Vendor commits any material breach of this Contract or the additional terms agreed to between the Vendor and a Member.

Vendor reserves the right to terminate a purchase order pursuant to which a Member requests or demands services to be performed not enumerated by the terms of this Contract.

F. **GOVERNING LAW AND VENUE.** The governing law and venue for any action related to a Member's purchase order will be determined by the Member making the purchase.

7. CUSTOMER SERVICE

A. **PRIMARY ACCOUNT REPRESENTATIVE.** Vendor will assign an Account Representative to Sourcewell for this Contract and must provide prompt notice to Sourcewell if that person is changed. The Account Representative will be responsible for:

- Maintenance and management of this Contract;
- Timely response to all Sourcewell and Member inquiries; and
- Business reviews to Sourcewell and Members, if applicable.

B. **BUSINESS REVIEWS.** Vendor must perform a minimum of one business review with Sourcewell per contract year. The business review will cover sales to members, pricing and contract terms, administrative fees, supply issues, customer issues, and any other necessary information.

8. REPORT ON CONTRACT SALES ACTIVITY AND ADMINISTRATIVE FEE PAYMENT

A. **CONTRACT SALES ACTIVITY REPORT.** Each calendar quarter, Vendor must provide a contract sales activity report (Report) to the Sourcewell Contract Administrator assigned to this Contract. A Report must be provided regardless of the number or amount of sales during that quarter (i.e., if there are no sales, Vendor must submit a report indicating no sales were made).

The Report must contain the following fields:

- Customer Name (e.g., City of Staples Highway Department);
- Customer Physical Street Address;
- Customer City;
- Customer State;
- Customer Zip Code;
- Customer Contact Name;
- Customer Contact Email Address;
- Customer Contact Telephone Number;

- Sourcewell Assigned Entity/Member Number;
- Item Purchased Description;
- Item Purchased Price;
- Sourcewell Administrative Fee Applied; and
- Date Purchase was invoiced/sale was recognized as revenue by Vendor.

B. ADMINISTRATIVE FEE. In consideration for the support and services provided by Sourcewell, the Vendor will pay an administrative fee to Sourcewell on all Equipment, Products, and Services provided to Members. The Vendor will submit a check payable to Sourcewell for the percentage of administrative fee stated in the Proposal multiplied by the total sales of all Equipment, Products, and Services purchased by Members under this Contract during each calendar quarter. Payments should note the Sourcewell-assigned contract number in the memo and must be mailed to the address above "Attn: Accounts Receivable." Payments must be received no later than forty-five (45) calendar days after the end of each calendar quarter.

The administrative fee referenced in this Section shall be calculated as a percentage of Net Sales (defined below) as follows:

Unless otherwise mutually agreed to in writing by Sourcewell and Staples, and except as stated below, Staples will pay Sourcewell an administrative fee of one and half percent (1.5%) of the Members' aggregate Net Sales during each calendar quarter, which have been timely paid, to be paid within forty five (45) days after the end of each calendar quarter.

An exception to the above 1.5% admin fee would be that Staples will pay Sourcewell one half of one percent (0.5%) administrative fee for participating Members' aggregate Net Sales under the managed print services ("MPS") program of the Contract and one quarter of one percent (0.25%) on technology product Net Sales.

Net Sales. Net Sales will be defined as the gross sales price of the applicable products sold pursuant to this Contract, less shipping costs (including freight charges and insurance), taxes, duties, any rebates actually paid, discounts and allowances actually taken, rejections and returns to the extent credit is given or paid, and also excluding purchases made via staples.com, or any Staples retail channel.

Vendor agrees to cooperate with Sourcewell in auditing transactions under this Contract to ensure that the administrative fee is paid on all items purchased under this Contract.

In the event the Vendor is delinquent in any undisputed administrative fees, Sourcewell reserves the right to cancel this Contract and reject any proposal submitted by the Vendor in any subsequent solicitation. In the event this Contract is cancelled by either party prior to the Contract's expiration date, the administrative fee payment will be due no more than thirty (30) days from the cancellation date.

9. AUTHORIZED REPRESENTATIVE

Sourcewell's Authorized Representative is its Chief Procurement Officer.

Vendor's Authorized Representative is the person named in the Vendor's Proposal. If Vendor's Authorized Representative changes at any time during this Contract, Vendor must promptly notify Sourcewell in writing.

10. ASSIGNMENT, AMENDMENTS, WAIVER, AND CONTRACT COMPLETE

A. **ASSIGNMENT.** Neither the Vendor nor Sourcewell may assign or transfer any rights or obligations under this Contract without the prior consent of the parties and a fully executed assignment agreement. Such consent will not be unreasonably withheld.

This Section shall not apply to Vendor's delivery, installation, design, repair, or refurbishment obligations hereunder, which Vendor may subcontract to reasonably qualified third parties.

B. **AMENDMENTS.** Any amendment to this Contract must be in writing and will not be effective until it has been fully executed by the parties.

C. **WAIVER.** If either party fails to enforce any provision of this Contract, that failure does not waive the provision or the right to enforce it.

D. **CONTRACT COMPLETE.** This Contract contains all negotiations and agreements between Sourcewell and Vendor. No other understanding regarding this Contract, whether written or oral, may be used to bind either party.

E. **RELATIONSHIP OF THE PARTIES.** The relationship of the parties is one of independent contractors, each free to exercise judgment and discretion with regard to the conduct of their respective businesses. This Contract does not create a partnership, joint venture, master-servant, principal-agent, or any other relationship.

11. LIABILITY

Vendor must indemnify, save, and hold Sourcewell and its Members, including their agents and employees, harmless from any claims or causes of action, including attorneys' fees, arising out of the performance of this Contract by the Vendor or its agents or employees; this indemnification includes injury or death to person(s) or property alleged to have been caused by some defect in the Equipment, Products, or Services under this Contract to the extent the Equipment, Product, or Service has been used according to its specifications.

Neither party, nor its officers, directors, employees, or Affiliates, shall be liable to the other for any special, indirect, incidental, consequential, punitive, or exemplary damages including, but not limited to, lost profits, business interruption, loss of data, or cost of cover even if the party

alleged to be liable has knowledge of the possibility of such damages. The limitations set forth in this Section shall not apply to, or in any way limit liabilities arising from, a party's gross negligence or willful misconduct, or from the confidentiality or indemnification obligations of that party.

12. AUDITS

Sourcwell reserves the right to review the books, records, documents, and accounting procedures and practices of the Vendor relevant to this Contract for a minimum of three (3) years from the end of this Contract. This clause extends to Members as it relates to business conducted by that Member under this Contract. Any audit requests shall be made with thirty (30) days advance written notice and shall be conducted during normal business hours at Vendor's corporate offices. If a third-party consultant or auditor is used, Vendor may require the execution of a confidentiality agreement prior to receiving access to any records.

13. GOVERNMENT DATA PRACTICES

Vendor and Sourcwell must comply with the Minnesota Government Data Practices Act, Minnesota Statutes Chapter 13, as it applies to all data provided by or provided to Sourcwell under this Contract and as it applies to all data created, collected, received, stored, used, maintained, or disseminated by the Vendor under this Contract.

If the Vendor receives a request to release the data referred to in this article, the Vendor must immediately notify Sourcwell and Sourcwell will assist with how the Vendor should respond to the request.

14. INTELLECTUAL PROPERTY

As applicable, Vendor agrees to indemnify and hold harmless Sourcwell and its Members against any and all suits, claims, judgments, and costs instituted or recovered against Sourcwell or Members by any person on account of the use of any Equipment or Products by Sourcwell or its Members supplied by Vendor in violation of applicable patent or copyright laws.

15. PUBLICITY, MARKETING, AND ENDORSEMENT

A. **PUBLICITY.** Any publicity regarding the subject matter of this Contract must not be released without prior written approval from the Authorized Representatives. Publicity includes notices, informational pamphlets, press releases, research, reports, signs, and similar public notices prepared by or for the Vendor individually or jointly with others, or any subcontractors, with respect to the program, publications, or services provided resulting from this Contract.

B. **MARKETING.** Any direct advertising, marketing, or offers with Members must be approved by Sourcwell. Materials should be sent to the Sourcwell Contract Administrator assigned to

this Contract. Any use by Sourcewell of Vendor's trademarks, logos, or other intellectual property shall be subject to Vendor's prior written consent.

C. **ENDORSEMENT.** The Vendor must not claim that Sourcewell endorses its Equipment, Products, or Services.

16. GOVERNING LAW, JURISDICTION, AND VENUE

Minnesota law governs this Contract. Venue for all legal proceedings out of this Contract, or its breach, must be in the appropriate state court in Todd County or federal court in Fergus Falls, Minnesota.

17. FORCE MAJEURE

Neither party to this Contract will be held responsible for delay or default caused by acts of God or other conditions that are beyond that party's reasonable control. A party defaulting under this provision must provide the other party prompt written notice of the default.

18. SEVERABILITY

If any provision of this Contract is found to be illegal, unenforceable, or void then both Sourcewell and Vendor will be relieved of all obligations arising under such provisions. If the remainder of this Contract is capable of performance, it will not be affected by such declaration or finding and must be fully performed.

19. PERFORMANCE, DEFAULT, AND REMEDIES

A. **PERFORMANCE.** During the term of this Contract, the parties will monitor performance and address unresolved contract issues as follows:

1. *Notification.* The parties must promptly notify each other of any known dispute and work in good faith to resolve such dispute within a reasonable period of time. If necessary, Sourcewell and the Vendor will jointly develop a short briefing document that describes the issue(s), relevant impact, and positions of both parties.
2. *Escalation.* If parties are unable to resolve the issue in a timely manner, as specified above, either Sourcewell or Vendor may escalate the resolution of the issue to a higher level of management. The Vendor will have thirty (30) calendar days to cure an outstanding issue.
3. *Performance while Dispute is Pending.* Notwithstanding the existence of a dispute, the Vendor must continue without delay to carry out all of its responsibilities under the Contract that are not affected by the dispute. If the Vendor fails to continue without delay to perform its responsibilities under the Contract, in the accomplishment of all undisputed work, any additional costs incurred by Sourcewell and/or its Members as a result of such failure to proceed will be borne by the Vendor.

B. **DEFAULT AND REMEDIES.** Either of the following constitutes cause to declare this Contract, or any Member order under this Contract, in default:

1. Nonperformance of contractual requirements, or
2. A material breach of any term or condition of this Contract.

Written notice of default and a reasonable opportunity to cure must be issued by the party claiming default. Time allowed for cure will not diminish or eliminate any liability for liquidated or other damages. If the default remains after the opportunity for cure, the non-defaulting party may:

- Exercise any remedy provided by law or equity, or
- Terminate the Contract or any portion thereof, including any orders issued against the Contract.

20. INSURANCE

A. **REQUIREMENTS.** At its own expense, Vendor must maintain insurance policy(ies) in effect at all times during the performance of this Contract with insurance company(ies) licensed or authorized to do business in the State of Minnesota having an “AM BEST” rating of A- or better, with coverage and limits of insurance not less than the following:

1. *Workers’ Compensation and Employer’s Liability.*

Workers’ Compensation: As required by any applicable law or regulation.

Employer's Liability Insurance: must be provided in amounts not less than listed below:

Minimum limits:

- \$500,000 each accident for bodily injury by accident
- \$500,000 policy limit for bodily injury by disease
- \$500,000 each employee for bodily injury by disease

2. *Commercial General Liability Insurance.* Vendor will maintain insurance covering its operations, with coverage on an occurrence basis, and must be subject to terms no less broad than the Insurance Services Office (“ISO”) Commercial General Liability Form CG0001 (2001 or newer edition). At a minimum, coverage must include liability arising from premises, operations, bodily injury and property damage, products-completed operations including construction defect, contractual liability, and personal injury and advertising injury. All required limits, terms and conditions of coverage must be maintained during the term of this Contract.

Minimum Limits:

- \$1,000,000 each occurrence Bodily Injury and Property Damage
- \$1,000,000 Personal and Advertising Injury
- \$2,000,000 aggregate for Products-Completed operations
- \$2,000,000 general aggregate

3. *Commercial Automobile Liability Insurance.* During the term of this Contract, Vendor will maintain insurance covering all owned, hired, and non-owned automobiles in limits of liability not less than indicated below. The coverage must be subject to terms no less broad than ISO Business Auto Coverage Form CA 0001 (2010 edition or newer).

Minimum Limits:

\$1,000,000 each accident, combined single limit

4. *Umbrella Insurance.* During the term of this Contract, Vendor will maintain umbrella coverage over Employer's Liability, Commercial General Liability, and Commercial Automobile.

Minimum Limits:

\$2,000,000

5. *Professional/Technical, Errors and Omissions, and/or Miscellaneous Liability.* During the term of this Contract, Vendor will maintain coverage for all claims the Vendor may become legally obligated to pay resulting from any actual or alleged negligent act, error, or omission related to Vendor's professional services required under this Contract.

Minimum Limits:

\$2,000,000

6. *Network Security and Privacy Liability Insurance.* During the term of this Contract, Vendor will maintain coverage for network security and privacy liability. The coverage may be endorsed on another form of liability coverage or written on a standalone policy. The insurance must cover claims which may arise from failure of Vendor's security resulting in, but not limited to, computer attacks, unauthorized access, disclosure of not public data – including but not limited to, confidential or private information, transmission of a computer virus, or denial of service.

Minimum limits:

\$2,000,000

Failure of Vendor to maintain the required insurance will constitute a material breach entitling Sourcewell to immediately terminate this Contract for default.

B. **CERTIFICATES OF INSURANCE.** Upon commencing under this Contract, Vendor must furnish to Sourcewell a certificate of insurance, as evidence of the insurance required under this Contract. Prior to expiration of the policy(ies), renewal certificates must be mailed to Sourcewell, 202 12th Street Northeast, P.O. Box 219, Staples, MN 56479 or sent to the Sourcewell Contract Administrator assigned to this Contract. The certificates must be signed by an authorized representative. All policies must include there will be no cancellation, suspension, non-renewal, or reduction of coverage without thirty (30) days' prior written notice to the Vendor.

Upon request, Vendor must provide to Sourcewell copies of applicable endorsements, within ten (10) days of a request. Failure to request certificates of insurance by Sourcewell, or failure of Vendor to provide certificates of insurance, in no way limits or relieves Vendor of its duties and responsibilities in this Contract.

C. **ADDITIONAL INSURED ENDORSEMENT AND PRIMARY AND NON-CONTRIBUTORY INSURANCE CLAUSE.** Vendor agrees to name Sourcewell and its Members, including their officers, agents, and employees, as an additional insured under the Vendor's commercial general liability insurance policy with respect to liability arising out of activities, "operations," or "work" performed by or on behalf of Vendor, and products and completed operations of Vendor. The policy provision(s) or endorsement(s) must further provide that coverage is primary and not excess over or contributory with any other valid, applicable, and collectible insurance or self-insurance maintained by the additional insureds. Notwithstanding the minimum limits of coverages set forth herein, Vendor shall name Sourcewell and its Members, including their officers, agents, and employees as an additional insured for the full limits of insurance coverage, including but not limited to any excess policy coverage, purchased by Vendor.

D. **WAIVER OF SUBROGATION.** Vendor waives and must require (by endorsement or otherwise) all its insurers to waive subrogation rights against Sourcewell and other additional insureds for losses paid under the insurance policies required by this Contract. The waiver must apply to all deductibles and/or self-insured retentions applicable to the required insurance maintained by the Vendor.

E. **UMBRELLA/EXCESS LIABILITY.** The limits required by this Contract can be met by either providing a primary policy or in combination with umbrella/excess liability policy(ies).

21. COMPLIANCE

A. **LAWS AND REGULATIONS.** All Equipment, Products, or Services provided under this Contract must comply fully with applicable federal laws and regulations, and with the laws in the states and provinces in which the Equipment, Products, or Services are sold.

B. **LICENSES.** Vendor must maintain a valid status on all required federal, state, and local licenses, bonds, and permits required for the operation of the business that the Vendor conducts with Sourcewell and Members.

22. BANKRUPTCY, DEBARMENT, OR SUSPENSION CERTIFICATION

Vendor certifies and warrants that it is not in bankruptcy or that it has previously disclosed in writing certain information to Sourcewell related to bankruptcy actions. If at any time during this Contract Vendor declares bankruptcy, Vendor must immediately notify Sourcewell in writing.

Vendor certifies and warrants that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from programs operated by the State of Minnesota, the United States federal government, or any Member. Vendor certifies and warrants that neither it nor its principals have been convicted of a criminal offense related to the subject matter of this Contract. Vendor further warrants that it will provide immediate written notice to Sourcewell if this certification changes at any time.

23. PROVISIONS FOR NON-UNITED STATES FEDERAL ENTITY PROCUREMENTS UNDER UNITED STATES FEDERAL AWARDS OR OTHER AWARDS

Members that use United States federal grant or FEMA funds to purchase goods or services from this Contract may be subject to additional requirements including the procurement standards of the Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards, 2 C.F.R. § 200. Members may also require additional requirements based on specific funding specifications. Within this Article, all references to “federal” should be interpreted to mean the United States federal government. The following list only applies when a Member accesses Vendor’s Equipment, Products, or Services with United States federal funds.

A. **EQUAL EMPLOYMENT OPPORTUNITY.** Except as otherwise provided under 41 C.F.R. § 60, all contracts that meet the definition of “federally assisted construction contract” in 41 C.F.R. § 60-1.3 must include the equal opportunity clause provided under 41 C.F.R. §60-1.4(b), in accordance with Executive Order 11246, “Equal Employment Opportunity” (30 FR 12319, 12935, 3 C.F.R. §, 1964-1965 Comp., p. 339), as amended by Executive Order 11375, “Amending Executive Order 11246 Relating to Equal Employment Opportunity,” and implementing regulations at 41 C.F.R. § 60, “Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor.” The equal opportunity clause is incorporated herein by reference.

B. **DAVIS-BACON ACT, AS AMENDED (40 U.S.C. § 3141-3148).** When required by federal program legislation, all prime construction contracts in excess of \$2,000 awarded by non-federal entities must include a provision for compliance with the Davis-Bacon Act (40 U.S.C. § 3141-3144, and 3146-3148) as supplemented by Department of Labor regulations (29 C.F.R. § 5,

“Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction”). In accordance with the statute, contractors must be required to pay wages to laborers and mechanics at a rate not less than the prevailing wages specified in a wage determination made by the Secretary of Labor. In addition, contractors must be required to pay wages not less than once a week. The non-federal entity must place a copy of the current prevailing wage determination issued by the Department of Labor in each solicitation. The decision to award a contract or subcontract must be conditioned upon the acceptance of the wage determination. The non-federal entity must report all suspected or reported violations to the federal awarding agency. The contracts must also include a provision for compliance with the Copeland “Anti-Kickback” Act (40 U.S.C. § 3145), as supplemented by Department of Labor regulations (29 C.F.R. § 3, “Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States”). The Act provides that each contractor or subrecipient must be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he or she is otherwise entitled. The non-federal entity must report all suspected or reported violations to the federal awarding agency. Vendor must be in compliance with all applicable Davis-Bacon Act provisions.

C. CONTRACT WORK HOURS AND SAFETY STANDARDS ACT (40 U.S.C. § 3701-3708). Where applicable, all contracts awarded by the non-federal entity in excess of \$100,000 that involve the employment of mechanics or laborers must include a provision for compliance with 40 U.S.C. § 3702 and 3704, as supplemented by Department of Labor regulations (29 C.F.R. § 5). Under 40 U.S.C. § 3702 of the Act, each contractor must be required to compute the wages of every mechanic and laborer on the basis of a standard work week of 40 hours. Work in excess of the standard work week is permissible provided that the worker is compensated at a rate of not less than one and a half times the basic rate of pay for all hours worked in excess of 40 hours in the work week. The requirements of 40 U.S.C. § 3704 are applicable to construction work and provide that no laborer or mechanic must be required to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous. These requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence. This provision is hereby incorporated by reference into this Contract. Vendor certifies that during the term of an award for all contracts by Sourcewell resulting from this procurement process, Vendor must comply with applicable requirements as referenced above.

D. RIGHTS TO INVENTIONS MADE UNDER A CONTRACT OR AGREEMENT. If the federal award meets the definition of “funding agreement” under 37 C.F.R. § 401.2(a) and the recipient or subrecipient wishes to enter into a contract with a small business firm or nonprofit organization regarding the substitution of parties, assignment or performance of experimental, developmental, or research work under that “funding agreement,” the recipient or subrecipient must comply with the requirements of 37 C.F.R. § 401, “Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements,” and any implementing regulations issued by the awarding agency. Vendor

certifies that during the term of an award for all contracts by Sourcewell resulting from this procurement process, Vendor must comply with applicable requirements as referenced above.

E. CLEAN AIR ACT (42 U.S.C. § 7401-7671Q.) AND THE FEDERAL WATER POLLUTION CONTROL ACT (33 U.S.C. § 1251-1387). Contracts and subgrants of amounts in excess of \$150,000 require the non-federal award to agree to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. § 7401- 7671q) and the Federal Water Pollution Control Act as amended (33 U.S.C. § 1251- 1387). Violations must be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA). Vendor certifies that during the term of this Contract will comply with applicable requirements as referenced above.

F. DEBARMENT AND SUSPENSION (EXECUTIVE ORDERS 12549 AND 12689). A contract award (see 2 C.F.R. § 180.220) must not be made to parties listed on the government wide exclusions in the System for Award Management (SAM), in accordance with the OMB guidelines at 2 C.F.R. §180 that implement Executive Orders 12549 (3 C.F.R. § 1986 Comp., p. 189) and 12689 (3 C.F.R. § 1989 Comp., p. 235), "Debarment and Suspension." SAM Exclusions contains the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order 12549. Vendor certifies that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation by any federal department or agency.

G. BYRD ANTI-LOBBYING AMENDMENT, AS AMENDED (31 U.S.C. § 1352). Vendors must file any required certifications. Vendors must not have used federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any federal contract, grant, or any other award covered by 31 U.S.C. § 1352. Vendors must disclose any lobbying with non-federal funds that takes place in connection with obtaining any federal award. Such disclosures are forwarded from tier to tier up to the non-federal award. Vendors must file all certifications and disclosures required by, and otherwise comply with, the Byrd Anti-Lobbying Amendment (31 U.S.C. § 1352).

H. RECORD RETENTION REQUIREMENTS. To the extent applicable, Vendor must comply with the record retention requirements detailed in 2 C.F.R. § 200.333. The Vendor further certifies that it will retain all records as required by 2 C.F.R. § 200.333 for a period of three (3) years after grantees or subgrantees submit final expenditure reports or quarterly or annual financial reports, as applicable, and all other pending matters are closed.

I. ENERGY POLICY AND CONSERVATION ACT COMPLIANCE. To the extent applicable, Vendor must comply with the mandatory standards and policies relating to energy efficiency which are contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act.

J. **BUY AMERICAN PROVISIONS COMPLIANCE.** To the extent applicable, Vendor must comply with all applicable provisions of the Buy American Act. Purchases made in accordance with the Buy American Act must follow the applicable procurement rules calling for free and open competition.

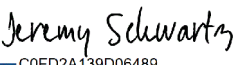
K. **ACCESS TO RECORDS (2 C.F.R. § 200.336).** Vendor agrees that duly authorized representatives of a federal agency must have access to any books, documents, papers and records of Vendor that are directly pertinent to Vendor's discharge of its obligations under this Contract for the purpose of making audits, examinations, excerpts, and transcriptions. The right also includes timely and reasonable access to Vendor's personnel for the purpose of interview and discussion relating to such documents.

L. **PROCUREMENT OF RECOVERED MATERIALS (2 C.F.R. § 200.322).** A non-federal entity that is a state agency or agency of a political subdivision of a state and its contractors must comply with Section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act. The requirements of Section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 C.F.R. § 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds \$10,000 or the value of the quantity acquired during the preceding fiscal year exceeded \$10,000; procuring solid waste management services in a manner that maximizes energy and resource recovery; and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.

24. CANCELLATION

Sourcewell or Vendor may cancel this Contract at any time, with or without cause, upon sixty (60) days' written notice to the other party. However, Sourcewell may cancel this Contract immediately upon discovery of a material defect in any certification made in Vendor's Proposal. Termination of this Contract does not relieve either party of financial, product, or service obligations incurred or accrued prior to termination. In addition, Vendor may terminate this Contract for any reason (i.e., for convenience) with respect to an individual Member by delivering not less than ninety (90) days prior written notice thereof to Sourcewell and the applicable Member.

Sourcewell

DocuSigned by:

By: C0FD2A139D06489...
Jeremy Schwartz
Title: Director of Operations &
Procurement/CPO

Date: 4/2/2020 | 1:37 PM CDT

Staples Contract & Commercial LLC

DocuSigned by:

By: 4871E6FEB760485...
Joanne Harris
Title: Chief Commercial Officer

Date: 4/9/2020 | 11:29 AM CDT

Approved:

DocuSigned by:

By: 7E42B8F817A64CC...
Chad Coauette
Title: Executive Director/CEO

Date: 4/9/2020 | 11:30 AM CDT

RFP 012320 - Office Supply Catalog Solutions

Vendor Details

Company Name: Staples Contract & Commercial LLC

Does your company conduct business under any other name? If yes, please state: See Staples W-9 for list of company names

Address: 500 Staples Drive
Framingham, MA 01702

Contact: Don Hasch

Email: don.hasch@staples.com

Phone: 714-868-4274

HST#: 04-2896127

Submission Details

Created On: Thursday December 05, 2019 16:29:54

Submitted On: Thursday January 23, 2020 14:19:24

Submitted By: Don Hasch

Email: don.hasch@staples.com

Transaction #: 03530933-5d38-4e03-a53c-27c14c4f6471

Submitter's IP Address: 170.37.244.38

Specifications

Table 1: Proposer Identity & Authorized Representatives

General Instructions (applies to all Tables) Sourcewell prefers a brief but thorough response to each question. Please do not merely attach additional documents to your response without also providing a substantive response. Do not leave answers blank; mark "NA" if the question does not apply to you (preferably with an explanation).

Line Item	Question	Response *	
1	Proposer Legal Name (and applicable d/b/a, if any):	Staples Contract & Commercial LLC (Staples)	*
2	Proposer Address:	500 Staples Drive, Framingham, MA 01702	*
3	Proposer website address:	www.StaplesAdvantage.com	*
4	Proposer's Authorized Representative (name, title, address, email address & phone) (The representative must have authority to sign the "Proposer's Assurance of Compliance" on behalf of the Proposer):	Joanne Harris Chief Commercial Officer, Staples 500 Staples Drive, Framingham, MA 01702 Email: joanne.harris@staples.com Phone: (508) 253-5000	*
5	Proposer's primary contact for this proposal (name, title, address, email address & phone):	Don Hasch Senior Manager - SLED Team (State, Local, and Education) 16501 Trojan Way, La Mirada, CA 90638 Email: don.hasch@staples.com Phone: (714) 868-4274	*
6	Proposer's other contacts for this proposal, if any (name, title, address, email address & phone):	Jeremy Landis Area Vice President - Vertical Markets 1945 Old Gallows Rd, Suite 200, Vienna, VA 22182 Email: jeremy.landis@staples.com Phone: (571) 581-3829 Joseph Gorman Vice President - Commercial Sales 1414 Radcliffe Street, Suite 110, Bristol, PA 19007 Phone: (215) 292-3160 Email: joseph.gorman@staples.com	

Table 2: Company Information and Financial Strength

Line Item	Question	Response *	
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7	Provide a brief history of your company, including your company's core values, business philosophy, and industry longevity related to the requested equipment, products or services.	Staples, The Worklife Fulfillment Company, has 33 years of expertise helping organizations of all sizes be more productive, connected and inspired — however and wherever they work today. With dedicated account teams, category professionals, innovative brands and a curated assortment for business, Staples provides customized solutions to help organizations achieve their goals. Headquartered near Boston, Staples operates in North America. As the pioneer of office solutions, Staples knows work is more than a job. It is a sense of purpose and fulfillment that defines us. As “The Worklife Fulfillment Company”, we have programs that fit every size organization, from a one-person office to the Fortune 100 organization, across all industries, including academic institutions, healthcare, state and federal governments. We're here to help with products, services and solutions, combined with our expertise, best-in-class national distribution, customer service, competitive pricing and state-of-the-art e-commerce site. WORKLIFE PRODUCTS & SOLUTIONS Our products, services and technology are thoughtfully designed and sourced for the way you work and live. We'll help you and your teams with Worklife: • Productivity – Helping customers and their teams do more. • Connectivity – Building better communication and ways of working. • Inspiration – Inciting creative thinking through spaces that feel good. YOU CAN COUNT ON US • Reliable financial stability allows us to continually evolve to meet the needs of our customers, as a strong stable supplier. • Community involvement with 42,000 associates across the U.S. who live and work where your Members do. • Eco-responsible business partner to help customers boost everyday sustainability.
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8	Provide a detailed description of the products and services that you are offering in your proposal.	From business essentials to facility supplies, and custom print to furniture, Staples offers an unmatched selection of products and services, saving your participating Members the time and expense of dealing with multiple vendors. With free next-day delivery available for more than 500,000 products on our e-commerce site, our industry-leading breadth and depth of solutions includes: INNOVATIVE PRODUCT SOLUTIONS With the introduction of our new innovative products we offer tools and systems that help drive solutions in business essentials, breakroom, facilities, technology and furniture: • Tru Red – Thoughtfully designed business essentials to help you work, create and innovate better. Quality tested and engineered to last. • NXT Technologies – Tech products to keep your teams connected and productive — whether they're at the office or the airport, a coffeehouse or the couch. • Coastwide Professional – Professional-grade facility and pack and ship supplies built to spec and made to perform, with no wasted product or labor. • Perk – Breakroom essentials designed with quality, value and just the right touch of personality to bring fun and energy to break time. • Union & Scale – Furniture and decor that work together in perfect harmony. There's a collection for every style and work style. We've simplified our product assortment to focus on the right choices for business and institutions versus every product out there. So, it will be easier for your participating Members to get exactly what they need. • Business Essentials – Staples can help participating Members search for a better way. We fulfill the essentials for teams to be more productive, more organized and more inspired. We carry everything from copy paper to smart phones and accessories, with a wide selection of green and MWBE products. • Facility Solutions – We know that results matter. We can work with participating Members to provide a clean, efficient and seamlessly stocked workspace. Our Facility Solutions offering includes a wide selection of products from best-in-class manufacturers, including Diversey, GOJO, Georgia-Pacific, Kimberly-Clark and Rubbermaid. Our exclusive BluPrint™ site assessment tool helps to analyze participating Members' facilities operations to offer cost saving recommendations. • Furniture Solutions – We can work with participating Members on their journey to create a productive, collaborative environment with inspired workspaces through our products, technology, people and services. Our Furniture Solutions offering provides access to more than 250 best-in-class manufacturers, including Allsteel, HON, Global and National. • Print & Marketing Services – We can create custom print essentials and high-quality products through our expertise and technology. Every year, we handle more than 396,000 print jobs. It is clear customers are already choosing Staples as their trusted print provider. • Technology Solutions – We offer differentiated and thoughtfully designed tech products and exclusive brands. Our Technology Solutions offering includes a wide selection of products from everyday tech and data center solutions to printer fleet management and network services. With more than 1,000 vendors and suppliers, we offer more than one million items delivered nationwide. • Breakroom Solutions – We can help participating Members create a more connected and inspired workspace with a complete breakroom experience. From coffee and coffee brewers to water coolers, cutlery and snacks, the wide variety of products we offer in this category continues to match the needs of every generation in the workforce. Our breakroom specialists are ready to analyze your space and provide cost saving recommendations. • Pack & Ship Solutions – We can unlock advancements through our products, people and supply chain. We can help keep your operations running smoothly. From sourcing package-specific tape to helping lower your damage rate, our Pack & Ship Specialists partner with you to drive efficiency in your participating Members' operations. • Staples Promotional Products – With more than one million products plus well-cultivated relationships with a global supply network, Staples can help participating Members create unique branded solutions for all their buying needs.
9	What are your company's expectations in the event of an award?	Our expectation is to build on our already strong and dynamic partnership, and to continue to drive tremendous value, efficiencies and savings to existing and future Sourcingwell Members. Our hope is that many more Sourcingwell Members will join the thousands of existing participating Members currently enjoying the benefits that our Sourcingwell awarded contracts offer. Our goal is to enhance our value in becoming a true sustainable resource for your Members, providing industry intelligence, advice and research collateral to further supplement the products/services we have offered in the past. Our expectation is to continue the trend of exponential sales growth year over year that we have experienced as a contract award holder for the past 15 years.

