

AGENDA
REGULAR CITY COUNCIL MEETING
COUNCIL CHAMBERS
5000 CLARK AVENUE
LAKEWOOD, CALIFORNIA

March 22, 2022

**ADJOURNED MEETING:
CLOSED SESSION**

6:00 p.m.

PAN AMERICAN ROOM

CONFERENCE WITH LABOR NEGOTIATORS – Pursuant to Government Code §54957.6

Agency Designated Representative: City Manager, Office of the City Attorney and Liebert Cassidy Whitmore, Director of Finance and Administrative Services, Deputy City Manager, Human Resources Manager, Personnel Technician

Employee Organization: Lakewood City Employees' Association

OPEN SESSION

EXECUTIVE BOARD ROOM

UNFUNDED ACCRUED LIABILITY FUNDING POLICY - Staff recommends City Council review proposed Unfunded Accrued Liability Funding Policy and revised Governmental Fund Balance Policy.

CALL TO ORDER

7:30 p.m.

INVOCATION: Reverend Tamara John, Christ Presbyterian Church Lakewood

PLEDGE OF ALLEGIANCE: Girl Scout Troop 4893/2993

ROLL CALL: Mayor Jeff Wood
Vice Mayor Steve Croft
Council Member Ariel Pe
Council Member Todd Rogers
Council Member Vicki Stuckey

ANNOUNCEMENTS AND PRESENTATIONS:

ROUTINE ITEMS:

All items listed within this section of the agenda are considered to be routine and will be enacted by one motion without separate discussion. Any Member of Council may request an item be removed for individual discussion or further explanation. All items removed shall be considered immediately following action on the remaining items.

RI-1 MEETING MINUTES - Staff recommends City Council approve Minutes of the Meetings held March 8, 2022

RI-2 PERSONNEL TRANSACTIONS - Staff recommends City Council approve report of personnel transactions.

RI-3 REGISTERS OF DEMANDS - Staff recommends City Council approve registers of demands.

City Council Agenda

March 22, 2022

Page 2

ROUTINE ITEMS: - Continued

- RI-4 CITY COUNCIL COMMITTEES' ACTIVITIES - Staff recommends City Council receive and file the report.
- RI-5 MONTHLY REPORT OF INVESTMENT TRANSACTIONS - FEBRUARY 2022 - Staff recommends City Council receive and file the report.
- RI-6 RESOLUTION NO. 2022-13; A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAKEWOOD EXTENDING A LOCAL EMERGENCY DUE TO THE COVID-19 VIRUS - Staff recommends City Council adopt proposed resolution.
- RI-7 AUTHORIZE ENGINEERING SERVICES – UPDATE OF SEWER SYSTEM MASTER PLAN - Staff recommends City Council authorize Willdan to update the Sewer System Master Plan under their agreement for Engineering Services, in the amount not to exceed \$61,300; and appropriate \$61,300 from the Sewer Reconstruction Fund for the project.
- RI-8 AGREEMENT FOR 2022 CIVIC CENTER BLOCK PARTY ATTRACTIONS AND GAMES - Staff recommends City Council authorize the Mayor to execute the Agreement for the 2022 Civic Center Block Party with Elite Special Events subject to approval as to legal form by the City Attorney.
- RI-9 PURCHASING POLICY UPDATE, RESOLUTION NO. 2022-14 - Staff recommends City Council adopt the proposed resolution approving the revised Purchasing Policy.
- RI-10 RESOLUTION NO. 2022-15; ESTABLISHING DISABLED PERSON DESIGNATED PARKING ON THE EAST SIDE OF ALBURTIS AVENUE WITHIN THE CITY OF LAKEWOOD - Staff recommends City Council adopt proposed resolution.
- RI-11 PURCHASE AVID NEXIS EDITING SERVERS - Staff recommends City Council authorize the award of the contract to Melrose MAC for a total amount of \$30,959.76.
- RI-12 RESOLUTION NO. 2022-16; APPOINTING A MEMBER AND ALTERNATES TO THE GOVERNING BOARD OF THE LOS ANGELES GATEWAY REGION INTEGRATED REGIONAL WATER MANAGEMENT JOINT POWERS AUTHORITY - Staff recommends City Council adopt proposed resolution appointing one primary board member and two alternate board members representing Lakewood with Gateway Region Integrated Regional Water Management Joint Powers Authority effective 4/15/2022.
- RI-13 NOTICE OF COMPLETION – PUBLIC WORKS CONTRACT 2021-9; WELL 13A WATER TREATMENT PLANT INSTALLATION (PHASE 1) - Staff recommends City Council accept the work performed by JR Filanc Construction Company, Inc. in final contract amount of \$115,000, and authorize City Clerk to file Notice of Completion for project.
- RI-14 NOTICE OF COMPLETION – PUBLIC WORKS CONTRACT 2021-1; TRAFFIC SIGNAL MODIFICATION ON LAKEWOOD BLVD AT HARDWICK; - Staff recommends City Council accept the work constructed by Belco Elecnor Electric, Inc. of Chino in the amount of \$269,735.27 and authorize the City Clerk to file the Notice of Completion for the project.

City Council Agenda

March 22, 2022

Page 3

REPORTS:

3.1 UPDATED TREE-RELATED SERVICES

a) **AGREEMENT WITH WEST COAST ARBORISTS, INC. FOR TREE TRIMMING AND MAINTENANCE SERVICES** - Staff recommends City Council approve an Agreement for Tree Maintenance Services with West Coast Arborists, Inc. and authorize the Mayor to sign the Agreement in a form approved by the City Attorney.

b) **UPDATE TO LAKEWOOD'S MASTER TREE LIST AND TREE PLANTING PLAN** - Staff recommends City Council adopt the updated Master Tree List and Tree Planting Plan dated March 22, 2022.

3.2 UNFUNDED ACCRUED LIABILITY FUNDING POLICY - Staff recommends City Council adopt Unfunded Accrued Liability Funding Policy and revised Governmental Fund Balance Policy.

3.3 PUBLIC SAFETY COMMITTEE DISCUSSION AND DEVELOPMENT OF COMMUNITY SAFETY PLAN - Staff recommends City Council review and approve the recommendations of the Public Safety Committee, make requisite appropriation and provide appropriate direction to staff.

3.4 VOLUNTEER APPRECIATION MONTH - Staff recommends City Council receive and file the Volunteer Appreciation Month Program Update.

AGENDA

LAKWOOD HOUSING SUCCESSOR AGENCY

1. **REGISTER OF DEMANDS** - Staff recommends Housing Successor Agency approve register of demands.

ORAL COMMUNICATIONS:

ADJOURNMENT

In compliance with the Americans with Disabilities Act, if you are a qualified individual with a disability and need an accommodation to participate in the City Council meeting, please contact the City Clerk's Office, 5050 Clark Avenue, Lakewood, CA, at 562/866-9771, ext. 2200; or at cityclerk@lakewoodcity.org at least 48 hours in advance to ensure that reasonable arrangements can be made to provide accessibility to the meeting.

Agenda items are on file in the Office of the City Clerk, 5050 Clark Avenue, Lakewood, and are available for public review during regular business hours. Any supplemental material distributed after the posting of the agenda will be made available for public inspection during normal business hours in the City Clerk's Office. For your convenience, the agenda and the supporting documents are available in an alternate format by request and are also posted on the City's website at www.lakewoodcity.org

Adjourned

COUNCIL AGENDA

March 22, 2022

TO: The Honorable Mayor and City Council

SUBJECT: Unfunded Accrued Liability Funding Policy

INTRODUCTION

The City's sound fiscal position has allowed the City to assure the continuity of services and set aside funds for needed capital improvement projects, initiating infrastructure activities throughout the City. Having addressed these priorities, it is appropriate to review the City's other long-term responsibilities, pension and other post-employment benefit (OPEB) obligations. While the City has been prudent in its funding of these long-term responsibilities and making them less burdensome than they are for other agencies, there are additional strategic opportunities that could further accelerate their payoff. Doing so would provide savings, therefore increasing available funding for other City priorities and strengthening the City's financial standing well into the future.

BACKGROUND

City staff has been working with Suzanne Harrell, Managing Director of Harrell & Company Advisors as a consultant on this matter. Harrell & Company Advisors offers independent financial advisory services and debt management strategies to local governments and public agencies throughout the State of California. The firm specializes in financing city and special district capital improvement projects, economic development and infrastructure. Suzanne Harrell is the managing director of the firm and has 30 years of experience in all aspects of capital financing and financial analysis. Since beginning her public finance career in 1988, she has acted as financial advisor on over \$7.5 billion in total financing for California public agencies, including tax allocation bond and water bond financings for the City of Lakewood.

STATEMENT OF FACT

City staff and Ms. Harrell introduced this discussion at the December 6, 2021 City Council Audit Committee meeting with a comprehensive presentation detailing the City's current position and offering strategies for increasing the funded status and minimizing future year impacts to the City. Potential tools such as a Section 115 Trust for pension obligations, named for the Internal Revenue Code (IRC) provision allowing for the establishment of this formal set-aside were discussed. A future Section 115 Trust with earmarked funds currently in the City's General Fund reserves would provide higher investment yields that could then be used to pay down existing obligations at a faster pace. It is important to note that the City already has a Section 115 Trust in place for OPEB obligations. Another instrument that could be used in a coordinated manner are Additional Discretionary Payments (ADPs). These are merely supplemental contributions toward obligations that could be made from budgetary surpluses and/or savings from debts that are scheduled to be fully-funded in the near future. Over time, making ADPs to CalPERS would provide a greater benefit than maintaining and investing funds in the City's reserves.

The Committee expressed interest in these approaches and directed staff to develop a comprehensive Unfunded Accrued Liability Funding Policy and bring it back to the Committee. Staff and consultant proceeded, doing so at the March 10, 2022 City Council Audit Committee meeting. See attached draft policy. The policy clearly identifies the purpose, objectives, and the procedures for funding these liabilities. While the proposed policy establishes a mechanism to fund the long-term obligations, it does not mandate setting aside additional amounts beyond current funding levels. After reviewing and discussing, the Committee recommended that the policy be presented to the City Council for adoption.

At the meeting a detailed presentation will be provided.

GOVERNMENTAL FUND BALANCE POLICY REVISION

The adoption of an Unfunded Accrued Liability Funding Policy would also require the modification of the City's current Governmental Fund Balance Policy. As previously mentioned, the latter policy calls for certain employee pension and benefit amounts to be set aside and included in the City's Committed General Fund Balance Reserve (as stated within the Annual Comprehensive Financial Report).

The development of an Unfunded Accrued Liability Funding Policy and more specifically, the establishment of a Section 115 Trust for pension-related obligations would require that these amounts be diverted from the City's Committed General Fund Balance Reserve and deposited into the trust. Doing so allows for them to be accounted for as dedicated assets set aside for pension funding needs. More importantly, the trust allows for the funds to be placed in longer-term (yet safe) investments resulting in significantly higher investment returns over time and the formal recognition by the auditors of the funds as an offset to the liabilities.

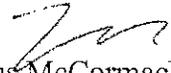
There are several other less prominent revisions to the policy. They include the addition of the Capital Improvement Contingency and Long-Term Obligation categories within the City Manager's Assigned Funds category, as well as the revision of the Infrastructure and Structures component also within the same category.

After reviewing and discussing, the Audit Committee recommended that the policy be presented to the City Council for adoption. Two versions of the revised policy are attached - a "clean" version already incorporating the changes and a "red line" version highlighting the proposed changes.

RECOMMENDATION

Staff recommends that the City Council review the Unfunded Accrued Liability Funding Policy and the revised Governmental Fund Balance Policy.

Jose Gomez 
Director of Finance and Administrative Services

Thaddeus McCormack 
City Manager

CITY OF LAKEWOOD

Unfunded Accrued Liability Funding Policy

PURPOSE

The purpose of this Unfunded Accrued Liability Funding Policy (“Policy”) is to provide a process to accelerate the payoff for any Unfunded Accrued Liabilities (“UAL”) that develop as calculated annually by CalPERS, PARS or for the City’s other post-employment health benefits (“OPEB”). This funding Policy is intended to support the decision-making process of the City Council.

POLICY

It is the policy of the City of Lakewood to identify funds available on an annual basis to deposit into irrevocable trusts for the payment of UAL for retirement benefits and to identify a process for the use of such funds to mitigate the impact on the City’s budget or to accelerate the payment of the UAL.

OBJECTIVES

The primary objective of funding pension plans and retiree benefits is to ensure that sufficient assets will be accumulated to deliver promised benefits when they come due.

A secondary objective is to provide more predictable pension costs as an aid to annual budgeting.

To achieve these objectives, the policy is to fund its CalPERS pension plan, the PARS Supplemental Plan and the OPEB benefits up to 100% of the total accrued liability whenever possible, and no less than 90% by June 30, 2027.

OVERVIEW

The level of funding for the City of Lakewood’s Miscellaneous Employee Retiree Benefit Plan (“CalPERS Plan”), PARS Supplemental Retirement Plan and Retiree Health (OPEB) Plan fluctuate over time based on the actuarial assumptions used to calculate the liabilities and the value of assets available to satisfy the liabilities.

There are currently three (3) irrevocable trusts related to the City’s retirement benefits:

- CalPERS asset pool allocable to the CalPERS Plan;
- PARS asset pool allocable to the Supplemental Plan; and
- PARS Section 115 trust allocable to the OPEB Plan.

The City has another irrevocable trust alternative for funding the CalPERS Plan over time. A Section 115 trust (“Pension Section 115 Trust”) allows municipalities to set aside extra resources for pension funding at reduced investment risk that may be inherent in the CalPERS asset pool. These funds can be withdrawn to pay UAL or to pay the City’s normal cost portion of annual pension costs.

The City can also make additional discretionary payments into the CalPERS system to reduce the interest cost that CalPERS charges the City on the unpaid balances.

CITY OF LAKEWOOD

Unfunded Accrued Liability Funding Policy

PROCEDURES FOR PARS SUPPLEMENTAL PLAN AND OPEB PLAN

These two plans are at or nearing 100% funding.

Future annual UAL payments relating to the OPEB Plan, if any, will be equal to the actuarially determined contribution (“ADC”) required by the plan administrator.

Future annual UAL payments relating to the PARS Supplemental Plan, if any, will be equal to the greater of \$618,000 or the ADC required by the plan administrator, until 100% funding is achieved, and thereafter will be equal to ADC required by the plan administrator, if any.

PROCEDURES FOR PENSION SECTION 115 TRUST

Deposits

Initial funding of the Pension Section 115 Trust will be provided by funds reserved for the CalPERS Plan and the PARS Supplemental Plan in the City’s General Fund reserves as of June 30, 2021.

Future deposits will be determined at the conclusion of the City’s annual audit and when the surplus fund balance above the City’s current reserve policy is known.

Withdrawals

There are two possible uses of funds withdrawn from the Pension Section 115 Trust:

- Provide one-time budgetary savings by applying the funds withdrawn to the current year scheduled UAL for the CalPERS Plan.
- Provide for Additional Discretionary Payments (ADPs) applied to specific portions of the UAL for the CalPERS Plan

Beginning in Fiscal Year 2024-25, funds would be withdrawn from the Pension Section 115 Trust and applied to the current year scheduled UAL for the CalPERS Plan when the current year’s UAL payment exceeds \$3,532,000 (the anticipated amount of the FY 2023-24 UAL payment). This would provide a like amount of budgetary savings and a budgetary cap on annual UAL pension costs.

ADPs can be applied each year to various components of the CalPERS Plan UAL. To achieve the greatest interest savings over time, an ADP made from Pension Section 115 Trust funds would be applied to the UAL component or base (“UAL Base”) with the most remaining years needed to fully amortize under the CalPERS amortization method.

The amount of the annual ADP made from Pension Section 115 Trust funds would be determined in May each year and remitted to CalPERS by June 15. The ADP can be calculated as:

- A percent of the next succeeding year scheduled UAL payment, or
- An amount equal to the investment earnings on the Pension Section 115 Trust balance.

CITY OF LAKEWOOD

Unfunded Accrued Liability Funding Policy

In any year that the combined balance of the Pension Section 115 Trust together with the CalPERS asset pool equals or exceeds 90% of the actuarial accrued liability of the CalPERS Plan, no ADP from the Pension Section 115 Trust need be made.

PROCEDURES FOR ADP FROM BUDGET SAVINGS

ADPs may also be made annually from certain budgetary savings.

In subsequent years, the ADP will equal the amount of budget savings from the prior years' ADC to the PARS Supplemental Plan once the Supplemental Plan has achieved full funding.

The ADPs made from budgetary savings relating to the City's other retirement benefit plans will be applied to accelerate payment of new UAL Bases created that year. This will assist in keeping the City's total UAL payment from growing larger each year under the CalPERS amortization methods, as more UAL is added over time.

SUMMARY

Establishing a Pension Section 115 Trust and procedures for the use of ADPs will assist the City in maintaining a manageable level of annual retirement costs while reducing long-term pension costs.

[Note: This Policy amends the City's Governmental Fund Balance Policy by eliminating the procedures for Pension Obligations section of the Committed Funds.]

GLOSSARY

ADC means the actuarially determined contribution calculated by the applicable plan administrator for the annual contribution to the plan designed to achieve the plan's funding requirement.

ADP means an Additional Discretionary Payment paid into a plan in addition to the ADC.

CalPERS means the California Public Employees' Retirement System.

Normal Cost means the employer's share of annual cost of service accrual for the upcoming fiscal year, for active employees.

OPEB means Other-Post Retirement Benefits and refers to health benefits paid under the PEMHCA plan.

PARS means Public Agency Retirement Services.

UAL means the unfunded accrued liability relating to a retirement plan and is the difference between the total actuarial accrued liability for such plan and the irrevocable assets pledged toward payment of those liabilities.

UAL BASE means the separate liability or credit created in any year, which when combined with all others, comprise the total UAL.

Revised Governmental Fund Balance Policy

“Clean” Version

CITY OF LAKEWOOD

Governmental Fund Balance Policy

Fund balance refers to the difference between assets and liabilities in the city's governmental funds balance sheet. This information is one of the most widely used elements of state and local government financial statements. Financial statement users examine fund balance information to identify the available liquid resources that can be used to repay long-term debt, add new programs, finance capital improvements, or enhance the financial position of the city.

PURPOSE

The purpose of this policy is to improve financial reporting by establishing fund balance classifications that create a hierarchy based on the extent to which the City is bound to observe spending constraints that govern how the City can use amounts reported in the governmental fund balance sheet. This policy satisfies the requirements of GASB Statement No. 54.

POLICY

It is the policy of the City of Lakewood to identify the various classifications of the City's governmental fund balance in its Annual Comprehensive Financial Report (ACFR). These classifications take into consideration the City's long-term infrastructure needs, non-current liabilities, stabilization funds, funds necessary to mitigate economic uncertainties, funding that has spending constraints such as grants, and fixed assets that will not easily convert to cash.

The fund balance is a tool the City uses to have an effective long-term financial plan, as well to ensure sufficient liquidity for the City meets its financial obligations in the short-term.

OBJECTIVES

The City of Lakewood's Fund Balance Policy has two (2) objectives:

- (i) To determine the available liquid resources; and**
- (ii) To provide the information necessary to make informed financial decisions.**

The classifications of the City's governmental fund balance are designed to clarify the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the fund can be spent, rather than to simply represent the financial resources available for appropriation.

OVERVIEW

Governmental funds represent one of three categories of funds; the other two categories are proprietary funds (water enterprise fund), and fiduciary funds (pension funds held in trust).

Governmental funds are used to account for activities primarily supported by taxes, fees, grants, and bond proceeds.

Governmental funds are further classified into five fund types: General Fund, the chief operating fund of the City; Special Revenue Funds, which account for funds legally restricted for a specific use; Debt Service Fund; Capital Projects Fund; and Permanent Funds for endowment arrangements.

Governmental funds are designed to focus on the near-term. To do this, governmental funds present only the subset of the

CITY OF LAKEWOOD

Governmental Fund Balance Policy

City's assets that are considered the City's current financial resources, and the corresponding sub-set of liabilities that is expected to be liquidated with those current financial resources, resulting in a method to assess the City's financial liquidity. Because governmental funds report only a subset of assets and liabilities, the difference between the two, or fund balance, is a measure of working capital – not of net worth.

The fund balance is only an approximate measure of liquidity or working capital. It is this discrepancy of measuring working capital that requires the City to recognize what makes-up the fund balance and isolate funds that are needed for longer-term obligations, discern what funds are restricted for specified purposes, and pull-out funds that are not available at all. To accomplish this, the City's financial statements for governmental funds are comprised of five (5) fund balance classifications:

- (i) Nonspendable Funds**
- (ii) Restricted Funds**
- (iii) Committed Funds**
- (iv) Assigned Funds**
- (v) Unassigned Funds**

NONSPENDABLE & RESTRICTED FUND BALANCE

The first two classifications are subject to requirements outside the local governing body's control for financial decision-making and planning purposes; Nonspendable resources are essentially irrelevant, and Restricted resources are of no

discretionary value. Accordingly, this policy will just briefly describe Nonspendable and Restricted funds in this Section.

Nonspendable Funds

Some of the assets that are included in determining the City's fund balance are inherently nonspendable:

- Assets that will never convert to cash, such as prepaid items and inventories.
- Assets that will not convert to cash within sixty (60) days from the start of the fiscal year, such as long-term loans receivable, and non-financial assets held for resale.
- Assets that must be maintained intact pursuant to legal or contractual requirements, such as an endowment.

Restricted Funds

Restricted funds describe the portion of the fund balance that is subject to externally enforceable legal restrictions, these restrictions fall into three (3) categories:

- (i) Restrictions are imposed by parties altogether outside the scope of the City's governance:
 - Creditors (typically through a debt covenant)
 - Grantors (typically state, federal and other governmental agencies)
 - Contributors
 - Other governments.

CITY OF LAKEWOOD

Governmental Fund Balance Policy

(ii) Restrictions that arise when the authorization to raise revenues is conditioned upon the revenue being used for a particular purpose, such as:

- Gas taxes must be used for street repair
- Prop C must be used for fixed transit routes
- Prop A must be used for transit programs
- Measure R must be used for local street repair

(iii) Long-term loans receivable and non-financial assets that are collected can also be considered Restricted if the collected funds are subject to an externally enforceable restriction on how they can be spent.