10	Demonstrate your financial strength and stability with meaningful data. This could include such items as financial statements, SEC filings, credit and bond ratings, letters of credit, and detailed reference letters. Upload supporting documents (as applicable) in the document upload section of your response.	Staples represents that it has the financial resources available to perform its obligations under an agreement reached between Staples and Sourcewell. Please see Attachment 1 for Staples' Bank and Trade References. Staples became a private company in 2017 and no longer publicly reports our financial information. Staples can provide limited financial information directly to Dr. Chad Coquette, Executive Director & CEO at Sourcewell, once we have a current, fully executed Non-Disclosure Agreement in place. If provided, please note that our financial information would be considered Trade Secret.	*
11	What is your US market share for the solutions that you are proposing?	Staples' leading financial position allows the company to invest in its business, expand its products and services and provide customers with the confidence of working with a strong and stable supplier. We have programs that fit every size organization, across all industries. As a private company, Staples considers our market position confidential, however, Staples serves more than 2.5 million small, mid-size and commercial enterprise business customers, including many of the largest and most trusted companies and institutions in the U.S.	*
12	What is your Canadian market share, if any?	Please see our response to Question 11 above.	*
13	Has your business ever petitioned for bankruptcy protection? If so, explain in detail.	No. Staples Contract & Commercial LLC has never been the subject of a bankruptcy action.	*
14	How is your organization best described: is it a manufacturer, a distributor/dealer/reseller, or a service provider? Answer whichever question (either a) or b) just below) best applies to your organization. a) If your company is best described as a distributor/dealer/reseller (or similar entity), provide your written authorization to act as a distributor/dealer/reseller for the manufacturer of the products proposed in this RFP. If applicable, is your dealer network independent or company owned? b) If your company is best described as a manufacturer or service provider, describe your relationship with your sales and service force and with your dealer network in delivering the products and services proposed in this RFP. Are these individuals your employees, or the employees of a third party?	Staples is best described as (a) a distributor/dealer/reseller. Staples is authorized to resell all products offered under this proposal by the terms of Vendor Program Agreements (VPA) established with each of our suppliers. Upon request, Staples is willing to provide Sourcewell with specifics of our authorization as a reseller from any of the manufacturers we represent. Staples also intends to utilize certain company affiliates under the Staples, Inc. umbrella to serve as authorized dealers and distributors under this agreement. Any sales by such affiliates pursuant to this agreement would be reflected in a written agreement between such affiliate and Sourcewell participating Member with reference made to the Staples/Sourcewell contract. These affiliates include DEX Imaging LLC, a leading nationwide managed print services provider.	*
15	If applicable, provide a detailed explanation outlining the licenses and certifications that are both required to be held, and actually held, by your organization (including third parties and subcontractors that you use) in pursuit of the business contemplated by this RFP.	Staples is licensed to do business in all 50 U.S. states, Puerto Rico and U.S. territories. Staples is fully compliant with all applicable federal and state laws and regulations. Staples also requires that all third-party companies and subcontractors that may be utilized in the provision of the services contemplated under this RFP hold all required business licenses and certifications required by law. The following are functions where Staples may involve subcontractors in the provision of the products and services contemplated by this RFP: • Delivery: We utilize a combination of our own fleet and carefully selected third-party courier providers to supplement our territory reach as needed. • Service, Installation & Repair: Some product lines, such as managed print services, furniture and facility solutions may involve service, repair and installation functions. • Diversity One Program: Staples has established strategic alliances with highly respected diverse and small business suppliers who have extensive experience serving the public sector and large institutional customers. We will be happy to share additional information with Sourcewell upon request.	*
16	Provide all "Suspension or Debarment" information that has applied to your organization during the past ten years.	Staples Contract & Commercial LLC has not been debarred, suspended, proposed for debarment, or declared ineligible for the award of contracts by any federal agency during the past ten years.	*
17	Within this RFP category there may be subcategories of solutions. List subcategory titles that best describe your products and services.	Staples offers hundreds of thousands of products in a host of categories that are necessary for Sourcewell Members to manage and maintain their operations and facilities. These categories are ever evolving as customers' needs evolve but they currently include product categories such as office and school supplies, janitorial products and equipment, breakroom, safety, transactional furniture, print, promotional products, technology hardware and software as well as mobile peripherals including tablets, and more. Staples continues to invest in and expand into these and many other product segments based on customer and industry demand.	*

Table 3: Industry Recognition & Marketplace Success

Line Item	Question	Response *	
18	Describe any relevant industry awards or recognition that your company has received in the past five years	Thanks to the collaborative effort of our leadership team and our associates around the world, Staples continuously receives awards and accolades for our service and corporate responsibility. COMPANY RANKINGS • #20 on Forbes America's Largest Private Companies list for 2018 • #4 on Modern Distribution Management's Top Jan/San Distributors list for 2018 • #2 on Advertising Specialty Institute's Top 40 Promotional Products Distributors list for 2019 • #63 on National Retail Federation's Top 100 Retailers list for 2019 ENVIRONMENTAL AWARDS & RECOGNITIONS • Awarded U.S. EPA's ENERGY STAR Partner of the Year-Sustained Excellence in 2019 for the 10th year • S&P Global Platts Grid Edge Award Finalist 2018 • Ranked #13 among retailers on the 2018 Green Power Top Partnership list from the U.S. EPA • S&P Global Platts Corporate Social Responsibility Award Winner 2017 • Selected as component of the Dow Jones Sustainability Indices in 2017 for the 14th consecutive year • Received the 2016 Alliance to Save Energy's Built Environment Star of Energy Efficiency Award for our commitment to reducing energy consumption and improving efficiency in stores DIVERSITY AWARDS & RECOGNITIONS • Lesa Rivers, Director of Supplier Diversity, nominated as one of 2014's Top 25 Women in Power Impacting Diversity by DiversityPlus Magazine • Named one of the 2018 Best Places to Work for LGBTQ Equality by the Human Rights Campaign for eight consecutive years SUPPLIER AWARDS • NJPA (Sourcewell) Legacy Award (2015) • HP U.S. Partner to Watch (2017) • HP U.S. Supplies Partner of the Year (2017) • CBRE Supplier of the Year (2017)	*
19	What percentage of your sales are to the governmental sector in the past three years	Staples considers corporate financial information to be proprietary. However, based on our own mutual sales, we achieved over \$70M in state and municipal government sector sales annually under our Sourcewell awarded contracts. Staples' response to question 19 should be considered as "Trade Secret", as defined by Minnesota Statutes 325C.01, Subd. 5. Exempt from public disclosure under applicable law.	*
20	What percentage of your sales are to the education sector in the past three years	Staples considers corporate financial information to be proprietary. However, based on our own mutual sales, we achieved over \$160M in education sector sales annually under our Sourcewell awarded contracts. Staples' response to question 20 should be considered as "Trade Secret", as defined by Minnesota Statutes 325C.01, Subd. 5. Exempt from public disclosure under applicable law.	*
21	List any state or cooperative purchasing contracts that you hold. What is the annual sales volume for each of these contracts over the past three years?	Staples holds the following national public sector cooperative contracts: • Sourcewell • NASPO ValuePoint • NPP Gov • E&I Staples holds numerous state office products purchasing contracts throughout the U.S, including multiple states that have adopted our existing Sourcewell 010615-SCC Office & Related Supplies contract as their state office supplies contract vehicle. Staples considers corporate financial information to be proprietary.	*
22	List any GSA contracts that you hold. What is the annual sales volume for each of these contracts over the past three years?	Staples has the following GSA contracts: • 47QSEA19D008T – Schedule 75: Enhanced SIN for Office Supplies & Services/Office Supplies 4th Generation (OS4) • GS-07F-035BA – Schedule 73: Food Service, Hospitality, Cleaning Equipment and Supplies, Chemicals and Services • GS-28F-018AA – Schedule 71: Furniture • GS-03F-051GA – Schedule 78: Sports, Promotional, Outdoor, Recreation, Trophies and Signs Staples considers corporate financial information to be proprietary.	*

Table 4: References/Testimonials

Line Item 23. Supply reference information from three customers who are eligible for Sourcwell membership.

Entity Name *	Contact Name *	Phone Number *	
Hillsborough County Public Schools (Florida)	Cristine Jones, CPPB	(813) 272-4370	*
County of Orange (California)	Yarida Guzman	(714) 567-7368	*
County of Sacramento (California)	Craig Rader, CPPO, CPPB	(916) 876-6362	*

Table 5: Top Five Government or Education Customers

Line Item 24. Provide a list of your top five government, education, or non-profit customers (entity name is optional), including entity type, the state or province the entity is located in, scope of the project(s), size of transaction(s), and dollar volumes from the past three years.

Entity Name	Entity Type *	State / Province *	Scope of Work *	Size of Transactions *	Dollar Volume Past Three Years *	
Chicago Public Schools	Education	Illinois - IL	Office Supplies and related products and services	Due to various non-disclosure agreements in place, we do not disclose financial information or specific contract details for our customers.	Proprietary Information	*
Hillsborough County Public Schools	Education	Florida - FL	Office Supplies and related products and services	Due to various non-disclosure agreements in place, we do not disclose financial information or specific contract details for our customers.	Proprietary Information	*
Anoka Hennepin Independent School District #11	Education	Minnesota - MN	Office Supplies and related products and services	Due to various non-disclosure agreements in place, we do not disclose financial information or specific contract details for our customers.	Proprietary Information	*
University of Colorado	Education	Colorado - CO	Office Supplies and related products and services	Due to various non-disclosure agreements in place, we do not disclose financial information or specific contract details for our customers.	Proprietary Information	*
County of Orange	Government	California - CA	Office Supplies and related products and services	Due to various non-disclosure agreements in place, we do not disclose financial information or specific contract details for our customers.	Proprietary Information	*

Table 6: Ability to Sell and Deliver Service

Describe your company's capability to meet the needs of Sourcwell Members across the US, and Canada if applicable. Your response should address in detail at least the following areas: locations of your network of sales and service providers, the number of workers (full-time equivalents) involved in each sector, whether these workers are your direct employees (or employees of a third party), and any overlap between the sales and service functions.

Line Item	Question	Response *
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25	Sales force.	Staples has a national service footprint and provides sales coverage to nearly the entire U.S. The map and listing attached does not include the locations of our remote sales teams and account leaders. We have more than 4,500 sales associates dispersed in every major city and market so that we are close to your Members and can quickly meet their needs. Please see Attachment 2 for details on our sales offices nationwide. Our national account management model leverages a single, centralized point of contact for each participating Member. The Account Manager is empowered to make most decisions regarding pricing, contractual terms and service commitments on a day-to-day basis. Of equal importance is the streamlined internal process we have in place to escalate issues requiring management input or approval. This process enables our Account Managers to provide timely responses to any issue, large or small. • Business Development – Responsible for communicating the benefits and value of Staples and our offerings to potential new participating Members • Account Manager – Member's partner to provide insights and recommendations on Worklife Solutions • Category Account Executive – Focuses on specific Staples product categories leveraging their in-depth knowledge and expertise to fully support participating Member needs • Customer Success Consultant – Member's support to help with their day-to-day needs • Site Management Team – Team that proactively ensures compliance of each program in all locations • Category Professionals – Industry experts in facilities, technology, furniture, print and promotional products that provide assessments to recommend efficiencies and savings • Customer Service – Live knowledgeable representatives available to get answers fast while shopping on our ordering site through live chat and standing by to help via email and phone	*
26	Dealer network or other distribution methods.	Staples is best described as a distributor/dealer/reseller. Staples is authorized to resell all products offered under this proposal by the terms of Vendor Program Agreements (VPA) established with each of our suppliers. Upon request, Staples is willing to provide Sourcewell with specifics of our authorization as a reseller from any of the manufacturers we represent. Staples also intends to utilize certain company affiliates under the Staples, Inc. umbrella to serve as authorized dealers and distributors under this agreement. Any sales by such affiliates pursuant to this agreement would be reflected in a written agreement between such affiliate and Sourcewell participating Member with reference made to the Staples/Sourcewell contract.	*
27	Service force.	Staples has a national service footprint that provides service and distribution coverage to nearly the entire U.S., with more than 8,900 fulfillment and delivery associates employed directly by Staples and are nationally dispersed throughout the U.S. Additionally, Staples has approximately 550 customer service associates in our call centers, including representatives who process fax orders, answer customer emails and provide agent support. Staples proudly operates the most extensive and technologically advanced distribution network in the industry and Sourcewell participating Members will continue to benefit from a robust national network of fulfillment centers equipped to achieve their next-business-day shipping needs. Our network is strategically located close to our delivery partners, vendors and customers to ensure that we always keep our network costs low. This means getting products to Sourcewell Members accurately, on time, complete and undamaged. Please see Attachment 3 for a list of our fulfillment centers in the U.S.	*

28	Describe in detail the process and procedure of your customer service program, if applicable. Include your response-time capabilities and commitments, as well as any incentives that help your providers meet your stated service goals or promises.	At Staples, we have a team by each participating Members side, dedicated to serve. Staples owns and operates four North American call centers staffed with highly trained Staples associates. Additional support is provided offshore, as needed, to reduce wait times and ensure ample coverage for our customers nationwide. All customer service associates provide expert support for more than five million customer inquiries per year. To drive higher customer satisfaction, Staples provides: • A One & Done Service Culture – With a first-call resolution rate of 90%, we train and empower our associates to resolve issues at initial contact. • Direct Connection to a Live Representative – Participating Members will always reach a Staples Customer Service Representative right away. Our goal is to answer calls within 30 seconds and reply to emails within four hours. • A Knowledgeable, Highly Trained Team – Every call center associate attends a comprehensive three-week training program covering customer service skills, problem resolution and product information. • Proactive Alerts – If a delivery delay is expected, we'll let the Member know. • A Continuous Feedback Loop – We review all customer feedback and if the Member is not satisfied, we follow-up with them to make things right. SERVING SOURCEWELL MEMBERS' NEEDS Our Customer Service Representatives have access to all the details necessary to provide service specific to participating Members' business, and even their location. The Staples Customer Service team is their first line of contact for: • Login support and password resets • New user set up and adding ship-to locations • Assisting with online profile management • Aiding with account setup, expedited ordering and research • Pricing inquiries and special orders processing • Delivery and backorder tracking • Billing and tax exemption questions Customer Service is conveniently available Monday through Friday from 8:00 a.m. to 8:00 p.m. EST by email, phone or via live chat on StaplesAdvantage.com. CALL CENTER STRUCTURE • Customer Service Representative – Responsible for order entry, issue resolution, providing order status and product information. This individual has ongoing direct contact with participating Member and develops a strong knowledge of the specifics of their account. • Order Resolution Associate – Focuses only on order entry, resulting in time and accuracy efficiencies. • Team Manager – Coordinates the activities of the Customer Service Representatives in each group, ensuring that each account is supported, and procedures are enforced. • Customer Operations Team – Communicates with participating Member about next-business-day delivery exceptions and rare instances of product cancellations. • Quality Assurance Team – Monitors contact between associates and customers and reports on key customer service trends important to the business. Coaches both managers and associates to improve the quality of customer interactions. MANAGED PRINT SERVICES DEX Imaging's Managed Print Services help participating Members create a more efficient, customized and sustainable printing network. DEX Imaging's customer service outreach is a multi-faceted group. There is customer service through each touchpoint of the process: initial meeting, implementation, and ongoing management – making up the participating Member's account team. The DEX Imaging Account Sales Manager is their main point of contact for their MPS program and is in contact with the Member from pre-sale forward. Their customer service representative is involved in the coordination and participation for the installation, setup, and provides solutions for various technological devices while overseeing the customer database. Their project manager is responsible for the implementation of their devices from sale to delivery. With any equipment troubles, there is a 3-layer approach. Participating Members will speak to either Customer Service, a Service Engineer or have a Service Technician dispatched, depending on the complexity of their issue. DEX Imaging's service department has a historical 99.98% approval rating, due in large part to the exclusive Customer Care Program we've implemented.
29	Identify any geographic areas of the United States or Canada that you will NOT be fully serving through the proposed contract.	Our proposal includes service to all geographic areas in the continental U.S. and Alaska. There are some product and service exceptions and/or additional costs for Hawaii and other U.S. territories. Please see Question 31 below for more details. Staples is not including Canada in the scope of our proposal.
30	Identify any Sourcewell Member sectors (i.e., government, education, not-for-profit) that you will NOT be fully serving through the proposed contract. Explain in detail. For example, does your company have only a regional presence, or do other cooperative purchasing contracts limit your ability to promote another contract?	Staples has a national presence in the U.S. If re-awarded the office products agreement with Sourcewell, Staples will continue its established efforts to promote the Sourcewell agreement in compliance with Staples' contractual obligations and the suitability of the Sourcewell agreement for the applicable prospect/customer.

31	Define any specific contract requirements or restrictions that would apply to our Members in Hawaii and Alaska and in US Territories.	Staples reserves the right to charge fees to the following locations unless otherwise mutually agreed between Staples and the participating Member. Delivery to Alaska or Hawaii. The following additional delivery terms apply for shipments to Alaska or Hawaii: Shipments up to 159 lbs. will be shipped with transit times of two to three (2 to 3) business days. Shipments over 159 lbs. or items which cannot be shipped via normal means, including any items which are classified as hazmat or ORM-D (other regulated materials for domestic transport only), are shipped via ocean freight. Staples' policies prohibit shipment of any fully regulated hazmat items. Such items must be shipped directly from the vendor. Ocean shipments will be delivered approximately fourteen (14) calendar days from the date of shipment. All shipments to Alaska or Hawaii will be subject to a 25% surcharge to help offset the cost of freight. Every country has specific requirements in which both the exporter and importer must follow; here are some additional specific details for U.S. Territories and Possessions: Delivery to Puerto Rico. The following additional delivery terms apply for shipments to Puerto Rico: Shipments up to 150 lbs. will be shipped with transit times of two (2) business days. Shipments over 150 lbs. are shipped via ocean freight. Any goods classified as ORM-D (other regulated materials for domestic transport only) will also ship ocean freight, regardless of weight. No hazardous goods can be exported to Puerto Rico. Transit time is approximately seven to ten (7 to 10) business days from door-door. Buyer is responsible for all customs or tax filings or applications necessary to effect the importation of the Products. Delays may result from Buyer's failure to satisfy all customs clearance requirements. All taxes, fees, and other costs (including freight) will be charged back to Buyer on a separate invoice. Delivery to U.S. Virgin Islands. The following additional delivery terms apply for shipments to the U.S. Virgin Islands: Shipments up to 150 lbs. will be shipped UPS WorldShip, using the most commercially advantageous WorldShip service available, with transit times of approximately three (3) business days. Products weighing over 150 lbs. will be shipped via ocean freight. No hazardous goods can be exported to these locations. Any goods classified as ORM-D (other regulated materials for domestic transport only) will ship ocean freight, regardless of weight, and will require an additional five (5) days of transit time. Buyer is responsible for all customs or tax filings or applications necessary to effect the importation of the Products. Delays may result from Buyer's failure to satisfy all customs clearance requirements. All taxes, fees, and other costs (including freight) will be charged back to Buyer on a separate invoice. Delivery to American Samoa, Guam, Northern Mariana Islands. The following additional delivery terms apply for shipments to American Samoa, Guam, and the Northern Mariana Islands: Shipments up to 150 lbs. will be shipped UPS WorldShip, using the most commercially advantageous WorldShip service available, with transit times of approximately five (5) business days. Products weighing over 150 lbs. will be shipped via ocean freight. No ORM-D goods or hazardous goods can be exported to these locations. Buyer is responsible for all customs or tax filings or applications necessary to effect the importation of the Products. Delays may result from Buyer's failure to satisfy all customs clearance requirements. All taxes, fees and other costs (including freight) will be charged back to Buyer on a separate invoice. Import/Export. If Staples agrees to export Products from the U.S. to Buyer's locations outside the U.S. (including but not limited to Mexico, Canada and all U.S. Possessions and Territories) (for these purposes referred to as "Other Locations"), the following applies: (a) Staples will not be the Importer of Record for any Products shipping to Other Locations. Buyer or Buyer's agent shall nominate a customs clearing agent to act on its behalf and to facilitate the import customs clearance process. Buyer shall be responsible for obtaining any documentation, such as special permit(s) or license(s) that may be required to import Products; (b) Buyer shall be responsible for payment of any customs clearance and duties and taxes and the full freight cost of the shipment; (c) Staples will not provide Certificates of Origin (C/O) or Free Trade Agreement certificates; (d) Staples will not export the following Products: ORM-D (Other Regulated Materials-Domestic); consumables; and/or Products prohibited from export by Staples' vendors; (e) Staples will not export Products to Other Locations in the event any export restriction applies; and (f) Staples will not accept returns from Other Locations unless agreed in writing.
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Table 7: Marketing Plan

Line Item	Question	Response *
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32	Describe your marketing strategy for promoting this contract opportunity. Upload representative samples of your marketing materials (if applicable) in the document upload section of your response.	Staples response to questions 32 through 34 of this section should be considered as "Trade Secret": Staples' strategy for the national promotion of the Sourcewell Contract consists of four fundamental and ongoing approaches that our experience has shown are critical to the contract's success. These approaches are based on leveraging the unique skills and strengths of our business development and account management sales team. • Business Development - prospecting and acquisition process - o Continue to focus efforts on acquisition of participating Members in the public sector through the Sourcewell contract - o Leverage the unique skills and strengths of our mid-market teams for small and medium sized Members and our enterprise teams for larger more complex Members • New Account Management - new account implementation and ramp - o Implement accounts with specificity, efficiency and speed - o Comprehensive program training • Existing Account Management - existing account communication and penetration - o The development and deployment of program tools to ensure individual entity adoption, compliance, loyalty and satisfaction • Ongoing Internal Training and Education - o Continue to develop internal training tools that communicate best practices, processes and contractual specifics throughout our salesforce It is our responsibility and our goal to leverage existing communication tools and best practices to successfully support the Sourcewell contract through the acquisition and implementation of new participating Members and the continued service and management of existing accounts. These tools and tactics are further enumerated in our Attachment 4 – Sourcewell Marketing Plan. We have also included representative samples of some of the marketing materials we make available to your participating Members. Actual examples can be provided upon request. The plan: • Is a complete lifecycle of internal and external tools that ensures contract promotion through proven best-practices and constant innovation • Relies on the committed resources of the entire Staples organization, supported by our senior management team • Utilizes a full range of tools and technology including, but not limited to: - o Online and in-person training tools and techniques - o Leveraging the significant investment Staples has made in sales force automation methods to ensure the consistency of message, availability of materials and visibility into progress throughout the entire sales organization. - o Internal instructional website presence for sales education - o Public-facing website presence for current and prospective Sourcewell participating Members
33	Describe your use of technology and digital data (e.g., social media, metadata usage) to enhance marketing effectiveness.	As detailed in Attachment 4, Staples utilizes digital, social and sales enablement marketing materials to support Sourcewell targeted opportunities as well as mass communication to select customers. Attached is the comprehensive marketing plan that we have developed to support marketing offerings to support Sourcewell Members. Our marketing plan promotes awareness of the Sourcewell contract to your Members utilizing our marketing technology and ecommerce platform StaplesAdvantage.com ACCOUNT BASED MARKETING (ABM) - USER-FOCUSED To ensure compliance, Staples can use digital retargeting and content syndication to proactively communicate to Sourcewell's membership in order to drive location (site) and end user level (conversion) participation. The goal is to improve compliance and revenue of the Sourcewell/Staples contract. STAPLESADVANTAGE.COM/SOURCEWELL MICROSITE Staples also has a public-facing website that educates prospective and existing customers on the Sourcewell/Staples Contracts: • Overall Program Highlights • Contract Highlights • Ordering Overview • Product and Service Overview • Contact Information • Messaging from Sourcewell • Link to www.StaplesAdvantage.com/Sourcewell for more information

34	In your view, what is Sourcewell's role in promoting contracts arising out of this RFP? How will you integrate a Sourcewell-awarded contract into your sales process?	Our success in driving the Sourcewell contract is directly attributable to the support and participation of Sourcewell itself. In continuing to promote the contract, we see significant benefit in this continued support exhibited through: • The ongoing collaboration between Sourcewell and Staples that allows for the optimization of identifying, soliciting and acquiring participating Members and contract participants. • The regular communication of industry and public procurement conditions that will allow Staples to tailor its acquisition and management efforts to contract prospects accordingly. • The identification and creation of opportunities that allow Staples to provide Sourcewell participating Members its entire scope of products and services. While providing an increasingly attractive value proposition for prospective Members and a compelling source of value for participating Members. • Assistance in identifying Sourcewell participating Members to provide account of their contract success, these successes would in turn be used to acquire new participating Members to the Sourcewell/Staples contract. • The co-development of marketing materials and the mutual identification of marketing opportunities including public events and trade shows. • Ongoing availability to meet with Sourcewell, Staples' senior-level leadership and sales management to reinforce the opportunity within the contract and the vital role it plays in Sourcewell's and Staples' mutual ongoing success.
35	Are your products or services available through an e-procurement ordering process? If so, describe your e-procurement system and how governmental and educational customers have used it.	Yes. At StaplesAdvantage.com, participating Members can do more than just order the products they need. Our site is fully customizable to their unique requirements. StaplesAdvantage.com provides easy online ordering, the ability to set spend limits, approval flows, and charge orders to multiple departments plus transactional details to easily reconcile orders. Order management is easy with shopping lists for fast reordering, order tracking, delivery notifications, free returns, reporting and online bill pay. And, we have experience integrating with over 300 third-party purchasing platforms. EASY ORDERING TOOLS StaplesAdvantage.com provides features and functionalities to streamline participating Members' ordering process while minimizing time spent on purchasing the items their organization needs to succeed. Key features include: • Increased Login Security – Website generated welcome email contains a password set up link for customers to create their unique password for enhanced security. • Easy Search & Navigation – New header design for effortless navigation and approvals, orders and shopping lists displayed on the home page for easy access. Search by keyword or item number for a summary of categories and top-ranking items that match their criteria. Narrow results by category, brand or your recently purchased items. Advanced search with auto-suggest terms to find what they want fast and the ability to add to their cart from search to save time. • Shopping Lists – Create, save and share lists of frequently ordered or preferred contract items for faster reordering while maintaining program compliance. • Order Status & Tracking – View details on all orders placed in the past 90 days, track their orders and view proof of delivery. • Online Returns – Process returns by clicking Return an Item from the My Order Status page. • Ink & Toner Finder – Search by brand, model or cartridge number. Our enhanced ink and toner finder also includes past purchases and allows end users to save printer information. Or choose from a range of free recycling options by clicking Recycle Ink & Toner. • Favorite Items – Click the heart icon on product tiles and pages to easily add items to a shared or personal shopping list that can be made a favorite. • Time to Reorder – View and reorder items ready for replenishment right from your Home page, based on purchasing history. Frequently purchased items now include a list of products purchased over a one-year timeframe. All order management essentials are available in order history: order search, details, tracking and returns, with up to two years of history. • Easy Savings Alternative – Easy savings alternative products are presented on the product page and at checkout if a similar item with a lower price is available. • Customizable Print Products – Personalize business cards, greeting cards, rubber stamps, nameplates and more using your own design or standard company templates. • Robust Help Center – The StaplesAdvantage.com Help Center enables customers to search help topics, manage their account, track or return orders, view or print their packing slip, get pre-paid address labels to recycle ink and toner and more. ONLINE PROCUREMENT CONTROLS Participating Members can achieve greater control over your purchasing with StaplesAdvantage.com, whether integrated with their existing e-procurement systems or on its own. We offer: • User & Location Management – Easily add new users, supervisors and account administrators and remove or add shipping locations. • Approval Controls – Establish spending limits and approval routing to track account expenditures by user and department. • Small Order Controls – To maximize efficiencies, implement order controls that prevent users from placing orders under a minimum amount. • Customization Features – Customize your platform with special instructions and messages to keep users in program compliance. MOBILE CAPABILITIES

		Participating Members can order products, track shipments and access their accounts on their tablets or smartphones using our mobile app. Available for Android and Apple devices, features of the Staples mobile app include: • Full account information, including recent orders, orders pending approval and custom deals • Scan-to-order functionality • Search, browse and order on the go • One-touch order approvals • Shopping lists for quick replenishment • Ink & Toner Finder • Quick Order entry • Filterable search results • Order status and package tracking • Integration with StaplesAdvantage.com • Secure Remember Me feature for login convenience ONLINE REPORTING Participating Members can easily access on-demand reports on StaplesAdvantage.com • User reports provide pertinent user information including approval hierarchy, ordering limits and assigned ship-to or budget center information. • Spending reports provide a summary of purchases by budget center, bill-to, ship-to or individual for up to 24 months, including details on ordering method, order totals, number of orders and average order size. • Budget reports allow you to monitor the variances between spend versus budget. SCALABILITY If a participating Member has a surge in new hires or acquires a new division, their Staples team is ready. StaplesAdvantage.com is fully scalable to meet their changing business needs. We have the infrastructure in place to handle the ordering needs of additional users without affecting website performance. We analyze site capacity levels and plan for additional volume months in advance. We conduct stress tests regularly to ensure optimum site performance and site speeds. MANAGED PRINT SERVICES DEX Imaging's e-info and Patrol work together as an online reporting channel for participating Members' Printer Fleet. The e-info portal allows the client-based management of an account. Using e-info gives Members the ability to manage devices online by ordering supplies, checking status orders, initiating service requests, inputting meter reads, and generally reviewing all accounting facets. This information is extracted from the Patrol Wi-Fi device we install on all printers on the day of delivery. Patrol safely and securely receives real-time printer information from your print network to order supplies and monitor print volumes, providing the necessary information for powerful reports on printing efficiency. No more wasted staff time with supply ordering or meter readings — the Patrol device will let us know when to ship toner or schedule routine maintenance.
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Table 8: Value-Added Attributes

Line Item	Question	Response *
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36	Describe any product, equipment, maintenance, or operator training programs, and any on-boarding resource or training that you offer to Sourcewell Members. Include details, such as whether training is standard or optional, who provides training, and any costs that apply.	Staples can introduce a comprehensive communication campaign prior to program launch to ensure participating Member's employees have a full understanding of their new Staples program. As a standard, we train through online webinars to ensure participating Member's employees across locations and remote users have access to the sessions. Other types of training sessions can be provided, if needed. Our Field Marketing team will customize a plan to maximize program awareness at all your locations, including providing information on available trainings. Tools and support materials are always available at StaplesAdvantage.com/Information. Customized materials can be provided upon request. Training sessions can also be scheduled as needed throughout the life of your program. JANITORIAL TRAINING PROGRAMS To create a successful janitorial program for participating Members, Staples provides customized training programs to demonstrate the best procedures for your staff to use our products. By employing the correct procedures and techniques, Members' facilities staff will dramatically reduce its labor and product costs, increase productivity and improve their sustainability program. We have a dedicated Facilities Technical Training team for both customer and in-house training. This team has an average of 25 years' experience and is certified in the ISSA Cleaning Industry Management Standard, ISSA Cleaning Industry Training Standard, OSHA and GHS standards. We use a library of ISSA-certified training programs along with customized curriculum developed for the specific needs of our customers. Our training materials include process manuals and bi-lingual wall charts. Training methods include onsite and web-based programs, as well as in-person at our training facility in Aurora, Colorado. The courses we provide include: • Introduction to cleaning • General safety • Hard floor care • Restroom care • General cleaning • Carpet care • Hazard communication • Customer service Completion of our training program qualifies participating Members' employees for ISSA CITS Master Cleaner Certification. PRINT & MARKETING TRAINING Participating Members will receive customized training and extensive ongoing support from your Staples account team to ensure a successful program launch. Your Print & Marketing Account Executive can provide training for your users. It's our goal to make ordering your print products simple and easy. About four weeks prior to the go live date, our Field Marketing team will create an announcement for Members to send to their users that will help set the tone for their Print program's success. Over the next few weeks we'll follow up with Coming Soon communications to promote program awareness and advantages of your new program with Staples. Staples can send training announcements to users with dates and web-based training details, plus user guides. Their Print & Marketing Account Executive will host trainings, ensuring that their trainer has intimate knowledge of their program details. Once the program launch is complete, participating Member's Print & Marketing Account Executive will continue to monitor the print program to identify areas of improvement and opportunity for increased efficiencies. MANAGED PRINT SERVICES Training for printers and copiers will be performed upon delivery of new equipment and offered through the term of the agreement at no charge. Training is provided by either the DEX Imaging Help Desk Team, Customer Service Team, or our Systems Engineer team. Users will be given key-op training and instructions sheets for better understanding of the equipment. Initial training happens at install and should include all users pointed to a specific device. Multilayer training is available for users of different skill levels. Training will include functionality of the device, operating within the workflow of a specific department, responsible use of the equipment, describing policies set forth by the Administration team as well as general use directions. Ongoing training can be scheduled with the account team and is suggested for new employees, workflow changes, departmental changes and new policies implemented by the facility.
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37	Describe any technological advances that your proposed products or services offer.	To remain at the forefront of our industry, we are constantly implementing new and innovative ideas so that we can enhance the services and offerings we bring to our customers. Some of our current innovations include the following: WORKLIFE PRODUCTS & SOLUTIONS With the introduction of our new innovative products we offer tools and systems that help drive solutions in business essentials, breakroom, facilities, technology, and furniture. • Tru Red. Thoughtfully designed business essentials to help you work, create and innovate better. Quality tested and engineered to last. • NXT Technologies. Tech products to keep your teams connected and productive — whether they're at the office or the airport, a coffeehouse or the couch. • Coastwide Professional. Professional-grade facility and pack and ship supplies built to spec and made to perform, with no wasted product or labor. • Perk. Breakroom essentials designed with quality, value and just the right touch of personality to bring fun and energy to break time. • Union & Scale. Furniture and decor that work together in perfect harmony. There's a collection for every style and work style. BLUPRINT™ SITE ASSESSMENT TOOL The Staples BluPrint app is the industry's first and only mobile solution for site assessments for janitorial and facilities programs. Using this innovative tool, the Staples Facilities Specialist can take pictures of various areas and have a conversation with the facility manager about their recommendations for enhancing current assets. Later, a report is generated that includes those pictures as well as a written description of the recommendation and rationale behind it. Then, the Staples Facilities Specialist shares a customized presentation translating our findings into a straightforward, impactful current versus future state comparison. SMARTSIZE PACKAGING™ Order delivery is a major area of Staples' and our customers shared environmental footprint. Staples has rolled out award-winning SmartSize technology to most of our U.S. fulfillment centers that tailors box sizes to the exact size of the order. In addition to utilizing about 20% less corrugate, SmartSize lessens our use of air pillows by approximately 60%. In addition, it not only reduces packaging waste, but helps optimize the available space of our courier vehicles. ROBOTIC MATERIAL HANDLING SOLUTION Staples recently developed a cutting-edge robotic material handling solution for our fulfillment centers. Unlike other systems in the market today, the automated robotic storage and retrieval system incorporates two types of automated guided vehicles into a unified system that brings both high and low cubic velocity items to a single pick and pack station. This unique robotic material handling solution provides a more efficient and flexible warehousing operation that improves service to our customers. This solution is live in four of our fulfillment centers and is rolling out across our remaining fulfillment centers in the months to come. We are also exploring other potential applications for our groundbreaking technology outside of our fulfillment centers. E-COMMERCE Staples' new strategy is driven by the company's commitment to helping professionals make their workplaces more productive and connected, and to provide products and services designed to help inspire colleagues to do their best, most creative work. Central to our reimagined brand is an upcoming new, interactive digital experience to make it easier for customers to build a workplace that makes every employee's Worklife fulfilling and collaborative. The future online experience will connect customers to products and solutions in a variety of ways, from intelligent content and peer recommendations, to intuitive shopping and buying tools. Recent enhancements include making it easier to find and reorder product, improving basic ordering features and adding more self-service features. PRINT Technological advances are critical to our corporate strategy. Within print, new direct-to-plate, electronic proofing, digital presses, and electronic pre-press are constantly evolving. The internet has changed and improved many business processes. Electronic forms of varying complexities continue to improve overall business processes. The communications infrastructure required to successfully integrate these technologies is also improving. All these technologies, and more, are changing the printing industry. MANAGED PRINT SERVICES Patrol box is a device hardware, firmware and server application that was developed by DEX Imaging's internal R&D department. It is a patented device that uses smart technology for supply replenishment. To date, over 10 patents have been filed for the PrintCounts embedded Patrol device and requisite software.
38	Describe any "green" initiatives that relate to your company or to your products or services, and include a list of the certifying agency for each.	Staples offers a full array of sustainability solutions to help participating Members meet their sustainability goals. As a partner committed to sustainability, we carry a large assortment of eco-responsible products across all our product categories, provide comprehensive environmental reporting and offer industry-leading recycling and waste reduction programs. Our sustainability experts can design a program tailored to each participating Member's goals and our Field Marketing personnel will help promote it to their employees. Please see Attachment 5 for more details.

39	Identify any third-party issued eco-labels, ratings or certifications awarded to the equipment or products included in your Proposal related to energy efficiency or conservation, life-cycle design (cradle-to-cradle), or other green/sustainability factors.	ENVIRONMENTAL CERTIFICATIONS ENERGY STAR® CERTIFICATION To improve energy efficiency, we began participating in the ENERGY STAR Building Certification program with the goal of certifying 50% of our active facilities by the end of 2020. At the end of 2018, 51% of our active facilities were ENERGY STAR certified, reaching our goal ahead of schedule. Each certified site has increased energy efficiency by 20% to 30%. For our efforts, Staples has received the EPA's ENERGY STAR Partner of the Year Award for 9 consecutive years. ENVIRONMENTAL PRODUCT CERTIFICATIONS Staples offers a wide array of eco-conscious products that are third-party certified. We track dozens of leading environmental certifications down to the product level, which we can then report to our customers. These items are easily identified in our catalogs and online. Some examples include: • ENERGY STAR and EPEAT qualified technology • FSC certified, recycled and alternative fiber-based papers • Green Seal™, UL EcoLogo, and U.S. EPA Safer Choice certified cleaners • AP non-toxic certified writing instruments and art supplies • GREENGUARD, Indoor Advantage and LEVEL-certified furniture ENVIRONMENTAL PARTNERSHIPS & AFFILIATIONS • Sustainable Purchasing Leadership Council (SPLC) – This non-profit organization supports and recognizes purchasing leadership that accelerates the transition to a prosperous and sustainable future. Staples is a member of this organization as both a supplier and purchaser. • U.S. EPA ENERGY STAR for Buildings Partner – Staples joined the ENERGY STAR for Buildings program to advance energy efficiency in our operations. • U.S. EPA WasteWise Partner – This voluntary program focuses on helping organizations eliminate waste and increase recycling rates across their operations; Staples joined in 2005. The program has helped us measure and set goals for waste reduction and recycling internally. • U.S. EPA Sustainable Materials Management Electronics Challenge Partner – This voluntary program works to increase the number of electronic devices collected and safely recycled in the U.S. Staples was the first retailer to offer a national office technology-recycling program. • GreenBlue Sustainable Packaging Coalition (SPC) – This non-profit, multi-stakeholder group is dedicated to a more robust environmental vision for packaging. Through strong member support, an informed and science-based approach, supply chain collaborations and continuous outreach, the SPC endeavors to build packaging systems that encourage economic prosperity and a sustainable flow of materials. • GreenBlue Forest Products Working Group – This brings together leading companies that rely on paper, wood and other forest products to share their knowledge and develop innovative solutions to support thriving forests and the forest products industry. • Rainforest Alliance Appalachian Woodlands Alliance (AWA) – We have been working with Rainforest Alliance and several other brands as part of the AWA for several years to explore and test new models for advancing responsible forestry practices in the southeastern U.S. • Carbon Disclosure Project – We have voluntarily reported our greenhouse gas emissions inventory data to this organization since 2005 as part of our commitment to reducing our global carbon emissions. We also share our emissions data with any commercial and enterprise customer who requests it through the CDP Supply Chain program. • EcoVadis – Staples works with EcoVadis, the world's most trusted provider of business sustainability ratings.
40	Describe any Women or Minority Business Entity (WMBE), Small Business Entity (SBE), or veteran owned business certifications that your company or hub partners have obtained. Upload documentation of certification (as applicable) in the document upload section of your response.	Staples shares Sourcewell and its participating Members' commitment to diversity and offers your choice of two diversity programs to achieve participating Member's diverse and small business supplier spending goals. DIVERSITY ONE PROGRAM We've formed strategic alliances with highly respected and experienced diverse and small business suppliers. Using a rigorous supplier qualification process, our Diversity One program connects participating Members with a certified supplier who will collaborate with Staples to provide a fully managed program that meets the quality standards, service and scope required. We find successful, independently owned and credible diverse companies and help them grow their businesses, create jobs and expand their offerings. Staples provides our Diversity One suppliers with extensive coaching and mentoring to build capacity within their organizations. DIVERSITY TWO PROGRAM With this program, participating Members can access a wide selection of high quality, cost-effective products manufactured by diverse and small business suppliers. Participating Members can benefit from: • A wide selection of high-quality products easily identified by MBE and WBE symbols • Products across every category — business essentials, furniture solutions, facility solutions and technology solutions • Detailed reporting and tracking of their diverse product spend • Expert, consultative support from their Staples Account Manager, who will identify opportunities to utilize these product groups and report on the Member's progress Please note that Staples reserves the right to implement a pricing upcharge when setting up a Tier One program for any participating Member.

41	What unique attributes does your company, your products, or your services offer to Sourcewell Members? What makes your proposed solutions unique in your industry as it applies to Sourcewell members?	As Sourcewell's current contract supplier, we plan on increasing our overall value and to continue offering built-in flexibility to accommodate the evolving needs of your participating Members. Our new proposal offers a full-service approach that contains the following elements and molds them into a cohesive, cost-reducing procurement program that is unmatched by other suppliers in our industry: • Worklife Solutions – Participating Members can maximize unique supplier consolidation savings through our integrated product and service offering, which includes business essentials, facility solutions, breakroom offerings, business furniture and interior design services, pack and ship supplies, technology products and services, promotional products and print and marketing services. • Financial Strength – You never need to worry about us falling short or cutting corners. Our leading financial position allows us to continually invest in our business and provides participating Members with the confidence of working with a strong and stable supplier. • Dedicated Account Team – We put together a full, dedicated team for participating Members' business. Your Account Manager provides insights and recommendations on Worklife solutions. Your Customer Success Consultant manages your programmatic needs and a Site Management team proactively ensures compliance of your program across all locations. • Category Expertise – Industry experts provide assessments and advice on products and process efficiencies. • Superior Delivery Execution – Rely on free, accurate next-business-day delivery to your locations from our strategically located, state-of-the-art fulfillment centers. • E-Procurement Expertise – Our website provides easy online ordering, the ability to set spend limits and approval flows, line item budget center to charge orders to multiple departments and transactional details to easily reconcile orders. Order management is easy with shopping lists for fast reordering, order tracking, delivery notifications, free returns, reporting and online bill pay. And, we have experience integrating with over 300 third-party purchasing platforms. • Recognized Customer Call Centers – Exceeding your expectations is our highest priority. Our knowledgeable Customer Service team is ready to solve your problem in one call. • Largest Retail Network – Our industry-leading network of U.S. stores gives participating Members easy same-day purchasing solutions. Your employees can make in-store purchases and receive your customer pricing for both office supplies and a full range of print solutions on marketing and print services. Or, use our Buy Online, Pick Up in Store option, and your items will normally be available for pick up in less than one hour. • Managed Print Services – DEX Imaging is completely unique in its approach to manage print. We offer multiple programs in managed print to accommodate the various types of organizations and buying strategies. The programs listed within this RFP are by themselves incredibly flexible, and our ability to cross pollinate between these programs is what truly separates us from the competition. This flexibility allows us to partner with any organization regardless of structure and/or financial limitation. • Incentives & Recognition – Staples Promotional Products' incentive and recognition offering is a full-service program built around strategy, technology, execution and ROI measurement. It is the pairing of these services and the people who bring them to clients that creates differentiation. Providing counsel on the best approach and the best way to invest funds in an incentive program means we will counsel you on methods that save you money as well. We can offer participating Members multiple economical options to meet their requirements. • Corporate Responsibility – We are committed to corporate responsibility and recognize the close connection between our success and our efforts in the areas of environmental sustainability, ethics, diversity and community. • Worklife Magazine – In 2019, we launched the first issue of our quarterly magazine, Staples Worklife. Available online and in print, this magazine is for professionals and offers insights, ideas and practical know-how for decision-makers and problem-solvers. It features exclusive interviews with today's trailblazers and articles written by business and productivity experts. With Staples, our focus is our customers' Worklife needs. Sourcewell participating Members can rely on expertise that helps them make smarter purchasing decisions. With the introduction of our new innovative products we offer tools and systems that help drive solutions in business essentials, breakroom, facilities, technology and furniture. • Tru Red – Thoughtfully designed business essentials to help you work, create and innovate better. Quality tested and engineered to last. • NXT Technologies – Tech products to keep your teams connected and productive — whether they're at the office or the airport, a coffeehouse or the couch. • Coastwide Professional – Professional-grade facility and ship and pack supplies built to spec and made to perform, with no wasted product or labor. • Perk – Breakroom essentials designed with quality, value and just the right touch of personality to bring fun and energy to break time. • Union & Scale – Furniture and decor that work together in perfect harmony. There's a collection for every style and work style.
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42	Identify your ability and willingness to provide your products and services to Sourcewell member agencies in Canada.	Staples is willing to explore providing goods and services to Sourcewell participating Members located outside the U.S. Sales to such locations will be made in accordance with the operational requirements of our non-U.S. businesses, as well as the requirements of applicable local law. Please note that expanding the use of this contract into other countries will require addenda to the contract, as Staples uses separate legal entities in its non-U.S. operations.	*
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Table 9: Warranty and Performance Standards

Describe in detail the warranties applicable to the equipment or products included in your proposal, including conditions and requirements to qualify, claims procedure, and overall structure. You may upload representative samples of warranty materials (if applicable) in the document upload section of your response in addition to responding to the questions below.

Line Item	Question	Response *
43	Do warranties cover all products, parts, and labor?	Supplier expressly warrants that it will provide Buyer with pass-through of all manufacturers' warranties for all office products sold to Buyer. Supplier expressly warrants that all Supplier-branded Office Products provided by it are: (1) merchantable; (2) of good quality and workmanship; (3) free from defects, latent or patent, in material, design, and workmanship for whichever period is shorter, either (a) one year from the date of purchase, or (b) as otherwise specified on the packaging of the Office Products; (4) fit, sufficient and safe for their intended purpose and for the particular purpose for which they were designed; and (5) in conformity with Supplier's samples, if any. CUSTOM-IMPRINTED PRODUCTS Prior to Supplier's production of custom products such as print or promotional items and items which contain a corporate or personal logo, name or other marking of Buyer (hereinafter "Print Products"), Supplier shall submit to Buyer samples or an appropriate proof of each item, for Buyer's written approval of the Print Products. Buyer agrees to promptly review any items submitted to Buyer for approval under this section. Supplier warrants that Print Products in their unaltered, unmodified form are free from defects in design, workmanship and materials and are in compliance with the specifications agreed to by the Parties. In the event any defects in design, workmanship or materials, or material deviation from the specifications or claims made by Supplier, are discovered by Buyer, Buyer's sole and exclusive remedy shall be, at Supplier's sole election, for Supplier to replace the defective Print Product at Supplier's expense or to credit Buyer's account for the net amount actually paid by Buyer to Supplier for the applicable Print Product, provided that Supplier is reasonably certain that the warranty claim is valid and was not caused by Buyer. The following terms apply when Members provide content for Staples to reproduce: Buyer Warranty. Buyer represents and warrants that it owns or has the right and license to use, adapt and reproduce Buyer Property. Buyer represents and warrants that Buyer Property shall not infringe or misappropriate any patent, trademark, trade secret, mask work, copyright, design or any other proprietary right of any third party, and complies with all applicable federal, state and local laws, regulations, and rules. Buyer grants to Supplier a non-exclusive, worldwide, royalty-free and fully paid up right and license to use, reproduce and incorporate Buyer Property solely in connection with Supplier's obligations hereunder. Supplier acknowledges that, as between Supplier and Buyer, Buyer owns, controls and shall retain all ownership rights in and to Buyer Property. All proprietary rights and goodwill in the Buyer Property shall inure to the benefit of Buyer and not Supplier. Supplier shall acquire no intellectual property rights in the Buyer Property by reason of its use thereof, and if, by operation of law, or otherwise, Supplier is deemed to, or appears to, own any intellectual property in the Buyer Property, Supplier shall, at Buyer's request, execute any and all documents necessary to confirm or otherwise establish Buyer's rights therein. Buyer acknowledges that, as between Supplier and Buyer, Supplier owns, controls and shall retain all ownership rights in and to Supplier's proprietary systems and business processes and any designs, artwork, prototypes, or other materials prepared or produced by or for Supplier. Buyer's Property means the trade names, logos, artwork, forms, trademarks, copyrights, trade devices, trade dress, service marks, symbols, abbreviations, registered marks, indicia of ownership, information, representations, descriptions, classifications, characterizations, statements, or language contained in or on any print or electronic content or materials provided to Supplier by Buyer in connection with Supplier's performance hereunder. To the extent permitted by applicable law, Buyer shall indemnify, defend and hold harmless Supplier for any third party claims, suits, judgments, and costs instituted or recovered against Staples for any alleged or actual infringement

		of any patent, copyright, trademark, trade secret or other intellectual property or other rights of a third party resulting from (i) Buyer's breach of Buyer's warranty related to Buyer Property; or (ii) Supplier's use of Buyer Property in accordance with the specifications provided by Buyer. SERVICES WARRANTY Supplier warrants that the Services shall meet or exceed generally accepted standards in the industry and shall meet any required specifications mutually agreed upon by Supplier and Buyer. Staples' labor services are warranted for one year. MANAGED PRINT SERVICES Each of the programs contract includes supplies, service/maintenance, and parts. DEX Imaging also offers a Lifetime Performance Guarantee on all products and services. Provided that equipment is maintained and serviced under a DEX Equipment Maintenance & Supply Agreement (EMS), DEX Imaging guarantees it. If a unit is not performing up to manufacturer specifications/expectations and DEX Imaging is unable to repair the unit, it will be replaced at no charge. GENERAL WARRANTY DISCLAIMER These warranties are exclusive and in lieu of all others, whether oral or written, express or implied. Supplier specifically disclaims any and all implied warranties, including, without limitation, any implied warranties of merchantability and/or fitness for a particular purpose.	
44	Do warranties impose usage restrictions or other limitations that adversely affect coverage?	Please see our response to Question 43 above.	*
45	Do warranties cover the expense of technicians' travel time and mileage to perform warranty repairs?	Please see our response to Question 43 above.	*
46	Are there any geographic regions of the United States (and Canada, if applicable) for which you cannot provide a certified technician to perform warranty repairs? How will Sourcewell Members in these regions be provided service for warranty repair?	Our proposal includes service to all geographic areas in the continental U.S. and Alaska. There are some exceptions for Hawaii and other U.S. territories. Staples is not including Canada in the scope of our proposal. For products purchased through Staples, all manufacturer warranties are passed on to the Member and upheld. Staples will reasonably assist in coordinating the repair or replacement of the product by the manufacturer.	*
47	Will you cover warranty service for items made by other manufacturers that are part of your proposal, or are these warranties issues typically passed on to the original equipment manufacturer?	For products purchased through Staples, all manufacturer warranties are passed on to the Member and upheld. Staples will reasonably assist in coordinating the repair or replacement of the product by the manufacturer. Please see our response to Question 43 for more details. MANAGED PRINT SERVICES Service is included on all print devices covered under your MPS contract. DEX Imaging performance guarantee extends beyond manufacturer warranty. Please see our response to Question 43 for more details.	*
48	What are your proposed exchange and return programs and policies?	If for any reason you are not completely satisfied with a product purchased from Staples, you may return it within the applicable return period. We will gladly accept returns of a product in resalable condition with its complete and original manufacturers' packaging intact and undamaged, including Universal Product Code (UPC), manuals and parts and a copy of the packing slip. At any time, you can call our Customer Service team to submit a return or use our no-hassle online return process offered through StaplesAdvantage.com. Your delivery driver will pick up the returned item, so no shipping expense is required from you. Credit for returned items is issued once the items are received at the Staples fulfillment center. Typically, returns are picked up within 1 to 5 business days and the credit is released within 24 to 48 hours after receipt of the items. RETURN PERIODS BY PRODUCT • Office Supplies, School Supplies and Facilities Supplies – 30 Days • Software (unopened)* – 30 Days • Opened or defective software may be exchanged for the same title and version within 30 calendar days of receiving the software. • Technology Items and Business Machines – 14 Days • Furniture – 14 Days after delivery (Only products in new condition, unassembled and in original packaging are eligible for return. A restocking fee may apply. Special-order or non-stocked furniture is not returnable, unless such products arrive damaged or defective.) • Non-Stock Products – Not returnable unless damaged/defective (within 30 days) • Custom-Imprinted Products – Not returnable unless damaged/defective FACILITY SUPPLIES & EQUIPMENT We gladly accept the return of stock merchandise within 30 days from the date of delivery. Large orders and merchandise returned after 30 days may be subject to a restocking fee. Additional charges may be incurred for shipping and handling of hazardous or oversized materials. Partial cartons of hazardous materials cannot be returned. Equipment, including custom configured equipment, returns are subject to applicable manufacturer terms and restrictions. FURNITURE	

If for any reason you aren't completely satisfied with a furniture product, or if a product arrives damaged or is found to be defective, you may request to return it within 14 days of its delivery. Sourcewell participating Members can contact your Customer Service team to initiate the return process. The product must be returned to Staples with its complete and original packaging intact (original UPC code, packaging materials, instructions, manuals, etc.). Special order, customized, manufacturer-direct shipped or assembled items are not returnable, unless such products arrive damaged or defective.

PRINT & MARKETING SERVICES

Custom imprinted products are not returnable unless damaged or defective. These items may include, but are not limited to, all business cards, business forms, letterhead, promotional products, products customized per customer's specifications and products that have been imprinted with the customer's trademark, trade name, service mark and/or logo. Staples can work with participating Members throughout the design and proofing process to ensure your print products match your exact specifications. We conduct a thorough analysis of all damaged or defective products to ensure quality issues are corrected at our production facilities.

PROMOTIONAL PRODUCTS

Should a product arrive damaged or defective, please contact our Promotional Products Customer Care team to report it within 48 hours of receipt. Based on the specific damage or defect, Staples will either replace the item or issue a credit to your account. We conduct a thorough analysis of all damaged or defective products to ensure quality issues are corrected at our production facilities.

TECHNOLOGY PRODUCTS

At any time, Sourcewell participating Members can contact your Staples Technology Solutions (STS) Customer Service Representative for a Return Authorization (RA) number before returning any product. All returns/replacements must be in their original packaging and in resalable condition. We are unable to accept returns of non-stock, obsolete or special-order items that were ordered incorrectly. If product is being returned due to an error by STS, our Customer Service Department will provide a return authorization (RA) number and call tag to pick up the product. Returns of certain IT hardware are governed by the policies for return supported by the distribution source and manufacturers used. These may limit returns of non-defective items to a certain time period. They may limit returns of items once opened. They may include specific restocking fees. STS will actively work on behalf of Sourcewell to minimize and mitigate the impact of these limits and fees. We will ship replacement product on the same day that STS is made aware of the situation, as long as it is prior to 3:00 p.m. EST.

MANAGED PRINT SERVICES

DEX Imaging offers multiple programs which gives us the ability to provide a replacement or service loaner machine, if existing isn't operating up to standard, under our Performance Guarantee. Our rental programs also allow flexibility to change equipment if your environment circumstances change – i.e. you can swap out a Mono Printer for a Color Printer. Our Hot Spot Program is also available for devices that are under rental. Under this program, devices can be replaced on the fly, keeping critical areas at a 99.9% uptime.

DAMAGED/DEFECTIVE ITEMS

Please call your Customer Service team to return damaged or defective products. Your account will be credited when returned merchandise is received back into inventory. We conduct a thorough analysis of all damaged or defective products to ensure that our manufacturers correct any quality issues.

IMPORTANT NOTES ABOUT ALL RETURNS

- Non-defective dated goods such as forms, batteries, film, toner and ink cartridges are subject to approval and require a Return Authorization for credit.
- Calendars cannot be returned after January 31 of the year to which they correspond.
- For health and safety reasons, food, beverages, first aid and medical products cannot be returned.
- For similar reasons, janitorial and sanitation products (such as cleaning chemicals) can only be returned in unopened and unaltered original case quantities and packaging.
- Products purchased in bulk, including those intended to be used during a World Health Organization epidemic or pandemic alert, are subject to review prior to return.
- Neither party shall be liable for any consequential, incidental, special or exemplary damages arising out of or in connection with the sale, delivery, use or performance of the product. In no event shall Staples be liable (whether in contract, tort or otherwise) for damages arising out of or relating to a breach of any warranty or the sales, delivery, installation, use or performance of the product that exceed the purchase price of the product.
- Additional charges may be incurred for the shipping and handling of

		products classified as hazardous or oversized materials. Partial cartons or opened containers of hazardous materials cannot be returned. It is your responsibility to ensure the products are used and disposed of in accordance with all applicable federal, state, county and local laws and regulations, including environmental rules and regulations.	
49	Describe any service contract options for the items included in your proposal.	Staples offers a number of lease/service agreement options to meet Sourcewell Members' unique product and/or service needs. These lease options may include the following products and/or services and may require additional signed agreements between Staples and the requesting Sourcewell Member: Coffee: We provide the coffee brewer, installation; maintenance and service through the term of the lease as long as the minimum spend requirements are met for coffee products. Minimum spend requirements vary by type of brewer. Water: Program offered is a lease agreement – the customer pays established fees per month and Staples installs, maintains and services the filtration unit. The customer pays for the number of 5-gallon water bottles delivered to them and has an option to lease a water dispenser if desired – or they can choose to use their own 5-gallon water dispenser. Ware Wash: Utilizes equipment that dispenses chemicals into a commercial dishwasher and Diversey provides the installation and the service as part of the customer's purchase of the Diversey chemicals through Staples. Managed Print Services. DEX Imaging's Managed Print Services help participating Members create a more efficient, customized and sustainable printing network. We can help Sourcewell's participating Members customize a solution that utilizes a vendor neutral strategy which allows us to provide service and support for most print models and devices.	*

50	Describe any performance standards or guarantees that apply to your services (back-orders, retired products, substitutions, order delays or problems, metrics, etc.).	Delivering your order complete, correct, undamaged and on-time is as important to us as it is to you. Our Supply Chain Quality Assurance team partners cross-functionally within the Staples organization to drive an outstanding customer experience. This means we strive for orders to be picked complete and correct, delivered on-time to the correct location, without damages or defects, every day. The Staples' Supply Chain Quality Program includes: • Quality Assurance Supervisors and Leads located in each of our fulfillment centers to drive process improvements • A central Supply Chain Quality Assurance team that develops tools and processes to help local Quality Assurance teams identify and address defects within the order fulfillment process • Conducting weekly interactive and cross-functional collaboration forums to share best demonstrated practices and trends within the business • Tracking key metrics on a daily, weekly and monthly basis THE PROOF IS IN THE NUMBERS We track a variety of metrics to measure quality and service throughout our fulfillment and delivery operations. • Fill Rate – Calculated as the percentage of in-stock items shipped from your primary fulfillment center. Our fill rate for 2018 was 97.1%. • Missing & Wrong Rate – Calculated as the percentage of total orders with an error. We count each issue within one order as separate errors. Our missing and wrong rate for 2018 was 0.37%. • Returns Rate – Calculated as the percentage of returns placed. When returns occur, we have processes in place to credit you quickly. Our returns rate for 2018 was 1.45%. • Delivered by Date Confirmed – Calculated as the percent of fulfilled shipments (excluding dropship) where all cartons were delivered on or before the date promised at order confirmation. Our delivered by date confirmed rate for 2018 was 92%. If quality levels fall below expectations, we use a combination of root cause analysis and process improvement techniques to identify and resolve the problem. Our continuous improvement processes have resulted in year-over-year quality level improvement. BACKORDERS Staples goes to great lengths to stock the right assortment of products to meet our customers' needs. We use sophisticated inventory models to ensure that items are stocked in the right fulfillment centers and in the right quantities. We continuously gather customer input to determine which products to include in future stocking models, including the slower moving but necessary ones. Staples' fulfillment logic can source an item from the next closest fulfillment center or a wholesaler when an item is temporarily out of stock. This platform technology allows Staples to fulfill a high percentage of orders immediately. Orders filled by wholesalers are married up with your Staples orders for seamless, on-time delivery. During the implementation process, Staples can work with participating Members to eliminate wholesale items from your core list to offer the best selection of items at the optimal price. Users on StaplesAdvantage.com can also confirm that an item will be delivered the next business day by viewing the Expected Delivery Date notification which automatically displays per item during check out. The checkout page displays a banner when there's an out of stock item. This provides the end user with the opportunity to choose a replacement the item, if preferred. When backorder situations occur, customers receive an email notification alerting them of the delay and of the expected delivery date.	*
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Table 10: Payment Terms and Financing Options

Line Item	Question	Response *	
51	What are your payment terms (e.g., net 10, net 30)?	Staples' standard payment terms are Net 30 days. Each participating Member will remit all invoice payments, including all taxes on its product purchases to Staples in thirty (30) calendar days from receipt of invoice, unless otherwise agreed to in writing by Staples and Member. In the event a participating Member fails to comply in any material respect with the foregoing payment terms, Staples may, at its sole discretion and in addition to any other right or remedy available under applicable law or in equity, immediately suspend all deliveries to such Member's location(s) by written notice to such participating Member and to Sourcewell.	*

52	Do you provide leasing or financing options, especially those options that schools and governmental entities may need to use in order to make certain acquisitions?	Staples is flexible and utilizes multiple third-party leasing sources for eligible Staples customers. Participating Members may have an existing relationship with their own choice of leasing providers, and we may work with that provider if mutually agreed to. Leasing terms and conditions vary by lease provider and the requirements of the acquisition and are determined as the solution is developed and the leasing source is finalized. Our broad range of leasing options is flexible so that you can tailor the length, acquisition type and amount of your payments to meet your business' needs. Lease options include capital or operating lease options, giving you end of term options to keep (own), upgrade or return assets. Leases may allow for certain soft expenses like service, software and accessories to be include in the monthly payments for an asset acquired under lease. Staples can work with your organization to help finalize the option that best suits your needs.	*
53	Briefly describe your proposed order process. Include enough detail to support your ability to report quarterly sales to Sourcewell as described in the Contract template. For example, indicate whether your dealer network is included in your response and whether each dealer (or some other entity) will process the Sourcewell Members' purchase orders.	Staples operates as a reseller/distributor and does not have a dealer network. Our key business goals center on helping our customers simplify the ordering process, eliminating hidden costs in the procurement process and enhancing delivery accuracy. We offer a variety of ordering methods to achieve these goals: • Online via StaplesAdvantage.com • Mobile App • Electronic Data Interchange (EDI) • Third-party interface • Buy Online, Pick Up in Store • Telephone (toll-free number) ORDER FULFILLMENT PROCESS 1) Order Placement – Once Staples receive the participating Member's order, it is entered into our order management system. Our system manages customer requirements and validates each order as it is placed. 2) Order Sourcing & Routing – Once in our system, the order goes through a standardized process that determines how to fill the order. The system chooses the best location to source the item, either from the primary or secondary fulfillment center or from a wholesaler — whichever will provide the shortest delivery time for the customer. 3) Box Creation – Next, the warehouse management system creates the optimal box size for each order. Our system analyzes the dimension and weight of each product to ensure their order is protected against damages without excess packaging material. Each carton receives a unique barcode to track it throughout the order cycle in our package tracking system. 4) Order Picking & Quality Control – Fulfillment associates pick orders, inspect for quality and pack orders for shipment. Methods for picking orders include pick-to-light, robotic picking and system-generated tasks to pick everything from a full pallet of paper to an individual toner cartridge. Sophisticated conveyor systems direct cartons through the required pick zones, through Quality Control for final inspection and then finally onto the correct truck for delivery. We perform regular analysis to ensure every order is a complete order — delivered the next business day, without substitutions or damaged, wrong or missing items. 5) Delivery – Once the source for an order is determined, our order management system determines the best method for delivery. Package tracking information uploads into our system once the fulfillment center processes the order for shipping. This tracking system reduces delays, errors and provides visibility to Customer Service Representatives and delivery associates. Customers can check the status of their orders through package tracking on our e-commerce site without contacting customer service. QUARTERLY REPORTING TO SOURCEWELL Staples understands this requirement and has the ability to provide quarterly reporting as requested. However, further discussion is requested on the distribution methods for reporting due to the size and scope of the metrics and transactions to be included.	*
54	Do you accept the P-card procurement and payment process? If so, is there any additional cost to Sourcewell Members for using this process?	Yes. Procurement Cards (P-Cards) represented by one of the major credit cards (Visa, MasterCard, American Express and Discover) may be used at the time of purchase. However, P-cards may not be used to pay invoices.	*

Table 11: Pricing and Delivery

Provide detailed pricing information in the questions that follow below. Keep in mind that reasonable price and product adjustments can

be made during the term of an awarded Contract as described in the RFP, the template Contract, and the Sourcwell Price and Product Change Request Form.