PROCEDURES

This Section provides a comprehensive protocol on what is legally deemed the unrestricted portion of the fund balance, and the order in which the classifications are spent.

The unrestricted portion of the fund balance is comprised of the City's fund balance or resources that are classified as Committed Funds, Assigned Funds, or Unassigned Funds.

UNRESTRICTED FUND BALANCE

Committed Funds

Committed funds describe the portion of the fund balance that is constrained by limitations imposed by the Lakewood City Council. The Council imposed limitation must occur no later than the close of the reporting period and remains binding unless removed under the same manner.

Types of commitments:

- | | |
|----------------------|--------------------------|
| Self Insurance | Economic Uncertainties |
| Pension Obligations | Capital Projects |
| Refuse Stabilization | Construction In Progress |

Self Insurance

Since 1998, \$4 million has been held in reserve in the General Fund for self Insurance. These funds are held to cover liability and worker's compensation expenses that are in excess of the costs covered by the California Joint Powers Insurance Authority, CJPIA. The CJPIA has historically covered all costs for the city, so the use of these funds is rare and would only be used for very large unpredictable claims. Periodic review of this amount is required to ensure adequate funds are available.

Employee Compensated Absences Obligations

Annually, the value of compensated absences, which is the liability derived from employee accrued sick and vacation leave, is computed. This amount in full is held as a Committed Fund Balance in the General Fund.

Pension obligations (previously included in this policy are now addressed in the City's Unfunded Accrued Liability Funding Policy.

Refuse Stabilization

The refuse stabilization funds of \$1,964,966 were built up over a period of years using the Long Beach SERRF rebates. In Fiscal Year 2010, the rebate program ceased. The rate stabilization funds are set aside to offset sharp increases in costs due to the implementation of a new refuse related program, or offset large annual increases (greater than 10%), or unexpected increases within the fiscal year (greater than

CITY OF LAKEWOOD

Governmental Fund Balance Policy

3%) in refuse collection or disposal. New programs and rate increase of ten percent or greater is unusual, and rate increases mid-year even more so; the use of these funds to offset rate increases would be rarely used and would only provide a bridge to the new higher rate.

Economic Uncertainties

The amount for economic uncertainties is computed as 20% of the General Fund's annual operating expenditures. These funds are held to offset major or unexpected reductions in revenue. Reduction in revenue equal to or greater than 10% would trigger the use of these funds to support core city services. The city has yet to experience a ten percent drop in revenues; the use of these funds is rare.

Capital Projects – Construction In Progress

The amount for capital related contracts and purchases is limited to the required continuing appropriations or encumbrances for contracts or purchases that required Council approval. These contracts and purchases are discrete in that they are independent of other costs, easily identifiable and one-time in nature.

Assigned Funds

Assigned funds describe the portion of the fund balance that reflects the intended use of resources by the Lakewood City Council. The amounts set aside for an intended use can be assigned by the City Manager.

Types of Assigned Funds:

- Infrastructure and Structures
- Equipment and Vehicle Replacement
- Contract Services in Cases of Emergency

- Capital Improvement Contingency
- Long-Term Obligations

Infrastructure and Structures

These Assigned funds are set aside for major emergency or unexpected necessary repairs of the City's streets, hard-scape, facilities, communication and technology systems, or other owned City property. The Assigned amount is a minimum of \$3 million, and may be periodically revised as needs are assessed

Equipment and Vehicle Replacement

These Assigned funds are set aside for emergency or unexpected replacement of the City's vehicles or equipment. The Assigned amount is the value of the assets before depreciation divided by seven, which corresponds to the ACFR seven-year depreciation schedule.

Contract Services in Cases of Emergency

These Assigned funds are set aside for contract services necessary to address an emergency or unexpected event. The Assigned amount is equivalent to the current one-month costs of the top eight contract services, and one-month lease from the Lakewood Equestrian Center.

Capital Improvement Contingency

These Assigned funds are set aside for the construction of larger projects that may require long-term accumulation of funds and/or grant-matching funds.

CITY OF LAKEWOOD

Governmental Fund Balance Policy

Long-Term Obligations

These Assigned funds are set aside for use in providing budget stability and allowing for the use of current-year surpluses during years where anticipated expenditures are greater than forecasted revenues.

Unassigned Funds

The General Fund often will have net resources in excess of what is classified in one of the four previous categories. This amount is presented as the unassigned fund balance. Only the General Fund can report a positive unassigned fund balance; however, all governmental funds can report a negative unassigned fund balance.

Use of Resources

In circumstances when an expenditure is made for a purpose for which amounts are available in multiple fund balance classifications, the order of allocation of these available funds is first restricted, second committed, third assigned, and lastly unassigned amounts.

SUMMARY

Components of the Fund Balance

Nonspendable Fund Balance

- Inherently nonspendable
- Portion of net resources that cannot be spent because of their form
- Portion of net resources that cannot be spent because they must be maintained intact

Restricted Fund Balance

- Externally enforceable limits on use
- Limitations imposed by creditors, grantors, contributors, or laws and regulations of other governments
- Limitations imposed by law through constitutional provisions or enabling legislation

Committed Fund Balance

- Council Self-imposed Limitations set in place prior to the end of the fiscal year
- Limitation imposed at highest level of decision making that requires formal action at the same level to remove

Assigned Fund Balance

- Limitation resulting from intended use
- Intended use established by the City Manager

Unassigned Fund Balance

- Total fund balance in the General Fund in excess of nonspendable, restricted, committed and assigned fund balance (surplus)
- Excess of nonspendable, restricted, and committed fund balance over total fund balance (deficit)

Use of Fund Balance

- Restricted
- Committed
- Assigned

CITY OF LAKEWOOD

Governmental Fund Balance Policy

GLOSSARY

State and local governments use three broad categories of funds: *governmental* funds, *proprietary* funds and *fiduciary* funds.

Governmental funds include the following.

- *General* fund. This fund is used to account for general operations and activities not requiring the use of other funds.
- *Special revenue* funds are required to account for the use of revenue earmarked by law for a particular purpose. State and federal fuel tax revenues require special revenue funds, because federal and state laws restrict these taxes to transportation uses.
- *Capital projects* funds are used to account for the construction or acquisition of fixed assets such as buildings, equipment and roads. Depending on its use, a fixed asset may instead be financed by a special revenue fund or a proprietary fund. A capital project fund exists only until completion of the project. Fixed assets acquired and long-term debts incurred by a capital project are assigned to the government's *General Fixed Assets* and *Long-Term Debts*.
- *Debt service* funds are used to account for money that will be used to pay the interest and principal of long-term debts. Bonds used by a government to finance major construction projects, to be paid by tax levies over a period of years, require a debt service fund to account for their repayment. The debts of special assessment and proprietary funds are serviced within those funds, rather than by a separate debt service fund.

- *Special assessment* funds account for public infrastructure improvements financed by special levies against property holders. Sidewalk and alley repairs often rely on special assessments.

Proprietary funds include *Enterprise* funds used for services provided to the public on a user charge basis, similar to the operation of a commercial enterprise. Water and sewage utilities are common examples of government enterprises.

Fiduciary funds are used to account for assets held in trust by the government for the benefit of individuals or other entities. The employee pension fund, created by the State of Maryland to provide retirement benefits for its employees, is an example of a fiduciary fund. Financial statements may further distinguish fiduciary funds as either *trust* or *agency* funds; a trust fund generally exists for a longer period of time than an agency fund.

Revised Governmental Fund Balance Policy

“Red line” Version

CITY OF LAKEWOOD Governmental Fund Balance Policy

Fund balance refers to the difference between assets and liabilities in the city's governmental funds balance sheet. This information is one of the most widely used elements of state and local government financial statements. Financial statement users examine fund balance information to identify the available liquid resources that can be used to repay long-term debt, add new programs, finance capital improvements, or enhance the financial position of the city.

PURPOSE

The purpose of this policy is to improve financial reporting by establishing fund balance classifications that create a hierarchy based on the extent to which the City is bound to observe spending constraints that govern how the City can use amounts reported in the governmental fund balance sheet. This policy satisfies the requirements of GASB Statement No. 54.

POLICY

It is the policy of the City of Lakewood to identify the various classifications of the City's governmental fund balance in its Annual Comprehensive ~~Annual~~-Financial Report (ACFRGAFR). These classifications take into consideration the City's long-term infrastructure needs, non-current liabilities, stabilization funds, funds necessary to mitigate economic uncertainties, funding that has spending constraints such as grants, and fixed assets that will not easily convert to cash.

The fund balance is a tool the City uses to have an effective long-term financial plan, as well to ensure sufficient liquidity for the City meets its financial obligations in the short-term.

OBJECTIVES

The City of Lakewood's Fund Balance Policy has two (2) objectives:

- (i) To determine the available liquid resources; and**
- (ii) To provide the information necessary to make informed financial decisions.**

The classifications of the City's governmental fund balance are designed to clarify the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the fund can be spent, rather than to simply represent the financial resources available for appropriation.

OVERVIEW

Governmental funds represent one of three categories of funds; the other two categories are proprietary funds (water enterprise fund, ~~and fleet and print shop internal service funds~~), and fiduciary funds (pension funds held in trust).

Governmental funds are used to account for activities primarily supported by taxes, fees, grants, and bond proceeds.

Governmental funds are further classified into five fund types: General Fund, the chief operating fund of the City; Special Revenue Funds, which account for funds legally restricted for a specific use; Debt Service Fund; Capital Projects Fund; and Permanent Funds for endowment arrangements.

CITY OF LAKEWOOD Governmental Fund Balance Policy

Governmental funds are designed to focus on the near-term. To do this, governmental funds present only the subset of the City's assets that are considered the City's current financial resources, and the corresponding sub-set of liabilities that is expected to be liquidated with those current financial resources, resulting in a method to assess the City's financial liquidity. Because governmental funds report only a subset of assets and liabilities, the difference between the two, or fund balance, is a measure of working capital – not of net worth.

The fund balance is only an approximate measure of liquidity or working capital. It is this discrepancy of measuring working capital that requires the City to recognize what makes-up the fund balance and isolate funds that are needed for longer-term obligations, discern what funds are restricted for specified purposes, and pull-out funds that are not available at all. To accomplish this, the City's financial statements for governmental funds are comprised of five (5) fund balance classifications:

- (i) Nonspendable Funds**
- (ii) Restricted Funds**
- (iii) Committed Funds**
- (iv) Assigned Funds**
- (v) Unassigned Funds**

NONSPENDABLE & RESTRICTED FUND BALANCE

The first two classifications are subject to requirements outside the local governing body's control for financial decision-making and planning purposes; Nonspendable resources are

essentially irrelevant, and Restricted resources are of no discretionary value. Accordingly, this policy will just briefly describe Nonspendable and Restricted funds in this Section.

Nonspendable Funds

Some of the assets that are included in determining the City's fund balance are inherently nonspendable:

- Assets that will never convert to cash, such as prepaid items and inventories.
- Assets that will not convert to cash within sixty (60) days from the start of the fiscal year, such as long-term loans receivable, and non-financial assets held for resale.
- Assets that must be maintained intact pursuant to legal or contractual requirements, such as an endowment.

Restricted Funds

Restricted funds describe the portion of the fund balance that is subject to externally enforceable legal restrictions, these restrictions fall into three (3) categories:

- (i) Restrictions are imposed by parties altogether outside the scope of the City's governance:
 - Creditors (typically through a debt covenant)
 - Grantors (typically state, federal and other governmental agencies)
 - Contributors
 - Other governments.

**CITY OF LAKEWOOD
Governmental Fund Balance Policy**

(ii) Restrictions that arise when the authorization to raise revenues is conditioned upon the revenue being used for a particular purpose, such as:

- Gas taxes must be used for street repair
- Prop C must be used for fixed transit routes
- Prop A must be used for transit programs
- Measure R must be used for local street repair

(iii) Long-term loans receivable and non-financial assets that are collected can also be considered Restricted if the collected funds are subject to an externally enforceable restriction on how they can be spent.

PROCEDURES

This Section provides a comprehensive protocol on what is legally deemed the unrestricted portion of the fund balance, and the order in which the classifications are spent.

The unrestricted portion of the fund balance is comprised of the City's fund balance or resources that are classified as Committed Funds, Assigned Funds, or Unassigned Funds.

UNRESTRICTED FUND BALANCE

Committed Funds

Committed funds describe the portion of the fund balance that is constrained by limitations imposed by the Lakewood City Council. The Council imposed limitation must occur no later than the close of the reporting period and remains binding unless removed under the same manner.

Types of commitments:

- | | |
|----------------------|--------------------------|
| Self Insurance | Economic Uncertainties |
| Pension Obligations | Capital Projects |
| Refuse Stabilization | Construction In Progress |

Self Insurance

Since 1998, \$4 million has been held in reserve in the General Fund for self insurance. These funds are held to cover liability and worker's compensation expenses that are in excess of the costs covered by the California Joint Powers Insurance Authority, CJPIA. The CJPIA has historically covered all costs for the city, so the use of these funds is rare and would only be used for very large unpredictable claims. Periodic review of this amount is required to ensure adequate funds are available.

Pension Employee Compensated Absences Obligations

~~Pension obligations include: CalPERS (California Public Employees' Retirement System); PARS (Public Agency Retirement Services); and OPEB (Other Post-Employment Benefits - retiree health benefit); as well as compensated absences.~~

~~Every year CalPERS provides an Annual Valuation Report. This report specifies the employer contribution rate for both 'normal cost' and amortized costs, and unfunded liability. Using a weighted amortized cost rate, the unfunded liability attributed to amortized cost is computed. This computed amount in part or in full is then held as a Committed fund balance in the General Fund. This plan is scheduled to be fully funded by 2043.~~

~~The funds necessary to cover OPEB obligations is determined by a biennial actuarial as of June 30 every odd year. This~~

CITY OF LAKEWOOD Governmental Fund Balance Policy

~~actuarial computes the unfunded accrued liability, this amount is then transferred into the OPEB Trust. On even years, City staff computes the estimated OPEB unfunded liability using the assumptions presented in the prior year's actuarial. This amount in part or full is held in the General Fund as a Committed Fund Balance to be paid to the Trust in the following year per the actuarial. This plan is to be maintained at a minimum of 90% funded.~~

~~The PARS plan also has a biennial actuarial as of June 30 every odd year. The actuarial provides the PARS 'normal rate' and the unfunded actuarial liability rate. Using a weighted unfunded actuarial liability rate, the unfunded liability cost is computed, which is then held in part or in full as a Committed fund balance in the General Fund. The PARS is closed to new members and is scheduled to reach full funding by 2036.~~

Annually, the value of compensated absences, which is the liability ~~of derived from employee~~ accrued sick and vacation leave, is computed. This ~~computed~~ amount in full is held as a Committed ~~f~~und ~~B~~alance in the General Fund.

[Pension obligations \(previously included in this policy are now addressed in the City's Unfunded Accrued Liability Funding Policy\).](#)

Refuse Stabilization

The refuse stabilization funds of \$1,964,966 were built up over a period of years using the Long Beach SERRF rebates. In Fiscal Year 2010, the rebate program ceased. The rate stabilization funds are set aside to offset sharp increases in costs due to the implementation of a new refuse related program, or offset large annual increases (greater than 10%),

or unexpected increases within the fiscal year (greater than 3%) in refuse collection or disposal. New programs and rate increase of ten percent or greater is unusual, and rate increases mid-year even more so; the use of these funds to offset rate increases would be rarely used and would only provide a bridge to the new higher rate.

Economic Uncertainties

The amount for economic uncertainties is computed as 20% of the General Fund's annual operating expenditures. These funds are held to offset major or unexpected reductions in revenue. Reduction in revenue equal to or greater than 10% would trigger the use of these funds to support core city services. The city has yet to experience a ten percent drop in revenues; the use of these funds is rare.

Capital Projects – Construction In Progress

The amount for capital related contracts and purchases is limited to the required continuing appropriations or encumbrances for contracts or purchases that required Council approval. These contracts and purchases are discrete in that they are independent of other costs, easily identifiable and one-time in nature.

Assigned Funds

Assigned funds describe the portion of the fund balance that reflects the intended use of resources by the Lakewood City Council ~~and/or the Lakewood Redevelopment Agency~~. The amounts set aside for an intended use can be assigned by the City Manager.

CITY OF LAKEWOOD Governmental Fund Balance Policy

Types of Assigned Funds:

- Infrastructure and Structures
- Equipment and Vehicle Replacement
- Contract Services in Cases of Emergency
- Capital Improvement Contingency
- Long-Term Obligations

Infrastructures and Structures

These Assigned funds are set aside ~~to~~ for major emergency or unexpected necessary repairs of the City's streets, hard-scape, facilities, communication and technology systems, or other owned City property. The Assigned amount is a minimum of \$3 million, and may be periodically revised as needs are assessed the value of the assets before depreciation divided by thirty, which corresponds to the CAFR thirty-year depreciation schedule.

Equipment and Vehicle Replacement

These Assigned funds are set aside ~~to~~ for emergency or unexpected replacement of the City's vehicles or equipment. The Assigned amount is the value of the assets before depreciation divided by seven, which corresponds to the ACFR CAFR seven-year depreciation schedule.

Contract Services in Cases of Emergency

These Assigned funds are set aside ~~to~~ for contract services necessary to ~~deal with address~~ an emergency or unexpected event. The Assigned amount is equivalent to the current one-month costs of the top eight contract services, and one-month lease from the Lakewood Equestrian Center Stables.

Capital Improvement Contingency

These Assigned funds are set aside for the construction of larger projects that may require long-term accumulation of funds and/or grant-matching funds.

Long-Term Obligations

These Assigned funds are set aside for use in providing budget stability and allowing for the use of current-year surpluses during years where anticipated expenditures are greater than forecasted revenues.

Unassigned Funds

The General Fund often will have net resources in excess of what is classified in one of the four previous categories. This amount is presented as the unassigned fund balance. Only the General Fund can report a positive unassigned fund balance; however, all governmental funds can report a negative unassigned fund balance.

Use of Resources

In circumstances when an expenditure is made for a purpose for which amounts are available in multiple fund balance classifications, the order of allocation of these available funds is first restricted, second committed, third assigned, and lastly unassigned amounts.

SUMMARY

Components of the Fund Balance

Nonspendable Fund Balance

- Inherently nonspendable
- Portion of net resources that cannot be spent because of their form

Formatted: Justified

Formatted: Underline

CITY OF LAKEWOOD Governmental Fund Balance Policy

- Portion of net resources that cannot be spent because they must be maintained intact

Restricted Fund Balance

- Externally enforceable limits on use
- Limitations imposed by creditors, grantors, contributors, or laws and regulations of other governments
- Limitations imposed by law through constitutional provisions or enabling legislation

Committed Fund Balance

- Council Self-imposed Limitations set in place prior to the end of the fiscal year
- Limitation imposed at highest level of decision making that requires formal action at the same level to remove

Assigned Fund Balance

- Limitation resulting from intended use
- Intended use established by the City Manager

Unassigned Fund Balance

- Total fund balance in the General Fund in excess of nonspendable, restricted, committed and assigned fund balance (surplus)
- Excess of nonspendable, restricted, and committed fund balance over total fund balance (deficit)

Use of Fund Balance

- Restricted
- Committed
- Assigned

GLOSSARY

State and local governments use three broad categories of funds: *governmental* funds, *proprietary* funds and *fiduciary* funds.

Governmental funds include the following.

- *General* fund. This fund is used to account for general operations and activities not requiring the use of other funds.
- *Special revenue* funds are required to account for the use of revenue earmarked by law for a particular purpose. State and federal fuel tax revenues require special revenue funds, because federal and state laws restrict these taxes to transportation uses.
- *Capital projects* funds are used to account for the construction or acquisition of fixed assets such as buildings, equipment and roads. Depending on its use, a fixed asset may instead be financed by a special revenue fund or a proprietary fund. A capital project fund exists only until completion of the project. Fixed assets acquired and long-term debts incurred by a capital project are assigned to the government's *General Fixed Assets* and *Long-Term Debts*.
- *Debt service* funds are used to account for money that will be used to pay the interest and principal of long-term debts. Bonds used by a government to finance major construction projects, to be paid by tax levies over a period of years, require a debt service fund to account for their repayment. The debts of special assessment and proprietary funds are

Formatted: Font: 8 pt, Not Italic

Formatted: Indent: Left: 0.25", No bullets or numbering

CITY OF LAKEWOOD Governmental Fund Balance Policy

serviced within those funds, rather than by a separate debt service fund.

- *Special assessment* funds account for public infrastructure improvements financed by special levies against property holders. Sidewalk and alley repairs often rely on special assessments.

Proprietary funds include the following.

- ~~*Internal service* funds are used for operations serving other funds or departments within a government on a cost-reimbursement basis. A printing shop, which takes orders for booklets and forms from other offices and is reimbursed for the cost of each order, would be a suitable application for an internal service fund.~~
- *Enterprise* funds are used for services provided to the public on a user charge basis, similar to the operation of a commercial enterprise. Water and sewage utilities are common examples of government enterprises.

Fiduciary funds are used to account for assets held in trust by the government for the benefit of individuals or other entities. The employee pension fund, created by the State of Maryland to provide retirement benefits for its employees, is an example of a fiduciary fund. Financial statements may further distinguish fiduciary funds as either *trust* or *agency* funds; a trust fund generally exists for a longer period of time than an agency fund.

**D
I
V
I
D
E
R
S
H
E
E
T**

Routine Items

Routine Item 1 - City Council Minutes
will be available prior to the meeting

**D
I
V
I
D
E
R
S
H
E
E
T**

COUNCIL AGENDA

March 22, 2022

TO: The Honorable Mayor and City Council

SUBJECT: Report of Personnel Transactions

	<u>Name</u>	<u>Title</u>	<u>Schedule</u>	<u>Effective Date</u>
1. FULL-TIME EMPLOYEES				
A. Appointments				
	Steve Villegas	Water Utility Worker	12A	03/07/2022
B. Changes	None			
C. Separations	None			
2. PART-TIME EMPLOYEES				
A. Appointments				
	Mary Toledo	Community Services Leader IV	B	03/06/2022
B. Changes				
	Tiana Whitaker	Community Services Leaser IV Support Services Clerk	B to B	03/06/2022
C. Separations	None			


Thaddeus McCormack
City Manager

**D
I
V
I
D
E
R

S
H
E
E
T**

**CITY OF LAKEWOOD
FUND SUMMARY 3/10/2022**

In accordance with section 2521 of the Lakewood Municipal Code there is presented herewith a summary of obligations to be paid by voucher 105785 through 105899. Each of the following demands has been audited by the Director of Administrative Services and approved by the City Manager.