Line Item	Question	Response *	
55	Describe your pricing model (e.g., line-item discounts or product-category discounts). Provide detailed pricing data (including standard or list pricing and the Sourcwell discounted price) on all of the items that you want Sourcwell to consider as part of your RFP response. If applicable, provide a SKU for each item in your proposal. Upload your pricing materials (if applicable) in the document upload section of your response.	Staples proposed pricing model is designed to take advantage of our industry leading assortment of products, equipment and services. The offering includes a large number of net priced items on the Core List that facilitates price stability on office supplies, school supplies, facility solutions, breakroom products, technology products, furniture and other business essential supplies. Additionally, there is pricing for services and manufactured items like managed print services, promotional products, and printing. Rounding out the offering is non-core pricing that will take advantage of leveraging Staples' strength as one of the largest sellers of office supplies on the Internet. Today, market-based pricing provides full visibility and disclosure of pricing. Successful online sellers like Staples invest in systems and intelligence gathering to strive to ensure that market-based prices are set and maintained in a market-competitive structure.	*

56	Quantify the pricing discount represented by the pricing proposal in this response. For example, if the pricing in your response represents a percentage discount from MSRP or list, state the percentage or percentage range.	Staples proposes the following pricing structure: Core List. The “Core List” represents net priced items which are inclusive of those products predicted to be the most commonly used products by Sourcewell and its participating Members. Prices for Core List items provided under this contract are set forth in Exhibit 1. The prices for Core List Items, excluding Premium Products may be updated biannually on August 1st and February 1st of each year during the term that this contract in effect. Staples may request a price change adjustment for Core List items by submitting a price change addendum to Sourcewell thirty (30) days prior to August 1st and February 1st to reflect changes in stock availability, market conditions, buying expense, tariffs and other factors that affect the overall cost of such items. The prices for Premium Products may be updated quarterly of each year during the term that this contract in effect. Premium Products are defined as toner, ink, IT hardware, copy paper and furniture that Members purchase from Staples. Extraordinary Market Events. Staples reserves the right to reasonably adjust a Core Item's price if extraordinary market events require immediate adjustment (e.g., shortages, trade disputes, natural disasters, etc.) and to adjust pricing with the impact of tariffs, customs, or duties imposed on products. Any such adjustments shall be noticed to Sourcewell with thirty (30) days prior written notice accompanied by supporting documentation. Staples will work with Sourcewell and affected Members to identify alternative products to mitigate the impact of the foregoing where possible. Updated Items. For purposes of contract management, Staples may provide to Sourcewell an updated report no more than once a calendar quarter, which shall identify the SKU numbers and prices for the new items that Staples and Sourcewell have added, as well as SKU numbers for items that have been removed from the from the Core List. Staples may from time to time propose substitutions to Core Items. Sourcewell agrees that it will not unreasonably withhold its consent. Custom Pricing; Rebates & Incentives; Other Terms. Staples may offer additional pricing discounts, rebates and/or incentives to an individual participating Member based upon commitments and variables that may include, but not limited to, Member size and scope, geography, purchase volume, guarantees, logistical expenses, manufacturer support, specific product usage and other contractual terms/requirements. Members receiving custom pricing or incentives may be required to sign a Participation Agreement with Staples. Non-Core Items. The prices for Non-Core Items shall appear on StaplesAdvantage.com and shall be adjusted to reflect changes in stock availability, market conditions, buying expense, and other factors that affect the overall cost of the Non-Core Items. Notwithstanding anything to the contrary, Non-Core Items are not subject to customer audit or any pricing guarantee, nor shall Non-Core Items be subject to the Change Request process set forth in this Section 4. Sourced Goods. Members may request certain goods that are non-stock or custom in nature. The prices for Sourced Goods shall be those prices that appear on the ordering platform at time of order, or as otherwise established between Staples and the applicable participating Member at the time the order is placed. Sourced Goods may include additional delivery or handling charges that would be the responsibility of the ordering Member. Pricing Exhibits. Please see our Pricing Exhibits for pricing details on the following categories: • Exhibit 1 – Core List Pricing • Exhibit 2 – Print & Copy Program • Exhibit 3 – Promotional Products Program • Exhibit 4 – Staples Technology Solutions • Exhibit 5A – Managed Print Services Capabilities • Exhibit 5B – Managed Print Services Pricing • Exhibit 5C – Managed Print Services Sample Agreement Tier One Diversity Program. Staples reserves the right to implement a pricing upcharge when setting up a Tier One program for any Participating Member to reflect the additional cost of the diversity supplier's program.
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57	Describe any quantity or volume discounts or rebate programs that you offer.	Our proposal reflects updated attributes related to pricing, rebates and incentives based on our experience with Sourcewell participating Members' behaviors and desires, as well as market conditions. Staples may offer additional pricing discounts and/or incentives to an individual participating Member based upon commitments and variables that may include, but not limited to, Member size and scope, geography, purchase volume, guarantees, logistical expenses, manufacturer support, specific product usage and other contractual terms/requirements. Members receiving custom pricing or incentives may be required to sign a Participation Agreement with Staples.	*
58	Propose a method of facilitating "sourced" products or related services, which may be referred to as "open market" items or "nonstandard options". For example, you may supply such items "at cost" or "at cost plus a percentage," or you may supply a quote for each such request.	Staples customers frequently request we source goods and services on their behalf that could be non-stock or custom in nature and are within the scope of our sourcing and distribution capabilities. Staples will also facilitate access to these "Sourced Goods" and services to Sourcewell and its participating Members. Despite having hundreds of thousands of items available through our e-commerce site, Staples customers often have unique product sourcing needs that range from forklifts to industry-specific proprietary items. To fulfill these unique requests for our customers, Staples maintains a highly specialized non-stock procurement team available to assist our customers with these unique requests. Users can submit special order requests directly through our e-commerce site or through your Staples Account Manager. The non-stock procurement team works diligently to fulfill your product needs quickly and at the lowest possible cost. The prices for Sourced Goods shall be those prices that appear on the ordering platform at time of order, or as otherwise established between Staples and the applicable participating Member at the time the order is placed. Sourced Goods may include additional delivery or handling charges that would be the responsibility of the ordering Member.	*
59	Identify any element of the total cost of acquisition that is NOT included in the pricing submitted with your response. This includes all additional charges associated with a purchase that are not directly identified as freight or shipping charges. For example, list costs for items like pre-delivery inspection, installation, set up, mandatory training, or initial inspection. Identify any parties that impose such costs and their relationship to the Proposer.	There may be additional services available which are associated with certain products, including, but not limited to: furniture, facilities, technology, or water/coffee dispensers, etc. which at the option of the Member may be purchased or leased at the time of order/agreement. The costs for such services shall be paid to Staples by the Sourcewell Member. Additionally, there may be some items, typically furniture, where there may be an additional fee charge by the manufacturers that will be passed along to the ordering participating Member.	*
60	If freight, delivery, or shipping is an additional cost to the Sourcewell Member, describe in detail the complete freight, shipping, and delivery program.	Staples does not apply additional charges or fees for standard delivery. However, there are some special exceptions where a delivery or special handling fee may apply. Most fees will be displayed in your shopping cart on StaplesAdvantage.com upon ordering. Common delivery exceptions that require a surcharge include: • Furniture unpacking or assembly - o Stair Carry for upper floor inside deliveries (lack of freight elevator or access to same) - o Handling support for facilities that do not operate a fully functioning dock • Expedited deliveries • Deliveries outside Staples' standard distribution area (Alaska and Hawaii) • Bulky, fragile, or heavy items such as fireproof file cabinets, cases of water, soda, ice melt and chemicals • Or as otherwise indicated on our website at the time of purchase. Surcharges are calculated on a per-order basis. Freight will be listed as a line item charge for all Staples Promotional Products orders.	*
61	Specifically describe freight, shipping, and delivery terms or programs available for Alaska, Hawaii, Canada, or any offshore delivery.	Staples reserves the right to charge fees to the following locations unless otherwise mutually agreed between Staples and the participating Member. Delivery to Alaska or Hawaii. The following additional delivery terms apply for shipments to Alaska or Hawaii: Shipments up to 159 lbs. will be shipped with transit times of two to three (2 to 3) business days. Shipments over 159 lbs. or items which cannot be shipped via normal means, including any items which are classified as hazmat or ORM-D (other regulated materials for domestic transport only), are shipped via ocean freight. Staples' policies prohibit shipment of any fully regulated hazmat items. Such items must be shipped directly from the vendor. Ocean shipments will be delivered approximately fourteen (14) calendar days from the date of shipment. All shipments to Alaska or Hawaii will be subject to a 25% surcharge to help offset the cost of freight.	

		Every country has specific requirements in which both the exporter and importer must follow; here are some additional specific details for U.S. Territories and Possessions: Delivery to Puerto Rico. The following additional delivery terms apply for shipments to Puerto Rico: Shipments up to 150 lbs. will be shipped with transit times of two (2) business days. Shipments over 150 lbs. are shipped via ocean freight. Any goods classified as ORM-D (other regulated materials for domestic transport only) will also ship ocean freight, regardless of weight. No hazardous goods can be exported to Puerto Rico. Transit time is approximately seven to ten (7 to 10) business days from door-door. Buyer is responsible for all customs or tax filings or applications necessary to effect the importation of the Products. Delays may result from Buyer's failure to satisfy all customs clearance requirements. All taxes, fees, and other costs (including freight) will be charged back to Buyer on a separate invoice. Delivery to U.S. Virgin Islands. The following additional delivery terms apply for shipments to the U.S. Virgin Islands: Shipments up to 150 lbs. will be shipped UPS WorldShip, using the most commercially advantageous WorldShip service available, with transit times of approximately three (3) business days. Products weighing over 150 lbs. will be shipped via ocean freight. No hazardous goods can be exported to these locations. Any goods classified as ORM-D (other regulated materials for domestic transport only) will ship ocean freight, regardless of weight, and will require an additional five (5) days of transit time. Buyer is responsible for all customs or tax filings or applications necessary to effect the importation of the Products. Delays may result from Buyer's failure to satisfy all customs clearance requirements. All taxes, fees, and other costs (including freight) will be charged back to Buyer on a separate invoice. Delivery to American Samoa, Guam, Northern Mariana Islands. The following additional delivery terms apply for shipments to American Samoa, Guam, and the Northern Mariana Islands: Shipments up to 150 lbs. will be shipped UPS WorldShip, using the most commercially advantageous WorldShip service available, with transit times of approximately five (5) business days. Products weighing over 150 lbs. will be shipped via ocean freight. No ORM-D goods or hazardous goods can be exported to these locations. Buyer is responsible for all customs or tax filings or applications necessary to effect the importation of the Products. Delays may result from Buyer's failure to satisfy all customs clearance requirements. All taxes, fees and other costs (including freight) will be charged back to Buyer on a separate invoice. Import/Export. If Staples agrees to export Products from the U.S. to Buyer's locations outside the U.S. (including but not limited to Mexico, Canada and all U.S. Possessions and Territories) (for these purposes referred to as "Other Locations"), the following applies: (a) Staples will not be the Importer of Record for any Products shipping to Other Locations. Buyer or Buyer's agent shall nominate a customs clearing agent to act on its behalf and to facilitate the import customs clearance process. Buyer shall be responsible for obtaining any documentation, such as special permit(s) or license(s) that may be required to import Products; (b) Buyer shall be responsible for payment of any customs clearance and duties and taxes and the full freight cost of the shipment; (c) Staples will not provide Certificates of Origin (C/O) or Free Trade Agreement certificates; (d) Staples will not export the following Products: ORM-D (Other Regulated Materials-Domestic); consumables; and/or Products prohibited from export by Staples' vendors; (e) Staples will not export Products to Other Locations in the event any export restriction applies; and (f) Staples will not accept returns from Other Locations unless agreed in writing.
62	Describe any unique distribution and/or delivery methods or options offered in your proposal.	Staples delivers an average of 675,000 cartons per day. Our delivery experience, combined with our advanced distribution network, makes us the industry leader. We recently increased the square footage across our 24 strategically located fulfillment centers, ensuring we have more product in stock for next-business-day deliveries. Staples uses a combination of our own fleet, national delivery services, Staples-exclusive carriers and third-party couriers to ensure the fastest, most efficient delivery options for our customers. Our third-party couriers undergo a rigorous evaluation process and we require them to meet our customers' service level agreements. Staples couriers are selected based on the caliber of their management and delivery drivers, their equipment and, more specifically, their ability to provide timely and excellent customer service. PREMIUM DELIVERY OPTIONS

As part of each participating Member's account setup, we may meet to discuss the individual needs and develop delivery protocols that make it easy to do business with Staples. Our normal delivery hours are 8:00 a.m. to 5:00 p.m. local time, Monday through Friday. Requests for premium delivery service are vetted by our internal transportation team prior to approval. Examples of delivery service exceptions we have approved in the past include:

- Specific delivery windows (before noon, after 10:00 a.m., etc.)
- Desktop delivery (desk to desk)
- Inside delivery (specific floor)
- Mailroom delivery (by floor)
- Delivery to copy areas (where we leave a fixed number of cases of paper per mailroom, in some cases, stocking the shelves)
- Loading boxes through an X-ray machine prior to making delivery

Additional costs may apply for premium services and is customized based on each participating Member's specific requirements.

SAME-DAY DELIVERIES

Same-business-day delivery can be investigated as a possibility by contacting Staples Customer Service. To ensure all appropriate process checks are completed, we recommend a cut-off time of 11:30 a.m. local time. To account for added transportation costs and courier fees incurred on our end, we do require a separate charge for same-business-day requests.

Our industry-leading network of U.S. stores gives participating Members easy same-day purchasing solutions. Your employees can make in-store purchases and receive your customer pricing for both office supplies and a full range of print and marketing solutions. Or, use our Buy Online, Pick Up in Store option, and your items will be available for pickup in less than one hour.

There are some exceptions to same-day delivery service. The delivery location must be within 50 miles of a Staples fulfillment center. Further, the fulfillment center must have the capacity to handle the request that day. In addition, the following items cannot be delivered same day:

- Furniture
- HAZMAT items (this includes items that contain Lithium batteries)
- Liquid
- Food and beverage items
- Custom items
- Drop ship or special-order items
- Orders containing more than six SKUs

BUY ONLINE, PICK UP IN STORE

Participating Members can purchase a wide variety of items on StaplesAdvantage.com and pick their items up in one hour or less at any of our U.S. retail stores. This allows your users to buy within your established purchasing program, with your contract rules and pricing, for same-day purchases. Users can even filter by Pick Up in Store to make those emergency purchases quicker.

PRINT TO STORE

Participating Members can also use Staples' Print to Store option to print directly from their computer to any Staples retail location for pickup. From black & white or color printing to binding and booklet options, Print to Store offers more than 2,000 finishing configurations for your employees' printing needs. Print to Store bills directly to your Staples account, ensuring compliance and more robust tracking while providing easy, on-the-go printing services for your remote and traveling employees.

Participating Members can upload and reconfigure their documents, save their files for future reordering and proof all orders online before submitting. At any time, they can submit their orders right from their desktop to Staples, with delivery to any Staples retail location.

STAPLES PROMOTIONAL PRODUCTS

Staples Promotional Products has a 500,000 square foot contract decoration and distribution center in Orange City, IA. This facility does embroidery, screen print, laser engraving, digital heat transfer, and more. We have pick-to-voice technology and use a pack-right shipping system to cut boxes to the order size. Our facility is centrally located for distribution throughout the U.S. We also use FedEx as our preferred shipper but can utilize any major carrier service. As of 2019, it's also moved to achieve zero waste to landfill status.

Table 12: Pricing Offered

Line Item	The Pricing Offered in this Proposal is: *	Comments
63	d. other than what the Proposer typically offers (please describe).	Staples supplies a significant number of government agencies and numerous GPOs and cooperative procurement organizations that range in size, geography, purchase volume, guarantees, logistic expenses, incentives, manufacturer support and other contractual terms/requirements. Additionally, Staples provides a wide variety of products and services, including many that are customized and therefore, based on customers' specifications. As a result, while pricing may vary, Staples feels that its proposal provides competitive pricing and exceptionally strong value-added attributes.

Table 13: Audit and Administrative Fee

Line Item	Question	Response *
64	Specifically describe any self-audit process or program that you plan to employ to verify compliance with your proposed Contract with Sourcewell. This process includes ensuring that Sourcewell Members obtain the proper pricing, that the Vendor reports all sales under the Contract each quarter, and that the Vendor remits the proper administrative fee to Sourcewell.	At Staples, we take our national contract obligations seriously. We have a long history of providing accurate pricing and conducting compliance audits with Sourcewell and its participating Members. To maintain contract compliance, we continually verify our pricing data and hold ourselves accountable to the highest internal pricing standards. As such, we have multiple processes in place to ensure pricing accuracy and consistency. For example, national contract pricing is managed and maintained by a single, knowledgeable and experienced pricing team. This ensures that all pricing is consistent with the contract terms and requirements. We also review pricing on a regular basis and compare it to the contract pricing requirements. This further guarantees that your participating Members receive pricing that is consistent. Staples may also work with manufacturers to frequently spot-check and audit pricing and discounts that are applied to customer orders. Additional audits and periodic pricing checks may be conducted randomly throughout the term of the contract to add an extra level of protection and audit control as deemed necessary to maintain our pricing integrity.
65	Identify a proposed administrative fee that you will pay to Sourcewell for facilitating, managing, and promoting the Sourcewell Contract in the event that you are awarded a Contract. This fee is typically calculated as a percentage of Vendor's sales under the Contract or as a per-unit fee; it is not a line-item addition to the Member's cost of goods. (See the RFP and template Contract for additional details.)	Unless otherwise mutually agreed to in writing by Sourcewell and Staples, and except as stated below, Staples will pay Sourcewell an administrative fee of one and half percent (1.5%) of the Members' aggregate Net Sales during each calendar quarter, which have been timely paid, to be paid within forty five (45) days after the end of each calendar quarter. An exception to the above 1.5% admin fee would be that Staples will pay Sourcewell one half of one percent (0.5%) administrative fee for participating Members' aggregate Net Sales under the managed print services ("MPS") program of the Contract and one quarter of one percent (0.25%) on technology product Net Sales. Net Sales. Net Sales will be defined as the gross sales price of the applicable products sold pursuant to this Contract, less shipping costs (including freight charges and insurance), taxes, duties, any rebates actually paid, discounts and allowances actually taken, rejections and returns to the extent credit is given or paid, and also excluding purchases made via staples.com, or any Staples retail channel.

Table 14: Catalog Solution Description

Table 14: Indicate below the features and capabilities of your office supplies catalog solution (Yes | No) and provide supplemental descriptions as needed.

Line Item	Feature	Yes No *	Description
66	Display item description, catalog price, contract price, and photo (if applicable)	☒ Yes ☐ No	StaplesAdvantage.com displays item description, photos and the participating Members' contract pricing. However, the site does not show catalog pricing. All products include images, full description and detailed product specifications, with partial graphic support for wholesaler items on StaplesAdvantage.com.
67	Enhanced catalog content (stock availability, ship/delivery date, product reviews, filters, comparables, etc.)	☒ Yes ☐ No	Search by keyword or item number for a summary of categories and top-ranking items that match your criteria. Narrow results by category, brand or your recently purchased items. Advanced search with auto-suggest terms to find what you want fast and the ability to add to your cart from search to save time.
68	Order tracking and order history	☒ Yes ☐ No	Members can view details on all orders placed in the past 90 days, track your orders and view proof of delivery.
69	Customized member portal or punchout	☒ Yes ☐ No	Members can customize their platform with special instructions and messages to keep users in program compliance.
70	Member preferred products listing	☒ Yes ☐ No	Depending on the situation, Staples may identify preferred items with a customizable On Contract or Core Item icon that can contain your own message. For example, individual participating Members can opt for it to display (Member) Contract Item instead of On Contract. This message will appear with the icon wherever product information is displayed. Users will see the icon on product pages, shopping lists, shopping carts and order status screens. Members can also click the heart icon on product tiles and pages to easily add items to a shared or personal shopping list that can be made a favorite.
71	Member blocked item removal	☒ Yes ☐ No	Upon mutual agreement between the participating Member and Staples.
72	Multiple ship-to locations	☒ Yes ☐ No	User and Location Management allows Members to easily add new users, supervisors and account administrators and remove or add shipping locations associated with user profiles.
73	Display of eco-label or green certifications or attributes	☒ Yes ☐ No	Eco-conscious and recycled items are identified with icons on our search pages and item descriptions, making them easy to find from any search or shopping list.
74	Search by eco-label or green certifications or attributes	☒ Yes ☐ No	Eco-conscious and recycled items are identified with icons on our search pages and item descriptions, making them easy to find from any search or shopping list.
75	Tiered approvals	☒ Yes ☐ No	Members can establish spending limits and approval routing to track account expenditures by user and department.
76	Help function	☒ Yes ☐ No	The StaplesAdvantage.com Help Center enables customers to search help topics, manage their account, track or return orders, view or print their packing slip, get pre-paid address labels to recycle ink and toner and more.
77	Live chat	☒ Yes ☐ No	Our e-commerce site offers a proactive chat feature that helps users quickly find the products they need by interacting with a live agent. This feature helps reduce the time spent searching for and comparing products. By providing more product intelligence prior to purchasing, live chat also decreases returns and helps ensure the best product solution is selected for the purchaser.
78	Integration with member eProcurement/ERP platforms	☒ Yes ☐ No	Staples has experience integrating with over 300 third-party purchasing platforms.

Table 15: Industry Specific Questions

Line Item	Question	Response *
79	If you are awarded a contract, provide a few examples of internal metrics that will be tracked to measure whether you are having success with the contract.	Some internal metrics used to measure success with the contract include number of participating Members under the contract, geographic distribution of participating Members, sales and number of orders by participating Member and year over year sales growth. Additionally, success metrics can be mutually established and measured in scheduled business reviews between Staples and Sourcewell. Having serviced Sourcewell participating Members for many years, we know that we need to continually raise the bar in our national contract performance. As a current Sourcewell awarded supplier, we commit to increasing our overall value with the built-in flexibility to accommodate the evolving needs of your participating Members.

80	If you are a dealer, distributor, or reseller, describe your capabilities for verification of product authenticity, quality control, and documentation of custody in your supply chain.	Staples is committed to providing high quality products that last, leading to fewer returns, fewer reorders and less frustration for our customers. To uphold this commitment, we capture reporting and regularly audit the quality of the products we source from suppliers, as well as from Staples-exclusive products. Staples' strict product sourcing process assures that products offered are genuine by sourcing products only from OEMs and authorized resellers to mitigate the risk of cloned, fake or counterfeit products that could potentially put Sourcwell Members at risk. ANNUAL VENDOR REVIEWS We only source from the most trusted and reputable suppliers in our industry, including leading wholesalers and brands such as 3M, HP, Avery and HON. We conduct annual vendor contract reviews to measure our suppliers' quality performance. We evaluate the number of returns placed on their products as well as general customer satisfaction survey feedback. At 1.45%, our low product-return rate is a testament to our relentless focus on quality. PAPER & WOOD-BASED PRODUCT SOURCING POLICY We also actively work with our key paper suppliers to ensure transparency into their sourcing and production methods with respect to environmental and social responsibility. The majority of our paper suppliers have achieved chain of custody certification with one or more programs, including the Forest Stewardship Council (FSC) and Sustainable Forestry Initiative (SFI). Approximately 90% of the paper products we sell by weight in the U.S. are manufactured and/or distributed by vendors with FSC chain of custody certification, including brands like Domtar, International Paper, Georgia Pacific, Kimberly Clark, 3M, Esselte, Fellowes, Marcal and others. Our Paper and Wood Based Product Sourcing Policy forms the foundation of our commitment to ensure the paper products we sell are sourced in an environmentally and socially responsible manner. It also defines our expectations for suppliers of paper-based products. The policy focuses on four key areas: • Protecting forest resources and communities by seeking to source certified products • Reducing demand for virgin wood fiber • Sourcing from suppliers committed to environmental excellence • Promoting responsibly sourced paper and wood products to our customers PROGRAMS & PARTNERSHIPS We collaborate with a few key non-profits to help us improve paper and wood product sustainability. This includes partnerships with the Rainforest Alliance on the Appalachian Woodlands Alliance and various projects with the Forest Products Working Group (FPWG), an initiative of GreenBlue. PRODUCT BRANDS EXCLUSIVE TO STAPLES QUALITY ASSURANCE Product brands exclusive to Staples are subject to a comprehensive Quality Assurance program that includes: • Product Design – Product brands exclusive to Staples are designed to meet or exceed national brand equivalent specifications. • Factory Certification – Production facilities in developing countries undergo third-party audits to uphold our standards for social responsibility and to guarantee practices are in place to deliver quality products. • Rigorous Testing & Inspection – All products are engineer-tested for quality in leading independent labs. Inspectors pull samples from the production line to confirm that products are manufactured to our exact specifications before they ship to our warehouses. • Continuous Monitoring – Throughout a product's lifecycle, inspectors pull samples for follow-up lab testing to certify that the product still meets our specifications. MONITORING PRODUCT QUALITY On the rare occasion that a product fails to meet a Member's satisfaction, we offer fast and easy resolution methods: • Purchasers can return any item using our no-hassle online returns process or by contacting Customer Service. • We arrange driver pickup for all product returns at no cost to participating Members. We thoroughly analyze damaged or defective items and ensure our manufacturers address the underlying quality issue. Your Staples Account Manager will share corrective actions and report on progress during regular business reviews.
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81	Describe your ability to address member concerns related to packaging, including product markings, safety, warnings, waste reduction, packaging toxicity, recycling and/or re-use, etc.	PRODUCT CERTIFICATIONS & ECO-LABELING Within our core product assortment, we have identified thousands of items that meet third-party standards and certifications. This is a significant subset of our total assortment of nearly 15,000 products with environmental features, which includes products with recycled content or other design features like solar powered, rechargeable and refillable. The certifications and standards we track include: • AP certified non-toxic • Bluesign certified clothing product • BPI compostable • Cradle to Cradle certified • EcoLogo certified • ENERGY STAR qualified • EPA Comprehensive Procurement Guidelines • EPA Design for the Environment (DfE) for Pesticides registered • EPA Safer Choice registered • EPA WaterSense certified • EPEAT qualified • EWG verified • Fair Trade certified • Food Alliance certified • Forest Stewardship Council (FSC) certified • GREENGUARD certified • Green Seal certified • Indoor Advantage certified • Level certified • Made by a Certified B Corporation • Made Safe certified • PMA non-toxic • Rainforest Alliance certified • Roundtable on Sustainable Palm Oil (RSPO) certified • Sustainable Forestry Initiative (SFI) certified • USDA Certified Biobased Product • USDA Organic We are continually improving our ability to capture and track products with environmental certifications in our systems, as well as increase the number of products that meet credible third-party environmental certifications. PACKAGING OPTIMIZATION To help reduce waste at Members' facilities, Staples has engineered our order fulfillment process to minimize packaging and shipping materials on supply deliveries. Simultaneously, we ensure that all deliveries are properly protected in order to arrive to you intact. • SmartSize™ – Staples has rolled out award-winning technology to the majority of our U.S. distribution centers that tailors box sizes to the exact size of the order, reducing use of corrugate and air pillows. To further reduce the environmental impact of our delivery process, we use boxes made from 35% to 100% recycled material. This approach to packaging results in an annual carbon footprint reduction of more than 30,200 tons, equivalent to 120,000 trees. • Box Logic – Our warehouse management system uses a series of algorithms that automatically choose the smallest delivery box from eight standard sizes, based on the combined dimensions of items in the order, reducing packaging waste. • Wholesaler Initiatives – As part of our fulfillment process, Staples utilizes three national wholesalers to support our product requirements. We work diligently with these suppliers to confirm they are reducing shipping materials for our customers. The products shipped by our wholesalers undergo similar sizing analysis by their computer systems. Reducing packaging waste is important to our commitment to help the environment. In addition to the internal initiatives above, we're actively working with customers to minimize packaging waste by reducing the frequency of small orders through order consolidation. These initiatives have reduced packaging and shipping materials by up to 20% for some customers. PACKAGE PROTECTION Staples has invested in air pillow dunnage technology to safeguard the product we ship. These air pillows: • Are designed to provide maximum protection with a minimum use of material, reducing the amount of packaging required • Can be re-used • Can be deflated prior to disposal, reducing original volume by over 90% • Can be recycled when given to your delivery driver or sent back when making a return • May be returned for recycling to local Sealed Air sites by calling the Sealed Air phone number on the cushion or may be recycled commercially as #4 plastic • Provide high BTU energy contents in municipal incineration
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82	Describe your capabilities related to member need for collection and recycling of toner and ink cartridges, batteries, packaging, etc.	Staples offers our customers a wide range of convenient no- and low-fee recycling services. Check out Staples Recycling Services or speak with your Account Manager for more details on our programs. • Ink & Toner Cartridges – Staples provides free delivery driver pick-up and mail-back service. Simply work with your delivery driver to pick a location for regular pick-up or print a mail-back label from StaplesAdvantage.com. • Technology – We offer low cost options for responsible and secure technology recycling including certificate of recycling and optional serial number tracking services. You can order prepaid recycling kits, boxes and pallets for larger items through StaplesAdvantage.com. Staples' tech recycling partner ERI Direct is e-Stewards and R2 certified at all locations for responsible e-waste management practices. • Furniture – Talk to your Account Manager for details on recycling, decommissioning and donating office furniture. Staples customers can trade in their old outdated cubicle systems and furniture to Davies for a credit towards Grade A like-new remanufactured furniture by Davies from leading brands like Knoll, Steelcase, Haworth and more. Alternatively, Staples can direct customers to other furniture donation and recycling options like IRN. • Lamps, Ballasts & Batteries – We offer mail-back recycling services on StaplesAdvantage.com. Simply order the right-size container, fill it with your goods and put it in the mail. Pricing is inclusive of packaging, shipping and recycling. • Other Hard-to-Recycle Items – Divert hard-to-recycle waste from landfills with Staples' Zero Waste Boxes. Simply fill, close and ship. StaplesAdvantage.com box prices include all shipping and recycling fees. Use our Zero Waste Boxes to recycle coffee pods, breakroom waste, binders, safety supplies, writing instruments and more.
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83	Describe your capabilities or limitations related to ordering and/or deliveries (minimum order requirements, order consolidation, expedited shipping/delivery, etc.)	According to industry research, employees making purchases outside a procurement program can increase operating costs by anywhere from 25% to 45%. Reducing maverick spend can dramatically impact the effectiveness of your procurement program. Staples uses multiple strategies to keep program compliance high and costs low. MINIMUM ORDER SIZE Unless otherwise mutually agreed to by Staples and a Sourcewell participating Member, Sourcewell and its Members shall have a minimum order size of \$35.00 per order. ORDER CONSOLIDATION: REDUCING SMALL, INEFFICIENT ORDERS Industry statistics show the average cost for processing a single order transaction can be as high as hundreds of dollars depending on the organization and payment processing systems. Placing small, frequent orders incurs these costs with each order, which can be significantly reduced by order consolidation. We'll educate your end users to adopt more efficient behaviors, such as: • Ordering bi-weekly or monthly, instead of weekly or daily • Coordinating ordering with other departments • Determining frequently ordered items and ordering enough for a week • Anticipating projects that may require more supplies than usual and consolidating these supplies within regularly scheduled orders Benefits of order consolidation include: • Reduced order processing costs • Fewer deliveries and invoices to process • Less packaging, label and invoicing paper waste • CO2 savings from fewer truck deliveries INCREASING MEMBERS' ONLINE ORDERS The most efficient way for end users to order from Staples is through our e-commerce site or their e-procurement system. An order placed by phone costs Members significantly more than an order placed electronically. We'll educate participating Member's end users on online order placement. Benefits include: • Reduced order processing costs • Faster and easier ordering • Fewer ordering mistakes - fewer product returns • Real-time tracking of product delivery status Staples can communicate ordering best practices to their end users during the implementation process and on a continuous basis through client-approved customized flyers, newsletters and emails. ONLINE COMPLIANCE CONTROLS StaplesAdvantage.com also drives program compliance with features like: • The ability to customize their home page with messaging to communicate key program rules (such as minimum order requirements) and guide purchasers to preferred-item shopping lists • Shared or personal shopping lists populated with commonly ordered or preferred core items • Optional spending and approval controls that eliminate inefficient and costly small orders RETAIL PURCHASING PROGRAM & IN-STORE PURCHASING Today, customers can use the Buy Online, Pick Up in Store option and Print-to-Store to get what they need, when they need it for same day purchases. Or, they can take advantage of our Retail Purchasing Program, which ensures customers can shop in stores to receive their custom pricing or in-store sale price, whichever is lowest at the time of purchase, in any Staples store throughout the U.S.
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Exceptions to Terms, Conditions, or Specifications Form

Only those Proposer Exceptions to Terms, Conditions or Specifications that have been accepted by Sourcewell have been incorporated into the contract text.

Documents

Ensure your submission document(s) conforms to the following:

1. Documents in PDF format are preferred. Documents in Word, Excel, or compatible formats may also be provided.
 2. Documents should NOT have a security password, as Sourcewell may not be able to open the file. It is your sole responsibility to ensure that the uploaded document(s) are not either defective, corrupted or blank and that the documents can be opened and viewed by Sourcewell.
 3. Sourcewell may reject any response where any document(s) cannot be opened and viewed by Sourcewell.
 4. If you need to upload more than one (1) document for a single item, you should combine the documents into one zipped file. If the zipped file contains more than one (1) document, ensure each document is named, in relation to the submission format item responding to. For example, if responding to the Marketing Plan category save the document as "Marketing Plan."
- [Financial Strength and Stability](#) - Attachment 1 - Staples Bank and Trade References.pdf - Thursday January 23, 2020 12:11:28
 - [Marketing Plan/Samples](#) - Attachment 4 - Sourcewell Marketing Plan.pdf - Thursday January 23, 2020 12:11:38
 - WMBE/MBE/SBE or Related Certificates (optional)
 - Warranty Information (optional)
 - [Pricing](#) - Staples Pricing Exhibits 1-5.zip - Thursday January 23, 2020 13:16:09
 - [Additional Document](#) - Staples Additional Attachments.zip - Thursday January 23, 2020 13:16:19

PROPOSER ASSURANCE OF COMPLIANCE

PROPOSER'S AFFIDAVIT

The undersigned, authorized representative of the entity submitting the foregoing proposal (the "Proposer"), swears that the following statements are true to the best of his or her knowledge.

1. The Proposer is submitting its proposal under its true and correct name, the Proposer has been properly originated and legally exists in good standing in its state of residence, the Proposer possesses, or will possess before delivering any products and related services, all applicable licenses necessary for such delivery to Sourcwell member agencies. The undersigned affirms that he or she is authorized to act on behalf of, and to legally bind the Proposer to the terms in this Contract.
2. The Proposer, or any person representing the Proposer, has not directly or indirectly entered into any agreement or arrangement with any other vendor or supplier, any official or employee of Sourcwell, or any person, firm, or corporation under contract with Sourcwell, in an effort to influence the pricing, terms, or conditions relating to this RFP in any way that adversely affects the free and open competition for a Contract award under this RFP.
3. The contents of the Proposer's proposal have not been communicated by the Proposer or its employees or agents to any person not an employee or agent of the Proposer and will not be communicated to any such persons prior to the official opening of the proposals.
4. The Proposer has examined and understands the terms, conditions, scope, contract opportunity, specifications request, and other documents in this solicitation and affirms that any and all exceptions have been noted and included with the Proposer's Proposal.
5. The Proposer will, if awarded a Contract, provide to Sourcwell Members the /products and services in accordance with the terms, conditions, and scope of this RFP, with the Proposer-offered specifications, and with the other documents in this solicitation.
6. The Proposer agrees to deliver products and services through valid contracts, purchase orders, or means that are acceptable to Sourcwell Members. Unless otherwise agreed to, the Proposer must provide only new and first-quality products and related services to Sourcwell Members under an awarded Contract.
7. The Proposer will comply with all applicable provisions of federal, state, and local laws, regulations, rules, and orders.
8. The Proposer understands that Sourcwell will reject RFP proposals that are marked "confidential" (or "nonpublic," etc.), either substantially or in their entirety. Under Minnesota Statute §13.591, Subd. 4, all proposals are considered nonpublic data until the evaluation is complete and a Contract is awarded. At that point, proposals generally become public data. Minnesota Statute §13.37 permits only certain narrowly defined data to be considered a "trade secret," and thus nonpublic data under Minnesota's Data Practices Act.

The Proposer understands that it is the Proposer's duty to protect information that it considers nonpublic, and it agrees to defend and indemnify Sourcwell for reasonable measures that Sourcwell takes to uphold such a data designation.

☒ By checking this box I acknowledge that I am bound by the terms of the Proposer's Affidavit, have the legal authority to submit this Proposal on behalf of the Proposer, and that this electronic acknowledgment has the same legal effect, validity, and enforceability as if I had hand signed the Proposal. This signature will not be denied such legal effect, validity, or enforceability solely because an electronic signature or electronic record was used in its formation. - Joanne Harris, Chief Commercial Officer - Staples, Staples Contract & Commercial LLC

The Proposer declares that there is an actual or potential Conflict of Interest relating to the preparation of its submission, and/or the Proposer foresees an actual or potential Conflict of Interest in performing the contractual obligations contemplated in the bid.

☒ Yes ☐ No

AMENDMENT #1 TO CONTRACT #012320-SCC

THIS AMENDMENT is by and between **Sourcewell** and **Staples Contract & Commercial LLC** (Vendor).

Vendor was awarded a Sourcewell Contract for Janitorial Supplies and Equipment with Related Services effective August 1, 2020, through November 16, 2024, relating to the provision of services by Vendor and to Sourcewell and its Members (Original Agreement).

The parties agree that certain terms within the Original Agreement will be updated and amended and only to the extent as hereunder provided.

IN CONSIDERATION OF the mutual covenants and agreements described in this Amendment, the parties agree as follows:

1. This Amendment is effective February 1, 2021, and upon the date of the last signature below.
2. Section 4: PRODUCT AND PRICING CHANGE REQUESTS – Paragraph 5 is amended as follows:

The prices for Premium Products, except Janitorial Premium Products, may be updated once quarterly: August - October, November -January, February - April, May-July of each year during the term that this Contract. These Premium Products are defined as toner, ink, IT hardware, copy paper, and furniture that Participating Entities purchase from Staples. The prices for Janitorial Premium Products may be updated upon 30 days' prior written notification. Manufacturer's documentation will be provided when available. Janitorial Premium Products are defined as janitorial paper, towel, tissue, paper-related items, petroleum-, resin-, and steel-based products, custom products, and seasonal products that Participating Entities purchase from Staples.

Except as amended by this Amendment, the Original Agreement remains in full force and effect.

Sourcewell

DocuSigned by:
By: Jeremy Schwartz
Authorized Signature
C0F02A139D06489

Jeremy Schwartz
Name – Printed

Title: Director of Operations & Procurement/CPO

Date: 12/23/2020 | 1:43 PM CST

Staples Contract & Commercial LLC

DocuSigned by:
By: Joanne Harris
Authorized Signature
4871E6FEB760485...

Joanne Harris
Name – Printed

Title: Chief Commercial Officer

Date: 12/23/2020 | 11:24 AM CST

Sourcewell-APPROVED:

DocuSigned by:
By: Chad Coauette
Authorized Signature
7E42B8F817A64CC...

Chad Coauette
Name – Printed

Title: Executive Director/CEO

Date: 12/23/2020 | 2:27 PM CST

EXHIBIT “C”
CONTRACTOR’S PROPOSAL

Attached Behind This Page



WELCOME TO STAPLES.

Want to know anything and everything about Staples on the Sourcewell contract? This is the place!

This program is offered through our business-to-business ordering system.

SEE THE SITE ([HTTP://WWW.STAPLESADVANTAGE.COM](http://www.staplesadvantage.com))

MAKING PROCUREMENT A LITTLE EASIER.

As a result of national competitive solicitations, Sourcewell awarded Staples national cooperative contracts for office and school supplies #012320-SCC, furniture solutions, contract #121919-SCC and facilities solutions, contract #101320-SCC.

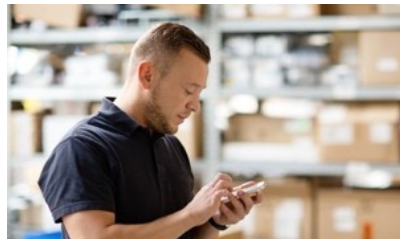
The benefits of your program include:

- **One source provider** - so you can get absolutely everything you want, including expert help when you need it
- **Easy online ordering** - a customized site just for you, with special pricing on the products used most by your organization
- **Fast and FREE shipping on supplies** - next-business-day in most of the country

Learn more about the contract details at Sourcewell.

PRIMARY OFFICE SUPPLIES CONTRACT ([HTTPS://WWW.SOURCEWELL-MN.GOV/COOPERATIVE-PURCHASING/012320-SCC](https://www.sourcewell-mn.gov/cooperative-purchasing/012320-scc))

A PROGRAM THAT SUPPORTS ALL AREAS OF WORKLIFE.





Keeping it Clean

We partner with facilities managers to help them better maintain their workplace with the right products, services and expertise. Staples also offers first aid and safety supplies.

Ready to Ship

From the mailroom to the warehouse, every shipment is important. Our experts will also help your shipping managers stock the right supplies and customize warehousing solutions.



TAKE FULL ADVANTAGE OF YOUR PROGRAM.



Contract #012320-SCC

Office Supply Catalog Solutions

- Effective August 1, 2020 (matures on 4/6/2024)



Contract #121919-SCC

Furniture and Related Supplies and Accessories

- Effective April 10, 2020
- 4-Year Contract with one year optional extension

Unparalleled selection of office and classroom furniture solutions from the nation's premier



Contract #101320-SCC

Janitorial Supplies and Related Custodial Products

- Effective February 1, 2021 - November 16, 2024
- 4-Year Contract plus 1 optional year extension



Customer Service

We're ready to assist you.
Call, email, or Live Chat.

1-877-826-7755

Monday - Friday 8 am to 8 pm ET
support@staplesadvantage.com

(<mailto:support@staplesadvantage.com>)

[Download Site User Guide](#)

(<https://go.staples.com/rs/896-JNU->

- 4-year contract with 1 option year extension

All the selection, service and savings you need plus other products including Janitorial Products and Equipment, Breakroom/Cafeteria, Technology Peripherals and Hardware, Custom Print, Promotional Products, Transactional Furniture, Managed Print Services, and more

manufacturers with local planning and design experts and project management

Custom choices for your facility, including access to industry-leading manufacturers, product experts, training tools and a full assortment of products

[907/images/StaplesAdvantage.com_user_guide.pdf](#)

READY TO GET STARTED?

Email Sharon Burgess, Strategic Accounts Director, Local Government, at Sharon.Burgess@Staples.com (mailto:Sharon.Burgess@Staples.com) for assistance.

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 D. 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. City has the right to require Contractor’s or Consultant’s insurer to provide complete, certified copies of all required insurance policies, including endorsements affecting the coverage required by these specifications.

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 \$2,000,000.00 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.

X 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 \$1,000,000.00 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 \$5,000,000.00 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:

X 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 \$1,000,000.00 combined single limit 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 \$5,000,000.00 combined single limit 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):

____ Insurance appropriate to the Contractor or Consultant's profession, with limit no less than \$1,000,000.00 per occurrence or claim, \$2,000,000.00 aggregate.

____ (If Design/Build), with limits no less than \$1,000,000.00 per occurrence or claim, and \$2,000,000.00 policy aggregate.

____ Insurance appropriate 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 \$1,000,000.00 per accident for bodily injury or disease. *(Not required if Contractor or Consultant provides written verification it has no employees)*

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.

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. If the project does not involve new or major reconstruction, at the option of the City, an Installation Floater may be acceptable. For such projects, a Property Installation Floater shall be obtained that provides for the improvement, remodel, modification, alteration, conversion or adjustment to existing buildings, structures, processes, machinery and equipment. The Property Installation Floater shall provide property damage coverage for any building, structure, machinery or equipment damaged, impaired, broken, or destroyed during the performance of the Work, including during transit, installation, and testing at the City's site.

Contractor's or Consultant's Pollution Legal Liability:

____ Contractor's or Consultant's pollution legal liability and/or Asbestos Legal Liability and/or Errors and Omissions (if project involves environmental hazards) with limits no less than \$1,000,000.00 per occurrence or claim and \$2,000,000.00 policy aggregate.

If the Contractor or Consultant maintains higher limits than the minimums shown above, the City requires and shall be entitled to coverage for the higher limits maintained by the Contractor or Consultant. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to City.

Cyber Liability Insurance

____ Cyber Liability Insurance with limits not less than \$1,000,000 per claim.

Coverage shall be sufficiently broad to respond to the duties and obligations as is undertaken by Contractor or Consultant in this Agreement and shall include, but not be limited to, claims involving infringement of intellectual property, including but not limited to infringement of copyright, trademark, trade dress, invasion of privacy violations, information theft, damage to or destruction of electronic information, release of private information, alteration of electronic information, extortion, and network security.

The policy shall provide coverage for breach response costs as well as regulatory fines and penalties, and credit monitoring expenses with limits sufficient to respond to these obligations.

Surety Bonds:

Contractor shall provide the following Surety Bonds:

_____ Bid Bond
_____ Performance Bond
_____ Payment Bond

The Payment Bond and Performance Bond shall be in a sum equal to the contract price. Bonds shall be duly executed by a responsible corporate surety, authorized to issue such bonds in the State of California and secured through an authorized agent with an office in California.

Other Insurance Provisions:

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

X Additional Insured Status and Primary/Non-Contributory Language:

Contractor's general liability and automobile liability policies shall be primary and shall not seek contribution from the City's coverage and be endorsed to add the City and its elected and appointed officials, officers, attorneys, agents employees and volunteers as additional insureds under such policies using Insurance Services Office form CG 20 10 (or equivalent) on the general liability policy. For construction projects, an endorsement providing completed operations coverage for the additional insured on the general liability policy, ISO form CG 20 37 (or equivalent), is also required.

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.

_____ Loss Payee Status – Builder's Risk/Course of Construction Insurance (applicable to Construction Contracts only)

Contractor or Consultant may submit evidence of Builder's Risk insurance in the form of Course of Construction coverage. Such coverage shall name the City as a loss payee as their interest may appear.

X Notice of Cancellation, Suspension or Otherwise Voiding Policies:

Each insurance policy required above shall contain or be endorsed to contain that coverage shall not be suspended, voided, canceled or reduced in coverage or in limits except with thirty (30) days' prior 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.

Completed Operations

For Construction Agreements, Contractor shall maintain insurance as required by this Agreement to the fullest amount allowed by law and shall maintain insurance for a minimum of five (5) years following the completion of this project. In the event Contractor fails to obtain or maintain completed operations coverage as required by this Agreement, the City at its sole discretion may purchase the coverage required and the cost will be paid by Contractor.

THE FOLLOWING PROVISIONS APPLY TO ALL AGREEMENTS

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

Any deductibles or self-insured retentions must be declared to and approved by City. The City may require the Contractor or Consultant to purchase coverage with a lower deductible or retention or provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention. At the option of the City, either (1) the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the City, its elected and appointed officials, officers, attorneys, agents, and employees; or (2) the Contractor or Consultant shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses.

All SIRs must be disclosed to Risk Management for approval and shall not reduce the limits of liability.

Policies containing any SIR provision shall provide or be endorsed to provide that the SIR may be satisfied by either the named insured or the City.

City reserves the right to obtain a full-certified copy of any insurance policy and 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 insurance policies, including 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.



CITY OF MILPITAS AGENDA REPORT (AR)

Item Title:	Adopt a Resolution Granting Acceptance of Alviso Adobe House HVAC System, Project No. 5055, Authorizing the City Engineer to File a Notice of Completion, and Authorizing the City Engineer to Issue a Notice of Final Acceptance after the One-Year Warranty (Staff Contact: Christian Di Renzo, Public Works Director, 408-586-2602; and Michael Silveira, City Engineer, 408-586-3303)
Category:	Consent Calendar-Community Development
Meeting Date:	9/17/2024
Recommendation:	Adopt a resolution granting acceptance of Alviso Adobe House HVAC System, Project No. 5055, authorizing the City Engineer to file a Notice of Completion, and authorizing the City Engineer to issue a Notice of Final Acceptance after the one-year warranty.

BACKGROUND:

On March 5, 2024, the City Council awarded a construction contract to A&B Mechanical Inc. for the Alviso Adobe House HVAC System, Project No. 5055 ("Project") in the amount of \$127,900.00. The Project is included in the adopted 2025-2029 Capital Improvement Program (CIP), and provides for the installation of a new HVAC system to control the temperature of the facility during public tours and protect the audio video system from premature failure.

Following the completion of the installation of furnishings, exhibits and visual media at the historic Alviso Adobe house in Fall 2022, the City opened the building for tours to Milpitas residents and visitors. However, the heat generated from the newly installed audio video system and the presence of visitors increased the temperature within the house, creating uncomfortable and potentially unsafe conditions for visitors and volunteers, especially on warm days. Furthermore, the lack of air circulation and high temperatures also posed a risk of equipment failure for the new audio video system. To ensure a safe environment for visitors and extend the service life of the new audio video system, installation of a new HVAC system was recommended.

ANALYSIS:

The Project was successfully completed on-time and within budget. The HVAC system in the building is fully functional, and the building has resumed its touring operation in August. Staff recommends that the City Council adopt a Resolution granting acceptance of the Project and authorizing the City Engineer to file a Notice of Completion in accordance with the provisions of Section 9204 of the Civil Code. Staff also recommends the City Council authorize the City Engineer to issue a notice of final acceptance after the one-year warranty period without further City Council action, provided that all warranty work is completed to the satisfaction of the City Engineer.

POLICY ALTERNATIVE(S):

Alternative: Do not adopt Resolution and deny Project acceptance deny filling a notice of completion and not begin the one-year warranty.

Pros: None.

Cons: A denial would result in the City being unable to commence the one-year warranty and release any funds remaining back into the Project budget.

Reason for Not Recommending: Denial would result in the City being unable to close out the Project and release any funds remaining back into the Project budget.

FISCAL IMPACT:

No additional funding is requested for the project as the project is now complete. The Public Works Department will be responsible for ongoing maintenance and operations of the improvements. Any required additional funding for ongoing maintenance will be requested through future budget appropriations as the Council adopts the annual operating budget for the Department.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA):

Council determined the installation of a new HVAC system in the Alviso Adobe building consists of minor alterations to an existing public facility that involve no expansions of the existing use per California Code Regulation, Title 14 section 15301. Based on staff's findings, this project is categorically exempt (Class 1 – Existing Facilities) from the requirement of CEQA.

RECOMMENDATION:

Adopt a Resolution granting acceptance of the Alviso Adobe House HVAC System, Project No. 5055 authorizing the City Engineer to file a Notice of Completion and authorizing the City Engineer to issue a Notice of Final Acceptance after the one-year warranty.

ATTACHMENT(S):

Resolution

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILPITAS GRANTING
ACCEPTANCE OF ALVISO ADOBE HOUSE HVAC SYSTEM, PROJECT NO. 5055**

WHEREAS, the City of Milpitas has heretofore entered into a contract with A&B Mechanical Inc., for Alviso Adobe House HVAC System, Project No. 5055, in the amount of \$127,900 (Project), and the City Engineer of the City of Milpitas has recommended acceptance of said improvement as completed in accordance with plans, specifications and approved change orders and correction lists, and in accordance with the final inspection of said City Engineer.

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 of Milpitas does hereby accept said improvement as completed on this 17th day of September, 2024, and does hereby authorize and direct the City Engineer of the City of Milpitas to file a Notice of Completion in accordance with the provisions of Section 9204 of the Civil Code of the State of California, and does hereby authorize and direct the City Engineer to file a Certificate of Completion in accordance with the provisions of Section 4005 of the Government Code of the State of California, if said work was by day's labor or force account.
3. The City Council authorizes the City Engineer to issue the Notice of Final Acceptance after the one-year warranty period without further City Council action, provided all required warranty repairs are completed to the satisfaction of the City Engineer; and nothing herein contained shall in any way be deemed to be a waiver, release or relinquishment by City of any obligations imposed upon the contractor or its surety, or sureties, by law or by the above-referenced improvement contract, save and except those obligations specifically mentioned herein.

PASSED AND ADOPTED this _____ day of _____, 2024 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

APPROVED:

Suzanne Guzzetta, City Clerk

Carmen Montano, Mayor

APPROVED AS TO FORM:

Michael Mutalipassi, City Attorney

Recording Requested by and
When Recorded Mail to:

City of Milpitas
455 East Calaveras Boulevard
Milpitas, CA 95035
Attention: City Clerk

Record without fee under
Section 6103 - Government Code
State of California

CITY OF MILPITAS
NOTICE OF COMPLETION
(Civil Code Section 9204)

NOTICE IS HEREBY GIVEN:

1. On or about March 5, 2024, the City Council of the City of Milpitas, a municipal corporation of the State of California, whose address is City Hall, 455 East Calaveras Boulevard, Milpitas, California, 95035 (as owner) entered into a contract for work of: **Alviso Adobe House HVAC System, Project No. 5055.**
2. A description of the site of which the City is owner for said work of improvement is: **2087 Alviso Adobe Court** in the City of Milpitas, Santa Clara County, California, more particularly described on the plans.
3. The name and address of the direct contractor is: **A&B Mechanical Inc., 2252 Railroad Ave, Livermore, CA 94550.**
4. A general statement of the kind of work done or materials furnished to the City is as follows: **The Project provides for installation of new HVAC system and corresponding improvements.**
5. Said work of improvement was accepted by the Milpitas City Council as complete on September 17th, 2024.

I, the undersigned, declare that I am the **City Engineer** of the City of Milpitas and am authorized to execute the foregoing Notice of Completion and this Verification thereof. I have read the foregoing Notice of Completion. I declare under penalty of perjury that the foregoing Notice of Completion is true and correct. Executed on _____, 2024 at Milpitas, California.

Michael Silveira, P.E., City Engineer
City of Milpitas

NOTE: RECORD WITHIN 15 DAYS OF ACCEPTANCE WITH COUNTY RECORDER OF SANTA
CLARA COUNTY



CITY OF MILPITAS AGENDA REPORT (AR)

Item Title:	Receive an Update on the Security Improvements at the McCarthy Ranch Sewer Lift Station (Main Lift) and Determine that the Condition Continues to Constitute an Emergency (Staff Contact: Christian Di Renzo, Public Works Director, 408-586-2602)
Category:	Consent Calendar-Community Services and Sustainable Infrastructure
Meeting Date:	9/17/2024
Recommendation:	(1) Receive an update on the security improvements at the McCarthy Ranch Sewer Lift Station; and (2) Determine by a four-fifths vote that the condition continues to constitute an emergency.

BACKGROUND:

Pursuant to Public Contract Code §22050 and Council Resolution No. 9134, the Director of Public Works, in the case of emergency, may authorize a repair of a public facility and procure the work without giving notice for bids. An emergency is defined as “a sudden, unexpected occurrence that poses a clear and imminent danger, requiring immediate action to prevent or mitigate the loss or impairment of life, health, property, or essential public services.” Additionally, State law requires the Public Works Director, as the City official with delegated authority to take emergency action, report any emergency authorization and the reason(s) for the authorization to the City Council not later than seven days after the action, or at its next regularly scheduled meeting if that meeting will occur not later than 14 days after the action. Further, the Public Works Director is required to report why the emergency would not permit a delay resulting from a competitive solicitation for bids and the City Council is required to review the emergency action at every regularly scheduled meeting thereafter until the emergency repair is completed. The City Council shall continue to review the emergency action at every regularly scheduled meeting thereafter until the action is terminated. At each review, the City Council shall determine, by a four-fifths vote, whether there is a need to continue the action.

Consistent with applicable State law and Council Resolution, on July 30, 2024, the Public Works Director declared an emergency and authorized the City to contract with Trofholz Technologies and Diamond Fencing to implement various security and access control improvements to the McCarthy Ranch Sewer Lift Station (Main Lift). Further, within the required timeframe the Public Works Director informed the City Council via [Information Memorandum](#) on July 31, 2024, regarding the emergency authorization, the reasons for the authorization, and the cost for repair in a not to exceed amount of \$700,000.

PROJECT/STATUS UPDATE:

Agreements with both Trofholz Technologies and Diamond Fencing have been finalized.

Trofholz Technologies, Inc. will install security cameras, card readers, and motion sensors at the Main Lift facility. Equipment and materials have been ordered and are expected to arrive by the end of September.

Diamond Fence Co., Inc. will demolish and properly dispose of the existing fence, and install approximately 1,760 linear feet of new, code-compliant fencing using ClearVU reinforced panels topped with ribbon wire, integrated into the current gate structure. Materials have been ordered and are anticipated for arrival in 10-12 weeks, with the project completion anticipated for late November.

FISCAL IMPACT:

Funding for these repairs is available in the City's Capital Improvement Program (CIP) budget. CIP Project 6124 – Sewer Pump Station Rehabilitation Project will fund the installation of security cameras, card readers, and motion sensors. The funding source of this CIP project is Sewer Infrastructure Fund. The available balance as of 9/10/2024 is \$709,287. CIP 6130 – Main Lift Odor Emission Control Project will fund the removal and replacement of the perimeter fencing. The funding source of this CIP Project are Sewer Infrastructure Fund, and Sewer Treatment Fund. The available balance as of 9/10/2024 is \$596,812.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA):

The emergency repair work is exempt from CEQA, per CEQA Guidelines Section 15301, Existing Facilities and 15302, Replacement or Reconstruction.

RECOMMENDATION:

1. Receive an update on the security improvements at the McCarthy Ranch Sewer Lift Station.
2. Determine by a four-fifths vote that the condition continues to constitute an emergency.

ATTACHMENT(S):

None.



CITY OF MILPITAS AGENDA REPORT (AR)

Item Title:	Conduct a Public Hearing and Approve the Draft FY 2023-2024 Community Development Block Grant (CDBG) Consolidated Annual Performance and Evaluation Report (CAPER) (Staff Contact: Robert Musallam, Housing Official, 408-586-3275)
Category:	Public Hearings-Community Development
Meeting Date:	9/17/2024
Recommendation:	(1) Conduct a public hearing; (2) Approve the draft FY 2023-2024 Community Development Block Grant (CDBG) Consolidated Annual Performance and Evaluation Report (CAPER); and (3) Authorize the City Manager, or designee, to make any necessary changes and submit the approved draft FY 2023-2024 CAPER to the U.S. Department of Housing and Urban Development (HUD) to comply with CDBG requirements.

BACKGROUND:

The U.S. Department of Housing and Urban Development (HUD) requires Community Development Block Grant (CDBG) recipients to submit two annual reports: the Annual Action Plan (AAP) which looks at the upcoming fiscal year (FY) and the Consolidated Annual Performance and Evaluation Report (CAPER) which reports on the previous fiscal year. This report is about the FY 2023-2024 CAPER which is due to HUD in September 2024. It details the City's activities, accomplishments, expenditures, and outcomes for the past year relative to the targets in the FY 2023-2024 AAP. Additionally, the CAPER highlights the progress towards the priority needs and goals identified in the 2022-2025 Consolidated Plan.

ANALYSIS:

In FY 2023-2024, CDBG allocations encompassed the City's original formula allocation of \$647,982 and the prior year's committed funds of \$150,000. The City allocated \$797,982 to eighteen organizations for nineteen activities.

The CAPER identifies some of the major accomplishments in 2023-2024:

- **Catholic Charities' Long-Term Care Ombudsman Program** advocated for the rights of seniors and disabled residents in long-term care facilities, and made unduplicated visits to 14 Milpitas residents in long-term care.
- **Child Advocates of Silicon Valley** is the only agency in the County of Santa Clara (County) that provides court-appointed volunteers (CASA) to each foster child. Child Advocates of Silicon Valley served and connected three Milpitas foster youth and children to CASA.
- **FORWARD** successfully administered the Milpitas Microenterprise Grant Program. A total of twenty-five \$2,000 grants were distributed to income-eligible Milpitas microenterprises.
- **India Community Center** provided well-being activity services to one hundred Milpitas seniors at the center.
- **LifeMoves** is in progress on its capital project to rehabilitate the women's restroom at the Julian Street Inn. A total of twenty-four Milpitas residents were assisted by LifeMoves.
- **LifeMoves** completed its capital project to rehabilitate the men's restroom at the Julian Street Inn. A total of twenty-nine Milpitas residents were assisted by LifeMoves.
- **Lighthouse of Hope Counseling Center** provides counseling, psychological support, and education to the Milpitas community. Lighthouse of Hope served five Milpitas residents.
- **Next Door Solutions to Domestic Violence** provided fifty-one Milpitas residents with supportive

services and emergency shelter for victims of domestic violence.

- **Project Sentinel** managed ten fair housing cases for Milpitas residents.
- **Pragnya** supported 160 Milpitas children, youth, and adults from the Special Needs community by creating social-emotional connections and preventing further isolation by hosting various activities and programs.
- **Rebuilding Together Silicon Valley** preserves affordable housing by providing safety, energy efficiency, accessibility repairs, and improvements to qualified low-income homeowners. Rebuilding Together made housing repairs for seventeen Milpitas households.
- **Senior Adults Legal Assistance** provided free legal services to forty-five qualified Milpitas seniors.
- **Silicon Valley Independent Living Center** provided housing services to forty-six Milpitas residents with disabilities.
- **Terrace Gardens – Roof Repairs** for 20% "Community Building," and 100% "G" buildings were completed. A total of 148 senior affordable units in Milpitas benefited.
- **Terrace Gardens – Wood Trellis** met its goal of rehabilitating the wood trellis. A total of 148 senior affordable units in Milpitas benefited.
- **The Health Trust Meals on Wheels Program** served eight Milpitas seniors with a total of 1,443 meals.
- **YWCA Silicon Valley** provided thirty-two Milpitas residents with supportive services and emergency shelter for victims of domestic violence.

A total of 865 Milpitas residents benefited from the CDBG program in FY 2023-2024.

The majority of subrecipients met or exceeded its goals in FY 2023-2024. The recipients that fell short of meeting their goals described challenges such as (1) The method of outreach did not attract clients as expected, including challenges due to language and cultural barriers,(2) Goals for reaching Milpitas residents were set too high,(3) Difficulty in recruiting qualified personnel, and (4) Psychological readiness, and socioeconomic factors That being said, subrecipients are working on ways to reach members of the Milpitas community and have expressed commitment to continue providing services to Milpitas residents in the future.

The City is grateful for its partnerships with the subrecipients. The subrecipients demonstrated great commitment to providing exceptional services to Milpitas residents. It is through the partnerships with our subrecipients that the City continues to provide support, care, and essential services to our most vulnerable Milpitas residents.

POLICY ALTERNATIVE(S):

Not applicable.

FISCAL IMPACT:

There is no fiscal impact on the City budget.

California Environmental Quality Act (CEQA):

The actions being considered have no potential for causing a significant effect on the environment and are exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15061(b)(3).

RECOMMENDATION:

1. Open the public hearing, hear testimony, then move to close the public hearing;
2. Approve the draft FY 2023-2024 Community Development Block Grant (CDBG) Consolidated Annual Performance and Evaluation Report (CAPER); and
3. Authorize the City Manager, or designee, to make any necessary changes and submit the approved draft FY 2023-2024 CAPER to the U.S. Department of Housing and Urban Development (HUD) to comply with CDBG requirements.

Attachment(s):

Draft FY 2023-2024 CAPER



CITY OF MILPITAS

**DRAFT CONSOLIDATED ANNUAL
PERFORMANCE AND EVALUATION
REPORT (CAPER)**

2023-2024

City of Milpitas
Consolidated Annual Performance and Evaluation Report (CAPER) FY 2023-2024

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CR-05 - Goals and Outcomes

Progress the jurisdiction has made in carrying out its strategic plan and its action plan.

91.520(a)

This could be an overview that includes major initiatives and highlights that were proposed and executed throughout the program year.

Below is a description of the progress the City of Milpitas has made in achieving the goals outlined in the Fiscal Year 2023-2024 Annual Action Plan. The City achieved many of its annual goals in second of the three-year Consolidated Plan (2022-2025). The following goals are the basis for the activities approved and funded in the Fiscal Year 2023-2024 Annual Action Plan:

- Maintain and Preserve Existing Housing
- New Affordable Housing
- Affordable Housing Rental Rehabilitation
- Community Funding/Public Services
- Public services for low- and moderate-income residents at risk of eviction
- Fair Housing
- Public Services for Children and Youth
- Public Services for Seniors
- Public services for Domestic Violence Support
- Public Improvements including accessibility and improving public facilities
- Assist Microenterprises and Small Businesses
- Explore the use of HUD Section 108 Loan Guarantee Program

Below highlight the funded organizations' accomplishments:

- **Catholic Charities' Long Term Care Ombudsman Program** advocates for the rights of seniors and disabled residents in long-term care facilities and made unduplicated visits to 14 Milpitas residents in long-term care.
- **Child Advocates of Silicon Valley** is the only agency in the County that provides court-appointed volunteers (CASA) to each foster child. Child Advocates of Silicon Valley served and connected 3 Milpitas foster youth and children to CASAs.
- **FORWARD** successfully administered the Milpitas Microenterprise Grant Program. A total of 25 grants (\$2K each) were distributed to income-eligible Milpitas microenterprises.
- **India Community Center** provided well-being activity services to 100 seniors at the center.
- **LifeMoves** is working on its capital project to rehabilitate the women's restroom at the Julian Street Inn. A total of 24 Milpitas residents were assisted by LifeMoves.
- **LifeMoves** completed its capital project to rehabilitate the men's restroom at the Julian Street Inn. A total of 29 Milpitas residents were assisted by LifeMoves.
- **Lighthouse of Hope Counseling Center** provides counseling, psychological support, and

education to the Milpitas community. Lighthouse of Hope served 5 Milpitas residents.

- **Next Door Solutions to Domestic Violence** provided 51 residents with supportive services and emergency shelter for victims of domestic violence.
- **Project Sentinel** handled 10 fair housing cases.
- **Pragnya** supported 160 children, youth, and adults from the special needs community by creating social-emotional connections and preventing further isolation by hosting various activities and programs.
- **Rebuilding Together Silicon Valley** preserves affordable housing by providing safety, energy efficiency, accessibility repairs, and improvements to qualified low-income homeowners. Rebuilding Together made housing repairs for 17 Milpitas households.
- **Senior Adults Legal Assistance** provided free legal services to 45 Milpitas seniors.
- **Silicon Valley Independent Living Center** provided housing services for persons with disabilities to 46 individuals.
- **Terrace Gardens- Roof Repair** for 20% "Community Building," and 100% "G" buildings was completed. A total of 148 senior affordable units benefitted.
- **Terrace Gardens- Wood Trellis** met its goal of rehabilitating the wood trellis. A total of 148 senior affordable units benefitted.
- **The Health Trust's Meals on Wheels Program** served 8 unduplicated seniors with a total of 1,443 meals.
- **YWCA Silicon Valley** provided supportive services and emergency shelter to 32 victims of domestic violence.

Comparison of the proposed versus actual outcomes for each outcome measure submitted with the consolidated plan and explain, if applicable, why progress was not made toward meeting goals and objectives. 91.520(g)

DRAFT

Goal	Category	Source / Amount	Indicator	Unit of Measure	Expected – Strategic Plan	Actual – Strategic Plan	Percent Complete	Expected – Program Year	Actual – Program Year	Percent Complete
Maintain and Preserve Existing Housing	Affordable Housing Non-Homeless Special Needs	\$1,294,882.86	Homeowner Housing Rehabilitated	Household housing unit	150	44	29%	12	17	141.67%
New Affordable Housing	Affordable Housing	\$50,000	Rental units constructed	Units Constructed	50	n/a	n/a	n/a	n/a	n/a
Affordable Housing Rental Rehabilitation	Non-housing community development	\$100,000	Rental units rehabilitated	Units rehabilitated	148	444	300%	148	296	200%
Community Funding/Public Services	Homeless Non-Homeless Special Needs	\$150,000	Number of persons assisted	Persons assisted	500	385	77%	139	211	151.80%
Public services for low- and moderate-income residents at risk of eviction	Non-homeless special needs Homeless	\$50,000	Homelessness Prevention	Persons assisted	n/a	20	n/a	n/a	n/a	n/a
Fair Housing	Affordable Housing Non-homeless special needs	\$150,000	Number of persons assisted	Persons assisted	60	37	62%	20	10	50%
Public Services for Children and Youth	Non-homeless special needs Non-housing community development	\$45,000	Number of persons assisted	Persons assisted	50	12	24%	4	3	75%

Public Services for Seniors	Non-homeless special needs Non-housing community development	\$210,000	Number of persons assisted	Persons assisted	1250	720	58%	126	167	132.54%
Public services for Domestic Violence Support	Non-homeless special needs	\$75,000	Number of persons assisted	Persons assisted	80	161	201%	80	83	103.75%
Public Improvements including accessibility and improving public facilities	Non-housing community development	\$450,000	Number of persons assisted with improved access to a facility or infrastructure benefit	Persons assisted	1000	53	5%	200	53	27%
Assist Microenterprises and Small Businesses	Non-housing community development	\$50,000	Businesses assisted	New Businesses assisted	50	25	50%	25	25	100%
Explore the use of HUD Section 108 Loan Guarantee Program	Affordable Housing Homeless Non-housing community development	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

Table 1 - Accomplishments – Program Year & Strategic Plan to Date

Assess how the jurisdiction's use of funds, particularly CDBG, addresses the priorities and specific objectives identified in the plan, giving special attention to the highest priority activities identified.

This Consolidated Annual Performance Evaluation Report (CAPER) corresponds with the second Annual Action Plan year covered by the City's 2022-2025 Consolidated Plan which was adopted by Milpitas City Council on June 14, 2022.