1010	GENERAL FUND	192,268.84
1020	CABLE TV	2,275.00
1025	AMERICAN RESCUE PLAN	60,239.50
1030	CDBG CURRENT YEAR	2,150.00
1050	COMMUNITY FACILITY	10,206.02
1070	RETIREE BENEFITS	228,714.00
1623	LA CNTY MEASURE W	26,272.71
3001	CAPITAL IMPROV PROJECT FUND	760.00
3070	PROPOSITION "C"	2,130.17
5010	GRAPHICS AND COPY CENTER	458.20
5020	CENTRAL STORES	938.01
5030	FLEET MAINTENANCE	6,763.36
6020	GEOGRAPHIC INFORMATION SYSTEM	403.56
7500	WATER UTILITY FUND	220,220.71
8030	TRUST DEPOSIT	200.00
		754,000.08

Council Approval

Date

City Manager

Attest

City Clerk

Director of Administrative Services

**CITY OF LAKEWOOD
SUMMARY CHECK REGISTER**

CHECK #	CHECK DATE	VEND #	VENDOR NAME	GROSS	DISC.	CHECK AMOUNT
105785	03/10/2022	4842	A T & T CORP	286.86	0.00	286.86
105786	03/10/2022	2701	AIRE RITE A/C & REFRIGERATION INC	4,855.17	0.00	4,855.17
105787	03/10/2022	5567	ALL CITY MANAGEMENT SERVICES. INC.	5,356.00	0.00	5,356.00
105788	03/10/2022	5518	MNRO HOLDINGS. LLC	425.98	0.00	425.98
105789	03/10/2022	4684	AMAZON.COM LLC	318.13	0.00	318.13
105790	03/10/2022	5339	ANGELUS PACIFIC LLC	168.92	0.00	168.92
105791	03/10/2022	4724	ARC DOCUMENT SOLUTIONS. LLC	178.22	0.00	178.22
105792	03/10/2022	4465	ATALLA. IBRAHIM	78.00	0.00	78.00
105793	03/10/2022	5322	N. HARRIS COMPUTER CORPORATION	32,544.46	0.00	32,544.46
105794	03/10/2022	4126	AUTOZONE PARTS INC	41.95	0.00	41.95
105795	03/10/2022	443	B&M LAWN AND GARDEN INC	51.72	0.00	51.72
105796	03/10/2022	4878	B.R. BREWER SIGN & GRAPHICS	981.23	0.00	981.23
105797	03/10/2022	5266	BAY AREA DRIVING SCHOOL. INC.	26.00	0.00	26.00
105798	03/10/2022	4278	BEAR COMMUNICATIONS INC	1,593.64	0.00	1,593.64
105799	03/10/2022	59748	BIG STUDIO INC	1,049.14	0.00	1,049.14
105800	03/10/2022	1813	BIOMETRICS4ALL INC	9.00	0.00	9.00
105801	03/10/2022	5601	TWO SHELLS ENTERPRISES INC.	200.00	0.00	200.00
105802	03/10/2022	5280	BROWN. BONNIE	188.50	0.00	188.50
105803	03/10/2022	48469	BURWELL MICHAEL RAY	1,100.00	0.00	1,100.00
105804	03/10/2022	307	CALIF. STATE DISBURSEMENT UNIT	405.80	0.00	405.80
105805	03/10/2022	53983	CALIF STATE FRANCHISE TAX BOARD	1,335.15	0.00	1,335.15
105806	03/10/2022	5633	CARB/PERP	805.00	0.00	805.00
105807	03/10/2022	5114	CASTUS CORPORATION	2,195.00	0.00	2,195.00
105808	03/10/2022	43135	CERRITOS. CITY OF	10,320.62	0.00	10,320.62
105809	03/10/2022	45894	CINTAS CORPORATION	60.53	0.00	60.53
105810	03/10/2022	57070	CITY LIGHT & POWER LKWD INC	630.50	0.00	630.50
105811	03/10/2022	57070	CITY LIGHT & POWER LKWD INC	35,998.91	0.00	35,998.91
105812	03/10/2022	5077	CLAVERIE. COURTNEY DAY	182.00	0.00	182.00
105813	03/10/2022	66284	COCHICO. WILFRED Z	149.00	0.00	149.00
105814	03/10/2022	5376	CONSERVATION CORPS OF LONG BEACH	8,064.00	0.00	8,064.00
105815	03/10/2022	5326	COLOMRICAN. INC.	181.56	0.00	181.56
105816	03/10/2022	5200	DAHLIN GROUP. INC.	26,195.00	0.00	26,195.00
105817	03/10/2022	5540	DE LAGE LANDEN FINANCIAL SERVICES	394.81	0.00	394.81
105818	03/10/2022	63991	DELL SERVICE SALES	518.00	0.00	518.00
105819	03/10/2022	3199	EDCO WASTE SERVICES LLC	6,614.85	0.00	6,614.85
105820	03/10/2022	5069	FACTORY GRAPHICS INC.	511.63	0.00	511.63
105821	03/10/2022	65038	FED EX OFFICE & PRINT SVCS INC	606.36	0.00	606.36
105822	03/10/2022	63519	FLUE STEAM INC	523.00	0.00	523.00
105823	03/10/2022	4641	FONTELA. THAO	729.30	0.00	729.30
105824	03/10/2022	4884	FRONTIER CALIFORNIA INC.	2,666.81	0.00	2,666.81
105825	03/10/2022	33150	GRAINGER W W INC	584.41	0.00	584.41
105826	03/10/2022	35477	HARA M LAWNMOWER CENTER	283.90	0.00	283.90
105827	03/10/2022	42031	HOME DEPOT	901.07	0.00	901.07
105828	03/10/2022	58756	JENKINS. MICHAEL	202.43	0.00	202.43

**CITY OF LAKEWOOD
SUMMARY CHECK REGISTER**

CHECK #	CHECK DATE	VEND #	VENDOR NAME	GROSS	DISC.	CHECK AMOUNT
105829	03/10/2022	4622	JHM SUPPLY INC	140.03	0.00	140.03
105830	03/10/2022	53365	KENNY'S AUTO SERVICE	152.00	0.00	152.00
105831	03/10/2022	18550	LAKEWOOD. CITY OF	200.00	0.00	200.00
105832	03/10/2022	18400	LAKEWOOD. CITY WATER DEPT	802.75	0.00	802.75
105833	03/10/2022	4783	LANDCARE HOLDINGS INC	7,808.00	0.00	7,808.00
105834	03/10/2022	2409	LIFTECH ELEVATOR SERVICES INC	406.00	0.00	406.00
105835	03/10/2022	20300	LONG BEACH CITY GAS & WATER DEPT	250.51	0.00	250.51
105836	03/10/2022	3564	LONG BEACH. CITY OF	400.08	0.00	400.08
105837	03/10/2022	62156	LOS ANGELES CO SANITATION DISTRICTS	357.37	0.00	357.37
105838	03/10/2022	5235	LTAS TECHNOLOGIES INC.	4,500.00	0.00	4,500.00
105839	03/10/2022	4745	LUNDERVILLE. GERALD P	128.00	0.00	128.00
105840	03/10/2022	62080	MARKLEY. ELIZABETH	409.50	0.00	409.50
105841	03/10/2022	66339	MC ENROE. BARBARA	260.00	0.00	260.00
105842	03/10/2022	52588	MILLER DON & SONS	356.97	0.00	356.97
105843	03/10/2022	4207	NOVAK. NORA	80.00	0.00	80.00
105844	03/10/2022	4443	O'REILLY AUTOMOTIVE STORES INC	991.53	0.00	991.53
105845	03/10/2022	5203	OC VACUUM INC.	26,272.71	0.00	26,272.71
105846	03/10/2022	47554	OFFICE DEPOT BUSINESS SVCS	105.97	0.00	105.97
105847	03/10/2022	5287	OFFUTT COMPANIES INC.	4.77	0.00	4.77
105848	03/10/2022	4497	PACIFIC COACHWAYS CHARTER SERVICES	562.50	0.00	562.50
105849	03/10/2022	61859	LC PRINGLE SALES INC.	2,559.02	0.00	2,559.02
105850	03/10/2022	5367	OUADIENT LEASING USA. INC.	984.49	0.00	984.49
105851	03/10/2022	39640	RAYVERN LIGHTING SUPPLY CO INC	65.60	0.00	65.60
105852	03/10/2022	4459	READWRITE EDUCATIONAL SOLUTIONS INC	345.15	0.00	345.15
105853	03/10/2022	5045	SAN JUAN. CLYDE J	373.10	0.00	373.10
105854	03/10/2022	47141	STEARNS CONRAD & SCHMIDT CONSLT ENG	6,839.50	0.00	6,839.50
105855	03/10/2022	5230	SITEONE LANDSCAPE SUPPLY. LLC	2,290.67	0.00	2,290.67
105856	03/10/2022	26900	SO CALIF SECURITY CENTERS INC	86.54	0.00	86.54
105857	03/10/2022	5022	MWB COPY PRODUCTS. INC.	115.76	0.00	115.76
105858	03/10/2022	61543	COMPUTER & PERIPHERALS GROUP	143.25	0.00	143.25
105859	03/10/2022	45895	SOUTHEAST WATER COALITION	3,000.00	0.00	3,000.00
105860	03/10/2022	29400	SOUTHERN CALIFORNIA EDISON CO	80,575.09	0.00	80,575.09
105861	03/10/2022	29500	SOUTHERN CALIFORNIA GAS CO	936.24	0.00	936.24
105862	03/10/2022	49529	SPICERS PAPER INC	63.39	0.00	63.39
105863	03/10/2022	5602	ARIZONA MACHINERY LLC	594.15	0.00	594.15
105864	03/10/2022	5180	SUPERCO SPECIALTY PRODUCTS	188.88	0.00	188.88
105865	03/10/2022	2372	TGIS CATERING SVCS INC	1,050.00	0.00	1,050.00
105866	03/10/2022	4364	THE RINKS-LAKEWOOD ICE	126.75	0.00	126.75
105867	03/10/2022	5278	THE TECHNOLOGY DEPOT	149.00	0.00	149.00
105868	03/10/2022	4356	U S BANK PARS ACCT #6746022500	228,714.00	0.00	228,714.00
105869	03/10/2022	35089	UNDERGROUND SERVICE ALERT	118.90	0.00	118.90
105870	03/10/2022	5284	UNIFIRST CORPORATION	60.50	0.00	60.50
105871	03/10/2022	5592	VOORHEES. RONDA	149.50	0.00	149.50
105872	03/10/2022	2416	WAIT. STUART	1,304.18	0.00	1,304.18

**CITY OF LAKEWOOD
SUMMARY CHECK REGISTER**

CHECK #	CHECK DATE	VEND #	VENDOR NAME	GROSS	DISC.	CHECK AMOUNT
105873	03/10/2022	7400	WATER REPLENISHMENT DISTRICT OF	168,691.10	0.00	168,691.10
105874	03/10/2022	5155	WATER SYSTEM SERVICES LLC	610.00	0.00	610.00
105875	03/10/2022	3943	WATERLINE TECHNOLOGIES INC	2,252.82	0.00	2,252.82
105876	03/10/2022	17640	WAXIE ENTERPRISES INC	557.98	0.00	557.98
105877	03/10/2022	60651	WECK ANALYTICAL ENVIRONMENTAL SERVICES I	630.00	0.00	630.00
105878	03/10/2022	62628	WELLS C. PIPELINE MATERIALS	1,524.76	0.00	1,524.76
105879	03/10/2022	37745	WESTERN EXTERMINATOR CO	182.65	0.00	182.65
105880	03/10/2022	35146	WILLDAN ASSOCIATES	48,401.50	0.00	48,401.50
105881	03/10/2022	3837	WORTHINGTON FORD	121.39	0.00	121.39
105882	03/10/2022	3699	CANNICK, SYNDIA	250.00	0.00	250.00
105883	03/10/2022	3699	COLLINS, JAMIE AND PHILIP	146.94	0.00	146.94
105884	03/10/2022	3699	DATTARAY, MAHUA	250.00	0.00	250.00
105885	03/10/2022	3699	FOX, MARTHA	250.00	0.00	250.00
105886	03/10/2022	3699	GONZALEZ, AISHA	250.00	0.00	250.00
105887	03/10/2022	3699	HERNANDEZ, RUBY	250.00	0.00	250.00
105888	03/10/2022	3699	IE INC DBA IPERMIT	61.60	0.00	61.60
105889	03/10/2022	3699	LYTLE, TINA	77.16	0.00	77.16
105890	03/10/2022	3699	PACHECO, ELIZABETH	250.00	0.00	250.00
105891	03/10/2022	3699	PEREZ, ANDREA	250.00	0.00	250.00
105892	03/10/2022	3699	ROGERS, JOHN	66.08	0.00	66.08
105893	03/10/2022	3699	RUCKER, SANDRA	250.00	0.00	250.00
105894	03/10/2022	3699	RUIZ, BIANCA	250.00	0.00	250.00
105895	03/10/2022	3699	SIMON, SYESHIA	250.00	0.00	250.00
105896	03/10/2022	3699	SUNNY CONSTRUCTION CO	2,273.50	0.00	2,273.50
105897	03/10/2022	3699	TORRES, JUSTIN	250.00	0.00	250.00
105898	03/10/2022	3699	VAN DUZER, DOUGLAS	82.00	0.00	82.00
105899	03/10/2022	3699	WEAVER, WINNI	35.69	0.00	35.69
Totals:				<u>754,000.08</u>	<u>0.00</u>	<u>754,000.08</u>

**CITY OF LAKEWOOD
FUND SUMMARY 3/17/2022**

In accordance with section 2521 of the Lakewood Municipal Code there is presented herewith a summary of obligations to be paid by voucher 105900 through 105990. Each of the following demands has been audited by the Director of Administrative Services and approved by the City Manager.

1010	GENERAL FUND	389,973.25
1020	CABLE TV	1,330.98
1025	AMERICAN RESCUE PLAN	58,500.20
1030	CDBG CURRENT YEAR	20.25
1050	COMMUNITY FACILITY	959.26
1070	RETIREE BENEFITS	3,750.00
1621	LA CNTY MEASURE R	1,743.45
1623	LA CNTY MEASURE W	718.80
3001	CAPITAL IMPROV PROJECT FUND	5,614.55
3070	PROPOSITION "C"	154.56
5020	CENTRAL STORES	2,734.36
5030	FLEET MAINTENANCE	40,386.15
7500	WATER UTILITY FUND	291,456.38
8030	TRUST DEPOSIT	690.30
		<hr/>
		798,032.49

Council Approval

Date

City Manager

Attest

City Clerk

Director of Administrative Services

**CITY OF LAKEWOOD
SUMMARY CHECK REGISTER**

CHECK #	CHECK DATE	VEND #	VENDOR NAME	GROSS	DISC.	CHECK AMOUNT
105900	03/17/2022	5563	ACTUARIAL RETIREMENT CONSULTING LLC	3,750.00	0.00	3,750.00
105901	03/17/2022	5567	ALL CITY MANAGEMENT SERVICES, INC.	4,820.40	0.00	4,820.40
105902	03/17/2022	3211	ALL STAR GLASS	278.26	0.00	278.26
105903	03/17/2022	5179	ALS GROUP USA, CORP.	1,784.00	0.00	1,784.00
105904	03/17/2022	4684	AMAZON.COM LLC	419.44	0.00	419.44
105905	03/17/2022	57770	B & H FOTO & ELECTRONICS CORP	165.33	0.00	165.33
105906	03/17/2022	443	B&M LAWN AND GARDEN INC	31.98	0.00	31.98
105907	03/17/2022	4800	BISHOP COMPANY	132.19	0.00	132.19
105908	03/17/2022	48469	BURWELL MICHAEL RAY	1,805.00	0.00	1,805.00
105909	03/17/2022	315	CALIF PUBLIC PARKING ASSOCIATION	250.00	0.00	250.00
105910	03/17/2022	4064	CALIF MUNICIPAL REVENUE &	150.00	0.00	150.00
105911	03/17/2022	6600	CALIFORNIA STATE DEPT OF JUSTICE	32.00	0.00	32.00
105912	03/17/2022	45894	CINTAS CORPORATION	70.03	0.00	70.03
105913	03/17/2022	57070	CITY LIGHT & POWER LKWD INC	3,450.00	0.00	3,450.00
105914	03/17/2022	5214	CLEANCOR HOLDINGS LLC DBA CLEANCOR LNG I	465.00	0.00	465.00
105915	03/17/2022	5368	CAMERON WELDING SUPPLY	278.74	0.00	278.74
105916	03/17/2022	66284	COCHICO, WILFRED Z	70.42	0.00	70.42
105917	03/17/2022	5376	CONSERVATION CORPS OF LONG BEACH	6,720.00	0.00	6,720.00
105918	03/17/2022	4776	CORELOGIC, INC.	60.75	0.00	60.75
105919	03/17/2022	5326	COLOMRICAN, INC.	53.82	0.00	53.82
105920	03/17/2022	27200	DICKSON R F CO INC	49,895.24	0.00	49,895.24
105921	03/17/2022	5229	DUNRITE PEST CONTROL INC.	260.00	0.00	260.00
105922	03/17/2022	5157	INTERNATIONAL E-Z UP INC	5,175.52	0.00	5,175.52
105923	03/17/2022	52316	FEDERAL EXPRESS CORP	147.60	0.00	147.60
105924	03/17/2022	4947	FILE KEEPERS, LLC	21.40	0.00	21.40
105925	03/17/2022	5006	FREMONTIA HORTICULTURAL, INC	381.47	0.00	381.47
105926	03/17/2022	59433	GANAHL LUMBER COMPANY	110.87	0.00	110.87
105927	03/17/2022	4422	GARIBALDO'S NURSERY	121.28	0.00	121.28
105928	03/17/2022	34845	GLASBY MAINTENANCE SUPPLY CO	110.25	0.00	110.25
105929	03/17/2022	5257	GRANITE TELECOMMUNICATIONS, LLC	85.08	0.00	85.08
105930	03/17/2022	5272	GREENE BACKFLOW	120.00	0.00	120.00
105931	03/17/2022	5636	HDL SOFTWARE LLC	51,930.00	0.00	51,930.00
105932	03/17/2022	49520	HINDERLITER DE LLAMAS & ASSOC	2,688.88	0.00	2,688.88
105933	03/17/2022	4880	HODGE PRODUCTS INC.	264.05	0.00	264.05
105934	03/17/2022	42031	HOME DEPOT	2,224.38	0.00	2,224.38
105935	03/17/2022	4622	JHM SUPPLY INC	32.99	0.00	32.99
105936	03/17/2022	4180	JONES RICHARD D. A PROF LAW CORP	6,728.96	0.00	6,728.96
105937	03/17/2022	2956	KICK IT UP KIDZ, LLC	580.45	0.00	580.45
105938	03/17/2022	43815	KRUSEMARK, LEEANNE	52.65	0.00	52.65
105939	03/17/2022	18550	LAKEWOOD, CITY OF	590.30	0.00	590.30
105940	03/17/2022	2409	LIFTECH ELEVATOR SERVICES INC	406.00	0.00	406.00
105941	03/17/2022	45069	LOS ANGELES CO/DEPT PW BLDG SVCS	72,958.87	0.00	72,958.87
105942	03/17/2022	36844	LA COUNTY DEPT OF PUBLIC WORKS	15,029.20	0.00	15,029.20
105943	03/17/2022	3961	MALIKSI, MENESES	55.00	0.00	55.00

**CITY OF LAKEWOOD
SUMMARY CHECK REGISTER**

CHECK #	CHECK DATE	VEND #	VENDOR NAME	GROSS	DISC.	CHECK AMOUNT
105944	03/17/2022	66339	MC ENROE, BARBARA	234.00	0.00	234.00
105945	03/17/2022	332	MERRIMAC PETROLEUM INC	34,138.80	0.00	34,138.80
105946	03/17/2022	5111	MORENO, DANNY	450.00	0.00	450.00
105947	03/17/2022	64333	MOSES-CALDERA, ISABEL	374.40	0.00	374.40
105948	03/17/2022	65043	NATEC INTERNATIONAL INC	1,400.00	0.00	1,400.00
105949	03/17/2022	1028	NETWORK INNOVATION ASSOCIATES INC	3,060.00	0.00	3,060.00
105950	03/17/2022	4443	O'REILLY AUTOMOTIVE STORES INC	585.74	0.00	585.74
105951	03/17/2022	47554	OFFICE DEPOT BUSINESS SVCS	371.53	0.00	371.53
105952	03/17/2022	65659	PHASE II SYSTEMS INC	2,930.14	0.00	2,930.14
105953	03/17/2022	4719	JOYCE LOU, INC.	884.14	0.00	884.14
105954	03/17/2022	4790	PNC BANK	271,208.39	0.00	271,208.39
105955	03/17/2022	1919	POLLARD JOSEPH G COMPANY INC	180.08	0.00	180.08
105956	03/17/2022	5367	OUADIENT LEASING USA, INC.	854.84	0.00	854.84
105957	03/17/2022	45437	S & J SUPPLY CO	3,243.78	0.00	3,243.78
105958	03/17/2022	65297	S.T.E.A.M.	12,911.31	0.00	12,911.31
105959	03/17/2022	4309	SAFESHRED	50.00	0.00	50.00
105960	03/17/2022	66280	BARRY SANDLER ENTERPRISES	136.50	0.00	136.50
105961	03/17/2022	4033	SCHRUBBE, JACQUELINE	428.80	0.00	428.80
105962	03/17/2022	51723	SCMAF OFFICE	550.00	0.00	550.00
105963	03/17/2022	47141	STEARNS CONRAD & SCHMIDT CONSLT ENG	4,980.00	0.00	4,980.00
105964	03/17/2022	3153	SECTRAN SECURITY INC	182.20	0.00	182.20
105965	03/17/2022	4468	SHERRARD, DONNA HOUSTON	38.35	0.00	38.35
105966	03/17/2022	5197	SIGNAL HILL AUTO ENTERPRISES INC.	262.40	0.00	262.40
105967	03/17/2022	5230	SITEONE LANDSCAPE SUPPLY, LLC	341.17	0.00	341.17
105968	03/17/2022	26900	SO CALIF SECURITY CENTERS INC	13.23	0.00	13.23
105969	03/17/2022	29400	SOUTHERN CALIFORNIA EDISON CO	10,231.75	0.00	10,231.75
105970	03/17/2022	29450	SOUTHERN CALIFORNIA EDISON	7,698.63	0.00	7,698.63
105971	03/17/2022	52610	SWANK MOTION PICTURES INC	435.00	0.00	435.00
105972	03/17/2022	5297	THURSTON ELEVATOR CONCEPTS, INC.	143.00	0.00	143.00
105973	03/17/2022	1437	U S BANK NATIONAL ASSOCIATION	77.66	0.00	77.66
105974	03/17/2022	1437	U S BANK NATIONAL ASSOCIATION	28,222.54	0.00	28,222.54
105975	03/17/2022	5284	UNIFIRST CORPORATION	30.25	0.00	30.25
105976	03/17/2022	4718	UNITED WATER WORKS INC	493.37	0.00	493.37
105977	03/17/2022	4840	VERITIV OPERATING COMPANY	148.28	0.00	148.28
105978	03/17/2022	33200	WALTERS WHOLESALE ELECTRIC CO	3,955.33	0.00	3,955.33
105979	03/17/2022	5155	WATER SYSTEM SERVICES LLC	175.00	0.00	175.00
105980	03/17/2022	3943	WATERLINE TECHNOLOGIES INC	2,112.67	0.00	2,112.67
105981	03/17/2022	17640	WAXIE ENTERPRISES INC	1,108.78	0.00	1,108.78
105982	03/17/2022	40925	WEST COAST ARBORISTS INC	116,533.50	0.00	116,533.50
105983	03/17/2022	4501	WEST COAST SAND AND GRAVEL, INC.	855.45	0.00	855.45
105984	03/17/2022	35146	WILLDAN ASSOCIATES	50,313.00	0.00	50,313.00
105985	03/17/2022	3699	CANALES, JENNIFER	250.00	0.00	250.00
105986	03/17/2022	3699	GORDON, CASSANDRA	250.00	0.00	250.00
105987	03/17/2022	3699	JENNINGS, MARJORIE	40.68	0.00	40.68

**CITY OF LAKEWOOD
SUMMARY CHECK REGISTER**

CHECK #	CHECK DATE	VEND #	VENDOR NAME	GROSS	DISC.	CHECK AMOUNT
105988	03/17/2022	3699	MORALES, GUADALUPE	40.00	0.00	40.00
105989	03/17/2022	3699	REVELES, SUSIE	100.00	0.00	100.00
105990	03/17/2022	3699	SANCHEZ, RUBEN	250.00	0.00	250.00
Totals:				<u>798,032.49</u>	<u>0.00</u>	<u>798,032.49</u>

**D
I
V
I
D
E
R
S
H
E
E
T**

COUNCIL AGENDA

March 22, 2022

TO: The Honorable Mayor and City Council

SUBJECT: Report of City Council Committees' Activities

INTRODUCTION

A brief update is provided for City Council review on the activities of the following standing committees: Water Resources, Public Safety, Environmental Management, and Capital Improvement Plan committees.

STATEMENT OF FACT

On February 15, 2022, the Water Resources Committee met and discussed:

Water Capital Improvement Program (CIP) Projects Update

- Well 28 – SCE has installed the transformer, installation of variable frequency drive remains. Well anticipated to be in operation by end of March.
- Plant 13 – Phase I construction went smoothly. Foundation was completed in January and installation of treatment vessels commenced. Part of the equipment was manufactured incorrectly but has since been corrected by the manufacturer and received. Completion is estimated beginning week of March with bid packets for phase II design to follow.
- Well 15A Rehab – Delays in delivery of pump and motor has pushed expected receipt to early March. Once installed, well should be in operation the following week.

Water Supply and Water Rights Update

Current fiscal year water sales to Long Beach (production and demand for potable and recycled water) was provided, along with comparisons to the same time-period last year. Water supply decreased about 2% from that of last year due to heavy rain in December 2021. The Agreement to correct Water Replenishment District's accounting error was approved at the January 13 Water Rights Panel meeting. Staff continue ongoing discussions with Cerritos regarding leasing water rights.

Utility Billing and Customer Service – Monthly Update

Call center statistics revealed slight increase in average wait times in January due to staffing shortages. Check from State Water Payment Assistance Program was received on January 11 for the full amount requested. On February 1, staff began posting credits to qualifying accounts. Funds are strictly for water portion of the bill and not retroactive to payments previously received from customers. Deadline to apply credits is March 3 and unused funds must be returned within six months of receipt date. Delinquent notices will be sent around end of May to early June with any needed shut-offs occurring around July. Customers in the second week of January billing cycle experienced delays in receipt of bills; staff along with assistance of bill print vendor, located bills at a U.S. Postal Service sorting center, resolution anticipated by end of day. Staff working with PIO to promote paperless billing.

On February 15, 2022, the Public Safety Committee met and discussed:

Traffic Related Issues Update

Public Works staff provided updates on pedestrian crosswalks at various locations and Public Safety staff discussed challenges to ingress/egress issues in and around Woodruff Ave. and Carson St. as previously requested by the committee.

Crime Trends and Statistics

Citywide Part I crimes in 2021 were lower when compared to 2020. As is the case region wide, grand theft auto crimes continue to be a problem. The Sheriff's Department conducted surveillance operations and increased deputy presence.

Abatement Deputy Update

Updates were provided on clean-up efforts throughout the city. Several encampments were cleared at repeat locations and outreach services were offered. The city is anticipating funding from L.A. County through the Gateway Cities COG that will provide a specialized outreach services position to serve Lakewood, Hawaiian Gardens and Signal Hill and will work closely with the Abatement Deputy with daily efforts.

Public Outreach

Upcoming publicity will focus on auto theft tips and share ways the city has invested in public safety as a priority. The department will also encourage residents to become involved in keeping the community safe. Illegal firework prevention efforts will begin in April.

Use of Force Policy Review

A resolution was recommended to be drafted and reviewed by the committee before being presented to Council for consideration at a later date. The Committee approved presenting the draft resolution to the Council.

Public Safety Department Update

Staff reported various ways Community Safety Officers (CSOs) were proactive with deputy assistance and community involvement. Updates were provided on successful community events.

Public Safety Related Legislation

Staff presented details on Assembly Bill 1599 that proposes a repeal of Proposition 47 by reclassifying petty theft crimes and Assembly Bill 1603 that proposes amending the theft provision of Proposition 47. These bills will be monitored.

Follow-Up Items

Staff presented a Sky Knight written draft proposal for committee review. The committee was impressed with the details.

Aggressive scavenging tactics have been observed in the community. Staff will research enforcement options.

Miscellaneous

Staff will be proactive in response to increased graffiti.

Council Committees' Activities

March 22, 2022

Page 4

Weingart Senior Center Remodel

The proposed floor plan was reviewed. The remodel will address the existing problems, which include: flooring that is aged and in poor condition (a crack is running the length of the Assembly Room); the bathrooms need to be updated; the lighting needs to be updated; window coverings are needed; the planters and trees need to be removed from the lobby; the pool room needs to be reconfigured; and, offices are needed for the facility manager and the lunch program staff, and to create space for residents to meet with social workers and tax preparers. Staff recommends proceeding with the design work for the remodel. The committee concurred.

City Hall Modular Building Update

The floor plan for the new modular building was reviewed. It will include one single use restroom, and office space for four Public Works staff and four Code Enforcement staff. Design is being finalized and the final quote through the purchasing cooperative for purchase of the modular building will be finalized soon. The existing trailer can be re-purposed elsewhere.

West Coast Arborists Contract Negotiations

The current contract extension expires on June 30, 2022. WCA is requesting a 31% increase over the current contract price. There are several factors to consider which explain the large increase: JPIA has recommended shifting liability for tree damage from the city to the contractor; a full inventory of trees is needed, which staff will ask the contractor to complete; changing from a grid trim for all trees to a complete trim for the tree species that require it; trimming some species of trees every two years instead of every four years; and the rising cost of labor. A study session for council will be scheduled prior to requesting contract approval to review the details of the increased costs.

Update on Approved CIP Projects

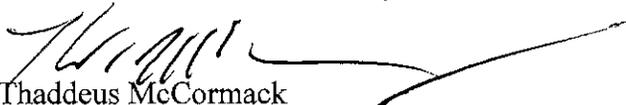
A brief update was given on the Nixon Yard. Staff has reached the owner of the adjacent house to discuss possibly purchasing it to expand the maintenance yard area.

California Uniform Public Construction Cost Accounting Act (CUPCCAA)

The pre-qualification application is ready to go live on our website, and staff will notify contractors to apply to be on our qualified contractor list. Staff will give update at the next CIP Committee meeting and should be able to share the list of qualified contractors to day with the committee.

RECOMMENDATION

It is recommended that the City Council receive and file this report.


Thaddeus McCormack
City Manager

**D
I
V
I
D
E
R

S
H
E
E
T**

COUNCIL AGENDA

March 22, 2022

TO: The Honorable Mayor and City Council**SUBJECT:** Monthly Report of Investment Transactions – February 2022**INTRODUCTION**

In accordance with California Government Code Section 53607, the City Council has delegated to the City Treasurer the responsibility to invest or to reinvest funds, or to sell or exchange securities so purchased. The California Government Code Section 53607 requires that, if such responsibility has been delegated, then the Treasurer “shall make a monthly report of those transactions to the legislative body.” In compliance with this requirement, the Monthly Report of Investment Transactions is being rendered to be received and filed.

STATEMENT OF MONTHLY ACTIVITY

Date	Amount at Cost	Investment	Transaction	Rate*
01-Feb-22	\$698.60	BOND	Interest	1.996%
01-Feb-22	358.05	BOND	Interest	2.046%
01-Feb-22	1,576.80	BOND	Interest	1.971%
01-Feb-22	1.89	MMF	Interest	0.500%
01-Feb-22	1,364.18	BOND	Interest	2.021%
01-Feb-22	395.25	BOND	Interest	0.510%
01-Feb-22	560.43	BOND	Interest	0.773%
01-Feb-22	1,200.60	BOND	Interest	2.001%
01-Feb-22	698.60	BOND	Interest	1.996%
03-Feb-22	138,411.14	CORP	Purchase	3.500%
07-Feb-22	54,998.35	AGENCY	Purchase	1.875%
09-Feb-22	265.63	CORP	Interest	0.750%
10-Feb-22	2,475.00	CORP	Interest	2.750%
12-Feb-22	384.75	CORP	Interest	0.855%
13-Feb-22	6,750.00	AGENCY	Interest	2.500%
13-Feb-22	1,710.00	CORP	Interest	1.800%
14-Feb-22	4,875.00	CORP	Interest	3.250%
14-Feb-22	1,618.75	CORP	Interest	1.750%
14-Feb-22	90,747.11	BOND	Sell	5.000%
14-Feb-22	731,388.34	TREAS	Sell	1.625%
14-Feb-22	704,745.69	TREAS	Purchase	1.250%
15-Feb-22	116,590.75	TREAS	Purchase	1.250%
15-Feb-22	27.82	ABS	Interest	0.550%
15-Feb-22	36.67	ABS	Interest	0.400%

Monthly Investment Transactions

March 22, 2022

Page 2

Date	Amount at Cost	Investment	Transaction	Rate*
15-Feb-22	\$967.50	CORP	Interest	2.150%
15-Feb-22	37.63	ABS	Interest	0.430%
15-Feb-22	39.58	ABS	Interest	0.500%
15-Feb-22	871.88	CORP	Interest	3.875%
15-Feb-22	50.74	ABS	Interest	0.440%
15-Feb-22	4,946.41	ABS	Paydown	0.550%
15-Feb-22	9,330.45	ABS	Paydown	0.440%
15-Feb-22	54.17	ABS	Interest	0.520%
15-Feb-22	112.29	ABS	Interest	0.550%
15-Feb-22	1,667.50	CORP	Interest	2.300%
15-Feb-22	106.33	ABS	Interest	0.580%
15-Feb-22	25.33	ABS	Interest	0.380%
15-Feb-22	247.00	ABS	Interest	1.040%
15-Feb-22	14,218.75	TREAS	Interest	1.625%
15-Feb-22	17.00	ABS	Interest	0.340%
15-Feb-22	95,067.45	ABS	Interest	0.430%
17-Feb-22	2,400,000.00	LAIF	Maturity	0.278%
18-Feb-22	51.01	ABS	Interest	0.370%
20-Feb-22	56.67	ABS	Interest	0.340%
20-Feb-22	18.75	ABS	Interest	0.500%
20-Feb-22	78.33	ABS	Interest	0.470%
20-Feb-22	8,884.07	ABS	Paydown	0.450%
20-Feb-22	35.63	ABS	Interest	0.450%
25-Feb-22	13.71	AGENCY	Interest	3.203%
25-Feb-22	27.19	ABS	Interest	0.480%
25-Feb-22	22.96	ABS	Interest	0.290%
25-Feb-22	13.15	AGENCY	Paydown	3.203%
25-Feb-22	5,437.51	ABS	Paydown	0.480%
25-Feb-22	93,728.88	CORP	Purchase	3.050%
28-Feb-22	92,563.88	CORP	Purchase	1.700%
28-Feb-22	1,500.00	TREAS	Interest	0.500%
28-Feb-22	3,062.50	TREAS	Interest	1.750%
28-Feb-22	3,384.38	TREAS	Interest	2.375%
28-Feb-22	2,812.50	TREAS	Interest	1.125%
28-Feb-22	1,875.00	TREAS	Interest	0.750%
28-Feb-22	5,500.00	TREAS	Interest	1.375%
28-Feb-22	100,349.10	TREAS	Sell	1.375%

* Rates shown for MMF, LAIF, and CAMP are distribution yields. All others are coupon rates.

INVESTMENT GLOSSARY

ABS (Asset-Backed Securities)

A mortgage pass-through security, collateralized mortgage obligation, mortgage-backed or other pay-through bond, equipment lease-backed certificate, consumer receivable pass-through certificate, or consumer receivable-backed bond.

AGENCY (U.S. Government Agency Issues)

Federal agency or United States government-sponsored enterprise 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 are no portfolio percentage limits for U. S. Government Agency issues.

BOND (Municipal Bonds or Note)

Registered treasury notes or bonds issued by states or municipalities, 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 United States, in addition to California.

CAMP (California Asset Management Program)

A Joint Powers Authority established in 1989 by the treasurers and finance directors of several California public agencies to provide an investment pool at a reasonable cost. Participation is limited to California public agencies.

CD (Certificate of Deposit)

Negotiable CDs are issued by large banks and are freely traded in secondary markets as short term (2 to 52 weeks), large denomination (\$100,000 minimum) CDs, that are either issued at a discount on its par value, or at a fixed interest rate payable at maturity.

COM (Commercial Paper)

Commercial paper of "prime" quality of the highest ranking or of the highest letter and number rating as provided for by a nationally recognized statistical-rating organization.

CORP (Corporate Notes)

Medium-term notes, defined as all corporate and depository institution debt securities with a maximum remaining maturity of five years or less, 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.

FNMA (Federal National Mortgage Association)

A government-sponsored, privately owned corporation established to create a secondary market for Federal Housing Administration mortgages.

LAIF (Local Agency Investment Fund, State of California)

The Treasurer of the State of California administers this investment pool, providing a high-level of liquidity and strong safety through diversification of investments.

MMF (Money Market Fund)

This is a money market interest-bearing checking account that is fully insured and collateralized.

SUPRA (Supra-National Agency Bonds or Notes)

Supranational bonds and notes are debt of international or multi-lateral financial agencies. The debt is used to finance economic/infrastructure development, environmental protection, poverty reduction and renewable energy around the globe, rated AAA, highly liquid and issued in a range of maturities.

TREAS (U.S. Treasury Notes)

A Treasury obligation of the U.S. Government to provide for the cash flow needs of the Federal Government.

RECOMMENDATION

It is recommended that the City Council receive and file the Monthly Report of Investment Transactions rendered for the month of February 2022.



Jose Gomez
Director of Finance & Administrative Services



Thaddeus McCormack
City Manager

**D
I
V
I
D
E
R
S
H
E
E
T**

RESOLUTION NO. 2022-13

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
LAKEWOOD EXTENDING A LOCAL EMERGENCY DUE TO THE
COVID-19 VIRUS.

THE CITY COUNCIL OF THE CITY OF LAKEWOOD DOES RESOLVE AS
FOLLOWS:

SECTION 1. On March 24, 2020, the City Council adopted Resolution No. 2020-5, ratifying a Proclamation of a Local Emergency that the City Manager, acting in his capacity as the City's Director of Emergency Services, had issued on March 17, 2020, due to the COVID-19 virus. On May 12, 2020, the City Council adopted Resolution No. 2020-14, extending such Local Emergency. On June 23, 2020, the City Council adopted Resolution No. 2020-35, extending such Local Emergency. On July 28, 2020, the City Council adopted Resolution No. 2020-37, extending such Local Emergency. On September 22, 2020, the City Council adopted Resolution No. 2020-52, extending such Local Emergency. On November 10, 2020, the City Council adopted Resolution No. 2020-58, extending such Local Emergency. On December 8, 2020, the City Council adopted Resolution No. 2020-61, extending such Local Emergency. On January 26, 2021, the City Council adopted Resolution No. 2021-3, extending such Local Emergency. On March 23, 2021, the City Council adopted Resolution No. 2021-6, extending such Local Emergency. On May 11, 2021, the City Council adopted Resolution No. 2021-15, extending such Local Emergency. On June 22, 2021, the City Council adopted Resolution No. 2021-32, extending such Local Emergency. On July 27, 2021, the City Council adopted Resolution No. 2021-38, extending such Local Emergency. On September 14, 2021, the City Council adopted Resolution No. 2021-55, extending such Local Emergency. On November 9, 2021, the City Council adopted Resolution No. 2021-64, extending such Local Emergency. On December 14, 2021, the City Council adopted Resolution No. 2021-60, extending such Local Emergency. On February 8, 2022, the City Council adopted Resolution No. 2022-7, extending such Local Emergency. The City Council hereby extends such Local Emergency, on the same terms and conditions.

SECTION 2. The Local Emergency shall remain in effect until the expiration of the State Declaration of Emergency. The City Council shall review the need for continuing the Local Emergency at least once every 60 days until the City Council terminates the Local Emergency, as required by section 8630 of the California Government Code.

SECTION 3. If any section, subsection, subdivision, paragraph, sentence, clause or phrase in this Resolution, or any part hereof, is held invalid or unconstitutional, such decision shall not affect the validity of the remaining sections or portions of this Resolution. The City Council hereby declares that it would have adopted each section, subsection, subdivision, paragraph, sentence, clause or phrase in this Resolution irrespective of the fact that any one or

more sections, subsections, subdivisions, paragraphs, sentences, clauses or phrases may be declared invalid or unconstitutional.

SECTION 5. The City Clerk shall certify to the adoption of this Resolution.

ADOPTED AND APPROVED THIS 22ND DAY OF MARCH, 2022.

Mayor

ATTEST:

City Clerk

**D
I
V
I
D
E
R

S
H
E
E
T**

COUNCIL AGENDA

March 22, 2022

TO: The Honorable Mayor and City Council

SUBJECT: Authorize Engineering Services – Update of Sewer System Master Plan

INTRODUCTION

Lakewood Sewer System is now over 70 years old. An update of our Sewer System Master Plan is necessary to address the following key issues: sewer improvements constructed since 2006; changes to the City's zoning/land use since 2006; to utilize newer modeling software; to revise the capacity threshold consistent with the proposed Housing Element; and to develop recommended sewer improvements.

STATEMENT OF FACT

The City has an existing Agreement for Engineering Services with Willdan who performs several services for the City, such as general engineering consultation, and design projects for streets, medians, traffic signals, and various other City facilities. It is proposed that the update of our Sewer System Master Plan be authorized under the existing agreement with Willdan that allows for various engineering services at the direction of the City. Willdan prepared the City's Sewer Master Plan in 2006 and has the necessary experience and expertise to complete this effort.

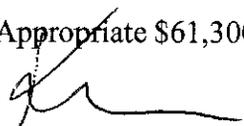
The scope of services for the Sewer System Master Plan Update is outlined in Willdan's proposal dated March 02, 2022. They will review our existing Sewer Master Plan, and research all available record information about our existing system, including system plans, flow measurements, maintenance data, and existing and proposed land use. They will enter the existing sewer modeling data, updated sewer improvements, and zoning/land use information into newer modeling software. They will also perform a hydraulic analysis of the system to determine where the likely deficient areas are located. They will identify inflow and infiltration problems, as well as structural deficiencies, and they will prepare recommended sewer system improvements to replace deficient pipes. The project is expected to take approximately five months to complete.

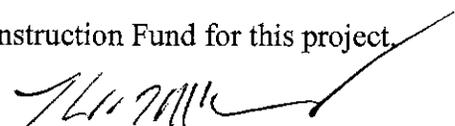
Willdan has proposed a not-to-exceed fee of \$61,300 for the main scope of work for the update to the Master Plan. Sufficient funds are available in the Sewer Reconstruction Fund, which has been growing from the collection of fees associated with development projects in the City.

RECOMMENDATION

That the City Council:

1. Authorize Willdan to update the Sewer System Master Plan under their agreement for Engineering Services, in the amount not to exceed \$61,300.
2. Appropriate \$61,300 from the Sewer Reconstruction Fund for this project.


Kelli Tunnicliff
Deputy Director of Public Works


Thaddeus McCormack
City Manager

**D
I
V
I
D
E
R
S
H
E
E
T**

COUNCIL AGENDA

March 22, 2022

TO: The Honorable Mayor and City Council

SUBJECT: Agreement for 2022 Civic Center Block Party Attractions and Games

INTRODUCTION:

The City of Lakewood will host the Civic Center Block Party on Saturday, June 25, 2022 from 4 p.m. to 9 p.m. Attractions and games will be open from 4 p.m. to 9 p.m., with tickets sales concluding at 8 p.m.

STATEMENT OF FACT

The Civic Center Block Party will return to Lakewood on Saturday, June 25, 2022. The event will offer live entertainment, a Family Fun Zone, Taste of Lakewood food booths and trucks, Shop Lakewood promotional booths and a fireworks show.