The CAPER provides a snapshot of how the City will utilize its CDBG allocation to meet the needs of the City's low- and moderate-income individuals and the most vulnerable populations. The following priorities were considered to meet the housing and community development needs in Milpitas:

- Maintain and Preserve Existing Housing
- New Affordable Housing
- Affordable Housing Rental Rehabilitation
- Community Funding/Public Services
- Public services for low- and moderate-income residents at risk of eviction
- Fair Housing
- Public Services for Children and Youth
- Public Services for Seniors
- Public Services for Domestic Violence support
- Public Improvements including accessibility and improving public facilities
- Assist Microenterprises and Small Businesses
- Explore the use of HUD Section 108 Loan Guarantee Program

The City was able to achieve most of its goals outlined in the 2023-2024 Annual Action Plan (AAP) through the CDBG formula funding.

The City allocated a total of \$794,982 for Program Year 2023. The breakdown of funding allocation is as follows:

CDBG Formula Funds for Program Year 2023: **\$647,982**

CDBG Prior Year Unused Formula: **\$150,000**

In total, 865 persons were assisted in Program Year 2023. Out of the 865 Milpitas residents served, 167 were seniors, which makes up 19% of the population served; 211 were low-and-moderate income community members, which makes up 24% of the population served; and 83 were survivors of domestic violence, which makes up 10% of the population served.

A top priority for the City is to Maintain and Preserve Existing Housing. Through our partnership with Rebuilding Together Silicon Valley, a total of 17 homeowners received assistance with emergency home repairs and safety modifications.

A high emphasis on providing public services for the Milpitas senior population resonates City-Wide. Four public service allocations totaling \$37,000 were approved benefiting seniors who are aging in place with long-term care, hot meals, well-being activities, and legal assistance. Additionally, Terrace Gardens, a 100% affordable senior housing development was allocated \$131,188.30 in CDBG funding for necessary capital improvements to the property, primarily the rehabilitation of the community wood trellis and roof repair.

The City allocated \$23,127.30 for public service activities to benefit victims of domestic violence, \$11,000 in public services for children and youth, and \$59,104 to Project Sentinel to provide Fair Housing counseling to at-risk tenants in Milpitas.

One of the many hardships small business owners in Milpitas faced after the pandemic was keeping their doors open for business. A total of \$55,0000 was allocated to reinvigorate the operations of microenterprises in Milpitas. Through our partnership with FORWARD, 25 grants were provided to small businesses that fall within the LMI income limits.

CR-10 - Racial and Ethnic composition of families assisted

Describe the families assisted (including the racial and ethnic status of families assisted).

91.520(a)

	CDBG
White	210
Black or African American	38
Asian	421
American Indian or American Native	7
Native Hawaiian or Other Pacific Islander	11
American Indian/Alaskan Native & White	1
Asian & White	0
Black/African American & White	18
A. Indian/Alaskan Native & Black/African A.	40
Other Multi-Racial	119
Total	
Hispanic	61
Not Hispanic	804

Table 2 – Table of assistance to racial and ethnic populations by source of funds

Narrative

Table 2 depicts the accurate racial and ethnic categories of individuals served in Program Year 2023 using the CDBG formula funds.

The City's CDBG program served 865 individuals in Program Year 2023. Of those individuals, approximately 24% were White; 4% were Black or African American; 49% were Asian; 9% were either American Indian/American Native, Native Hawaiian/Pacific Islander, American Indian/Alaskan Native & White, Asian, and White, Black/African American and White. 14% of individuals reported as "Other Multi-Racial." Of the 865 individuals served, approximately 7% were Hispanic.

CR-15 - Resources and Investments 91.520(a)

Identify the resources made available

Source of Funds	Source	Resources Made Available	Amount Expended During Program Year
CDBG	CDBG	\$797,982.00	\$679,152.65
HOME	HOME		
HOPWA	HOPWA		
ESG	ESG		
Other	Other		

Table 3 - Resources Made Available

Narrative

The attached PR26 Program Year 2023 report shows total expenditures of \$679,152.65 in CDBG funds. Funds returned to the line of credit are in the amount of \$16,199.55. \$16,199.55 was a repayment to activity 565 Filipino American Chamber of Commerce. The line of credit funds will be reallocated in Program Year 2024. The remainder (\$4,109.94) is an interest payment that does not belong in the line of credit and needs to be transferred to the U.S. Treasury. HUD's Fort Worth office will adjust this amount. They will reverse the funds on the grant and remit them to the Treasury.

The attached PR 26 CDBG-CV Financial Summary Report shows total program expenditures of \$965,147.00. \$15,000.00 was a repayment to activity 545 Filipino American Chamber of Commerce. The remaining amount of CV funds will be reallocated in Program Year 2025.

Identify the geographic distribution and location of investments

Target Area	Planned Percentage of Allocation	Actual Percentage of Allocation	Narrative Description
City of Milpitas	100%	100%	

Table 4 – Identify the geographic distribution and location of investments

Narrative

The City of Milpitas has not established specific geographic target areas. The City attempts to provide resources to serve low- to moderate-income persons, citywide.

Leveraging

Explain how federal funds leveraged additional resources (private, state and local funds), including a description of how matching requirements were satisfied, as well as how any publicly owned land or property located within the jurisdiction that were used to address the needs identified in the plan.

The City anticipates CDBG funds to remain constant at about the \$600,000 per year level. In conjunction with this federal program, the City will receive additional funding in the form of program income – payments paid into a revolving loan fund.

In September 2021, the City Council approved the use of \$1,100,000 in the American Rescue Plan Act (ARPA) dollars to expand its rent relief program to include mortgage relief for moderate-income residents. Of the \$1,100,000 appropriated, \$150,000 will be used to partially fund a 3-year limited term Administrative Analyst. The remaining \$950,000 will cover the cost of program administration (\$85,500). Per City Council's direction, the remaining balance will be distributed with 75% (\$648,375) for rent relief and 25% (\$216,125) for mortgage relief. On April 16, 2024, Milpitas City Council approved the transfer of all mortgage relief funds to the rent relief program funds as the mortgage relief funds had remain unused. The existing rent relief program has helped over 250 Milpitas households through emergency hardship relief, eviction prevention, domestic violence relocation, child and family homelessness relief, and Section 8 good faith deposits.

Since March 2021, the City of Milpitas has contracted with WeHOPE's Dignity on Wheels program. Dignity on Wheels provides a mobile trailer with a shower, laundry, restroom, and on-site case management. The case manager helps connect clients to resources and services such as identification document needs and identification renewal support. At each session, WeHOPE provides supplies that include towels, laundry pods, hair and body wash, hygiene kits, and occasional clothing donations. Prior to July 2023, the City allocated \$96,552 of non-CDBG funding to WeHOPE's Dignity on Wheels Program which has serviced over 1000 individuals. In June 2023, the City allocated another \$150,000, extending the project for three years.

The City of Milpitas has also allocated \$200,000 to partner with the organization WeHOPE to provide homeless outreach, engagement, and street-based case management services with the goal of connecting unhoused residents of the City of Milpitas to housing and other resources. WeHOPE case managers' support the City's homeless outreach efforts in the community and are regularly on-site at the Dignity on Wheels service location to conduct assessments and further connect clients with a countywide network of services.

In 2017, Governor Brown signed a 15-bill housing package aimed at addressing the state's housing shortage and high housing costs. This included Senate Bill 2 Building Homes and Jobs Act (SB-2), which created a recording fee on real estate documents to increase the supply of affordable homes in California. SB-2 established that 70% of the revenue collected, beginning in the calendar year 2019, will go to locally administered affordable housing, otherwise known as Permanent Local Housing Allocation (PLHA). The funding will help cities and counties increase

the supply of housing for households at or below 60% of AMI; increase assistance to affordable owner-occupied workforce housing; assist persons experiencing or at risk of homelessness; facilitate housing affordability, particularly for lower-and moderate-income households; promote projects and programs to meet the local government's unmet share of regional housing needs allocation; and ensure geographic equity in the distribution of the funds. With the funds from the PLHA, the City plans to provide homeless outreach and WHRAP funding. Of the City's estimated entitlement of \$1,017,554, the City was approved to designate 5% to program administration. The remaining balance will be split with 20% for homelessness outreach assessment funding and 80% for a Workforce Housing Rental Assistance Program (WHRAP).

The City of Milpitas offers a Below Market Rate (BMR) Homeownership program to assist very-low, low-, and moderate-income households in becoming homeowners. Our BMR inventory consists of dwelling units acquired through the City's Affordable Housing Ordinance. The City's basic eligibility requirements to participate in the BMR Homeownership Program include being a first-time homebuyer, having the ability to provide at least a 10 percent required down payment, and for a household's income to not exceed very-low, low-, and moderate income as defined by the California Department of Housing and Community Development (HCD).

CR-20 - Affordable Housing 91.520(b)

Evaluation of the jurisdiction's progress in providing affordable housing, including the number and types of families served, the number of extremely low-income, low-income, moderate-income, and middle-income persons served.

	One-Year Goal	Actual
Number of Homeless households to be provided affordable housing units	0	0
Number of Non-Homeless households to be provided affordable housing units	160	165
Number of Special-Needs households to be provided affordable housing units	0	0
Total	160	165

Table 5 – Number of Households

	One-Year Goal	Actual
Number of households supported through Rental Assistance	0	0
Number of households supported through The Production of New Units	0	0
Number of households supported through Rehab of Existing Units	160	165
Number of households supported through Acquisition of Existing Units	0	0
Total	160	165

Table 6 – Number of Households Supported

Discuss the difference between goals and outcomes and problems encountered in meeting these goals.

The City of Milpitas continues to show progress in providing affordable housing projects and programs to residents. Various programs in the City aim to provide support to LMI clientele. One of the facilities that provide affordable housing is Terrace Gardens.

Terrace Gardens is a deed-restricted, very-low, and low-income senior housing facility. In Program Year 2023, Terrace Gardens received \$5,500 to rehabilitate the community wood trellis. The community wood trellis is an essential place for the staff to hold fun and teaching opportunities for low-income senior residents. Additionally, Terrace Gardens received \$125,688.30 for the roof repair of 20% "Community Building," and 100% "G" building. With the completion of the rehab project, a total number of 148 households were supported.

One of the goals the City has is to provide rehabilitation funding for affordable housing projects. As part of the City's Home Rehabilitation program, the City partnered with Rebuilding Together Silicon Valley (RTSV), to provide Milpitas residents with emergency repairs for qualified low-income homeowners. The program is designed to preserve affordable housing by providing safety, energy efficiency, accessibility repairs, and improvements to qualified households. In Program Year 2023, RTSV received \$125,000 in funding and this provided housing repairs for 17 Milpitas households, which meets the annual goal.

Discuss how these outcomes will impact future annual action plans.

The goal of creating more affordable housing will continue to be a goal in future action plans. However, the increasingly high cost of construction coupled with surging land costs have made the creation of deeply affordable housing (low, very-low, and extremely-low income) very challenging.

Include the number of extremely low-income, low-income, and moderate-income persons served by each activity where information on income by family size is required to determine the eligibility of the activity.

Number of Households Served	CDBG Actual	HOME Actual
Extremely Low-income	574	0
Low-income	207	0
Moderate-income	57	0
Total	838	0

Table 7 – Number of Households Served

Narrative Information

In Program Year 2023, the City of Milpitas served a total of 865 households. In total, 66% were considered extremely low-income; 24% were considered low-income; and 7% were considered moderate-income. A total of 3% of households served were considered non-LMI.

CR-25 - Homeless and Other Special Needs 91.220(d, e); 91.320(d, e); 91.520(c)

Evaluate the jurisdiction's progress in meeting its specific objectives for reducing and ending homelessness through:

Reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs.

Rent and Mortgage Relief

In October 2019, the City created a Pilot Rent Relief Program and allocated \$100,000 from the City's Affordable Housing Fund to assist the City's at-risk population to prevent eviction, and displacement, and to provide financial support for other critical housing needs. In March 2020, with the onset of the COVID-19 pandemic, the City allocated an additional \$100,000 from the Affordable Housing Fund to assist those who had been affected by the pandemic and whose housing situations were at risk. With these funds, the City assisted in the prevention of 40 households and 140 Milpitas residents from potential eviction.

The City further endorsed the success of the pilot program by permanently establishing the Rent Relief Program and allocated \$725,607 in CDBG funding over the last two subsequent program years (2020 and 2021). The success of this program could not be understated as over 100 families and over 300 residents were assisted with CDBG funds.

In September 2021, the City Council approved the use of \$1,100,000 in ARPA dollars to expand the program to include mortgage relief. Of the \$1,100,000 appropriated, \$150,000 will be used to partially fund a 3-year limited term Administrative Analyst. Per the City Council's direction, the remaining balance will be distributed with 75% (\$648,375) for rent relief and 25% (\$216,125) for mortgage relief. The remaining \$950,000 will cover both rent and mortgage relief and is estimated to benefit 130 households with rental assistance and 14 households with mortgage assistance. In August 2024, the City approved the transfer of \$763,000 from the State Budget for Homelessness Prevention and Unhoused Services to the Rent Relief program.

WeHOPE

In December 2020, the City began a pilot program with Project WeHOPE to administer their Dignity on Wheels Mobile Shower and Laundry program in the City. The City allocated \$21,372 in funding to the program and further demonstrated its commitment to providing the unhoused community with services by further allocating \$75,180 to extend its existing service contract until June 30, 2023. In June 2023, as part of the City's budget process, \$150,000 was allocated to enter a new contract with Dignity on Wheels that would cover services until June 30, 2026. Held every Sunday, WeHOPE on average provides 100 showers and 45 loads of laundry per month, serving around 45 unduplicated individuals.

To date, more than 1,500 amount of presumed LMI individuals have benefited from the activity.

Homeless Outreach

After a competitive RFP process, the City has chosen to contract with WeHope for homeless outreach, assessment, and case management. WeHope is a Bay Area nonprofit organization that began as an emergency shelter and has provided unhoused outreach, assessment, and case management services for the last 10 years. Under this contract, WeHope will identify, assess, and refer unhoused residents to appropriate housing programs and services, as well as provide consistent immediate data and longer-term projections on unhoused residents in the city to ensure that the City has a strategic and standardized methodology for servicing unhoused residents. The initial allocation of \$200,000 is also funded through the Permanent Local Housing Allocation Grant.

Permanent Local Housing Allocation (PLHA)

In July 2023, the City received its signed Standard Agreement with HCD approving its 2019, 2020, and 2021 funding applications for \$1,017,554. The City was approved to designate money to fund homeless outreach as well as for the creation of a Workforce Housing Rental Assistance Program, which provides a rental subsidy to Milpitas residents and members of the local workforce whose income is at or less than 30% AMI, defined by HCD as extremely low income. Up to 50 households will be provided \$645 of rental assistance per month for 24 months.

Addressing the emergency shelter and transitional housing needs of homeless persons

The City continues to work closely with community partners and organizations to address the emergency shelter and transitional housing needs of our homeless residents. The City will work closely with the new outreach provider WeHOPE to create a formalized outreach and assessment plan to provide on-site case management, assessment, and referral to other services to help house our homeless population, as well as obtain necessary demographic information to ensure a well-rounded approach.

The City partners with LifeMoves to provide various services to our unhoused community. LifeMoves operates 26 facilities and service sites consisting of 12 interim shelters, a drop-in center, and several permanent supportive housing sites, as well as programs such as outreach to the unsheltered homeless population, safe parking programs, and homelessness prevention emergency assistance programs. In particular, the LifeMoves Villa Shelter (Villa) provides individuals with shelter beds and other services to all residents of Santa Clara County. The Villa has 15 family units and 9 beds available for single women for an average shelter capacity of 54 individuals per night. The Villa generally serves about 250 individuals each year, about half of whom are children. The purpose of the program is to provide interim housing and supportive services for homeless families and individuals to rapidly return to stable housing and achieve long-term self-sufficiency.

The City of Milpitas also contracts with WeHOPE to provide homeless outreach, engagement, and street-based case management services. WeHOPE case managers conduct an assessment tool known as the Vulnerability Index-Service Prioritization Decision Assessment Tool or VI-SPDAT to identify needs and connect with a countywide network of services including emergency shelter and transitional housing.

Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families and those who are: likely to become homeless after being discharged from publicly funded institutions and systems of care (such as health care facilities, mental health facilities, foster care, and other youth facilities, and corrections programs and institutions); and, receiving assistance from public or private agencies that address housing, health, social services, employment, education, or youth needs

Milpitas does not currently have an institutional discharge policy. The City collaborates with the Santa Clara County Continuum of Care CoC, which recently updated its Quality Assurance Standards to include a homeless discharge coordination policy.

The County CoC endeavors to provide guidance and resources to those released from institutions. The discharge policy includes access to reentry resource centers where, for example, a VI-SPDAT could be administered. The VI-SPDAT measures the acuity level of an individual and is used to inform what type of support or housing needs are required. It also serves as the entry point for access to other resources or supportive services, such as residential or outpatient treatment, transitional housing, or emergency shelter access.

CDBG and City Local Funds

- Rent Relief Program: FORWARD has been administering the City's Rent Relief Program, which offers low- and moderate-income residents a maximum of \$5,000 per calendar year, to prevent eviction and community displacement.
- WHRAP Program: FORWARD is also administering the city's Workforce Housing Rental Assistance Program, which offers rental subsidies to members of the Milpitas workforce who are at or under 30% AMI.
- Child Advocates of Silicon Valley: Child Advocates connect court-appointed special advocates (CASAs) to foster children. These volunteers must make a commitment to the children for a long-term, many for his or her entire life. The consistent support of the CASA is often the only adult who has steadily remained with the child, providing crucial mentorship.
- Seniors Adults Legal Assistance (SALA): SALA is committed to providing free-legal services to seniors. Legal services that SALA provides range from: public benefits, long-term care, alternatives to institutionalization, elder abuse, long-term care insurance, incapacity planning, probate, simple wills, and housing – related to Landlord-Tenant issues. Often, many seniors do not know his or her housing rights or sign over the will of their house without knowing, and with fixed income, many are unable to provide legal help. SALA provides legal help free of charge for these low to extremely low-income seniors.

Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again

As noted above, the City contracts with WeHOPE to provide outreach and assessment services to the unhoused community in Milpitas through two full-time case managers.

The City of Milpitas also partners with WeHOPE's Dignity on Wheels program to provide free hot showers, laundry, and case management services for the unhoused Milpitas community. In Program Year 2023, a total number of X sessions were conducted in which X individuals participated. A total of X showers and X loads of laundry were provided by the program.

CR-30 - Public Housing 91.220(h); 91.320(j)

Actions taken to address the needs of public housing

This is not applicable, there are no public housing developments in the City of Milpitas.

Actions taken to encourage public housing residents to become more involved in management and participate in homeownership

Not applicable.

Actions taken to provide assistance to troubled PHAs

Not applicable.

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CR-35 - Other Actions 91.220(j)-(k); 91.320(i)-(j)

Actions taken to remove or ameliorate the negative effects of public policies that serve as barriers to affordable housing such as land use controls, tax policies affecting land, zoning ordinances, building codes, fees and charges, growth limitations, and policies affecting the return on residential investment. 91.220 (j); 91.320 (i)

Resolution No. 8523

The City adopted Resolution No. 8523 on February 2, 2016, which recognizes homelessness as a crucial problem in the County and will help contribute to future affordable housing projects that will house the homeless.

Affordable Housing Ordinance 297

In June 2018, the City Council passed Affordable Housing Ordinance 297 which requires all new residential development projects of 10 units or more designed and intended for permanent occupancy shall construct 15% of the total number of dwelling units within the development as affordable units.

Housing Opportunity Zone

The project will establish a new 'overlay district' within established critical priority areas of Milpitas and complete the associated California Environmental Quality Act (CEQA) analysis to accelerate housing production in the City. The Housing Opportunity Zone (HOZ) will provide objective standards and incentives to developers to encourage and support the development of by-right, affordable, and supportive housing projects, including housing for special-needs residents.

The project would streamline housing approvals and accelerate housing production by providing clarity and certainty to developers to stimulate development in priority areas. Incentives to developers may include reduced parking requirements, additional density bonuses beyond the State Density Bonus, increased allowable heights, streamlined permitting processes, and fee waivers.

Actions taken to address obstacles to meeting underserved needs. 91.220(k); 91.320(j)

As noted above, the City contracted with WeHOPE to provide assessment services to the unhoused via case managers. The case managers provide ongoing outreach and assessment services to the unhoused community in Milpitas.

Actions taken to reduce lead-based paint hazards. 91.220(k); 91.320(j)

Historically, the County of Santa Clara has received funding from State's Department of Health Service and Federal Government for Center for Disease Control to implement a Childhood Lead Poisoning Prevention Program. The funded programs include: community outreach screen, case

management, and public education to inform low-to-moderate income and older communities. The project will then follow up with environmental testing, lead-based education, blood-lead testing for children, hazard reduction grants, and follow-up with monitoring and testing. Milpitas has adopted a Lead-Based Paint Management Plan which complies with HUD-Based Paint regulations and outlines the required states of abatement and remediation for rehabilitation projects. In addition, the City publicizes and identifies lead-based hazards and older residential projects through its Code Enforcement Division and Building Department. In addition, projects undergoing rehabilitation, especially under the City's Rehabilitation Loan Program, are supported through abatement and technical assistance on how to proceed with mitigating lead-based paint hazards.

Actions taken to reduce the number of poverty-level families. 91.220(k); 91.320(j)

The City of Milpitas prioritized the needs of microenterprises during the pandemic. Under the American Rescue Plan Act (ARPA), various small Milpitas businesses received financial assistance due to the economic hardship brought on by the COVID-19 pandemic. Selected participants must have met the very low, low, or moderate-income clientele level in order to receive the grant. The Enterprise Foundation collected income statements, tax returns, and other documents to confirm eligibility to HUD's guidelines. The total available funds awarded for the Small Business Assistance Grant Program was \$1,570,000. A total of 343 eligible small business applications were received by the City. On April 8th, 276 grants of \$5,000 (\$1,380,000) and 67 grants of \$1,700 (\$113,900) were awarded to various microenterprises in Milpitas. This means all the business applicants deemed eligible received funds including 46 daycare centers.

A CDBG-funded Microenterprise Grant Program administered by FORWARD came online in Program Year 2023. A total of 25 microenterprises received a \$2,000 grant. The new program will follow the eligibility process of the prior Small Business Assistance Grant Program. The selected participants met the very low, low, or moderate-income clientele level to receive the grant.

Actions taken to develop institutional structure. 91.220(k); 91.320(j)

The City is striving to improve intergovernmental and private sector cooperation to synergize efforts and resources and develop new revenues for community service needs and the production of affordable housing. Continued collaborative efforts include:

Regular quarterly meetings between entitlement jurisdictions at the CDBG Coordinators meeting.

Meet with the Regional Housing Working Group

Joint jurisdiction Request for Proposals and project review committees

Coordination on project management for projects funded by multiple jurisdictions

Community Development Roundtable monthly meetings with the real estate and development communities

Actions taken to enhance coordination between public and private housing and social service agencies. 91.220(k); 91.320(j)

The City benefits from a strong jurisdiction and region-wide network of housing and community development partners, such as the County and the CoC. To improve intergovernmental and private sector cooperation, the City will continue to participate with other local jurisdictions and developers in sharing information and resources.

Identify actions taken to overcome the effects of any impediments identified in the jurisdictions analysis of impediments to fair housing choice. 91.520(a)

The City continues to provide funding for Project Sentinel, who the City contracts for fair housing issues. Project Sentinel is a private, non-profit agency providing fair housing, tenant-landlord counseling, and dispute resolution services. Additional services include counseling, case intake, education, and outreach. Other services include HUD-certified mortgage default counseling and First-Time Homebuyer workshops are open to Milpitas residents.

CR-40 - Monitoring 91.220 and 91.230

Describe the standards and procedures used to monitor activities carried out in furtherance of the plan and used to ensure long-term compliance with the requirements of the programs involved, including minority business outreach and the comprehensive planning requirements

The City of Milpitas Housing Division maintains a high level of integrity regarding monitoring our subgrantees. The City ensures all funded organizations comply and meet financing and programmatic requirements of HUD through our contract process. The details and level of service that is to be performed by the subrecipients are outlined in the agreements. The terms and conditions in the agreement follow HUD regulations and are approved by our City Attorney.

As outlined in the agreements, each organization is required to submit quarterly reports of its activity progress in meeting the goals listed in the contract. In addition, the organization must submit invoices for reimbursements that document what services have been rendered. City staff takes the quarterly reports and reimbursement supporting documents and reviews items for any discrepancies. If any concerns or questions arise while reviewing the documents submitted by the organization, City staff will contact the organization and begin an internal investigation. The internal investigation will continue until the discrepancy is cleared. All funded CDBG-funded activities, including CDBG-CV-funded activities, are subject to this process.

During Program Year 2023, staff met with all subrecipients to get a better understanding of the services provided. In alignment with CDBG regulations, City staff drafted an extensive work plan for monitoring for each organization, reviewing progress reports, and expense reports, and denoting any prior issues with compliance before meeting with CDBG program staff. Staff had both an internal monitoring strategy which included review of documentation, creating a monitoring checklist with all necessary information related to that project, as well as a strategic plan for the on-site monitoring to ensure all parts of the project were adequately and efficiently reviewed. Staff would then meet with CDBG partners to discuss the findings of the visit and any possible errors before sending the formal monitoring letter, which would formalize all the details in writing. During the monitoring process, staff took note of common questions or concerns that program staff had to ensure that future sessions are as efficacious as possible.

Additionally, we met to discuss best practices and data collection. We will continue to meet with subrecipients for monitoring online or in person. Housing staff is available to subrecipients if they ever have any questions regarding the program. For new subrecipients, staff works closely with the organization to ensure compliance. We provide one-on-one training for new subrecipients on program, planning, and reporting requirements needed under CDBG.

Citizen Participation Plan 91.105(d); 91.115(d)

Describe the efforts to provide citizens with reasonable notice and an opportunity to comment on performance reports.

As described in the City's approved Citizen Participation Plan, the CAPER was made available in the Public Library, City's Website, City Hall, and per request via email to the public for public comment for at least 15 days. A public notice was published in the Milpitas Post and City website on August 23, 2024. The comment period is from August 23 through September 16, 2024. Public notices were translated into Spanish, Vietnamese, Tagalog, and Simplified Chinese to further enhance communication with residents whose primary language is not English.

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CR-45 - CDBG 91.520(c)

Specify the nature of, and reasons for, any changes in the jurisdiction's program objectives and indications of how the jurisdiction would change its programs as a result of its experiences.

There are no changes in the objectives of the program.

Does this Jurisdiction have any open Brownfields Economic Development Initiative (BEDI) grants?

No

[BEDI grantees] Describe accomplishments and program outcomes during the last year.

DRAFT



CITY OF MILPITAS AGENDA REPORT (AR)

Item Title:	Review the List of Agenda Item Requests From Individual Councilmembers and Provide Direction to Staff Through the Council-Approved Prioritization Process (Staff Contact: Matt Cano, Assistant City Manager, 408-586-3012)
Category:	Leadership and Support Services
Meeting Date:	9/17/2024
Recommendation:	(1) Review list of agenda item requests from individual Councilmembers and provide direction to staff, through the prioritization process, on which Group 1 items should be advanced; and (2) Provide additional input to staff, if any, on Group 1 items that received Council direction to advance.

BACKGROUND:

At City Council meetings, under the Announcements section, City Councilmembers may request items for the full Council to consider. These items are placed on a list for a future City Council discussion and action. On January 19, 2021, at a Special City Council meeting, Council provided direction to staff to streamline the process by presenting individual Council agenda item requests for prioritization to City Council on a quarterly basis.

On January 10, 2023, City Council approved a City Council Request Prioritization Policy which guides the prioritization process. As part of the January 10, 2023 approval, language was included in this Policy to remove items recommended by prior members of the City Council unless a current City Councilmember chose to sponsor the continuation of those items.

The last prioritization was held on June 11, 2024. Links to prior prioritization reports and minutes are included under Attachments.

ANALYSIS:

Staff is now bringing forward the next prioritization of items requested by Council between June 11, 2024 and September 3, 2024, including the status on items previously approved by Council.

As shown in Attachment 1, a total of 35 items, some which were discussed during the prior prioritization discussion, have been grouped into four categories, differentiated by level of effort and status of the agenda request, as outlined below:

- Group 1** – Items that have not been initiated; will require more than four hours of staff time; and may require additional funding or resources (4 items).
- Group 2** – Items that have not been initiated but will require less than 4 hours of staff work (4 items).
- Group 3** – Items that are currently underway and/or already included in workplan (19 items).
- Group 4** – Items that have been completed, postponed indefinitely, or withdrawn (8 items).

Prioritization Process

Similar to the prior prioritization process, the new Group 1 agenda item requests are detailed in Attachment 2. As these requests have not yet been discussed, staff has attempted to identify alignment with Council priority areas to the extent possible. As part of Attachment 2, staff provided a summary which includes the lead and supporting departments, estimated resources and cost to complete the work, description of work effort, any actions taken to date, clarification or direction sought from City Council, and other additional considerations including impacts on other workplan items. To the extent possible, staff

sought clarification from City Councilmembers sponsoring the request; however, some items may need additional clarification from the requesting Councilmember(s). To facilitate Council prioritization, Group 1 items have been further categorized into three sub-groups: Ordinances and Policies, Projects and Programs, and Miscellaneous.

For the Group 1 items, the total annual costs are estimated as follows:

Item	Potential Ongoing Costs		Potential One Time Costs	
	Low Range	High Range	Low Range	High Range
CC01: Accessory Dwelling Unit Ordinance to Allow Condominium Conversions	\$0	\$0	\$12,000	\$12,000
CC02: Explore potential purchase of additional property on Main Street	TBD	TBD	\$1,995,000	\$1,995,000
CC03: Revise municipal code to include Animal Cruelty guidelines for additional animals such as horses, cats, etc..	\$0	\$0	\$10,000	\$10,000
CC04: Revise the rental assistance yearly cap from \$5,000 to approximately \$3,500 to \$3,800 per family	\$0	\$0	\$0	\$0

Since Group 2 items (see Attachment 1) require less than four hours of staff time, these items can be advanced without requiring a majority vote, Council may wish to provide additional input or direction on this item. For Group 3 items, which are underway and/or already included in staff workplans, staff provided an update in Attachment 1. A list of Items completed, postponed indefinitely, or withdrawn, are presented as a separate attachment (Attachment 3).

Voting Process

In accordance with the adopted City Council Prioritization Policy, existing staff workload and the number of Group 1 items, staff proposes the Council prioritize no more than two items. The typical voting process for prioritization is summarized below.

Round 1

Each member of the Council will be asked to prioritize their top two items from Group 1. Councilmembers will receive paper copies to help them review and complete the preliminary prioritization, and electronic voting will be conducted.

All items receiving three or more votes will move forward. If the number of items receiving three or more votes is two or greater, the prioritization process will be deemed complete. If the number of items is less than two, the remaining items will be prioritized as described in Round 2.

Round 2

If items receiving three or more votes are less than two in number, Councilmembers will be asked to prioritize the remaining items to develop a top two list. Each member of the Council will be given the number of votes equivalent to two minus the number of items prioritized for staff work at the completion of Round 1. For example, if after Round 1, the Council agreed on advancing one item, one additional item will require prioritization. Therefore, each Member of the Council will be asked to vote on one item. Any item receiving three or more votes will be added to the prioritized list. If the total number of items on the list is one or greater, the prioritization process will be deemed complete.

Additional Rounds, if needed

If the total number of prioritized items after Round 2 is less than two, all remaining items which received at least one vote will be prioritized through additional rounds of voting. Items which receive zero votes in a round will be eliminated from the subsequent round of voting.

Any items that do not advance through this multi-step prioritization process will be removed from the active list and need to be resubmitted through Announcements for the next prioritization discussion, tentatively scheduled for December 2024 or January 2025

Group 4 Items

As discussed above, the following 8 items have been moved to “Group 4” in this update as they have been completed or withdrawn:

- *Letter to County regarding horse riding:* This item is completed. The letter was sent to Santa Clara County on June 7, 2024.
- *Adopt a resolution supporting the Build the Future Santa Clara County (childcare) Campaign:* This item is completed. A resolution was approved by the Mayor and City Council on August 20, 2024.
- *Solicitation Ordinance - bring back prior version to Council:* This item is completed. On September 3, 2024, the Mayor and City Council adopted an ordinance prepared by the City Attorney's Office.
- *Community Advisory Commission: Change focus to housing:* This item is completed. On August 13, 2024, the Mayor and City Council approved changing the name of the Community Advisory Commission to the Community Housing Commission.
- *Explore possibility of naming the County library on Main Street:* This item is completed. On September 3, 2024, the Mayor and City Council adopted the name "Milpitas Jose Esteves Library". Funding for the installation of a sign on the exterior of the building along with other collateral materials and any ceremonial expense will be tracked as a separate item moving forward.
- *Staff to complete analysis if, working with the County, it would be beneficial to have a location where residents can pick up Narcan:* This item is completed. Based on current opioid overdose statistical trends for Milpitas, staff is confident there are adequate opportunities for members of the community to access Naloxone. These access points include a mail-in program for residents of Santa Clara County, sponsored by the Santa Clara County Opioid Prevention Project. Additionally, the County Public Health website lists several locations throughout the County that readily provide Naloxone to anybody, no questions asked. Lastly, the Milpitas Fire and Police Departments have taken a proactive approach to preventing opioid overdoses through the active deployment of Naloxone on all fire and police vehicles throughout the City.
- *City Employment Job Fair at City Hall:* This item is completed. Human Resources conducted a recruitment tabling event at a Community Concert in Starlite park In June 2024. City staff spoke with attendees about job opportunities, signed people up for job alerts, and provided Department information and promotional items. The Department will do more of these recruitment activities in the community (partnering with City departments) in the next year.
- *Explore compassion fund:* This item has been removed from consideration as the underlying reason it was raised has been resolved.

POLICY ALTERNATIVE:

Not applicable

FISCAL IMPACT:

For the Group 1 items, annual ongoing and one-time costs are summarized in the table in the analysis section of this report. Based on Council direction, staff will consider prioritized items that require new funding as part of a future budget process.