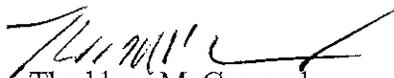
Elite Special Event will provide 15 inflatable attractions and six game booths for the event. Tickets will be sold on site at the event. Wristband providing unlimited use of the attractions and games will be sold for \$35, a family pack of 25 tickets for \$20, and individual tickets for \$1. Attractions and games take 2-4 tickets, depending on the attraction or game.

Staff has worked closely with Elite Special Events to provide attractions and games at past events. The contractor has proven to be trusted, reliable, and provides safe attractions for this and other events in Los Angeles and Orange Counties. The contractor shall pay the city 20% of gross receipts from the event and the city shall incur no out of pocket expenses.

RECOMMENDATION

Authorize the Mayor and the City Clerk to execute the Agreement for the 2022 Civic Center Block Party with Elite Special Events subject to approval as to legal form by the City Attorney.

Valarie Frost, Director *VF*
Recreation and Community Services


Thaddeus McCormack
City Manager

**CITY OF LAKEWOOD
AGREEMENT FOR
2022 CIVIC CENTER BLOCK PARTY**

This Agreement made and entered into this 22nd day of March 2022 by and between CITY OF LAKEWOOD, a municipal corporation (“City”), and ELITE SPECIAL EVENTS, a corporation (“Contractor”).

W I T N E S S E T H

WHEREAS, City has approved and scheduled the Civic Center Block Party; and

WHEREAS, City desires to provide family entertainment and amusements as part of the Civic Center Block Party; and

WHEREAS, Contractor represents that it has the equipment, supplies and technical personnel to provide said family entertainment and amusements; and

WHEREAS, Contractor is desirous of providing said family entertainment and amusements;

NOW, THEREFORE, in consideration of the foregoing recitals and the covenants and Agreements of each of the parties as hereinafter set forth, the parties hereto do mutually agree as follows:

1. **SCOPE OF SERVICES.** Contractor agrees to provide at its own cost and expense:
 - A. Family entertainment and amusements as listed in Exhibit A with the understanding that Contractor may at its request substitute amusements not listed, provided City approval in writing is received for said substitution.
 - B. All necessary personnel, equipment and supplies for this Agreement event including, but not limited to two (2) management staff, set-up crew, various entertainment attractions, generators, and cleanup crew.
 - C. Appropriate and clean uniforms for all Contractor’s employees.
2. **PERFORMANCE.** Contractor shall at all times faithfully, competently and to the best of his/her ability, experience, and talent, perform all tasks described herein. Contractor shall employ, at a minimum, generally accepted standards and practices utilized by persons engaged in providing similar services in meeting its obligations under this Agreement. Generally, accepted standards shall include, but are not limited to, American Society for Testing and Materials (ASTM) F2374-10, Standard Practice for Design, Manufacture, Operation, and Maintenance of Inflatable Amusement Devices
3. **TIME OF PERFORMANCE.** Contractor agrees to provide said family entertainment and amusements to the public on Saturday, June 25, 2022 from 4:00 p.m. – 9:00 p.m. Contractor is to have attractions set-up and ready for inspection by 3 p.m. on Saturday, June 25, 2022. Contractor agrees to stop ticket sales at 8:00 p.m. City reserves the right to change the time, place and manner of said event in any respect at any time prior to thirty (30) days before June 25, 2022.

4. **SET-UP/BREAKDOWN TIME.** City agrees to allow Contractor a period of six hours prior to the event for set-up. City agrees to allow Contractor a period of one and a half hours for breakdown at the conclusion of the event.
5. **COMPENSATION FOR SERVICES.** As compensation for being allowed to operate said family entertainment and amusements, Contractor shall give the City of Lakewood 20% of gross receipts from event and City shall incur no out of pocket expenses.
6. **SUSPENSION OR TERMINATION OF AGREEMENT WITHOUT CAUSE.** City may at any time, for any reason, with or without cause, suspend or terminate this Agreement, or any portion hereof, by serving upon Contractor at least thirty (30) days prior written notice or should it be event date. Contractor agrees to abide by all regulations set forth by the Los Angeles County Department of Public Health to prevent the spread of COVID-19.
7. **INDEPENDENT CONTRACTOR.** Contractor is and shall at all times remain as to City a wholly independent Contractor. The personnel performing the services under this Agreement on behalf of Contractor shall at all times be under Contractor's exclusive direction and control. Contractor shall not at any time or in any manner represent that it or any of its officers, employees, or agents are in any manner or capacity officers, employees, or agents of City. Contractor shall not incur or have the power to incur any debt, obligation, or liability whatever against City, or bind City in any manner. No employee benefits shall be available to Contractor in connection with the performance of this Agreement. City shall not pay salaries, wages, or other compensation to Contractor for performing services hereunder for City. City shall not be liable for compensation or indemnification to Contractor for injury or sickness arising out of performing services hereunder.
8. **NON-DISCRIMINATION IN EMPLOYMENT PRACTICES.** Contractor shall not discriminate in the employment of persons in connection with the performance of services as provided for in this Agreement on the basis of race, color, creed, national origin, sex, ancestry, religion, age or handicaps.
9. **LIABILITIES AND INDEMNIFICATION.** Contractor shall indemnify, defend, and hold harmless City, and its officers employees, and agents (“City indemnitees”), from and against any and all causes of action, claims, liabilities, obligations, judgments, or damages, including reasonable attorneys’ fees and costs of litigation (“claims”), arising from Contractor’s activities in the performance of the services under this Agreement, excepting only those actions, claims, liabilities, obligations, judgments, or damages arising out of the sole negligence of City indemnitees. In the event City indemnitees are made a party to any action, lawsuit, or other adversarial proceeding alleging negligent or wrongful conduct on the part of Contractor:
 - A. Contractor shall provide a defense to City indemnitees or at City’s option reimburse City indemnitees their costs of defense, including reasonable attorneys’ fees, incurred in defense of such claims; and
 - B. Contractor shall promptly pay any final judgment or portion thereof rendered against City indemnitees.

10. **INSURANCE.** Prior to the beginning of and throughout the duration of the placement of any inflatable devices or other equipment, Contractor will maintain insurance in conformance with the requirements set forth below. Contractor will use existing coverage to comply with these requirements. If that existing coverage does not meet the requirements set forth herein, Contractor agrees to amend, supplement or endorse the existing coverage to do so. Contractor acknowledges that the insurance coverage and policy limits set forth in this section constitute the minimum amount of coverage required. Any insurance proceeds available to Contractor in excess of the minimum limits and coverage set forth in this Agreement and which is applicable to a given loss or claim shall be deemed by this Agreement to be applicable to City.

Contractor shall provide the following types and amounts of insurance:

- A. **General liability insurance.** Contractor shall maintain commercial general liability insurance with coverage at least as broad as Insurance Services Office form CG 00 01, in an amount not less than \$1,000,000 per occurrence, \$2,000,000 general aggregate, for bodily injury, personal injury, and property damage. The policy must include contractual liability that has not been amended. Any endorsement restricting standard ISO “insured contract” language will not be accepted.
- B. **Automobile liability insurance.** Contractor shall maintain automobile insurance at least as broad as Insurance Services Office form CA 00 01 covering bodily injury and property damage for all activities of Contractor arising out of or in connection with Work to be performed under this Agreement, including coverage for any owned, hired, non-owned or rented vehicles, in an amount not less than \$1,000,000 combined single limit for each accident. If Contractor owns no vehicles, this requirement may be satisfied by a non-owned auto endorsement to the general liability policy described above. If Contractor or Contractor’s employees will use personal autos in any way on this project, Contractor shall provide evidence of personal auto liability coverage for each such person and an endorsement from their carrier for business use.
- C. **Workers’ compensation insurance.** Contractor shall maintain Workers’ Compensation Insurance (Statutory Limits) and Employer’s Liability Insurance (with limits of at least \$1,000,000).

Contractor shall submit to City, along with the certificate of insurance, a Waiver of Subrogation endorsement in favor of City, its officers, agents, employees and volunteers.

11. **ADDITIONAL INSURANCE PROVISIONS AND REQUIREMENTS**

- A. **Proof of insurance.** Contractor shall provide certificates of insurance to City as evidence of the insurance coverage required herein, along with a waiver of subrogation endorsement for workers’ compensation. Insurance certificates and endorsements must be approved by City’s Risk Manager prior to commencement of

performance. Current certification of insurance shall be kept on file with City at all times during the term of this contract. City reserves the right to require complete, certified copies of all required insurance policies, at any time.

- B. **Duration of coverage.** Contractor shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property, which may arise from or in connection with the performance of the work hereunder by Contractor, his/her agents, representatives, employees or sub consultants.
- C. **Primary/Noncontributing.** Coverage provided by Contractor shall be primary and any insurance or self-insurance procured or maintained by City shall not be required to contribute with it. The limits of insurance required herein 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 before City's own insurance or self-insurance shall be called upon to protect it as a named insured.
- D. **City's Non-compliance.** City's non-compliance with any requirement imposes no additional obligations on City nor does it waive any rights hereunder.
- E. **Requirements not limiting.** Requirements of specific coverage features or limits contained in this section are not intended as a limitation on coverage, limits or other requirements, or a waiver of any coverage normally provided by any insurance. Specific reference to a given coverage feature is for purposes of clarification only as it pertains to a given issue and is not intended by any party or insured to be all inclusive, or to the exclusion of other coverage, or a waiver of any type. If Contractor maintains higher limits than the minimums shown above, City requires and shall be entitled to coverage for the higher limits maintained by Contractor. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to City.
- F. **Notice of cancellation.** Contractor agrees to oblige its insurance agent or broker and insurers to provide to City with a thirty (30) day notice of cancellation (except for nonpayment for which a ten (10) day notice is required) or nonrenewal of coverage for each required coverage.
- G. **Additional insured status.** General liability policies shall provide or be endorsed to provide that City and its officers, officials, employees, and agents, and volunteers shall be additional insureds under such policies. This provision shall also apply to any excess/umbrella liability policies.
- H. **Prohibition of undisclosed coverage limitations.** None of the coverages required herein will be in compliance with these requirements if they include any limiting endorsement of any kind that has not been first submitted to City and approved of in writing.

- I. **Separation of insureds.** A severability of interests provision must apply for all additional insureds ensuring that Contractor's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the insurer's limits of liability. The policy(ies) shall not contain any cross-liability exclusions.
- J. **Pass through clause.** Contractor agrees to ensure that its sub consultants, subcontractors, and any other party involved with the project who is brought onto or involved in the project by Contractor, provide the same minimum insurance coverage and endorsements required of Contractor. Contractor agrees to monitor and review all such coverage and assumes all responsibility for ensuring that such coverage is provided in conformity with the requirements of this section. Contractor agrees that upon request, all agreements with consultants, subcontractors, and others engaged in the project will be submitted to City for review.
- K. **City's right to revise specifications.** City reserves the right at any time during the term of the contract to change the amounts and types of insurance required by giving Contractor ninety (90) days advance written notice of such change. If such change results in substantial additional cost to Contractor, City and Contractor may renegotiate Contractor's compensation.
- L. **Agency's rights of enforcement.** In the event any policy of insurance required under this Agreement does not comply with these specifications or is canceled and not replaced, City has the right but not the duty to obtain the insurance it deems necessary and any premium paid by City will be promptly reimbursed by Contractor or City will withhold amounts sufficient to pay premium from Contractor payments. In the alternative, City may cancel this Agreement.
- M. **Acceptable insurers.** All insurance policies shall be issued by an insurance company currently authorized by the Insurance Commissioner to transact business of insurance or is on the List of Approved Surplus Line Insurers in the State of California, with an assigned policyholders' Rating of A- (or higher) and Financial Size Category Class VII (or larger) in accordance with the latest edition of Best's Key Rating Guide, unless otherwise approved by City's Risk Manager.
- N. **Waiver of subrogation.** All insurance coverage maintained or procured pursuant to this Agreement shall be endorsed to waive subrogation against City, its elected or appointed officers, agents, officials, employees and volunteers or shall specifically allow Contractor or others providing insurance evidence in compliance with these specifications to waive their right of recovery prior to a loss. Contractor hereby waives its own right of recovery against City, and shall require similar written express waivers and insurance clauses from each of its sub consultants.
- O. **Enforcement of contract provisions (non-estoppel).** Contractor acknowledges and agrees that any actual or alleged failure on the part of City to inform Contractor of

non-compliance with any requirement imposes no additional obligations on City nor does it waive any rights hereunder.

- P. **Self-insured retentions.** Any self-insured retentions must be declared to and approved by City. City reserves the right to require that self-insured retentions be eliminated, lowered, or replaced by a deductible. Self-insurance will not be considered to comply with these specifications unless approved by City.
 - Q. **Timely notice of claims.** Contractor shall give City prompt and timely notice of claims made or suits instituted that arise out of or result from Contractor's performance under this Agreement, and that involve or may involve coverage under any of the required liability policies.
 - R. **Additional insurance.** Contractor shall also procure and maintain, at its own cost and expense, any additional kinds of insurance, which in its own judgment may be necessary for its proper protection and prosecution of the work.
12. **SUBCONTRACTING.** Contractor shall not assign the performance of this Agreement, nor any part thereof, without prior written consent of City. Because of the personal nature of the services to be rendered pursuant to this Agreement, only Contractor shall perform the services described in this Agreement.
13. **GENERAL RESPONSIBILITIES.** Contractor agrees that the development, presentation and maintenance of the Civic Center Block Party family entertainment and amusements shall be its sole responsibility. It is further agreed and understood, however, that the time, place and manner of said presentation, any fees or charges for said presentation, and the overall format of said presentation shall be subject to the approval of City, and City reserves the right to terminate said presentation at any time, or to change the time, place and manner of said presentation in any respect at any time, without further notice in the reasonable discretion of the responsible City officer serving as representative of City when that officer has determined such termination is necessary for the public health, safety, convenience or welfare.
14. **UNDUE INFLUENCE.** Contractor declares and warrants that no undue influence or pressure is used against or in concert with any officer or employee of City in connection with the award, terms or implementation of this Agreement, including any method of coercion, confidential financial arrangement, or financial inducement. No officer or employee of City will receive compensation, directly or indirectly, from Contractor, or from any officer, employee or agent of Contractor, in connection with the award of this Agreement or any work to be conducted as a result of this Agreement. Violation of this Section shall be a material breach of this Agreement entitling City to any and all remedies at law or in equity.
15. **ASSUMPTION OF RISK.** Contractor does hereby assume all risk to itself, its personnel, subcontractors, and agents and employees thereof, of personal injury or death, and all risk of property damage or loss to any property, wares, or materials of the foregoing from whatever source, and said Contractor further releases City, City Council, and all officers and

employees thereof, from any liability therefor, or for contribution as a joint tort feisor therefor.

16. **WASTE.** Contractor shall not utilize any of the grounds, buildings or premises of City so as to commit waste, and where damaged by it shall restore the same to the same condition it was in prior to the commencement of this Agreement, reasonable wear and tear excepted.
17. **LEGAL RESPONSIBILITIES.** Contractor shall keep itself informed of State and Federal laws and regulations, which in any manner affect those employed by it or in any way, affect the performance of its service pursuant to this Agreement. Contractor shall at all times observe and comply with all such laws and regulations. City, and its officers and employees, shall not be liable at law or in equity occasioned by failure of Contractor to comply with this section.
18. **LAWS, ORDINANCE, LICENSES AND PERMITS.** Contractor shall comply with all applicable laws, ordinances and codes of the State, County, and City and Contractor shall obtain, at Contractor's cost, all necessary licenses, permits and approvals for said attractions. Contractor is exempt from obtaining a City business license for the Fest-of-All Community Special Event. At all times during the term of this Agreement, Contractor shall have in full force and effect, all licenses required of it by law for the performance of the services described in this Agreement.
19. **GOVERNING LAW.** City and Contractor understand and agree that the laws of the State of California shall govern the rights, obligations, duties, and liabilities of the parties to this Agreement and also govern the interpretation of this Agreement. Any litigation concerning this Agreement shall take place in the municipal, superior, or federal district court with jurisdiction over City.
20. **ENTIRE AGREEMENT.** This Agreement contains the entire understanding between the parties relating to the obligations of the parties described in this Agreement. All prior or contemporaneous agreements, understandings, representations, and statements, oral or written, are merged into this Agreement and shall be of no further force or effect. Each party is entering into this Agreement based solely upon the representations set forth herein and upon each party's own independent investigation of any and all facts such party deems material.
21. **AUTHORITY TO EXECUTE THIS AGREEMENT.** The person or persons executing this Agreement on behalf of Contractor warrants and represents that he/she has the authority to execute this Agreement on behalf of Contractor and has the authority to bind Contractor to the performance of its obligations hereunder.
22. **NOTICES.** Any written notice to the parties hereto shall be deposited in the United States mail, postage prepaid, addressed as follows:

City

City Manager
City of Lakewood
5050 Clark Avenue

Lakewood, California 90712

Contractor

Ted Holcomb
Elite Special Events
11278 Los Alamitos Blvd. #101
Los Alamitos, CA 90720
(562) 799-7737

IN WITNESS WHEREOF, the parties hereto have executed this Agreement, in duplicate, on the month, day, and year first above written.

City of Lakewood

City Manager
City of Lakewood
5050 Clark Avenue
Lakewood, California 90712
(562) 866-9771

Contractor

(Legal Signature)

(Name Printed)

(Title)

(Address)

(City, State, Zip Code)

(Telephone)

APPROVED AS TO FORM:

By _____
City Attorney

EXHIBIT A
AMUSEMENTS AND GAMES TO BE PROVIDED
FOR LAKEWOOD'S CIVIC CENTER BLOCK PARTY

Under the terms of this Agreement, Contractor's services will be retained by City. This Agreement is authorization for the Contractor to place inflatable amusement devices at specified locations in, on or about City owned park or other facility authorized for use by City.

LIST OF AMUSEMENTS AND GAMES FOR LAKEWOOD'S CIVIC CENTER BLOCK PARTY

1	Two (2) Inflatable Rock Walls
2	Two (2) Inflatable Slides
3	One (1) Obstacle Course
4	Three (3) Bouncers
5	One (1) Mechanical Bull
6	One (1) Jousting Competition
7	Six (6) Game Booths
8	One (1) Radar Speed Pitch
9	One (1) Batter Up Baseball
10	One (1) Bungee Trampoline
11	One (1) Laser Tag
12	One (1) Wrecking Ball
13	Ten (10) Generators
14	Eighteen (18) Attendants

**D
I
V
I
D
E
R
S
H
E
E
T**

COUNCIL AGENDA

March 22, 2022

TO: The Honorable Mayor and City Council

SUBJECT: Purchasing Policy Update

INTRODUCTION

The City maintains a comprehensive purchasing policy reflective of the City's municipal code, related resolutions, past practice, and best practices in the industry.

STATEMENT OF FACT

The City Council periodically updates the Purchasing Policy, with the last formal update in September 2018. The recommended changes presented herein are relatively minor, aligning the policy to more current procurement practices and protocols.

The most prominent of the proposed changes is the addition of a provision when receiving bids from local vendors, where the amounts the City receives in Bradley-Burns and Measure L sales tax revenue from a local purchase will be taken into consideration when evaluating and awarding a bid.

There are several other minor changes in the updated policy. They include: slightly modifying the disposition of surplus supplies & equipment, adding signors to the petty cash approval process, and the inclusion of the recently-approved California Uniform Public Construction Cost Accounting Act (CUPCCAA) provision under the Public Works Projects section of the policy.

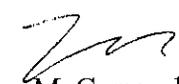
The Purchasing Policy is among a number of City policies relating to finance and accounting functions. This policy, along with other previously adopted policies, is included in the City's adopted budget book.

A "red line" version highlighting the proposed changes to the Purchasing Policy is included.

RECOMMENDATION

It is recommended that the City Council adopt the proposed Resolution amending the Purchasing Policy as presented.


Jose Gomez
Director of Finance and Administrative Services


Thaddeus McCormack
City Manager

RESOLUTION NO. 2022-14

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
LAKEWOOD ADOPTING A REVISED PURCHASING
POLICY.

THE CITY COUNCIL OF THE CITY OF LAKEWOOD HEREBY RESOLVES AS
FOLLOWS:

SECTION 1. The City Council hereby adopts the revised "Purchasing Policy" attached hereto as Exhibit "A" as the official Purchasing Policy of the City of Lakewood. In the event of any conflict between such Purchasing Policy and any other City Ordinance, Resolution or policy, the provisions of the attached Purchasing Policy shall prevail.

SECTION 2. If any section, subsection, subdivision, paragraph, sentence, clause or phrase in this Resolution, or any part hereof, is held invalid or unconstitutional, such decision shall not affect the validity of the remaining sections or portions of this Resolution. The City Council hereby declares that it would have adopted each section, subsection, subdivision, paragraph, sentence, clause or phrase in this Resolution irrespective of the fact that any one or more sections, subsections, subdivisions, paragraphs, sentences, clauses or phrases may be declared invalid or unconstitutional.

SECTION 3. The City Clerk shall certify to the adoption of this Resolution.

ADOPTED AND APPROVED THIS 22ND DAY OF MARCH, 2022.

Mayor

ATTEST:

City Clerk

CITY OF LAKEWOOD Purchasing Policy

PURPOSE

The purpose of this policy is to emulate best practices in purchasing procedures.

OBJECTIVES

The objective of this policy is to establish an efficient procedure for the purchase of supplies and equipment, and procurement of services, and references purchase/acquisition of real property and contracting for the construction of public works projects consistent with state law. These procedures shall not be overly time consuming and cumbersome, while allowing the City to obtain the best professional services, and acquire quality supplies, general services, and equipment in an overall economic manner at the lowest reasonable cost.

TABLE OF CONTENTS

PAGE

Overview	2
Duties of the Purchasing Officer	2
Procedures	3
Estimates of Requirements	3
Requisitions	3
Purchase Orders	3
Encumbrance of Funds	4
Purchases on Behalf of the City	4
Award of Contracts: General or Professional Services	4
General Service Contracts	5
Professional Service Contracts	5
Award of Contracts Based Upon Competence	6
Waive Competition	7
Franchise Agreements and Services Provided by Franchise Operators	7
Bidding: Supplies and Equipment	8
Cooperative, Piggyback, and Multiple Awarded Bid Purchasing with Other Agencies	9
Staging of Purchases Prohibited	10
Recycling Supply Products Specification	10
Purchase Local Specification	10
Disposition of Surplus Supplies and Equipment	10
Sole Source Purchases	11
Petty Cash and Reimbursements	11
Travel Requests and Expenses	12
Visa Cal-Card Purchases	15
Purchasing Cards	17
Purchase/Acquisition of Real Property, and Public Works Projects	18
Exemptions	19
Emergency Procedure	20
Waiving of Purchasing Procedures	20
Summary	22
Glossary	23

OVERVIEW

In accordance with the provisions of Sections 54201 and 54204 of the Government Code of the State of California, and the procedures in this policy; the authority for the purchase of supplies, equipment, and services is vested in the Purchasing Officer and such procedures and policies shall govern all purchases of supplies and equipment.

The provisions of this policy apply to the purchase of supplies, equipment, services, and references the purchase of real property as prescribed by state and federal law, and public works projects as defined by Section 37901 of the Government Code. This policy identifies binding documents such as contracts, agreements and letter agreements as "contract(s)".

The provisions of this policy do not apply to the purchase of supplies, equipment, and professional services where the City Council has, by contract or resolution, contracted for or transferred the authority to make the purchase of supplies, equipment, and services to another governmental agency or officer and where the other governmental agency or officer, in the purchase of supplies, equipment, and services, follows to the satisfaction of the purchasing officer this policy and procedures in substantial compliance with provisions of Sections 54201 and 54204 of the Government Code of the State of California.

Duties of the Purchasing Officer

The City Manager, or his/her authorized representative(s), shall act as the City's Purchasing Officer and be responsible for the purchase of all supplies, equipment and services for all departments and divisions of the City. The duties of the Purchasing Officer may be combined with those duties of any other officer or position in the City. The Purchasing Officer shall have the authority and duty to:

- (a) Purchase or contract for needed City supplies, equipment and services, which are not included within a construction contract or proposed specifications for a construction contract of public work being administered by any other City department;
- (b) Investigate, keep knowledgeable about, negotiate, and recommend on the execution of contracts or the purchasing of supplies, equipment and services pursuant to the procedures of this policy, and such administrative rules and regulations as prescribed by the City Council;
- (c) Keep informed of current developments concerning purchasing, prices, market conditions, and new products and services;
- (d) Prescribe and maintain such forms and procedures as necessary for the proper operation of the purchasing and contracting system;
- (e) Operate and maintain the warehouse and designated storage facilities of the City and such control records as are necessary for the proper inventory of stocks and supplies;
- (f) Inventory and keep a record of all purchases and supplies of the City;

- (g) Maintain up-to-date bidder's list, vendor's catalogs, files, and such other records as needed to perform these duties;
- (h) Ensure that purchasing specifications are written to encourage full competition, as such, he/she shall negotiate and recommend execution of contracts for the purchase of supplies, equipment, and services and seek the needed quality at least expense to the City, and discourage collusive bidding and endeavor to obtain as full and open competition as possible on all purchases;
- (i) Inspect supplies and equipment delivered, and contractual services performed, to determine their conformance with the specifications set forth in the order or contract. Purchasing Officer shall have authority to require chemical and physical tests of samples submitted with bids and samples of deliveries which are necessary to determine their quality and conformance with specifications;
- (j) The Purchasing Officer shall submit a report to the City Council quarterly on all such equipment and vehicle purchases over \$5,000;
- (k) Recommend the transfer of surplus or unused supplies and equipment between departments as needed and the sale of all supplies and equipment which cannot be used by any agency or which have become unsuitable for City use;
- (l) Review and monitor service contracts to ensure adherence to contractual terms, limitations and deadlines, and that service contracts are being performed with requisite quality, on time and within budget. Maintain a positive relationship with the service providers and/or companies. Assure customers are satisfied with the service under the contract;
- (m) Perform such other tasks as may be necessary for the proper conduct of purchasing of supplies, equipment, and services.

PROCEDURES

Estimates of Requirements

All Department Heads shall file detailed estimates of their requirements in supplies, equipment and services in such a manner, at such time, and for such future periods as the City Manager shall prescribe.

Requisitions

Department Heads or their designees shall submit requests for supplies, equipment and services to the Purchasing Officer by the standard requisition electronic entry procedure.

Purchase Orders

The purpose of a purchase order is to ensure compliance with this Purchasing Policy.

- (a) Purchases of supplies and equipment shall be made only by purchase order issued by the Purchasing Officer.
- (b) Securing of services shall be made by purchase order for an amount under \$5,000. Purchases of services shall be made by contract if equal to or in excess of \$5,000.

Encumbrance of Funds

Except in cases of urgency or emergency as described in this policy, the Purchasing Officer shall not issue any purchase order or contract, for the purchase of supplies, equipment, and services unless there exists an unencumbered appropriation in the fund account against which such purchase is to be charged or City Council has authorized said purchase.

Purchases on Behalf of the City

Purchases may be made on behalf of the City through any governmental entity, including, but not limited to, the State of California, the County of Los Angeles, other cities or special districts, provided that the government entity acquiring the supplies, equipment or service substantially adheres to the procedures for the purchase of supplies, equipment, and professional services set forth in this policy.

AWARD OF CONTRACTS: GENERAL OR PROFESSIONAL SERVICES

Except as provided by this policy, the procurement of services not included in the construction contract or bid specification for a public works project shall be by Request for Proposal/Qualifications (RFP/Q) procedure as provided in this policy, and shall be made as follows:

- (a) Contracts, as referenced in this policy, represent all written contracts, agreements or letter agreements, rate schedules, and amendments. All written contracts, agreements or letter agreements shall be approved by City Attorney as to form.
- (b) All service contracts shall require the provider to meet the California Joint Powers Insurance Authority's insurance coverage recommendations, unless deemed inappropriate by the Risk Manager and/or City Attorney who will then determine the appropriate insurance coverage.
- (c) A Department Head may approve the contracting for services up to \$5,000 with qualified consultants/firms.
- (d) Services provided for an amount over \$1,000, but under \$5,000 may be secured by purchase order and approved by the Department Head.
- (e) A contract shall be prepared for all general or professional services for the amount of \$5,000 and over.
- (f) Services secured by contract for an amount greater than \$5,000 and under \$20,000 shall be approved and/or awarded by the City Manager.
- (g) Services secured by contract with a dollar amount equal to or exceeding \$20,000 shall be approved and/or awarded by City Council.
- (h) Contract amendments. An Amendment shall be used to modify the contract documents regarding contract price, schedule of payments, completion date, plans and specifications, expanding scope of work due to change in conditions, and for unit price overruns and under runs, as specified in the contract. Work description and justification should relate to the

original project and should be necessary to achieve original scope of project. After a determination that costs is merited by developments in a specific project, the City Manager is authorized to issue Amendments up to the contract contingency amount approved by the City Council for the individual contract as follows:

- (1) If the contract was originally executed for an amount under \$20,000, the City Manager shall have the authority to issue Contract Amendments, provided that the sum of all amendments, plus original contract amount, shall not exceed \$20,000. If the amended contract will exceed \$20,000, City Council shall approve the contract amendment.
- (2) Once the original contract plus all accumulated Amendments is in an amount that exceeds \$20,000, subsequent Amendments must be approved by City Council prior to commencing the work.
- (3) For a contract originally executed for an amount in excess of \$20,000 and originally approved by City Council, the City Manager shall have authority to issue Amendments, provided that the sum of all contract amendments for any single contract shall not exceed the limit approved by City Council. If the amended contract will exceed the limit previously approved by City Council, the contract amendment must be approved by City Council.
- (4) Any single Amendment which results in the total contract exceeding \$20,000 must be approved by City Council prior to commencing with the work. In urgency situations where stopping the work will result in severe repair or replacement delays and subject the City to excessive additional costs due to the delay in the project, and City Manager may approve such a Amendment and shall give notice to City Council at the next City Council meeting.

General Services Contracts

General services contracts are to be used for routine, recurring, and usual work and for services which do not require any unique skill, special background or training, and obtaining such services at the lowest cost should be the single most important factor in selection, which is to include long-term and opportunity costs.

General Service Contracts shall be procured either through the purchasing bid process or Request for Proposal/Qualification (RFP/Q) process with the emphasis on awarding to the "lowest responsive responsible bidder".

- (a) If it is determined by the Department Head in consultation with the City Manager that all vendors providing a service classification can equally provide the service satisfactorily, a bid process would be appropriate. However, if factors other than price need to be considered in awarding the contract, this becomes a Professional Services Contract.
- (b) General Services shall be awarded based reasonableness of cost, plus qualifications that will impact long-term type costs and/or opportunity costs.
- (c) A Statement of Work shall identify the specific scope of work under contract.
- (d) Task Orders as listed in the Statement of Work shall be issued pursuant to the Maintenance Service Contract and the City Manager shall have authority to execute such Task Order for individual projects.
- (e) General Services Single or Multi-year Contracts may be awarded to multiple service providers following a formal RFP/Q process using the procedures set forth in this policy.

Professional Service Contracts

For those Professional Services as defined in Government Code Section 4526 (and as otherwise amended), professional services contracts and/or multi-year contracts with several consultants with a general scope of work may be set up for a total not-to-exceed dollar amount or an unspecified dollar amount if for on-call type services as approved by City Council. For contracts approved with an unspecified do-not-exceed dollar amount, a fee schedule shall be annually submitted to the City Council for approval.

When factors other than price need to be considered in awarding the contract, this becomes a Professional Services Contract and the Request for Proposal/Qualification (RFP/Q) process may be used. Examples of areas other than price that may be important in awarding the contract include: experience level, competence, resources/equipment, staffing levels, services available/time factors, licenses and other qualifications determined by each City department responsible for recommending the service contract that may be important to consider.

- (a) A formal RFP/Q process shall be used and awarded based on qualifications.
- (b) A Statement of Work shall identify the specific scope of work under contract.
- (c) Task Orders as listed in the Statement of Work shall be issued pursuant to the Professional Service Contract and the City Manager shall have authority to execute such Task Order for individual projects.

Award of Contracts Based Upon Competence

Factors to consider. In contracting for professional services listed in Government Code Section 4526, selection shall be based on demonstrated competence and on professional qualifications necessary for the satisfactory performance of the services and solicited through a Request for Proposal/Qualification process.

In contracting for professional services (other than those listed in Government Code Section 4526), professional services contracts should only be awarded to firms or persons who have demonstrated "adequate competence" meaning: an adequate level of experience, competence, training, credentials, character, integrity, reputation, financial responsibility, resources, equipment, staffing, and other professional qualifications necessary for more than a satisfactory performance of the service required at the time period needed and price. The cost of the service may be considered, however, the lowest cost may not be the sole factor in deciding which firm or who shall be awarded the contract. It may be in the City's best interest to award the contract to a higher priced proposal based on the scope of services, availability, unique skills, licenses, staffing levels, timing, prior experience, familiarity with the City and other factors required by the department. The information needed for determining that level of competence and other qualifications and the procedure for selecting such services shall be determined by the Department Head responsible for recommending the service contract.

- (a) Request for Proposal/Qualifications. The initial acquiring of services shall be procured through negotiated contract following a Request for Proposal/Qualifications (RFP/Q) process. Contracting for services is decentralized and shall be the responsibility of the Department Head requesting the service.
- (b) Contracts for an amount equal to or exceeding \$5,000 but under \$20,000. The requesting department shall meet the following requirement unless an urgency exists pursuant to this policy:

- (1) Selection Process: Prepare an informal written document and contact as many companies as necessary to receive a minimum of three (3) written responses from consultants/firms. The requirement may be waived for good cause in writing by the Department Head and Purchasing Officer as designated by the City Manager in consultation with one another and with the approval of the City Manager.
 - (2) Award: The Department Head shall prepare a written recommendation to the City Manager for the firm or person to be awarded the contract. The City Manager shall award the contract.
 - (3) Contract document. A written contract must be established and approved as to form by the City Attorney, and the City Manager shall sign/approve service contracts exceeding \$5,000 but not more than \$20,000.
- (c) Contract for an amount equal to or exceeding \$20,000. Department Heads shall utilize a Sealed request for Proposal process essentially meeting the following requirements unless an urgency exists pursuant to this policy:
- (1) Request for Proposal/Qualification (RFP/Q) solicitation process. A formal Sealed Request for Proposal/Qualification (RFP/Q) document shall be developed for solicitation of professional, management, or general and special services for an amount exceeding \$20,000.
 - (2) Advertisement. The requesting department shall advertise in appropriate publications and/or contact the consultants/firms previously utilized by the City during the solicitation process.
 - (3) Notice Contents. The notice shall include a description of general type of service needed, how the RFP/Q minimum scope of work can be obtained, any pre-proposal conferences anticipated, the requirement of a written sealed proposal, state the closing date, and place and time for submission of the RFP/Q.
 - (4) Solicitation Procedure. Sealed RFP/Q should be submitted to the Purchasing Officer as identified in the RFP/Q. All proposals shall be analyzed by the requesting department for compliance with RFP/Q requirements, and value of the total scope of services. Follow-up interviews of the most qualified of those submitting a proposal should be held.

Waive Competition

Although the City prefers a competitive process for securing services, in certain circumstances, where the claim can be adequately justified, a RFP/Q Waiver or a Sole Source process may be used.

- (a) The RFP/Q process may be waived if it is determined with acceptable justification that competition is neither practical nor in the best interest of the City.
- (b) The vendor has an established business relationship with the City and has proven to adhere to contractual terms, limitations and deadlines, and the service provided is being performed with requisite quality, on time and within budget.

Franchise Agreements and Services Provided by Franchise Utilities

The City enters into multi-year agreements with utility companies that have infrastructure in the City's right-of-ways or on City facilities. City approved service and/or equipment upgrades by utility operators are exempted from the bidding and RFP/Q processes and can be approved by the City Manager or his/her designee when the increase in projected utility costs to the City is

under \$20,000 per year. If the expected increase in utility costs is greater than \$20,000 per year, the upgrade shall be approved by the City Council.

BIDDING: SUPPLIES AND EQUIPMENT

Except as provided by this policy, purchases of supplies and equipment and the sale of supplies and equipment not included in the construction contract or bid specification for a public works project shall be by bid procedure as provided in this policy, and shall be made as follows:

- (a) Direct Purchase Order. The purchase of supplies and equipment with the estimated value equal to or less than \$20,000, or \$40,000 for vehicles, shall be made by the Purchasing Officer as follows:
 - (1) Procure whenever possible at least three informal bids/quotes or enter into competitive negotiation or purchase through a governmental entity as described in this policy.
 - (2) Solicit bids by written request to prospective vendors, by telephone, or by other notice.
 - (3) Award the bid and purchase said supplies and equipment provided the same is awarded to the lowest responsible bidder and within the budgeted amount therefore.
 - (4) Keep a record of all such bids received and purchases made, which shall be open to public inspection.

- (b) Formal Bid Procedures. Except as otherwise provided, purchases of equipment and supplies of an estimated value greater than \$20,000 or \$40,000 for vehicles per unit shall be awarded by the City Council to the lowest responsive and responsible bidder pursuant to the following procedure:
 - (1) Notice Inviting Bids. Notices inviting bids include a general description of the articles to be purchased or sold, shall state where bid documents and specifications may be secured, and the time and place for opening bids.
 - (i) Published Notice. Notice Inviting Bids shall be given at least ten (10) days before the date of opening of the bids. Notice shall be published at least once in a newspaper of general circulation, printed and published in the City, or if there is none, it shall be posted in at least three public places in the City that have been designated by ordinance as the places for posting public notices.
 - (ii) Bidders' List. The Purchasing Officer shall also solicit sealed bids from all responsible prospective suppliers whose names are on the Bidders' List or who have requested their names be added thereto.

- (c) Bidder's Security. When deemed necessary by the Purchasing Officer, bidder's security may be prescribed in public notices inviting bids. Bidders shall be entitled to return of bid security; provided that a successful bidder shall forfeit his bid security upon refusal or failure to execute the contract within ten (10) days after the notice of award of contract has been mailed, unless the City is responsible for the delay. The City Council may, on refusal or failure of the successful bidder to execute the contract, award it to the next lowest responsible bidder. If the City Council awards the contract to the next lowest bidder, the amount of the lowest bidder's security shall be applied by the City to the difference between the low bid and the second lowest bid, and the surplus, if any, shall be returned to the

lowest bidder.

- (d) Bid Opening Procedure. Sealed bids shall be submitted to the City Clerk and shall be identified as bids on the envelope. Bids shall be opened in public at the time and place stated in the public notices. A tabulation of all bids received shall be open for public inspection during regular business hours for a period of not less than thirty (30) days after the bid opening.
- (e) Rejection of Bids. In its discretion, the City Council may reject any and all bids presented and re-advertise for bids
- (f) Award of Contracts. Contracts shall be awarded by the City Council to the lowest responsive and responsible bidder except as otherwise provided by this policy.
- (g) Tie Bids. If two or more bids received are for the same total amount or unit price, quality and service being equal, the City Council may accept the one it chooses or accept the lowest bid made by negotiation with the tie bidders at the time of the bid opening.
- (h) Performance Bonds. The City Council shall have authority to require a performance bond before entering into a contract in such amount as it shall find reasonably necessary to protect the best interests of the City. If the City Council requires a performance bond, the form and amount of the bond shall be described in the Notice Inviting Bids.

Cooperative, Piggyback, and Multiple Awarded Bid Purchasing With Other Agencies

Purchases may be made on behalf of the City through any governmental entity, including, but not limited to, the State of California, the County of Los Angeles, other cities or special districts, or cooperatives, provided that the entity acquiring the supplies or equipment substantially adhere to the procedures for the purchase of supplies and equipment set forth in this policy.

Approval and award of cooperative, "piggy-back" or multiple awarded purchases shall be obtained by the Purchasing Officer for an amount equal to or less than \$20,000, or \$40,000 for vehicles, and by the City Council for purchases in an amount exceeding \$20,000 or \$40,000 for vehicles.

- (a) Cooperative Purchasing. The bidding requirements in this policy shall not apply to the purchasing of any equipment or supplies which the Purchasing Officer determines to be in the best interest of the City to obtain through a cooperative competitive bidding procedure being prepared by and processed through another local, state, or federal governmental agency.
- (b) Piggyback. If the Purchasing Officer determines it to be in the best interest of the City, the Purchasing Officer is authorized to "piggy-back" onto or join into an existing written purchase contract obtained through a competitive bidding process prepared by and awarded by another local, state or federal government agency.
- (c) Multiple Awarded Bids. Multiple awarded bids are generally conducted by larger government agencies. A competitive bidding process is conducted for a specified product. Several vendors whose product meets the specification are awarded the contract. Maximum item price and contract terms are established. If the Purchasing Officer

determines it to be in the City's best interest, the Purchasing Officer is authorized to use federal, state, or other governmental agency multiple awarded contracts. The Purchasing Officer must obtain quotes from at least three vendors on the awarded contract list and award the bid to the lowest responsive and responsible bidder.

Staging of Purchases Prohibited

Purchases and contracts shall not be knowingly staged or separated into smaller units or segments solely for the purpose of evading the competitive formal or informal bidding requirements of this policy.

Recycled Supply Products Specification

If in procuring supplies, a recycled or recyclable/reusable product can achieve the necessary City performance standard, and if such recycled product is readily available, specifications should, if economically feasible, require products made with recycled materials, or products that are recyclable, be bid. Unless the Department Head determines that:

- (a) A recycled or recyclable/reusable product lacks performance capabilities or needed quality levels.
- (b) A sufficient amount of said recycled or reusable product is not currently available in the market, then a reduced percentage can be required, or the supply specification can be limited to non-recycled or virgin materials.

When recycled products are required, reasonable efforts shall be made to label the products as containing recycled materials. As used in this section, recycled product does not mean used products, but is limited to new products made with materials which have been recycled.

Purchase Local Specification

If in procuring supplies, a locally manufactured and/or product sold within the City of Lakewood can achieve the necessary City performance standard, and if such locally manufactured and/or product sold is readily available, specifications should, if economically feasible, require products locally manufactured and/or sold be bid; unless the Department Head determines that a locally manufactured and/or product sold does not meet required performance capabilities or quality.

In the case of a bid submitted by a vendor located or maintaining a point of sale within the city, the amount the city will receive in sales tax revenue derived from Bradley-Burns and Transactions & Use Tax (Measure L) shall be taken into consideration when making a purchasing decision.

Disposition of Surplus Supplies and Equipment

All Department Heads shall submit to the Purchasing Officer at such times and in such form as he/she prescribes, reports showing all supplies and equipment which are no longer used or which have become obsolete or worn out. The Purchasing Officer shall have authority to sell all supplies and equipment which cannot be used by any department or which have become unsuitable for City use, or trade in the same for new supplies and equipment, or otherwise dispose of the same for, as provided below:

- (a) Supplies and equipment certified by the Department Head as having a value of less than \$500 may be sold or disposed by the Purchasing Officer by current available means.

- (b) Supplies and equipment certified by the Department Head as having value over \$500 shall be sold at auction.
- (c) In the event any such supplies and equipment cannot be disposed of as provided in this policy, at the discretion of the Purchasing Officer, be sold as junk or disposed of by currently available means.
- (d) City employees may not purchase surplus City property directly from the City or any auction service employed by the City unless the City Manager should determine in writing that said employee was not involved in any recommendation or decision-making as to the sale of said property or the value thereof.

SOLE SOURCE PURCHASES

Sole Source Purchases. Unique commodities or services that can be obtained from only one vendor, or one distributor authorized to sell in this area, with singular characteristics or performance capabilities or which have specific compatibility components with existing City products are exempt from the competitive bidding requirements and are deemed sole source purchases. Sole source purchases may include proprietary items sold direct from the manufacturer.

- (a) All sole source purchases shall be supported by written documentation indicating the facts and nature supporting the determination of a sole source, signed by the Department Head and forwarded to the Purchasing Officer. The City Manager shall approve sole source acquisitions in an amount under \$20,000.
- (b) Approval of any sole source acquisition shall be obtained from City Council for an award of a contract for an amount equal to or exceeding \$20,000.

In purchasing equipment and supplies that need to be compatible with existing equipment and supplies, or to perform complex or unique functions, the City Manager and Department Head in consultation with one another may:

- (a) Limit bidding to a specific product type, or a brand name product; or
- (b) Utilize a request for proposal approach where warranties, service and/or maintenance obligations, and product performance will be evaluated in addition to the price of the product or service. The award of the contract should be to the proposer that staff deems is in the best public interest.