CALIFORNIA ENVIRONMENTAL QUALITY ACT:

This item is not a Project under CEQA in accordance with CEQA Guidelines Section 15061(b)(3) (Common Sense Exemption) as it can be seen with certainty that a general discussion of funding priorities by the City Council will not have a significant effect on the environment. Further, the item is also not a Project pursuant to CEQA Guidelines Section 15378(b)(4) as it is a government fiscal activity that does

not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment. Although the use of funding will be discussed, any project scope and potential environmental analysis would be speculative at this time, and future environmental analysis will be conducted for the potential projects prior to the City making any commitment or approval of any project.

RECOMMENDATION:

1. Review list of agenda item requests from individual Councilmembers and provide direction to staff, through the prioritization process, on which Group 1 items should be advanced; and
2. Provide additional input to staff, if any, on Group 1 items that received Council direction to advance.

ATTACHMENTS:

- (a) List of Councilmember Agenda Item Requests
- (b) Information on Group 1 items
 - CC01 – ADU Ordinance
 - CC02 – Explore Purchase of Property on Main Street
 - CC03 – Animal Cruelty Ordinance
 - CC04 – Rental Assistance
- (c) List of Completed, Postponed Indefinitely, or Withdrawn Items
- (d) Links to Prior Prioritization Reports and Minutes
 - [March 16, 2021 Agenda and Minutes](#)
 - [August 9, 2021 Agenda and Minutes](#)
 - [January 11, 2022 Agenda and Minutes](#)
 - [May 3, 2022 Agenda and Minutes](#)
 - [September 6, 2022 Agenda and Minutes](#)
 - [February 7, 2023 Agenda and Minutes](#)
 - [June 20, 2023 Agenda and Minutes](#)
 - [November 14, 2023 Agenda and Minutes](#)
 - [February 20, 2024 Agenda and Minutes](#)
 - [June 11, 2024 Agenda and Minutes](#)

Attachment 1
List of Councilmember Agenda Item Requests

No.	Topic	Requested By	Date Requested	Requires more than 4 hours of additional staff time	Department / Office	Council Priority Area(s)	Status	Additional Resources/Funding Needed or Deferral of Council Approved Programs
Group 1 – New Items that have not been initiated; will require more than four hours of staff time; and may require additional funding or resources.								
Ordinances and Policies								
CC01	Explore new ordinance for ADUs to allow condominium conversions	Chua	8/13/2024	Yes	Planning	Economic Development & Job Growth	see attached writeup	
CC02	Explore potential purchase of additional property on Main Street	Montano	8/13/2024	Yes	Office of Economic Development	Economic Development & Job Growth	see attached writeup	
CC03	Revise municipal code to include Animal Cruelty guidelines for additional animals such as horses, cats, etc..	Chua	9/3/2024	Yes	City Attorney's Office	Governance & Administration	see attached writeup	
Projects and Programs								
CC04	Revise the rental assistance yearly cap from \$5,000 to approximately \$3,500 to \$3,800 per family	Montano	9/3/2024	Yes	City Manager: Office of Housing	Neighborhoods & Housing	see attached writeup	
Group 2 – New Items that have not been completed and will require less than 4 hours of staff time								
5	Recognize local 2024 Olympians with ties to Milpitas	Montano	8/5/2024	No	City Manager's Office	Governance & Administration	September 2024 Update: Staff is in the processing contacting the 3 known Olympians with ties to Milpitas and will schedule a commendation at a future City Council meeting once contact is made.	
6	Send letter to County Supervisor Otto Lee re: weeds on Montague	Montano	8/13/2024	No	City Manager's Office	Community Wellness & Open Space	September 2024 Update: City staff has been in contact with staff from the County of Santa Clara and the weeds along Montague in the County's jurisdiction were mowed in late August 2024. Staff will send the letter to Supervisor Otto Lee in September 2024.	
7	Review sources of funds for library name and return to City Council with alternatives prior to the next annual budget process	Barbadillo	9/3/2024	No	City Manager's Office	Community Wellness & Open Space	September 2024 Update: Staff is working with vendors on revising the initial cost estimate of \$25,000 to \$40,000. Once the cost estimate is updated, staff will provide an informational email to the Mayor and City Council which will include a revised cost estimate and potential funding source options. It is expected that this information will be available by October 2024.	
8	Evaluate hours of service for Food Pantry	Montano	9/3/2024	No	City Manager's Office	Neighborhoods & Housing	September 2024 Update: Staff is working with the Food Pantry, who is renting space from the City on Main Street, to better understand the scope of service for the facility. Staff will provide an informational email to the Mayor and City Council with this analysis in October 2024.	
Group 3 – Items that are currently underway and/or already included in workplan								
9	Feasibility Study for Night Market/Food Trucks on Main Street	Montano	5/7/2024	No	City Manager's Office: Economic Development	Economic Development & Job Growth	September 2024 Update: Staff has contacted various food truck and night market consultants including Off the Grid, Food Truck Mafia, and Moveable Feast. On August 12, 2024, the Economic Development and Trade Commission (EDTC) participated in a North Main Street tour of potential development opportunities, Storefront Improvement Grant Program project completion, and a discussion on a Main Street event focused on food, entertainment, and art. A scope of work for consultant services is being developed for a proposed May 2025 event series. June 2024 update: As this is aligned with the Office of Economic Development's existing workplan tasks, there is no additional staff time required to implement this analysis.	
10	Explore increasing stipend for planning commission	Barbadillo	4/16/2024	Yes	Planning	Neighborhoods & Housing	September 2024 Update: Staff is researching comparative information on compensation and workload levels for Planning Commissions from other Santa Clara jurisdictions.	Yes
11	Escuela Parkway Traffic Safety Review	Montano	5/7/2024	Yes	Public Works	Transportation & Transit	September 2024 Update: Staff submitted an application SFPUC's Project Review Committee to widen Escuela Parkway over their property. The Committee informed the City that the project would not be authorized because it would reduce access to their infrastructure, create safety issues for staff performing work, and hinder their ability to install new facilities in the future. In addition, staff will be conducting a preliminary traffic assessment of the area now that school is back in session and a routine has been established by parents and staff during the school drop off/pick up times. Based on observations, staff will determine the next step of the evaluation process for potential improvements. June 2024 update: Staff is evaluating any recommendations identified in the adopted Citywide Travel Safety Plan that may be applicable to this area. Furthermore, staff has submitted grant applications for SS4A and ATP funding in the amount of \$8 million in order to fund any safety improvements. Award announcements are to be released this fall.	Yes

Attachment 1
List of Councilmember Agenda Item Requests

No.	Topic	Requested By	Date Requested	Requires more than 4 hours of additional staff time	Department / Office	Council Priority Area(s)	Status	Additional Resources/Funding Needed or Deferral of Council Approved Programs
12	Affordable Housing Ordinance Review	Montano	12/5/2023	Yes	City Manager's Office: Housing & City Attorney's Office	Neighborhoods & Housing	September 2024 Update: CAO is working with CMO and various departments to create a guide for developers that will explain how to comply with the City's AHO in the initial application materials including submission of an AHO compliance form in the initial planning application. The guide will also tell developers, prior to applying for entitlements, what documentation and information needs to be provided to the City in case the developer intends to seek an alternative form of AHO compliance. The goal of the document is to streamline the entitlement application process for developers as well as maximize AHO compliance for the City. The document, which will be a CM level policy document, should be ready October.	
13	Request that the Arts Commission explore alternatives for future of statue in front of City Hall	Phan	1/30/2024	No	Recreation & Community Services	Community Wellness & Open Space	September 2024 Update: This discussion item is agendized for their September 23 Meeting, their first meeting back from the summer break. June 2024 Update: Planned discussion on this topic will occur at September 2024 Arts Commission meeting. February 2024 Update: During February or March 2024, staff will request that the Arts Commission have a discussion about potential alternatives for the statue in front of City Hall. It is possible that this could turn into a work effort in excess of 4 hours in the future pending the results of this discussion. If it does, staff will bring this item back to council for a discussion regarding prioritization.	Additional funding likely needed pending further staff analysis.
14	Charter City Evaluation	Phan	9/5/2023	Yes	City Manager's Office, City Attorney	Governance & Administration	September 2024 Update: Resources to analyze this policy issue were approved in the Fiscal Year 2024-2025 operating budget. Staff expects to begin work on this item in late 2024. June 2024 Update: Resources to analyze this policy issue are expected to be approved in the Fiscal Year 2024-2025 operating budget. Staff expects to begin work on this item in late 2024. February 2024 Update: At the January 30, 2024 Operating budget study session consensus was received to allocate funding towards this effort as part of the Fiscal Year 2024-2025 Operating budget. Further work on this item is pending budget allocation.	Additional funding likely needed pending further staff analysis.
15	Main Street International Festival	Lien	10/3/2023	Yes	Recreation & Community Services	Community Wellness & Open Space	September 2024 Update: Staff have begun internal discussions on the summer series, including possible collaboration with other efforts around Main Street Revitalization. June 2024 Update: Addressing in the FY24-25 budget through existing Movie Nights series which will be held in Summer 2025. February 2024 Update: At the January 30, 2024 operating budget study session consensus was received to continue to discuss this item as part of the re-organization of the events calendar that the Recreation & Community Services department is reviewing with the City Council. November 2023 update: see attached writeup	
16	Recreation & Community Services Department to Review of potentially returning additional programs for Bingo and Senior Trips	Chua	11/7/2023	No	Recreation & Community Services	Community Wellness & Open Space	September 2024 Update: The Bingo license application is estimated to be considered at a public hearing at a City Council meeting in October. Bingo is still on track to be re-launched in early Winter. Trips are scheduled to return in November 2024. June 2024 update: Staff addressing request through regular course of business. Currently, staff are moving forward with applying for their Bingo License, and setting up a survey for new trip ideas from the senior membership. It is estimated that trips will resume in mid Fall of 2024, and Bingo would start in early Winter. February 2024 Update: Staff is assessing Bingo equipment and will be starting a new Bingo license application in Spring 2024. Staff is assessing alternate ways to provide trips to seniors until and potentially after the new van has been purchased. November 2023 update: Bingo: Senior Center Bingo participation had reduced drastically before the pandemic with an average of 20 people per session. Contributing factors could have been the normal loss of participants due to moving away, moving into care homes, and/or the opening of Milpitas Charity Bingo. Staff has heard from some seniors that the buy-in costs at Charity Bingo are too expensive. Recreation program staff is currently investigating the option of renewing the City's Bingo License and potentially bringing back the program opportunity utilizing volunteers. Staff will report back to the City Council once this analysis is completed. Trips: The Senior Center has monthly meetup trips at local destinations. There is also the "Foodie Club" which is an open club of senior center members that meet once a month at a Milpitas restaurant. The large Senior Center Bus that was previously used to transport Seniors to these destinations is has been de-commissioned as it met the end of it's useful life. The City has funding for a new van. Once this new van is purchased, staff will resume a hybrid trip program that will both meet up with seniors who can drive and transport seniors who cannot to destinations. Given overall nationwide fleet procurement challenges, it is anticipated that the purchase of this van would take up to 9 months.	

Attachment 1
List of Councilmember Agenda Item Requests

No.	Topic	Requested By	Date Requested	Requires more than 4 hours of additional staff time	Department / Office	Council Priority Area(s)	Status	Additional Resources/Funding Needed or Deferral of Council Approved Programs
17	Look into possibility of Senior citywide discount from all Milpitas businesses.	Barbadillo	2/7/2023	Yes	City Attorney/City Manager's Office	Community Wellness & Open Space	September 2024 Update: City council approved funding for staff work and a survey for the policy review of this program as part of the FY 2024-2025 Budget approval. Staff has coordinate with survey firm FM3 and expects to launch a survey of local businesses in September 2024 and return to council in late 2024 with policy analysis. June 2024 update: Staffing and survey resources for the policy work for this item are expected to be approved as part of the Fiscal Year 2024-2025 Operating budget. Staff expects to return to the City Council with policy options and cost estimates by the end of 2024. February 2024 update: At the January 30, 2024 Operating budget study session consensus was received to allocate funding towards this effort as part of the Fiscal Year 2024-2025 Operating budget. Further work on this item is pending budget allocation, however staff is in the process of meeting with a survey consultant to receive a firm cost estimate on a potential survey of businesses for this proposal. November 2023 update: Staff have begun preliminary investigation into alternatives and staff anticipates being able to frame potential options and next steps more thoroughly by early 2024.	
18	Look into defining either a standalone teen center or updating information to indicate the Senior Center also functions as a Teen Center	Chua	9/20/2022	Yes	Recreation & Community Services	Community Wellness & Open Space	September 2024: Teen summer programming was successful, with many trips, classes, meet ups and sports drop-in sessions at full capacity. The summer MYF program, held out of the center and run by Teen Center staff, had one of their best sessions yet. Center programs, events and workshops for the new school year, including increased collaboration with high school clubs, Halloween event, and financial aid workshops for college preparedness. June 2024 update: Based on surveys of teens, it appears that the ideal course of action is to have multiple locations available for their use. Staff have begun a "Teen Center Everywhere" campaign and have brought teen drop-ins back to the Sports Center which have been successful. Staff will continue to amplify this campaign and monitor usage rates and report back to the City Council in future updates. February 2024 update: Staff conducted multiple survey outreach efforts resulting in lower than anticipated participation. Initial results are being reviewed and staff will follow up with the City Council on next steps. November 2023 update: Staff is conducting a Teen Center User Survey with the teens of Milpitas ages 12 - 18. Feedback from this survey is anticipated to be completed by mid November 2023. June 2023 update: A Teen Center Survey has been released and is currently gathering responses. It is anticipated that data on the use of the center and/or its programs relative to it's proximity to home and/or school, and the type of programming desired will provide the input needed for the resolution to this request.	
19	Look into implementing a workshop for small businesses on the bidding process for projects in the city.	Chua	8/9/2022	Yes	City Manager's Office: Economic Development	Economic Development & Job Growth	September 2024 update: Staff is still planning on performing data analysis on local business' participation in the City's bidding process. This data analysis was expected to be completed in Fall 2024 however has been delayed as a result of significant vacancies in the City's procurement staff. June 2024 update: City staff from Economic Development, City Manager's Office and procurement participated in the Milpitas Small Business expo on April 20, 2024. As a next step, staff is expected to perform data analysis on local business' participation in the City's bidding process. This data analysis is expected to be completed in Fall 2024. February 2024 Update: Staff will either present or have a booth to share information about the City's bidding process at the Milpitas Small Business Expo on Saturday, April 20, 2024. November 2023 update: Staff presented in August to the Economic Development and Trade Commission. Feedback was received regarding the need for more thorough metrics regarding current local business participation and goals of the program. June 2023 update: Staff was scheduled to provide a report to the Economic Development and Trade Commission on June 12, 2023 however that meeting with postponed due to lack of quorum. Staff will present to the Commission at the next available date. Further analysis on options and alternatives to connect more local and local small City of Milpitas businesses to our procurement processes will continue through 2023.	

Attachment 1
List of Councilmember Agenda Item Requests

No.	Topic	Requested By	Date Requested	Requires more than 4 hours of additional staff time	Department / Office	Council Priority Area(s)	Status	Additional Resources/Funding Needed or Deferral of Council Approved Programs
20	Pickleball Pilot Project	Chua	2/28/2023	Yes	Recreation & Community Services	Community Wellness & Open Space	September 2024 update: In coordination with the Public Works Department, a traffic assessment of concerns regarding speeding was conducted. Additionally, more efficient ways to park in the area were discussed at the staff level. Messaging to approximately 610 Hall court users was sent on Monday, August 26 with an update on court surface spot repairs and the installation of the sound dampening panels which is estimated to be scheduled at the end of September. Courts will be closed for approximately one week, and notification of at least two weeks will be provided to users and neighbors. June 2024 update: Staff presented the status of the finalization of the Pickleball Pilot program and potential next steps for permanent court designation at the March 19, 2024. Council provided direction to close Hall Courts at 9pm, install safety fencing between existing tennis and pickleball courts, and install acoustic fencing enhancement. Staff is also assessing traffic concerns in the area. Hall Court open hours were adjusted to close at 9pm on Monday, April 29. Fencing and acoustic enhancements are expected to be completed in summer 2024. Staff will assess any improvements to pickleball sound carrying into the surrounding neighborhood, and court experience with the safety fencing. February 2024 update: A new community survey was conducted from December 2023 through January 2024. A community meeting was held on February 8, 2024 to receive father input. Staff expects to return to the City Council for a final recommendation on the use of Hall Park Courts for tennis and/or pickleball in March 2024. November 2023: Staff is currently engaged in a community outreach process to determine the potential uses of the City Council allocated \$100,000 to create a permanent pickleball opportunity in Milpitas. Staff anticipates returning to the City Council with a recommendation on this prior to the end of 2023. Recently the tennis community has engaged of the tennis around this project topic, and so staff anticipates returning to City Council with a recommendation after the first of the year. June 2023 update: The Pickleball Pilot program concludes at the end of July. Due to it's documented success, City Council has provided budget allocations of \$100,000 for permanent pickleball courts. Until such time as the court system(s) are in place, pickleball will continue as operating at Hall Park Tennis Courts and Gill Park Handball courts. Additionally, staff will work to phase out Pickleball at the Browne Tennis Courts, based on feedback by City Council at the approval of the Pickleball Pilot Program.	
21	Main Street Infrastructure Projects	Montano	2/28/2023	Yes	Public Works	Transportation & Transit	September 2024 update: Staff was informed that only an additional \$250K will likely be allocated to Main Street as part of the calendar year 2024 federal earmark process. Staff will evaluate alternatives moving forward given the fact that the allocated funding is far short of the needed amount. June 2024 update: Staff was informed in May 2024 that Representative Ro Khanna has submitted a request to the federal government for the remaining \$1.9 million required to complete the first phase of the Main Street lighting project. Staff expects to hear a progress update on this funding request by Fall 2024. February 2024 Update: Staff is still working on determine how to best use and access the \$500,000 that was received during the 2023 Federal earmark process. Additionally, staff has listed this as a priority project for 2024 potential State and Federal earmark dollars. November 2023 update: As part of the 2023 Federal appropriations process, \$500,000 of the requested \$2.1 million was received for the Main Street lighting project. Staff will work with federal and state representatives to review options for use of this funding over the next several months (often it takes several months after the budget is passed in order for staff to be able to work with the Federal Agency responsible for use of funds received). Prior update: As part of the 2023 State and Federal appropriations processes, both State Assemblymember Alex Lee and Federal Representative Ro Khanna have requested funding for Main Street infrastructure improvements. Further information on whether these appropriation requests are approved will be available in late 2023.	
22	Main Street Flooding at Library	Chua	2/28/2023	Yes	Public Works		September 2024 update: The lowering of the Wrigley Ford Creek Wier wall is currently underway and is anticipated to be completed by the end of September. The wall will be lowered from 4ft to 1ft. In addition, Engineering is anticipating to begin the feasibility study in mid-2025 to determine potential improvement and costs. June 2024 update: New CIP for FY24/25 has been created with \$500,000 budgeted for preliminary feasibility and some subsequent design work, if needed. PW staff is currently in discussions with Planning as we evaluate the Public Services Chapter of the Gateway Plan for development-driven improvements to the storm system. Also, the Wrigley Ford Pump Station weir wall is scheduled to be lowered in September. February 2024 update: As part of the proposed Fiscal Year 2024-2025 Budget study session on February 22, 2024, staff will be presenting options to conduct a feasibility study to inform what engineering solutions would be required and to determine order of magnitude costs. November 2023 update: Staff is reviewing the Technical Memo regarding removal of the weir wall at the Wrigley Ford Pump Station. Once confirmed there would be no adverse impacts to the pump station/trash rack operations, staff will schedule construction to remove the weir wall. June 2023 update: Staff will continue to explore short-term mitigation as part of the FY 23/24 CIP program. Funds have been budgeted in FY 23/24 for the possible replacement/removal of the flap gate, should that be determined to be a viable option. Furthermore, three very small CIPs to address existing undersized pipes have been identified in the Downtown Specific Plan area which could improve flow. Those will be investigated as well in FY 23/24.	

Attachment 1
List of Councilmember Agenda Item Requests

No.	Topic	Requested By	Date Requested	Requires more than 4 hours of additional staff time	Department / Office	Council Priority Area(s)	Status	Additional Resources/Funding Needed or Deferral of Council Approved Programs
23	Evaluate reopening the childcare center with a non-profit organization running the center	Montano	2/1/2022		Recreation & Community Services	Community Wellness & Open Space	September 2024 update: Staff resources have been focused on administering the ARPA Childcare Subsidy Program, awarding over \$200,000 in childcare support to Milpitas families in need. The After the Bell program launched it's 24-25 school year program with over 1t is estimated that the multi-department review of the community and sale cracklike centers needed improvements, and associated cost estimates will be available by November. June 2024 update: Staff is working on creating capacity in the workplan for further analysis on this item. No additional update at this time. February 2024 update: Staff is working on creating capacity in the workplan for further analysis on this item. No additional update at this time. November 2023 update: City staff have performed preliminary evaluations of the Sal Cracolice and Milpitas Community Center Facilities. Based on these preliminary evaluations, significant challenges would likely deter the improvements required to become a licensed childcare facility. However, as a next step, staff will be reaching out to a non profit partner and/or the Santa Clara County Office of Education to receive a third party opinion on staff's preliminary evaluation. June 2023 update: Staff are currently working on this request, identifying the improvements to the Sal Cracolice Recreation Facility that would be required for a licensed childcare provider to operate in the building. Prior updates: No additional funds required to complete the internal review. Internal review can be done by late 2023. Approved during Spring Quarterly City Council Workplan Items Prioritization Discussion on 5/03/2022.	
24	Have a picture of Albert Vogel Sr. put up in the Senior Center & Include Maria Lemery on the Mural in front of the Senior Center	Montano	10/19/2021 & 8/17/2021		Recreation & Community Services	Community Wellness & Open Space	September 2024 update: The contract with the artist has been executed and preferred pictures from the Vogel family and Marie Lemery have been obtained. This project is still on schedule for completion in October 2024. June 2024 update: Staff is contacting the painting subjects for pictures for the artist to use for the portrait. Staff is also working on the orientation of the new mural panels for symmetry and potential additional subjects to be added. It is estimated that the mural will be finished in October 2024 at the latest. February 2024 update: Staff is working on developing a contract with an artist for this work. November 2023 update: At this time, staff is proceeding with the original city council approved names - Maria Lemery and Albert Vogel - to add to the mural. Additional names would require City Council direction. June 2023 update: The approved CC request included to add Maria Lemery and Albert Vogel to the Mural at the Senior Center. Staff has spoken to the artist and confirmed that additional images would not fit with the existing piece. However, due to the location of the current mural, additional mural panels featuring additional people could be added to the senior center entry way. Staff received interest from Mayor Montano to add Joanne Souza to this request. Prior updates: No additional funding needed. Need final names from City Council. . Approved to move forward at the 1/11/2022 Council meeting: Staff engaged the artist of the existing mural regarding this Council approved item.	
25	Memorial Plaque in honor of youth skateboarder that passed away	Montano	6/7/2022		Recreation & Community Services	Community Wellness & Open Space	September 2024 update: The dedication plaque is being cast. Staff and the family are working together on a plaque unveiling for early November, around Joseph Bettencourt's birthday June 2024 update: Staff is working on the plaque wording. Install of the plaque is anticipated in early Fall 2024. February 2024 update: Staff met with the family of the Skateboarder and is working with them on plaque language. November 2023: Staff will reach out to the family in Fall to start the process to identify the location and plaque wording. June 2023 update: This request was approved as part of the FY23-24 Budget. Staff will begin working with the family in Fall 2023. Prior update: At the January 31 2023 City Council budget hearing, City Council votes to consider this item in the FY 2023-24 budget development. . Item will be brought forward as part of the next City Council additional workplan items prioritization in August/September .	

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List of Councilmember Agenda Item Requests

No.	Topic	Requested By	Date Requested	Requires more than 4 hours of additional staff time	Department / Office	Council Priority Area(s)	Status	Additional Resources/Funding Needed or Deferral of Council Approved Programs
26	Present Quarterly or Monthly crime statistics on the Homekey Project	Chua	6/7/2022		City Manager's Office: Housing	Neighborhoods & Housing	September 2024 update: Staff met with the Hillview Stakeholder's group twice in August 2024 and will continue meeting on a regular basis moving forward to work through challenges and collaborate on improving the living conditions for tenants. June 2024 Update: Police and Fire administrators continue attend monthly public safety planning meetings with the County-OSH, Jamboree, ABODE Services, and the on-site security company to collaborate on the calls for service, monthly statistics, and emerging issues/responses. Additionally, the City hosts a quarterly stakeholder meetings with these same entities as well as the CMO, Mayor/Vice Mayor, Residents, and Business Community members to provide status updates, discuss trends, and address emerging issues including the potential responses to those issues. February 2024 Update: Staff has continued a regular bi-monthly stakeholders meeting on the Hillview project. The next stakeholder meeting is scheduled for late February 2024. November 2023 update: In September 2023, the City and project partners began a monthly stakeholder meeting on this topic. Prior update: Next presentation is scheduled for June 20, 2023 City Council meeting. Quarterly reporting started in August 2022.	
27	Staff to look into mural Art on Great Mall Parkway on the VTA owned Light rail pillars	Montano	11/16/2021		Recreation & Community Services	Community Wellness & Open Space	September 2024 update: In accordance with the City's Public Art Policy, a Public Arts Selection Committee has been established to identify artists and projects for the project that will install murals on two pillars supporting the VTA Light Rail Line at Great Mall Parkway and McCandless Drive/Fairlane Drive. The release of the project scope to qualified artists is currently on hold while new laws affecting the required certifications and licenses is confirmed. This project is expected to be a \$30,000 commission. June 2024 update: A Public Art Selection Committee has been established and has invited artists to submit design proposals. It is anticipated that the committee will review proposals in late June 2024. Final designs will go through a public response period in mid to late summer. February 2024 update: Required permits have been obtained by VTA. Marketing for residents and surrounding businesses to serve on the art project stakeholder group. November 2023 update: Staff are proceeding with this project. Next steps are finalizing the license agreement with the Valley Transportation Authority and outreach to potential artists. June 2023 update: Staff was able to meet with and get approval from VTA in May 2023. Staff are currently completing the appropriate permits associated with this project for VTA approval. Monies for this project are available in the Public Art Fund. Prior updates: VTA is not responsive to requests from the City to meet on this project. A discussion on other locations or projects with Council may be needed. Discussed at Spring Quarterly City Council Workplan Items Prioritization Discussion; Approved at the 5/03/2022 meeting; discussed funding at the 5/10/2022 budget meeting and approved \$100,000 of funding for only one site.	
Group 4 – items that have been completed, postponed indefinitely, or withdrawn since last City Council update								
28	Letter to County regarding horse-riding	Chua	5/21/2024	No	City Manager's Office	Community Wellness & Open Space	September 2024 update: This item is completed. The letter sent to County on 6/7/2024. June 2024 update: Staff is working on a letter to the County and expects it to be send by mid June 2024.	
29	Adopt a resolution supporting the Build the Future Santa Clara County (childcare) Campaign	Phan	8/5/2024	No	City Manager's Office		September 2024 Update: This item is completed. A resolution was approved by the Mayor and City Council on August 20, 2024.	
30	Solicitation Ordinance - bring back prior version to council	Barbadillo	8/21/2024	No	City Attorney		September 2024 Update: This item is completed. On September 3, 2024 the Mayor and City Council adopted an ordinance prepared by the City Attorney's Office.	
31	Community Advisory Commission: Change focus to housing	Chua	4/2/2024	No	City Manager's Office: Housing	Neighborhoods & Housing	September 2024 Update: This item is completed. On August 13, 2024 the Mayor and City Council approved changing the name of the Community Advisory Commission to the Community Housing Commission.	Yes
32	Explore possibility of naming the County library on Main Street	Phan	1/23/2024	No	Recreation & Community Services	Community Wellness & Open Space	September 2024 Update: This item is completed. On September 3, 2024, the Mayor and City Council adopted the name "Milpitas Jose Esteves Library". However, the funding and installation of the sign on the exterior of the building will be tracked as a separate item moving forward. June 2024 Update: Staff consulted with Milpitas Library staff that provided the recent example of the Morgan Hill Library, which was renamed in 2021 to incorporate the name of a local official and advocate for library services. Staff will provide an informational report to the City Council regarding the level of work that could be involved in this re-naming for future prioritization consideration. February 2024 Update: Staff will reach out to the County in February 2024 to determine the process for a potential name change. It is possible that this could turn into a work effort in excess of 4 hours in the future pending the results of this discussion. If it does, staff will bring this item back to council for a discussion regarding prioritization.	Additional funding likely needed pending further staff analysis.

Attachment 1
List of Councilmember Agenda Item Requests

No.	Topic	Requested By	Date Requested	Requires more than 4 hours of additional staff time	Department / Office	Council Priority Area(s)	Status	Additional Resources/Funding Needed or Deferral of Council Approved Programs
33	Staff to complete analysis if, working with the County, it would be beneficial to have a location where residents can pickup Narcan (completed)	Chua	9/5/2023	No	Fire	Public Safety	September 2024 Update: Based on current opioid OD statistical trends for Milpitas, staff is confident that there are adequate opportunities for members of the community to access Naloxone. These access points include a mail-in program for residents of Santa Clara County, sponsored by the Santa Clara County Opioid Prevention Project (SCCOOPP). Additionally, the County Public Health website lists several locations throughout the County that readily provide Naloxone to anybody, no questions asked. Lastly, the Milpitas Fire and Police Departments have taken a proactive approach to preventing Opioid ODs through the active deployment of Naloxone on all fire and police vehicles throughout the City. Without doubt, these actions have saved lives throughout the community. June 2024 update: Info Memo delivered to CMO and Council on March 19, 2024. Fire EMS Division will continue to track community data relative to OD calls and mirror County Health emergency trends and best-practices. Additionally, Fire is updating webpage to include information on how members of the community can safely obtain Narcan from the County. Lastly, Fire will obtain Fentanyl safety and awareness brochures that will be handed out during community events along with traditional fire safety information. February 2024 update: Fire Staff is developing a informational memo for Council that will provide an update on various programs and actions that can be implemented in the community to minimize the impacts of the Opioid Epidemic. Fire anticipates that the information will be ready to share with Council by March 2024. November 2023 update: Staff will provide an update on this analysis to the Mayor and City Council by the end of 2023.	
34	City Employment Job Fair at City Hall (completed)	Chua	5/2/2023	No	Human Resources	Governance & Administration	September Update: This is complete. Human Resources conducted a recruitment tabling event at a Community Concert in Starlite park In June 2024. City Staff talked with attendees about job opportunities, signed people up for job alerts, and provided department information and give aways. The department will do more of these recruitment activities in the community (partnering with City departments) in the next year. An opportunity with the Library is already being planned. June 2024 update: Staff will be hosting a table at the June 14th Summer Concert Event (RCS) that will be generally educational and titled "Career with the City of Milpitas" and will also highlight existing or upcoming recruitments. February 2024 Update: Staff is partnering with Recreation and Community Services to identify 1-2 existing community events this year for HR to host a "Careers with the City of Milpitas" table to share information about open opportunities and education about the mission driven work of our full service City. November 2023 update: Staff will coordinate with an upcoming community event to staff a table to promote employment opportunities within the City of Milpitas. June 2023 update: Staff is evaluating synergies with existing Economic Development activities and endeavors to which recruiting efforts can be incorporated and creates space for multiple events throughout the year increasing overall exposure to local talent.	
35	Create a compassion fund for Milpitas residents	Montano	9/3/2024	Yes	City Manager's Office	Neighborhoods & Housing	September 2024 update: After further discussions with Mayor Montano prior to the 9/17/2024 City Council meeting, this item was dropped from consideration as the underlying reason it was being raised had been resolved.	

City Council Referral
(requires more than 4 hours of staff time)

Category and Topic No.	Topic:	Requested by:	
ORDINANCES AND POLICIES CC01	Accessory Dwelling Unit Ordinance to Allow Condominium Conversions	Vice Mayor Evelyn Chua	
Lead Department/Office	Supporting Department(s)/Office(s)		
Planning	Building Safety and Public Works		
Council Priority Areas	Estimated Completion Date	Estimated Cost	
Neighborhoods and Housing	April 2025	\$12,000	
		Funding Needed	
		None (staff time only)	
Description of Required Work Effort			
Assembly Bill (AB) 1033 removes the previous State law prohibition against subdividing and selling an accessory dwelling unit (ADU) as a condominium unit. Local agencies now have the option of adopting a local ordinance to allow ADUs to be sold or conveyed separately from the primary residence to a qualified buyer if certain conditions are met, including lender approval and compliance with the Davis-Stirling Common Interest Development Act and Subdivision Map Act. Adopting such an ordinance would involve the following tasks. 1. Research and analyze AB 1033 and local ordinances of nearby jurisdictions allowing ADU condominium conversions. 2. Hold a Council study session for direction and feedback. 3. Draft an ordinance to amend the Zoning Ordinance to eliminate sale restrictions and expressly allow condominium conversions and sale of ADUs. 4. Prepare staff reports, attachments, and presentations for Planning Commission and City Council adoption hearings. 5. Create a new application type and establish the associated application fee based on anticipated staff time required to process an application. 6. Prepare and publish a comprehensive checklist for ADU condominium conversion applications with detailed information regarding Subdivision Map Act compliance, impact on property taxes, coordination with local utilities, homeowner's association requirements, and lender subordination. 7. Conduct community outreach to inform and educate homeowners about ADU condominium conversions.			
Status Update as of September 2024			
Not started.			
Council Clarification/Further Direction Requested			

City Council Referral
(requires more than 4 hours of staff time)

1. Whether the City Council would like City staff to include a requirement in the ordinance to give a first right of offer for a period of 45 days on publicly accessible databases to buyers indicating an intent to live in the property.