PETTY CASH AND REIMBURSEMENTS

For occasional use in securing over-the-counter delivery of miscellaneous supplies which are not regular City stock and which are necessary to fulfill an immediate need of a department, the department head may authorize an employee to make such a purchase and be reimbursed by the City through the use of a petty cash form. Such purchases shall be limited to amounts not exceeding \$75. All petty cash forms must be approved by the Department Head or his/her designee and the Director of Finance and Administrative Services or his/her designee, and be signed by the person receiving the reimbursement.

For miscellaneous items purchased on a regular basis from a single vendor, the Department Head will contact the Purchasing Officer who will establish a purchasing arrangement with such vendors.

Employees who incur miscellaneous expenditures for meetings on an ongoing basis must complete an Individual Expense Report on a monthly basis.

TRAVEL REQUESTS AND EXPENSES

Travel and related expenses are to only occur when there is substantial benefit to the City. The Travel or Conference Authorization Request form must be submitted to and approved by the City Council for officials and by the City Manager for staff prior to the event. For reimbursement and payment for travel expenses, the Travel Request and Expense Report form must be completed by the traveler and approved by the City Council for officials or City Manager for staff. No official or staff shall sustain personal monetary loss as a result of duties performed in the service of the City. However, all expenditures and requests for reimbursement shall logically relate to the conduct of City business and shall be “necessary” to accomplish the purpose of such business and shall be “reasonable” in amount.

(a) Authorized Expenses

City funds, equipment, supplies (including letterhead), titles, and staff time must only be used for the performance of official duties. Such duties include, but are not necessarily limited to:

- (1) Meeting and communicating with representatives of other cities, county/regional, state and national government on City adopted policy positions and discuss the communities’ concerns.
 - (i) Participating in local, county, regional, state and/or national organizations whose activities affect the City’s interest
 - (ii) Attending meetings and participating in activities conducted in conjunction with such meetings, of civic and governmental committees and organizations in which the city has retained membership or has provided funds for the financing thereof
- (2) Business-related meetings or trips where a benefit to the City can be defined, including meetings with staff officials from other cities, and conferences and meetings of the City’s membership organizations
 - (i) Attending City events and meetings with City service providers, both contracted service providers and other public agencies.
 - (ii) Attending meetings to implement a City-approved strategy for attracting or retaining businesses to the City
 - (iii) Attending City-sponsored or co-sponsored events including those requiring an invitation from the sponsoring or co-sponsoring organization
- (3) Attending educational seminars designed to improve the skill and knowledge of officials and staff
- (4) Recognizing service to the City
- (5) Other charity or City-related events or meetings that provide a benefit to the public or the City as authorized by the City Manager for staff or Council for officials.

(b) Non-reimbursable Expenses

- (1) The personal expense portion of any trip
- (2) Family expenses, including partner's expenses when accompanying City staff and/or officials on City-related business, as well as children and/or pet related expenses
- (3) Entertainment expenses, including theater, movies (either in-room or at a theater), attendance at sporting events, or other cultural events that are non-conference events
- (4) Non-mileage personal automobile expenses, including repairs, traffic citations, insurance or fuel
- (5) Other expenses as determined by the City Manager.

(c) Cost Control

To conserve the City's resources and to keep expenses within standards for public officials and staff, travel related expenditures should adhere to the guidelines in this policy. Expenses for which staff or official receives reimbursement from another agency are not reimbursable by the City. The cost borne or reimbursed by the City shall be limited to costs that fall within the listed guidelines:

- (1) Transportation: The most economical mode and class of transportation reasonably consistent with scheduling needs and cargo space requirements must be used, using the most direct and time-efficient route.
 - (i) Airfare: All officials and staff shall utilize coach or economy class accommodations when traveling by commercial airlines. Reservations, where practical, should be made in sufficient advance to receive discount pricing. Increased fees related to late booking or purchasing higher priced refundable tickets may be allowed with a sound business reason such as making changes to tickets to accommodate illness or schedule changes. Officials and staff may at their own expense pay to upgrade their airline accommodations.
 - (ii) Baggage handling fees at the rate charged by the airline or other mass transportation line.
 - (iii) Automobile: The rules regarding expenses relating to the use of Council Members' vehicle in the performance of City duties are set forth in Resolution 2005-39. For appointed officials and staff members, automobile mileage is reimbursed at the Internal Revenue Service (IRS) rate presently in effect. These rates are designed to compensate the driver for fuel, insurance, maintenance, and other vehicle related expenses. The amount does not include bridge and road tolls, which are reimbursable.
 - (iv) Car rental: Rental rates that are equal to or less than those available through the American Automobile Association (AAA) or other standard discount services shall be considered the most economical and reasonable for purposes of reimbursement.
 - (v) Taxis/shuttles: Taxi or shuttle fares may be reimbursed, including a reasonable gratuity per fare, when the cost of such fare is equal to or less than the cost of car rentals, fuel and parking combined, or when such transportation is necessary for time-efficiency.
 - (vi) Garage and parking expenses: Expenses for necessary parking and storage of private, rented or City vehicles may be authorized. Receipts should be provided to obtain reimbursement (except where not available such as

metered parking). Parking in lots at airports or other mass travel related lots may be reimbursed. Officials and staff are encouraged to use parking at non-premium rates unless such parking is inappropriate due to time constraints or safety concerns.

- (2) Lodging: Lodging expenses will be reimbursed or paid when travel on official City business reasonably requires an overnight stay. Where lodging is in connection with a conference or other organized educational activity, reasonable lodging cost shall not exceed the maximum group rate published by the conference or activity sponsor, providing that lodging at the group rate is available at the time of booking. If the group rate is not available, the official or staff member shall be entitled to reimbursement for actual costs of lodging that is comparable in location and quality. Every effort shall be made to secure adequate lodgings that are conveniently located and moderately priced. In many instances, it makes sense to stay at the conference hotel for convenience and safety, and to avoid additional transportation costs. Government discounts and any discounts the official or staff is personally eligible for should always be sought at the time of reservation. The cost of lodging may be paid directly by the City or paid by the official or staff and subsequently reimbursed.
 - (3) Communication and internet service: Officials and staff shall be reimbursed for actual phone, mobile, and internet access expenses incurred as a consequence of City business necessity. Personal calls to the staff or official's family of a reasonable duration may be reimbursed for travel requiring overnight lodging.
 - (4) Meals: IRS reimbursement amounts shall be considered reasonable per se, and expenses incurred beyond such amounts shall be reimbursed only if necessary based upon location, type of venue, nature of event, or extraordinary circumstances.
 - (5) Gratuity: Meal expenses and associated gratuities incurred should be moderate, while taking into account the prevailing restaurant costs of the area.
 - (6) Other: All items of expenses otherwise unclassified shall be considered in this category. Examples are duplicating expenses, publications, and other expenses as necessary when traveling on City business may be allowed and should be included within this classification when requesting reimbursement.
- (d) Reimbursement limitations shall not apply to the following circumstances:
- (1) A conference or meeting at which a set amount is charged for participation in a meal or activity
 - (2) A City-hosted meal or event
 - (3) A business related meal, meeting or event at which the City official or staff member is required to pay more than his/her proportional share of the costs on a reciprocal basis with officials or staff from other cities
 - (4) Expenditure authorized in advance by the City Council at a City Council meeting for officials, or by the City Manager for staff.
- (e) Submission of expense reports and audits:

- (1) All expenses must have prior approval by the City Council for officials and by the City Manager for staff. The Travel or Conference Authorization Request form is used to receive this prior authorization.
- (2) Once the costs are incurred, the Travel Request and Expense Report form with corresponding receipts documenting each expense must be submitted for approval for the official or staff to receive reimbursement. All expenses are subject to verification that they comply with this policy.
- (3) Expense reports and receipts documenting each expense shall be submitted for reimbursement within 30 days of being incurred.
- (4) Each Council Member shall file a brief written report on meetings attended at City expense at the next available City Council meeting.

VISA CAL-CARD PURCHASES

To promote operational efficiency the City has initiated the City's credit card program.

- (a) The VISA Cal-Card program is intended to allow designated City employees to pay for training and travel type expenses, and to purchase occasional services and supplies at or below \$1,000 per transaction using a designated bank issued credit card. The card can be used for internet, telephone or walk-in ordering. Transactions in excess of \$1,000 are only allowed for travel and conference related expenses and must be pre-approved by the City Manager.
- (b) The program does not replace the Purchase Order process. The Purchasing Order process must remain the primary purchasing process for a majority of purchases.
- (c) The credit card is for official government use only subject to transaction limits, authorized vendors, and approved procedures.
- (d) The City Manager is the Program Manager, or his/her designee and sets policies and procedures and card limits. The Program Manager makes the final decision on any dispute or issue concerning the use of the card, and has the authority to suspend the use of any credit card for any reason.
- (e) The Director of Finance and Administrative Services or his or her designee acts as the Program Coordinator and is responsible for the administration and implementation of the Cal Card policies and procedures.
- (f) The card will be issued to the Department Head and Department Head approved managers whose names will appear on the card as the Cardholder. The Cardholder is responsible for the proper use of the card.
- (g) The Program Coordinator will determine the contact person for the timely payment of accounts who will be authorized to make changes on the designated bank's website; such as limit increase/decrease, or adding/deleting card holders. These actions must be pre-approved by the Program Manager or his/her designee.

- (1) Obtaining a credit card
 - (i) The Department Head must submit a "Request for Credit Card" memo to the Program Manager for approval.
 - (ii) The Cardholder must sign for the card.
- (2) Using the credit card
 - (i) Cardholder must complete an orientation course with the servicing bank and sign a Cal Card agreement form. This agreement certifies that the Cardholder understands and accepts his or her responsibilities under the program.
 - (ii) The Cardholder must instruct the vendor to include the Cardholder's name and department and the term "Cal Card" purchase or "credit card" as mode of payment on the shipping label, packing list, and invoice.
 - (iii) Each card is assigned transaction and monthly limits.
 - (iv) The Cardholder is responsible for retaining all supporting documentation (such as packing slips and sales receipts) on all card activities that are reconciled to the monthly Statement of Account. The documentation must be submitted with the Statement of Account to ensure timely payment of purchases.
 - (v) The Cardholder will receive a Statement of Account and must promptly review the statement, certify the statement's accuracy and attach all supporting documentation. The Statement of Account along with the supporting documentation must be submitted to the Program Coordinator within five (5) business days of receipt.
 - (vi) The Program Coordinator or his or her designee will review the card activities and supporting documentation prior to forwarding to the Program Manager for payment approval.
 - (vii) In case of any error in the Statement of Account, the Cardholder must immediately notify the Program Coordinator. The Program Coordinator or his or her designee will be responsible for resolving the error.
 - (viii) If the card is lost or stolen, the Cardholder must immediately notify the issuing bank customer service, at the phone number listed on the back of the card, and the Program Coordinator.
 - (ix) If the card is worn, defective or cancelled, the Cardholder must immediately return the card to the Program Coordinator.
 - (x) The Cardholder is responsible for returning merchandise to the vendor and for receiving the appropriate credit. The credit memo or equivalent must be retained by the Cardholder and submitted along with the Statement of Account to the Program Coordinator.
 - (xi) Personal use of the card is strictly prohibited and is subject to disciplinary action up to and including termination. The cardholder will be immediately required to return the goods to the vendor in full and/or to reimburse the City for the subject amount.
 - (xii) The Program Manager will decide on any issue or conflict on the above policies and procedures.
- (3) Changes to cardholder information. Changes to a cardholder's name, address, or Department/Division must be immediately reported by memo to the Program Coordinator who will request a new credit card if needed.

- (4) Cancellation. Should the Cardholder terminate employment with the City, the Cardholder shall submit his/her credit card and any supporting documentation to his or her Department Head. The Human Resources Division and the Department Head shall notify the Program Coordinator of the termination. The Program Coordinator or his/her designee shall notify the bank.

PURCHASING CARDS

To promote operational efficiency the City has initiated the City's purchase card program.

- (a) The Purchase Card program is intended to allow designated City employees to pay for an item that is not stocked in the purchasing warehouse and the item is needed right away.
- (b) The purchase card is for official government use only subject to transaction limits, authorized vendors, and approved procedures.
- (c) The program does not replace the Purchase Order process. The Purchasing Order process must remain the primary purchasing process for a majority of purchases.
 - (1) Obtaining a credit card
 - (i) The Department Head must submit a "Request for Purchase Card" memo to the Director of Finance and Administrative Services for approval.
 - (ii) The Cardholder must sign for the card.
 - (2) Using the purchase card
 - (i) Cardholder is responsible for the card in their possession and each charge on the card.
 - (ii) The Cardholder must use it only for City related expenses.
 - (iii) If the Purchasing Card is missing, lost or stolen, the Cardholder must immediately contact the Director of Finance and Administrative Services or his/her designee.
 - (iv) If there is an issue while trying to make a purchase transaction, the cardholder is to contact the Director of Finance and Administrative Services.
 - (v) The Cardholder must track all purchases and retain all receipts.
 - (vi) If an item must be returned, the Cardholder is responsible in performing this task. The Cardholder must inform the Director of Finance and Administrative Services to ensure that the refund/credit is in the next invoice.
 - (vii) The Director of Finance and Administrative Services or his/her designee is responsible for resolving questions and issues of Cardholders and/or from the card provider.
 - (viii) The bill and register receipt must include invoice numbers for reference. Each invoice is entered into the requisition system and approval workflow.
 - (ix) The monthly card provider statements listing all transactions conducted for the month are to be reconciled with the outstanding invoices as provided by the Cardholder and ensures that all charges in the statement belong to the City.

- (x) The Director of Finance and Administrative Services by written request from a Department Head has the capability to increase the limit for purchasing cards.
 - (xi) The Director of Finance and Administrative Services is responsible for updating the charge card list per store, and has the capability to issue new cards, and cancel and/or stop the card.
 - (xii) The Director of Finance and Administrative Services is responsible for resolving disputes.
- (3) Changes to a cardholder's name, address, or Department/Division must be immediately reported by memo to the Director of Finance who will request a new credit card if needed.
- (4) Should the Cardholder terminate employment with the City, the Cardholder shall submit his/her credit card and any supporting documentation to his or her Department Head. The Human Resources Division and the Department Head shall notify the Director of Finance and Administrative Services of the termination. The Director of Finance and Administrative Services or his/her designee shall notify the Vendor.

The City has initiated the City's purchase card program with the following vendors: Home Depot and Smart & Final:

- (a) Home Depot and Smart & Final do not accept purchase orders. The City's practice is to pay via a purchase order. The charge card is in lieu of the purchase order.
- (1) Home Depot
- (i) The Home Depot charge card has a limit of \$13,000 per month for the whole City.
 - (ii) Each Cardholder does not have an individualized limit.
 - (iii) Each Home Depot charge card bears the employee's name.
- (2) Smart & Final
- (i) The Smart & Final charge card has a limit of \$10,000 per month for the whole City.
 - (ii) Each Cardholder does not have an individualized limit.
 - (iii) Each Smart & Final charge card bears the City's name.
- (3) Or other Purchase Cards as approved by the Finance and Administrative Services Department.

PURCHASE/ACQUISITION OF REAL PROPERTY

Land acquisition by lease or purchase shall be performed as prescribed by state and federal law.

PUBLIC WORKS PROJECTS

Public Works Projects shall be performed pursuant to State public contract code, inclusive of the California Uniform Public Construction Cost Accounting Act (CUPCCAA) as adopted by the City Council.

EXEMPTIONS

The competitive bid and request for proposal/qualifications (RFP/Q) processes are not applicable to certain purchases. The following are exempt from competitive bid processes:

- (a) Department purchases under \$20,000;
- (b) Travel and expense advances;
- (c) Subscriptions;
- (d) Trade circulars, training materials or books;
- (e) Insurance premiums;
- (f) Insurance claims;
- (g) Reimbursement of expenses;
- (h) Petty cash reimbursement;
- (i) Medical payments;
- (j) Newspaper advertisements and notices;
- (k) Dues to approved organizations;
- (l) Payments to other government units;
- (m) Utility service payments, utility connection and/or installation charges;
- (n) Fuel;
- (o) Attorney services;
- (p) Postage, courier/delivery messenger services;
- (q) Land;
- (r) Buildings;
- (s) Water rights;
- (t) Debt services;
- (u) Grants;
- (v) Claim settlements.

Purchases of supplies and equipment shall be by bid procedure, and the procurement of services shall be by RFP/Q procedure as provided in this policy, with the exception that the Purchasing Officer is hereby given authority to make such purchases and sales, and procurement without further complying with the terms and provisions of this policy where:

- (a) The head of the department involved or the Purchasing Officer certifies that the supply, equipment or service can be obtained from only one vendor, provided first authorized by the City Council.
- (b) Purchase of supplies, equipment and services provided for and sufficiently identified in the Budget approved by the City Council for the current fiscal year not exceeding \$1,000. Such purchases must be approved by the Director of Finance and Administrative Services as to availability of funds and budgetary authorization.
- (c) In case of an emergency which requires that supplies, equipment or service be obtained immediately by purchase, lease, rental or other use arrangement, the Purchasing Officer may secure the same on the open market at the lowest obtainable price without following the procedure specified in the Purchasing Policy, provided, however, that a full report of the circumstances of the emergency and of the necessity or making such an acquisition or procurement shall be filed with the City Council at its next regular meeting following such an acquisition or procurement and shall be subject to ratification by the City Council.

- (d) Emergency, shall mean those cases wherein needed supplies, equipment or services are not on hand or in place and must be procured immediately on the open market at the nearest available source of supply and there is insufficient time to follow the bid or RFP/Q procedure specified in this policy because of:
- (1) There is a great public calamity, or
 - (2) There is immediate need to prepare for national or local defense, or
 - (3) There is a breakdown in machinery or an essential service which requires the immediate purchase of supplies or equipment to protect the public health, safety or welfare, or
 - (4) An essential department operation affecting the public health, safety and welfare would be greatly hampered if the prescribed purchasing procedure would cause an undue delay in procurement of such supplies, equipment or service.

EMERGENCY PROCEDURE

In cases of great emergency as determined by the City Council, including, but not limited to, states of emergency defined in Section 8558 of the Government Code, when repair or replacements are necessary to permit the continued conduct of the operation of services of the City, or to avoid danger to life or property the City Council, by majority vote, may proceed at once to replace or repair any public facility without adopting plans, specification, or working details, or give notice for bids to let a contract(s). The work may be done by City forces, by contract, or by combination of the two. The City Council delegates to the City Manager, the authority to declare a public emergency subject to confirmation by the City Council by a four-fifths (4/5) vote, at its next meeting.

The City's Emergency Operations Plan provides for effective mobilization of all the resources of this City, both public and private, to meet any condition constituting a Local Emergency, State of Emergency, or State of War Emergency. Any expenditure made in connection with Emergency activities, including mutual aid activities, shall be deemed conclusively to be for the direct protection and benefit of the inhabitants and property of the City.

WAIVING OF PURCHASING PROCEDURES

In its discretion, the City Council may at any time, without amending this policy, waive the purchasing procedures or alter these proceedings to fit a specific purchase or contract, when such waiver is not in violation of state or federal law. A request for waiver should occur only when unforeseen circumstances arise that justify an exception to following the provisions of this policy and is in the best interest of the City.

SUMMARY

TYPE	CATEGORY	AUTHORIZATION	FEATURES
OCCASIONAL SUPPLIES & EXPENSES	PETTY CASH NOT TO EXCEED \$75	DEPARTMENT HEAD	<ul style="list-style-type: none"> » For <u>occasional use</u> in securing over-the-counter delivery of miscellaneous supplies which are not regular City stock and which are necessary to fulfill an immediate need of a department, the Department Head may authorize an employee to make such purchase and be reimbursed by the City through the use of petty cash form. Such purchases shall be limited to the amounts <u>not exceeding \$75.00</u>. For miscellaneous items purchased on a regular basis from a single vendor, contact Purchasing Division staff who will establish an appropriate arrangement with such vendors. » Those employees who incur miscellaneous expenditures for meetings on an ongoing basis should complete an Individual Expense Report on a monthly basis.
Reimbursement by the City can only be made through the use of petty cash form submitted and authorized by the Dir. of Fin. & Ad. Svcs.			
SUPPLIES & EQUIPMENT	LESS THAN \$1,000 OVER \$1,000, LESS THAN \$5,000 \$5,000 TO \$20,000 (\$40,000 for vehicles) OVER \$20,000 (over \$40,000 for vehicles)	DEPARTMENT HEAD DEPARTMENT HEAD CITY MANAGER CITY COUNCIL	<ul style="list-style-type: none"> » Item must be budgeted » No Bids required » Item must be budgeted » Whenever possible (this should be 99% of the time) at least three (3) informal bids/quotes must be obtained. Whether received in writing or verbally, a written record of the bid/quote information must be retained. » All bids/quotes shall be kept by the Purchasing Officer and open to public inspection. » Item must be budgeted » Formal bid process <ul style="list-style-type: none"> • Notice Inviting Bids required • Notice must be published in newspaper and posted in three (3) public places • Ten-day notice must be given before opening bids
All departmental requests for supplies and equipment shall be submitted to the Purchase Officer utilizing the standard requisition process. Purchasing supplies and equipment shall be made only by Purchase Order.			
SERVICE AGREEMENTS	LESS THAN \$1,000 OVER \$1,000, LESS THAN \$5,000 \$5,000 TO \$20,000 OVER \$20,000	DEPARTMENT HEAD DEPARTMENT HEAD CITY MANAGER CITY COUNCIL	<ul style="list-style-type: none"> » Item must be budgeted » Department Head signature » Item must be budgeted » Services secured by Purchase Order » Department Head signature » May need approval as to form by the City Attorney » Item must be budgeted » Services secured by Contract, Agreement or Letter » City Manager signature » Approved as to form by the City Attorney » Item must be budgeted » Services secured by Contract or Agreement » Written report submitted to the City Council » Approved as to form by the City Attorney
All departmental requests for services shall be submitted to the City Manager utilizing the standard requisition process. Securing services shall be made only by Purchase Order or Contract.			