Other Considerations

None.

City Council Referral
(requires more than 4 hours of staff time)

Category and Topic No.	Topic:	Requested by:
ORDINANCES AND POLICIES CC02	Explore potential purchase of additional property on Main Street	Mayor Carmen Montano on August 13, 2024
Lead Department/Office	Supporting Department(s)/Office(s)	
Economic Development	City Manager’s Office	
Council Priority Areas	Estimated Completion Date	Estimated Cost
Economic Development & Job Growth	To be Determined	\$1.995M
		Funding Needed
		\$1.995M if paying market rate
Description of Required Work Effort		
At the August 13, 2024, City Council meeting, Mayor Carmen Montano requested that staff investigate a property for sale located at 174-176 South Main Street to investigate the cost and feasibility of creating a museum for downtown or Old Town Main Street as part of the revitalization efforts. There was unanimous consensus by the City Council to add the item to the prioritization list.		
Status Update as of September 2024		
Office of Economic Development staff contacted the property owner and real estate broker in July and September 2024. As of September 10, 2024, the property is listed online (loopnet.com) at a price of \$1,995,000.		
The Strategic Property Acquisition Reserve (SPAR) was adopted by the City Council during Fiscal Year 2023 with a \$700,000 was allocated as the initial installment of funding. The SPAR is financed through General Fund surpluses as the economy improves.		
The SPAR enables the City of Milpitas to strategically acquire and assemble land in the Gateway/Main Street Specific Plan and Milpitas Metro Specific Plan areas to leverage ongoing and long-term revenues and as a revenue generating strategy. The acquisition of properties in key locations within priority development areas will play a critical role in the early operation of the SPAR for site assembly and public/private partnerships. The creation of the SPAR helps to incentivize development of properties to achieve the City’s economic development goals, investment, and growth opportunities.		
Council Clarification/Further Direction Requested		
1. Is the City Council interested in staff allocating additional time and resources to investigate the cost and feasibility of creating a museum for downtown or Old Town Main Street as part of the revitalization efforts?		

City Council Referral
(requires more than 4 hours of staff time)

2. The SPAR was created for leveraging ongoing and long-term revenues and as a revenue generating strategy. Is the City Council expanding the definition and purpose of the SPAR?

Other Considerations

None.

City Council Referral
(requires more than 4 hours of staff time)

Category and Topic No.	Topic:	Requested by:	
ORDINANCES AND POLICIES CC03	Humane Treatment of Animals	Vice Mayor Evelyn Chua	
Lead Department/Office	Supporting Department(s)/Office(s)		
CAO	Code Enforcement		
Council Priority Areas	Estimated Completion Date	Estimated Cost	
Public Safety	TBD	\$10,000 (for ordinance development, not ongoing costs)	
		Funding Needed	
		None. Can be absorbed by the current CAO budget.	
Description of Required Work Effort			
On a one-time basis, this would require the addition of an additional provision to the Humane Treatment of Animals section of the municipal code to add a section regarding the standards for the boarding and treatment of horses and other animals, such as cats, within Milpitas. On an ongoing basis, funding required for this additional ordinance would not be known until after implementation and would depend on the number of cases per year, as discussed further in the “other considerations” section.			
Status Update as of September 2024			
Has not been prioritized.			
Council Clarification/Further Direction Requested			
No further clarification necessary.			
Other Considerations			
Violations of such a prohibition would be prosecuted by the Office of the City Attorney, not the Office of the District Attorney. At current staffing levels, the Office of the City Attorney can prosecute a limited number of violations without additional resources. Additionally, Code Enforcement staffing is currently at capacity. If there are a number of cases and/or if there are highly complex cases, then additional resources (either ongoing or one time) would be needed to assist with enforcement. Additionally, enforcement of these cases would be on a complaint driven, rather than proactive, basis due to staffing levels.			

City Council Referral
(requires more than 4 hours of staff time)

Category and Topic No.	Topic:	Requested by:	
ORDINANCES AND POLICIES CC04	Rental Assistance Cap	Mayor Carmen Montano	
Lead Department/Office	Supporting Department(s)/Office(s)		
City Manager – Office of Housing	NA		
Council Priority Areas	Estimated Completion Date	Estimated Cost	
Neighborhoods and Housing	TBD	NA	
		Funding Needed	
		NA	
Description of Required Work Effort			
Mayor Montano requested that staff explore the possibility of amending the Rent Relief Program cap from \$5,000 per calendar year to \$3,500 to allow a greater number of residents access to the program. The additional work effort would be minimal, however, there could be some noted impacts. On August 13, 2024, City Council approved an additional \$700,000 to the rent relief program. The new funding source of the program will be a grant received through the Fiscal Year 2022-2023 State budget through the Office of Assemblymember Alex Lee. Due to the recent funding source change and Council's approval of some programmatic changes, staff are working diligently with FORWARD, the City's rent relief administrator, to update the program guidelines. Any additional programmatic changes would require coordination with FORWARD. If Council were to lower the \$5,000 cap, staff would need further direction on a variety of scenarios, some of which are mentioned below. Additionally, staff would need to create an outreach plan to ensure that residents are aware of a decrease in the maximum rent relief allowed.			
Status Update as of September 2024			
On September 7, 2021 City Council authorized \$950,000 to the City's Rent and Mortgage Relief program with \$85,500 going to program administration and \$864,500 towards rent relief. To date, \$799,426.40 has been paid out to 227 households. Of the 227 households, 61 received rent relief in both 2023 and 2024 as allowed by the City's current program guidelines. Per the analysis staff provided to City Council on August 13, 2024, the average household had a household size of 3, average income of \$52,209.43, and received \$3,743.41 in rent relief. Staff further analyzed the program data for this report and found that 51% of all recipients received less than \$3,500, 44% received between \$3,500 and the \$5,000 annual cap, and 5% received over \$5,000. It should be noted that applicants that received over \$5,000 fell into categories that allowed for a rent relief cap exemption. The exemptions were originally approved by Council in October 2019 and have allowed staff the flexibility to grant over \$5,000 to recipients for domestic violence relocation and/or child homelessness relief to prevent any child under 18 from living on the street.			

City Council Referral
(requires more than 4 hours of staff time)

Staff found that while Zillow estimates an average 2-bedroom rental in Milpitas around \$3,500 and a 3-bedroom at \$3,900, the rent relief recipients average rental costs can be seen in the table below.

Unit Size	Average Cost	Average Household Size	Average Income	Average Assistance Amount
1BR	\$1,983.75	2	\$38,148.41	\$3,883.99
2BR	\$2,199.73	3	\$50,876.60	\$4,146.95
3BR	\$2,219.75	4	\$72,061.12	\$4,139.62

The table above demonstrates that the average household typically requires around 2 months of rental assistance. When the average assistance is broken up by household size, we see that for households of 3 or more, the average assistance is higher than \$3,500.

The rent relief program is currently on pause due to the success in the initial round of funding and all the funds being used up sooner than anticipated. The City Council action taken on August 13, 2024 allowed the program to continue with the additional \$700,000 in funds. Staff is currently working with the contractor, FORWARD, to implement the new program and anticipates this implementation occurring in October 2024.

Council Clarification/Further Direction Requested

If staff receives direction to proceed, further clarification would be helpful in the following areas:

1. There are 112 2024 recipients who applied for rent relief and have not reached their full \$5,000 and they may have planned on coming back to the City later in the year. If they are over \$3,500 would they still be eligible for \$5,000?
2. The City's rent relief program is currently paused due to receiving enough applications from the original \$950,000 funding allotment. Would applicants on the interest list who signed up prior to the programmatic change be eligible to receive up to \$5,000, or would there only be allowed \$3,500?
3. Currently, the City's rent relief program allows for cases in need of relocation due to domestic violence or homeless families with children under 18 to exceed the \$5,000 cap on a case-by-case basis. Would this still be in existence? Would there be a cap for these situations?
4. If the City's rent relief program re-launches prior to Council deciding to decrease the maximum amount to \$5,000, how should staff proceed with the change? Would it apply immediately to the program regardless of when people applied? Would it be applied to the first full calendar year post the Council's decision?

Other Considerations

City Council Referral
(requires more than 4 hours of staff time)

None

Attachment 3
List of Completed, Postponed or Withdrawn Items

Group 4 – items that have been completed, deferred, or withdrawn						
1	Add Green Bike Lanes	Tran, Montano	9/17/2019	N/A	Engineering	Included in CIP
2	Adopt Resolution similar to County's re: xenophobia, discrimination	Dominguez	4/21/2020	N/A	CMO, CAO	Added to the consent calendar and adopted Resolution on 5/5/2020
3	Agendize a Flag Raising for India Independence Day	Tran	6/14/2022		Recreation	Item added to 6/21/2022 Consent Calendar
4	Agendize an update to the Lobbyist Ordinance for the next meeting	Chua	3/1/2022		City Attorney	Discussed at 3/15 City Council Meeting; At the 3/15/2022 Council Meeting, City Attorney was directed to bring back a proposed ordinance amendment for further discussion; Council approved the ordinance on 6/7/2022
5	Amend Accessory Dwelling Units (ADU) ordinance to address unpermitted ADUs	Chua	1/5/2021	Yes	Building Safety & Housing, Planning	Safe ADU Legalization Program is launched on 3/24/2022, utilizing ARPA funding. No Ordinance amendment is necessary.
6	Amend Ordinance to remove affordable housing in-lieu fee	Chua	12/15/2020	Yes	Building Safety & Housing, CAO	Amended Affordable Housing Ordinance adopted on 2/1/2022.
7	Below Market Rate (BMR) units - process for selecting applicants	Chua	10/19/2021	Yes	Building Safety and Housing, CAO	Info Memo sent to Council on 1/14/2022 and 3/17/2022.
8	BMR Homes sub-lease option during COVID-19	Chua	1/19/2021	No	CAO, Building & Housing	Info Memo sent on 4/26/2021
9	Bring back a conversation in the budget meeting to fund "walking beats" in the commercial and high crime areas	Dominguez	4/5/2022		Police	At the 4/5/2022 City Council meeting, this item was discussed and there was direction from Councilmember Dominguez to work with the City Manager to find funding sources
10	Bring back update report & discuss status of playing fields for girls' softball in Milpitas	Dominguez	10/20/2020	N/A	CMO, Recreation	Discussed on 02/11/2021, amended JUA for Russell approved on 6/15/2021
11	Celebrate Mexican Independence Day annually on September 16	Montano	6/2/2020	N/A	Recreation	Approved on consent 8/18/2020
12	City to highlight mental health resources on the website	Dominguez	8/17/2021		Recreation	Staff will issue an email this week (week of 7/25)
13	Community Theatre, perhaps with MUSD	Nuñez, Phan	8/20/2019	N/A	Recreation, CMO	Discussed @ CIP Study Session on 4/14/2020; councilmembers asked outdoor amphitheater to be placed into the tail end of 5 year CIP
14	Community Workforce Agreement (PLA)	Phan	2/18/2020	Yes	CMO, CAO, Engineering	Council voted to remove this item from the list on 2/02/2021 per CM Phan's request
15	Consider "Old Town" Main St. revitalization, funding, economic dev., improve area	Montano	12/15/2020	Yes	CMO, Planning, Engineering, Finance	Council provided direction to move forward with revitalization efforts on May 11, 2021. Staff is working on various items related to revitalization and have provided subsequent updates to the Council in October and to the Main Street Revitalization Subcommittee in September and November.
16	Consider adding state certification NEC for electrical work done in the City (safety)	Dominguez	6/30/2020	N/A	Building & Housing	Not needed, staff is certified
17	Consider change in Commission structure, on term limits	Tran	12/15/2020	N/A	Recreation, CMO	Completed on 1/19/2021

Attachment 3
List of Completed, Postponed or Withdrawn Items

Group 4 – items that have been completed, deferred, or withdrawn						
18	Consider change in term limits for Mayor + Councilmembers	Montano	6/16/2020		City Attorney, City Manager	8/4/2020: Voted 3 -2 to pursue; 2/02/2021 to agendize for a future meeting; 3/16/2021 voted 3-1-1 to move forward. Scheduled for 3/15/2022; rescheduled for 4/05/2022; 4/05/2022 could gave direction to move forward with Councilmember term limits and discuss the Mayoral seat at a later date; Discussed at the 5/10/2022 budget meeting and had a consensus not want to move forward with a ballot measure for the Mayor term limit; Councilmember term limits scheduled for June 7; Scheduled for June 21 meeting
19	Consider Community Museum and Park on Main St.	Phan	8/20/2019	N/A	CMO	To be considered as part of Specific Plan process
20	Consider expanding the Fee Waiver Policy eligibility to non-profit organizations outside of Milpitas but the events are specific to Milpitas residents	Chua	3/15/2022		Recreation	Council approved the policy revision at the June 21 2022 City Council meeting.
21	Consider funding to implement and create a homelessness encampment response team to be dispatched to encampment sites to address concerns, talked about creating a position to provide mental health assistance, and would like this to be brought back for discussion at the budget meeting	Dominguez	3/15/2022		City Manager, Public Safety, Recreation, Public Works	Direction from Council to bring forward as part of FY 22-23 budget discussion; at the May 10 Budget Study Session Council did not direct to do any further work on this item.
22	Consider naming "Milpitas Hills"	Dominguez	10/20/2020	Yes	Econ. Dev.	Deferred indefinitely on 2/02/2021; did not receive a majority vote from 2/02/2021 council meeting
23	Consider rescinding direction given on 1355 California Circle project and allow the project application to move forward without being tied to a specific plan (Original request was for item to be placed on November 2 agenda)	Chua	10/19/2021		Planning, CAO	Staff is working with the developer on options to move the project forward.
24	Consider satellite consular offices (post Covid)	Montano	6/2/2020	Yes	CMO	Deferred indefinitely per VM Montano's request on 2/02/2021 council meeting
25	Create an "Incentive Corner," which will be a sub-page with links to different freebies, grants, and incentives from the City and the regions, including the Water District and Silicon Valley Clean Energy	Chua	8/17/2021	No	Information Technology, Public Works	"Incentive Corner" webpage is live on the City's website. Banner posted on 3/28/2022.
26	Designate the California Oak Tree as the City's official heritage tree	Montano	2/1/2022		Recreation	Council approved at the 6/7/2022 meeting.
27	Discuss a "safety first" or other event in lieu of National Night Out (per CAC)	Phan	10/20/2020	Yes	Building & Housing, Police	Remove from the list per CM Phan's request on 2/02/2021 council meeting
28	Discuss budget reductions in next FY with input from residents, employees	Nuñez	10/6/2020	N/A	Finance, CMO	On 10/20/2020, to 11/10, 11/17
29	Discuss having 4th of July parade	Nuñez	2/18/2020	N/A	Recreation	No longer under discussion
30	Discuss potential litigation - re: govts' action on Jamboree-Project Homekey	Tran	10/6/2020	N/A	Building & Housing, CMO, CAO	Multiple Closed Sessions - Oct. 2020
31	Discussion in the next fiscal year, to have a sliding scale permitting program for seniors and low-income residence for necessary safety renovations	Tran	5/4/2021		Building Safety & Housing, Planning	8/09/2021 Council voted 5-0 to move this item forward and modify the existing Milpitas Assistance Program to include seniors; MAP continues to be available for low income seniors and sufficient funding was budgeted for FY 2022-23.

Attachment 3
List of Completed, Postponed or Withdrawn Items

Group 4 – items that have been completed, deferred, or withdrawn						
32	Discussion of campaign finance reform and/or Open Government Ordinance	Phan	6/30/2020	N/A	City Clerk, CAO	Withdrawn @ 8/4/2020 CC meeting
33	Discussion of Minute Man as City's image, when City branding comes back	Phan	8/18/2020	N/A	CMO	Staff and consultant presented the item on 5/4/2021, due to the late hour it was deferred to a future meeting. Council provided input that the Minute Man discussion will not be pursued further.
34	Discussion on possible tax measures	Tran, Phan	4/21/2020	N/A	Finance	Done on 5/15/2020
35	Discussion to reduce the City's Senior Center facilities deposit	Montano	5/4/2021		Recreation, Finance	8/09/2021 Council voted 5-0 to refer this item as part of the development of the FY 2022-23 Master Fee Schedule; Council approved the item on 4/19 as part of the adoption of the Master Fee Schedule
36	Discussion/staff report on Beautify Milpitas, graffiti abatement, resources	Montano	6/30/2020	Yes	CMO, PW	City Council approved the Beautify Milpitas program on June 1, 2021
37	Donate old, obsolete, noncompliance items from the Fire Department to Sister City Dagupan Philippines	Chua	8/9/2021	Yes	Fire, CAO, Finance	Council approved the resolution for donations of personal protective equipment on March 1, 2022 and staff implemented the program by the end of March.
38	Economic Development Corporation (EDC)	Montano	12/15/2020, 01/05/2021, 01/19/2021, 01/26/2021	Yes	CMO, Econ. Dev.	Deferred on 4/20/2021
39	Emergency item for next agenda: extend tenant eviction protections	Dominguez	6/16/2020	N/A	Building & Housing, CAO	Withdrawn, covered by other govt
40	Emergency request to cap rents on small businesses (tenants) in Milpitas	Dominguez	10/6/2020	N/A	Econ. Dev., CAO	On 12/01/20. Not supported
41	Establish "ADU Mondays"	Chua	1/5/2021	No	Building & Housing, Planning	Launched in March 2021
42	Establish a Day Worker Program	Montano	6/16/2020	Yes	CMO	Mayor & Vice Mayor to brainstorm in future; Council voted to remove this item from the list on 2/02/2021 per VM Montano's request
43	Establish Milpitas coronavirus testing site	Phan	4/7/2020	N/A	FCMO, Fire, CAO	Completed
44	Expedite process for Measure F Oversight Committee	Chua	12/15/2020	N/A	Finance	Staff explained planned process, appts. were approved by Council in March 2021
45	Explore a lease for the vacant land adjacent to the Library for City use	Tran	1/18/2022		City Manager, Economic Development, City Attorney	February 2023 update: At the January 31, 2023 City Council Budget Study Session staff was directed to drop this item from the priority list.
46	Explore increasing the Conferences/Meetings/Memberships allowance for each Councilmember to \$10,000	Chua	5/17/2022		City Manager	On 6/07/22, City Council did not approve increasing the allowance as part of the adoption of the FY 2022-23 Budget; however, Council provided direction to review funding need as part of the FY 2022-23 mid-year budget review.
47	Extend the outdoor dining options through March of next year	Phan	9/21/2021	No	Planning	Planning Director to provide information on current outdoor dining extension
48	Fee waiver for the Chamber of Commerce for either the Oktoberfest or Arts and wine Festival	Montano	3/1/2022	Yes	Recreation	Staff reached out to the Chamber of Commerce. The Chamber may seek a fee waiver next fiscal year.
49	Fee waiver for the Christian Worship Center's Easter Egg Hunt event	Tran	3/1/2022		Recreation	The City Council approved a fee waiver for this event on April 5, 2022.
50	Fee waiver for the Filipino American South Bay Community to hold pop-up resource fair at a City Park	Dominguez	3/1/2022		Recreation	Staff engaged organizers of the event; event was held on June 19; organizers did not request a fee waiver.

Attachment 3
List of Completed, Postponed or Withdrawn Items

Group 4 – items that have been completed, deferred, or withdrawn						
51	Fee waiver for the Kiwanis Annual Crab Feed event	Tran	3/1/2022		Recreation	Approved at the 3/15/2022 Council Meeting
52	Form "Beautify Milpitas" subcommittee - for a future Task Force or Commission	Chua	12/15/2020	Yes	CMO, PW	Council approved the Beautify Milpitas program on June 1, 2021. No subcommittee to be formed.
53	Form a Historical Commission	Montano	6/2/2020	N/A	Recreation, CMO	Already part of PRCRC. Commission discussed on 01-05- 2021, no change
54	Form a Homelessness Task Force	Tran	12/15/2020	N/A	CMO	Approved by Council on 1/5/21
55	Guide small businesses on ADA (Americans with Disabilities Act) requirements due to the quick changes made to facilities during the pandemic	Chua	8/5/2021	No	Economic Development	SVEDA/SV Joint Venture hosted the "SV Small Businesses & ADA Compliance" webinar on 11/3/21. Several Milpitas business reps, & staff from Econ. Dev. & Building participated. Staff met with reps from CA Comm. on Disability Access to discuss business education & outreach.
56	Host a Townhall at City Hall in January, February, and March for the community to share comments about the issue of the unhoused	Tran	11/2/2021	Yes	CMO, CAO, Police, Public Works	Deferred by Mayor Tran because of public health status
57	Illegal dumping	Phan	10/5/2021	Yes	Public Works	Info Memo sent to Council on 2/25/2022
58	Incorporate a Press Release Policy (if there is an existing policy) in the City Council Handbook	Tran	8/17/2021	Yes	CMO, CAO	The City Council Handbook was adopted at the Jan. 11, 2022 City Council meeting.
59	Increase number of commission members from seven to nine on the Parks, Recreation and Cultural Resources Commission	Montano	10/5/2021	Yes	CMO, Recreation, City Clerk	Council approved Bylaw changes at the April 19 Council meeting
60	Increase the City's rebate program to match Valley Water's two dollars rebate increase and look into expanding the "Lawn Buster" program to more residents based on income	Chua	6/15/2021	Yes	Public Works	On October 19, 2021, the Council approved a contract amendment with the Santa Clara Valley Water District (District) to match the District's rebate amount and to authorize the City to manage the "Lawn Buster" program with "Our City Forest" on behalf of the District. On December 14, 2021, Council approved a contract with "Our City Forest."
61	Increase the number of local businesses doing business with the City	Chua	4/6/2021	Yes	CMO, Economic Development, Finance	At 8/9/2021 Council meeting, Council voted that this item may have to come back for additional discussion because there may be some legal considerations.
62	Info. on new SB 50 (housing, transit bill)	Phan	1/7/2020	N/A	Building & Housing	Sent memo to City Council
63	Job fair with 20 local businesses to be held soon and an additional one in the fall with the Chamber taking a larger role and the City providing some support	Chua	6/1/2021	Yes	Economic Development	
64	Letter from City Council opposing AB 2181 (Berman) regarding VTA's Board Composition	Tran	6/7/2022		City Manager	Per the email sent to Council on 6/17/2022, consistent with the Council approved Legislative Advocacy Policy, Mayor Tran signed a letter opposing the legislation unless amended.
65	List of city charges/costs that could be waived for small businesses	Dominguez	6/16/2020	N/A	Finance, Econ. Dev.	6/30/2020 info memo
66	Local Boy Scouts Fee Waiver for Eagle Scout Ceremony	Tran	6/7/2022		Recreation	Fee waiver was approved on September 20, 2022.
67	Look into allowing outdoor music and would like the ordinance brought back to Council.	Montano	8/5/2021		Planning	Zoning Ordinance Text Amendment adopted 08/16/2022

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List of Completed, Postponed or Withdrawn Items

Group 4 – items that have been completed, deferred, or withdrawn						
68	Look into how the City can be a resource for small businesses to help guide them on what to do in terms of ADA (Americans with Disabilities Act) requirements due to the quick changes made to facilities during the pandemic	Chua	8/5/2021		Economic Development	SVEDA/SV Joint Venture hosted the "SV Small Businesses & ADA Compliance" webinar on 11/3/21. Several Milpitas business reps, & staff from Econ. Dev. & Building participated. Staff met with reps from CA Comm. on Disability Access to discuss business education & outreach
69	Look into reducing rates for the seniors and low-income families for Sports Center activities	Montano	2/1/2022	Yes	Recreation, Finance	The FY2021-22 Adopted Fee Schedule includes discounted membership and fitness passes for Seniors; low-income families can apply for membership and fitness pass discounts through the Milpitas Assistance Program
70	Maintain Dagupan, P.I. as a Sister City	Tran, Montano	9/17/2019	N/A	CMO	Approved the renewed MOU continuing the Sister City relationship on 12/17/2019
71	Mayor shall recommend a Milpitas resident to serve on VTA Bike Committee	Dominguez	11/17/2020	N/A	Engineering	12/15/20: resident Kristal Caidoy appointed to VTA BPAC
72	Memorialize those that have passed due to COVID-19 in Milpitas	Dominguez	3/2/2021	Yes	CMO, Recreation	At 8/9/2021, Council provided input that COVID-19 had not yet passed and that the discussion about a memorial should be had at a future time.
73	Mini-libraries in the low-income areas of the City	Montano	4/20/2021	Yes	Planning, Recreation	Discussed on 8/9/2021, staff to follow up with Vice Mayor Montano on specific vision. Staff met with the Vice Mayor. The City will continue to facilitate libraries as needed but will not take a lead role in funding or operating them.
74	No on possible ban on vaping, yes on restricting smoking in multi-unit bldgs	Montano	1/7/2020	Yes	Planning, Recreation, CAO	Ordinance for multi-unit buildings adopted on 6/15/2021
75	Opportunity to share ideas for US census & on City "sponsored" events	Dominguez	9/1/2020	N/A	CMO	12/01: remove census topic, move events to CC retreat 2021; at 1/12 retreat Council direction to cease
76	Ordinance to ban vaping in the City	Montano	12/15/2020		Planning	Study session with Council held 6/21/2022. Tobacco Retail Permitting program has been drafted, but there are unresolved issues with enforcement by Santa Clara County.
77	Outreach to notify the community of the trash voucher program	Chua	9/7/2021	No	Public Works	Staff provided an Information Memorandum regarding the pilot program on April 6, 2022.
78	Parade for MHS Trojans Football	Tran, City Manager	1/21/2020	N/A	Council	Completed 1/28/2020
79	Partner with the Rotary Club of Silicon Andhra to promote the stem cell donor outreach with a webinar and campaign to help increase the number of donors	Chua	8/17/2021		Recreation	Staff will include the stem cell donor information in regularly scheduled wellness event
80	Performance Evaluation (Contract) of City Attorney	Tran	1/5/2021	N/A	Council, CAO	Multiple Council closed session discussions held. Council voted to move to a full time in-house City Attorney on 6/21, additional direction on next steps to be provided to staff in August.
81	PG&E power outage plan presentation to Council	Tran	1/19/2021	No	CMO	Presented to Council on 3/16/2021

Attachment 3
List of Completed, Postponed or Withdrawn Items

Group 4 – items that have been completed, deferred, or withdrawn						
82	Plan to put utility fines into a fund to help small businesses in the City	Montano	12/15/2020	N/A	Finance	Directed staff on 2/02/2021 to approve policy recommendations temporarily suspending penalties for delinquent fire permit fees, and delay or waive business lic. tax collections but no direction to create a separate fund. On 2/16/2021 Council approved waiving business license penalty between Jan 1 - May 31, 2021. Also, the utility late fee and water shut off have been suspended consistent with State Emergency Order (through Sept 31, 2021). Also, Council allocated ARPA funds to assist small businesses.
83	Policy for Proclamations and Commendations	Nuñez, Phan	8/20/2019	N/A	CMO	Withdrawn 6/2/2020
84	Policy for Social Media	Nuñez, Phan	8/20/2019	N/A	CMO, CAO	Withdrawn 6/2/2020; policy already approved by Council
85	Pollination protection	Dominguez	1/5/2021	Yes	CMO	Deferred on 2/02/2021; did not receive a majority vote on 2/02/2021 council meeting
86	Postponement (not waiver) of penalties related to City business fees	Tran	1/5/2021	N/A	Finance	On 2/16/2021 Council approved waiving penalties until May 31. The suspension of penalties is now no longer in effect.
87	Prepare a report on ghost guns; engage in legislative advocacy regarding ghost guns; and incentivize ghost gun buybacks at the May buyback event.	Dominguez Tran	4/5/2022		Police	An Information Memorandum was distributed on August 12, 2022.
88	Prepare Vision Zero Action Plan	Tran	6/7/2022		Engineering, Police	February 2023 update: At the January 31, 2023 City Council budget hearing, the City Council supported staff's recommendation to drop this item from the priority list due to the expense of the study as well as the fact that many traffic safety initiatives and projects are already underway in the City of Milpitas.
89	Proclaim Saturday, March 19, 2022 as Chez the Ice Cream Man Appreciation Day	Tran	3/1/2022	No	City Clerk	Proclaimed at the 3/15/2022 Council Meeting
90	Proclamation and support for face coverings	Montano	4/7/2020	N/A	CMO, CAO	4/21/2020. CC directed City Manager to issue regs
91	Propose building height limits in area east of Milpitas Blvd.	Tran	12/15/2020	Yes	Planning	City Council adopted Zoning Ordinance amendment to limit bldg heights in commercial areas adjacent to low-density residential area, including east of Milpitas Blvd. on 10/04/2022.
92	Provide Commissioners appreciation gifts	Chua	10/19/2021	Yes	CMO, Finance	Staff placed the order of fleece jackets the week of March 14th. Depending on the stock, the appreciation gifts will be distributed during the first two weeks in April 2022.
93	Read "Code of Conduct" aloud prior to each City Council meeting	Montano	6/2/2020	N/A	CAO	Approved 8/18/2020. City Attorney began this practice 9/01/20
94	Reduce the City's Senior Center facilities deposit for the Auditorium/Community Room	Montano	5/4/2021	Yes	Recreation, Finance	Council approved the reduction of the facilities deposit as part of the adoption of the FY 2022-23 Master Fee Schedule Resolution. Will be brought forward on 4/19 as part of Master Fee Schedule discussion.
95	Reduce the park rental fees for the Samuel Ayer High School reunion	Montano	2/1/2022	No	Recreation	Approved at 3/15/2022 Council meeting. Info Memo on City Council Policy on Fee Waivers & Reductions was sent out on 3/8/2022

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96	Rename Augustine Park to include "Sunnyhills"	Tran, Montano	9/17/2019	N/A	Recreation	Approved on 2/4/2020
97	Rename portion of Dixon Landing Rd., as Barack Obama Boulevard	Núñez, Phan	8/20/2019	N/A	Planning, CMO	Deferred indefinitely
98	Report from staff on 2nd federal stimulus package - action plan on funds	Chua	12/15/2020	N/A	CMO, Finance	Info Memo sent to Council on 12/23/2020
99	Report on parking in The Pines	Núñez	1/7/2020	N/A	Engineering	2/18/2020
100	Report on speed cameras like Fremont (radar displays) - no enforcement	Phan	1/7/2020	N/A	Police	1/28/2020, 3/24/2020, 4/14/2020
101	Request for Dumpster Days	Tran	1/7/2020	N/A	PW	Program initiated in Spring 2021
102	Requested a meeting for the subcommittee for the Old Town Main Street be scheduled next month	Montano	1/18/2022	No	CMO	The Subcommittee meeting was held on April 12 at 4:30pm.
103	Requested an agenda item on November 2 Council meeting allowing the Council to rescind direction given to 1355 California Circle and include direction to allow the project application to move forward without being tied to a specific plan	Chua	10/19/2021		Planning	At the 1/18/2022 council meeting, Council voted 4-1 to rescind the direction and direct staff and the application to explore option one in the presentation to amend the General Plan and remove Council policy for the preparation of a Specific Plan
104	Requested discussion and for staff to look at creating a pilot project to accommodate pickleball at Peter Gill Park and would like a feasibility study with a goal of making these courts multi-purpose	Chua	11/16/2021 1/18/2022	Yes	CMO, Recreation, Engineering, Public Works	City Council approved the pilot on 3/15/2022
105	Requested staff work with the Vice Mayor and Mayor to explore and discuss building height limits near the hillside by January 2022	Tran	9/21/2021		Planning	Second reading of draft Zoning Ordinance scheduled for 08/16/2022
106	Requested that staff study the placement of a City sign for the Milpitas Police Department and explore the cost of a new sign	Dominguez	1/18/2022		Public Works, Police	Lighted signage for the Police Department and Public Works and IT was installed and completed the week of January 24th 2023. Landscaping was completed in the Summer of 2022. This item is completed.
107	Requested that the City have mini-libraries in the low-income areas of the City.	Montano	4/20/2021		Planning	8/09/2021 Council voted 3-1-1 to move this item forward, staff to follow up with Vice Mayor Montano on specific vision. Staff met with the Vice Mayor. The City will continue to facilitate libraries as needed but will not take a lead role in funding or operating them.
108	Requested the City Attorney's office explore encampment ordinances from the City of Oakland, Los Angeles, or other regional cities and would like a discussion on the existing policies to be brought back before the July recess.	Tran	2/15/2022		City Attorney	4/19/2022 direct the City Attorney to make the recommended changes to the Municipal Code to remove and prohibit property in public; the City Attorney will bring forward an ordinance in September 2022.
109	Requested the City create a youth scholarship fund for under privileged kids to play sports	Montano	5/17/2022		Recreation	As part of the adoption of the FY 2022-23 Budget, the City Council allocated \$20,000 for this program. Staff will bring forward a policy framework for this program for Council approval in September 2022.

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110	Requested the City extend the outdoor dining options through March of next year	Phan	9/21/2021		Planning	Emergency Outdoor Dining program extended. Draft zoning ordinance with standards for permanent outdoor dining prepared and now under review. Planning expects bring forward draft ordinance for PC and Council consideration before the end of 2022.
111	Require implicit bias training for City Council, Commissioners & staff	Dominguez	6/16/2020	N/A	Human Resources	This item has been completed. The training was held on January 7, 2022 (for City Council) and various dates for staff. Training information was also sent to all Commissioners.
112	Resolution in support of elimination of discrimination v. women	Dominguez	1/7/2020	N/A	CMO, CAO	5/19/2020 Reso. Adopted 8/04/2020 Ord. adopted