TYPE	CATEGORY	AUTHORIZATION	FEATURES
AMENDMENT	10% OR \$20,000, WHICHEVER IS LESS	CITY MANAGER	<ul style="list-style-type: none"> » Item must be budgeted » Applies to: <ul style="list-style-type: none"> • Purchase of Supplies and Equipment • Procurement of Professional Services » City Manager Signature
AMENDMENT	OVER 10% OR \$20,000	CITY COUNCIL	<ul style="list-style-type: none"> » Item must be budgeted » Applies to: <ul style="list-style-type: none"> • Purchase of Supplies and Equipment • Procurement of Professional Services » Written report submitted to the City Council
PURCHASE OF REAL PROPERTY	ANY VALUE	CITY COUNCIL	<ul style="list-style-type: none"> » Item must be budgeted » Obtain appraisal report » May be required to submit proposed acquisition to the Planning and Environment Commission » Written report submitted to the City Council

GLOSSARY

- (a) Bidder's List. "Bidder's List" shall mean a list of responsible prospective vendors capable of providing the items being bid upon.
- (b) Competitive Bid. Transparent procurement method in which bids from competing contractors, suppliers, or vendors are invited by openly advertising the scope, specifications, and terms and conditions of the proposed contract as well as the criteria by which the bids will be evaluated. Competitive bidding aims at obtaining goods and services at the lowest prices by stimulating competition, and by preventing favoritism. In (1) open competitive bidding (also called open bidding), the sealed bids are opened in full view of all who may wish to witness the bid opening; in (2) closed competitive bidding (also called closed bidding), the sealed bids are opened in presence only of authorized personnel.
- (c) Cooperative Bid. "Cooperative Bid" is when several government agencies join together to create one bid document combining all agencies product volume for consideration of the bidder in determining the unit cost.
- (d) Emergency. As determined by the City Council, including, but not limited to, states of emergency defined in Section 8558 of the Government Code, when repair or replacements are necessary to permit the continued conduct of the operation of services of the City, or to avoid danger to life or property, repair or replace any public facility without adopting plans, specification, or working details or give notice for bids to let a contract or Public Works Construction Contract.
- (e) Equipment. "Equipment" shall mean unique supplies, computers, furnishings, machinery, vehicles, rolling stock, and other personal property used in the City's business, which are

not generally and regularly ordered in bulk by the City and which must perform complex tasks, or integrate efficiently with existing equipment.

- (f) General Services. "General Services" are services which do not require any unique skill, special background, training, and obtaining such services at the lowest cost should be the single most important factor in selection, as opposed to personal performance. Examples of general services include uniform cleaning and maintenance services.
- (g) Informal Bids/Quotes. Request for "Informal Bids" or "Quotes" shall mean the gathering of pricing for the same product or service, and is used when the City has determined an exact product or service required to resolve its need, and this product and/or services falls below the dollar value requiring competitive bid or request for proposal.
- (h) Maintenance Work. "Maintenance Work" shall mean:
 - (1) Routine, recurring, and usual work for the cleaning, preservation, or protections of any publicly owned or publicly operated facility for its intended purposes.
 - (2) Minor repainting.
 - (3) Resurfacing of streets and highways at less than one inch.
 - (4) Landscape maintenance, including mowing, watering, trimming, pruning, planting, replacement of plants, and servicing of irrigation and sprinkler systems.
 - (5) Work performed to keep, operate, and maintain publicly owned water or waste disposal systems including, but not limited to, wells and reservoirs.
- (i) Multiple Awarded Bid. When a bid is awarded to more than one vendor for the same or similar products. A multiple awarded bid schedule is usually set up and provides information of product type/brand and vendor who is providing the product.
- (j) Piggyback. Use of another public agency's existing contract to purchase the same product(s) as outlined in the awarding bid document.
- (k) Professional, Management, or Special Services. "Professional," "Management", or "Special Services" shall mean any work performed by an attorney, doctor, architect, engineer, land surveyor, construction manager, appraiser, expert, accounting firm, instructor, consultant or those services such as computer services, golf course operating services, concession services, parking garage operation services, and transportation/transit operator services. Factors for determining whether professional, management, or special services are needed include but are not limited to, services which require professional judgment, licensing, qualified expertise in a specific area of work, or other unique factors other than simply obtaining the service at the lowest cost to the City. Professional Management and Special Services are not subject to the informal, formal or competitive bidding requirements of this policy and may be procured through negotiated contract or Requests for Qualification and/or Proposal process.
- (l) Public Works. "Public Works" shall mean a type of public construction project subject to the regulation of the State Public Contract Code and State Labor Code and as defined in California Labor Code Division 2, Chapter 1, Article 1, Section 1720 and as further amended. Examples of a Public Works Project include:

- (1) The erection, construction of, alteration, major painting, repair, or demolition of public buildings, streets, walkways, water and sewer facilities, drainage facilities, or other public facilities, whether owned, leased, or operated by the City.
 - (2) Furnishing supplies or materials for any of the above works or projects.
 - (3) A public work does not include maintenance work as defined in this article.
- (m) Purchase. "Purchase" shall include the renting, leasing, purchasing, licensing, or a trade of equipment or supplies.
- (n) Purchasing Officer. The "Purchasing Officer," for the purposes of this policy, shall be the City Manager or his/her designated representative.
- (o) Request for Proposal. "Requests for Proposal (RFP)" shall mean requests for a project or professional service. Requests for proposals allow bidders to highlight their experience and knowledge in an area through the proposal itself. Request for proposals list requirements of products or services, such as function, work flow, integration specifications and goals, providing in great detail how the requested product or service will be accommodated. Requests for proposals include a scope of work (SOW), pricing information, price quotes, contract terms and conditions, and detailed reference information. The scope of work describes tasks, products, services and even external factors that may not be required to satisfy the proposal. A request for proposals is developed when the City has discovered a need to resolve an issue, without a specific plan for the way that the need should be fulfilled and allowing vendors to express individual creativity when presenting products or services as a response to a request for a proposal.
- (p) Sealed Bid. "Sealed Bids" shall contain information regarding a project including project parameters and pricing. All entities that submit a sealed bid are not aware of what others have bid. Sealed bids are turned in to the City Clerk. Sealed bids contain the actual pricing associated with the project. Sealed bids allow for all bidders to submit pricing to a the City in a confidential manner. Sealed bids are used to keep bidding results confidential until a winner is selected. Sealed bids are submitted by a specified date and time to the City Clerk.
- (q) Supplies. "Supplies" shall mean office supplies, janitorial supplies, materials, goods, tools, or other commodities used in the general conduct of the City's business, excepting supplies or materials for a public work which is regulated under the California Public Contract Code Sections 20160, et seq.
- (r) Task Order. Supplementary contractual and obligating document that usually includes task description, used in task type contracts, and means a task, delivery, or call order for supplies and/or services placed against an established contract, agreement or blanket purchase order.
- (s) Task Type Contract. Two-part contract in which one part lays down the general provisions of the contract, and the other part (represented by one or more task orders) gives the details of the specific job to be performed.
- (t) Quotes/Informal Bids. Request for "Quotes" or "Informal Bids" shall mean the gathering of pricing for the same product or service, and is used when the City has determined an exact

product or service required to resolve its need, and this product and/or services falls below the dollar value requiring competitive bid or request for proposal.

- (u) Urgency. "Urgency" shall exist when the service, repair, or replacements are immediately necessary to permit the continued performance of the operations or services of the City, or to avoid the immediate danger to life, health, or property.

CITY OF LAKEWOOD Purchasing Policy

PURPOSE

The purpose of this policy is to emulate best practices in purchasing procedures.

OBJECTIVES

The objective of this policy is to establish an efficient procedure for the purchase of supplies and equipment, and procurement of services, and references purchase/acquisition of real property and contracting for the construction of public works projects consistent with state law. These procedures shall not be overly time consuming and cumbersome, while allowing the City to obtain the best professional services, and acquire quality supplies, general services, and equipment in an overall economic manner at the lowest reasonable cost.

TABLE OF CONTENTS

	<u>PAGE</u>
Overview	2
Duties of the Purchasing Officer	2
Procedures	3
Estimates of Requirements	3
Requisitions	3
Purchase Orders	3
Encumbrance of Funds	4
Purchases on Behalf of the City	4
Award of Contracts: General or Professional Services	4
General Service Contracts	5
Professional Service Contracts	5
Award of Contracts Based Upon Competence	6
Waive Competition	7
Franchise Agreements and Services Provided by Franchise Operators	7
Bidding: Supplies and Equipment	8
Cooperative, Piggyback, and Multiple Awarded Bid Purchasing with Other Agencies	9
Staging of Purchases Prohibited	10
Recycling Supply Products Specification	10
Purchase Local Specification	10
Disposition of Surplus Supplies and Equipment	10
Sole Source Purchases	11
Petty Cash and Reimbursements	11
Travel Requests and Expenses	12
Visa Cal-Card Purchases	15
Purchasing Cards	17
Purchase/Acquisition of Real Property, and Public Works Projects	18
Exemptions	19
Emergency Procedure	20
Waiving of Purchasing Procedures	20
Summary	22
Glossary	23

OVERVIEW

In accordance with the provisions of Sections 54201 and 54204 of the Government Code of the State of California, and the procedures in this policy; the authority for the purchase of supplies, equipment, and services is vested in the Purchasing Officer and such procedures and policies shall govern all purchases of supplies and equipment.

The provisions of this policy apply to the purchase of supplies, equipment, services, and references the purchase of real property as prescribed by state and federal law, and public works projects as defined by Section 37901 of the Government Code. This policy identifies binding documents such as contracts, agreements and letter agreements as "contract(s)".

The provisions of this policy do not apply to the purchase of supplies, equipment, and professional services where the City Council has, by contract or resolution, contracted for or transferred the authority to make the purchase of supplies, equipment, and services to another governmental agency or officer and where the other governmental agency or officer, in the purchase of supplies, equipment, and services, follows to the satisfaction of the purchasing officer this policy and procedures in substantial compliance with provisions of Sections 54201 and 54204 of the Government Code of the State of California.

Duties of the Purchasing Officer

The City Manager, or his/her authorized representative(s), shall act as the City's Purchasing Officer and be responsible for the purchase of all supplies, equipment and services for all departments and divisions of the City. The duties of the Purchasing Officer may be combined with those duties of any other officer or position in the City. The Purchasing Officer shall have the authority and duty to:

- (a) Purchase or contract for needed City supplies, equipment and services, which are not included within a construction contract or proposed specifications for a construction contract of public work being administered by any other City department;
- (b) Investigate, keep knowledgeable about, negotiate, and recommend on the execution of contracts or the purchasing of supplies, equipment and services pursuant to the procedures of this policy, and such administrative rules and regulations as prescribed by the City Council;
- (c) Keep informed of current developments concerning purchasing, prices, market conditions, and new products and services;
- (d) Prescribe and maintain such forms and procedures as necessary for the proper operation of the purchasing and contracting system;
- (e) Operate and maintain the warehouse and designated storage facilities of the City and such control records as are necessary for the proper inventory of stocks and supplies;
- (f) Inventory and keep a record of all purchases and supplies of the City;

- (g) Maintain up-to-date bidder's list, vendor's catalogs, files, and such other records as needed to perform these duties;
- (h) Ensure that purchasing specifications are written to encourage full competition, as such, he/she shall negotiate and recommend execution of contracts for the purchase of supplies, equipment, and services and seek the needed quality at least expense to the City, and discourage collusive bidding and endeavor to obtain as full and open competition as possible on all purchases;
- (i) Inspect supplies and equipment delivered, and contractual services performed, to determine their conformance with the specifications set forth in the order or contract. Purchasing Officer shall have authority to require chemical and physical tests of samples submitted with bids and samples of deliveries which are necessary to determine their quality and conformance with specifications;
- (j) The Purchasing Officer shall submit a report to the City Council quarterly on all such equipment and vehicle purchases over \$5,000;
- (k) Recommend the transfer of surplus or unused supplies and equipment between departments as needed and the sale of all supplies and equipment which cannot be used by any agency or which have become unsuitable for City use;
- (l) Review and monitor service contracts to ensure adherence to contractual terms, limitations and deadlines, and that service contracts are being performed with requisite quality, on time and within budget. Maintain a positive relationship with the service providers and/or companies. Assure customers are satisfied with the service under the contract;
- (m) Perform such other tasks as may be necessary for the proper conduct of purchasing of supplies, equipment, and services.

PROCEDURES

Estimates of Requirements

All Department Heads shall file detailed estimates of their requirements in supplies, equipment and services in such a manner, at such time, and for such future periods as the City Manager shall prescribe.

Requisitions

Department Heads or their designees shall submit requests for supplies, equipment and services to the Purchasing Officer by the standard requisition electronic entry procedure.

Purchase Orders

The purpose of a purchase order is to ensure compliance with this Purchasing Policy.

- (a) Purchases of supplies and equipment shall be made only by purchase order issued by the Purchasing Officer.
- (b) Securing of services shall be made by purchase order for an amount under \$5,000. Purchases of services shall be made by contract if equal to or in excess of \$5,000.

Encumbrance of Funds

Except in cases of urgency or emergency as described in this policy, the Purchasing Officer shall not issue any purchase order or contract, for the purchase of supplies, equipment, and services unless there exists an unencumbered appropriation in the fund account against which such purchase is to be charged or City Council has authorized said purchase.

Purchases on Behalf of the City

Purchases may be made on behalf of the City through any governmental entity, including, but not limited to, the State of California, the County of Los Angeles, other cities or special districts, provided that the government entity acquiring the supplies, equipment or service substantially adheres to the procedures for the purchase of supplies, equipment, and professional services set forth in this policy.

AWARD OF CONTRACTS: GENERAL OR PROFESSIONAL SERVICES

Except as provided by this policy, the procurement of services not included in the construction contract or bid specification for a public works project shall be by Request for Proposal/Qualifications (RFP/Q) procedure as provided in this policy, and shall be made as follows:

- (a) Contracts, as referenced in this policy, represent all written contracts, agreements or letter agreements, rate schedules, and amendments. All written contracts, agreements or letter agreements shall be approved by City Attorney as to form.
- (b) All service contracts shall require the provider to meet the California Joint Powers Insurance Authority's insurance coverage recommendations, unless deemed inappropriate by the Risk Manager and/or City Attorney who will then determine the appropriate insurance coverage.
- (c) A Department Head may approve the contracting for services up to \$5,000 with qualified consultants/firms.
- (d) Services provided for an amount over \$1,000, but under \$5,000 may be secured by purchase order and approved by the Department Head.
- (e) A contract shall be prepared for all general or professional services for the amount of \$5,000 and over.
- (f) Services secured by contract for an amount greater than \$5,000 and under \$20,000 shall be approved and/or awarded by the City Manager.
- (g) Services secured by contract with a dollar amount equal to or exceeding \$20,000 shall be approved and/or awarded by City Council.
- (h) Contract amendments. An Amendment shall be used to modify the contract documents regarding contract price, schedule of payments, completion date, plans and specifications, expanding scope of work due to change in conditions, and for unit price overruns and under runs, as specified in the contract. Work description and justification should relate to the

original project and should be necessary to achieve original scope of project. After a determination that costs is merited by developments in a specific project, the City Manager is authorized to issue Amendments up to the contract contingency amount approved by the City Council for the individual contract as follows:

- (1) If the contract was originally executed for an amount under \$20,000, the City Manager shall have the authority to issue Contract Amendments, provided that the sum of all amendments, plus original contract amount, shall not exceed \$20,000. If the amended contract will exceed \$20,000, City Council shall approve the contract amendment.
- (2) Once the original contract plus all accumulated Amendments is in an amount that exceeds \$20,000, subsequent Amendments must be approved by City Council prior to commencing the work.
- (3) For a contract originally executed for an amount in excess of \$20,000 and originally approved by City Council, the City Manager shall have authority to issue Amendments, provided that the sum of all contract amendments for any single contract shall not exceed the limit approved by City Council. If the amended contract will exceed the limit previously approved by City Council, the contract amendment must be approved by City Council.
- (4) Any single Amendment which results in the total contract exceeding \$20,000 must be approved by City Council prior to commencing with the work. In urgency situations where stopping the work will result in severe repair or replacement delays and subject the City to excessive additional costs due to the delay in the project, and City Manager may approve such a Amendment and shall give notice to City Council at the next City Council meeting.

General Services Contracts

General services contracts are to be used for routine, recurring, and usual work and for services which do not require any unique skill, special background or training, and obtaining such services at the lowest cost should be the single most important factor in selection, which is to include long-term and opportunity costs.

General Service Contracts shall be procured either through the purchasing bid process or Request for Proposal/Qualification (RFP/Q) process with the emphasis on awarding to the "lowest responsive responsible bidder".

- (a) If it is determined by the Department Head in consultation with the City Manager that all vendors providing a service classification can equally provide the service satisfactorily, a bid process would be appropriate. However, if factors other than price need to be considered in awarding the contract, this becomes a Professional Services Contract.
- (b) General Services shall be awarded based reasonableness of cost, plus qualifications that will impact long-term type costs and/or opportunity costs.
- (c) A Statement of Work shall identify the specific scope of work under contract.
- (d) Task Orders as listed in the Statement of Work shall be issued pursuant to the Maintenance Service Contract and the City Manager shall have authority to execute such Task Order for individual projects.
- (e) General Services Single or Multi-year Contracts may be awarded to multiple service providers following a formal RFP/Q process using the procedures set forth in this policy.

Professional Service Contracts

For those Professional Services as defined in Government Code Section 4526 (and as otherwise amended), professional services contracts and/or multi-year contracts with several consultants with a general scope of work may be set up for a total not-to-exceed dollar amount or an unspecified dollar amount if for on-call type services as approved by City Council. For contracts approved with an unspecified do-not-exceed dollar amount, a fee schedule shall be annually submitted to the City Council for approval.

When factors other than price need to be considered in awarding the contract, this becomes a Professional Services Contract and the Request for Proposal/Qualification (RFP/Q) process may be used. Examples of areas other than price that may be important in awarding the contract include: experience level, competence, resources/equipment, staffing levels, services available/time factors, licenses and other qualifications determined by each City department responsible for recommending the service contract that may be important to consider.

- (a) A formal RFP/Q process shall be used and awarded based on qualifications.
- (b) A Statement of Work shall identify the specific scope of work under contract.
- (c) Task Orders as listed in the Statement of Work shall be issued pursuant to the Professional Service Contract and the City Manager shall have authority to execute such Task Order for individual projects.

Award of Contracts Based Upon Competence

Factors to consider. In contracting for professional services listed in Government Code Section 4526, selection shall be based on demonstrated competence and on professional qualifications necessary for the satisfactory performance of the services and solicited through a Request for Proposal/Qualification process.

In contracting for professional services (other than those listed in Government Code Section 4526), professional services contracts should only be awarded to firms or persons who have demonstrated "adequate competence" meaning: an adequate level of experience, competence, training, credentials, character, integrity, reputation, financial responsibility, resources, equipment, staffing, and other professional qualifications necessary for more than a satisfactory performance of the service required at the time period needed and price. The cost of the service may be considered, however, the lowest cost may not be the sole factor in deciding which firm or who shall be awarded the contract. It may be in the City's best interest to award the contract to a higher priced proposal based on the scope of services, availability, unique skills, licenses, staffing levels, timing, prior experience, familiarity with the City and other factors required by the department. The information needed for determining that level of competence and other qualifications and the procedure for selecting such services shall be determined by the Department Head responsible for recommending the service contract.

- (a) Request for Proposal/Qualifications. The initial acquiring of services shall be procured through negotiated contract following a Request for Proposal/Qualifications (RFP/Q) process. Contracting for services is decentralized and shall be the responsibility of the Department Head requesting the service.
- (b) Contracts for an amount equal to or exceeding \$5,000 but under \$20,000. The requesting department shall meet the following requirement unless an urgency exists pursuant to this policy:

- (1) Selection Process: Prepare an informal written document and contact as many companies as necessary to receive a minimum of three (3) written responses from consultants/firms. The requirement may be waived for good cause in writing by the Department Head and Purchasing Officer as designated by the City Manager in consultation with one another and with the approval of the City Manager.
 - (2) Award: The Department Head shall prepare a written recommendation to the City Manager for the firm or person to be awarded the contract. The City Manager shall award the contract.
 - (3) Contract document. A written contract must be established and approved as to form by the City Attorney, and the City Manager shall sign/approve service contracts exceeding \$5,000 but not more than \$20,000.
- (c) Contract for an amount equal to or exceeding \$20,000. Department Heads shall utilize a Sealed request for Proposal process essentially meeting the following requirements unless an urgency exists pursuant to this policy:
- (1) Request for Proposal/Qualification (RFP/Q) solicitation process. A formal Sealed Request for Proposal/Qualification (RFP/Q) document shall be developed for solicitation of professional, management, or general and special services for an amount exceeding \$20,000.
 - (2) Advertisement. The requesting department shall advertise in appropriate publications and/or contact the consultants/firms previously utilized by the City during the solicitation process.
 - (3) Notice Contents. The notice shall include a description of general type of service needed, how the RFP/Q minimum scope of work can be obtained, any pre-proposal conferences anticipated, the requirement of a written sealed proposal, state the closing date, and place and time for submission of the RFP/Q.
 - (4) Solicitation Procedure. Sealed RFP/Q should be submitted to the Purchasing Officer as identified in the RFP/Q. All proposals shall be analyzed by the requesting department for compliance with RFP/Q requirements, and value of the total scope of services. Follow-up interviews of the most qualified of those submitting a proposal should be held.

Waive Competition

Although the City prefers a competitive process for securing services, in certain circumstances, where the claim can be adequately justified, a RFP/Q Waiver or a Sole Source process may be used.

- (a) The RFP/Q process may be waived if it is determined with acceptable justification that competition is neither practical nor in the best interest of the City.
- (b) The vendor has an established business relationship with the City and has proven to adhere to contractual terms, limitations and deadlines, and the service provided is being performed with requisite quality, on time and within budget.

Franchise Agreements and Services Provided by Franchise Utilities

The City enters into multi-year agreements with utility companies that have infrastructure in the City's right-of-ways or on City facilities. City approved service and/or equipment upgrades by utility operators are exempted from the bidding and RFP/Q processes and can be approved by the City Manager or his/her designee when the increase in projected utility costs to the City is under \$20,000 per year. If the expected increase in utility costs is greater than \$20,000 per year, the upgrade shall be approved by the City Council.

BIDDING: SUPPLIES AND EQUIPMENT

Except as provided by this policy, purchases of supplies and equipment and the sale of supplies and equipment not included in the construction contract or bid specification for a public works project shall be by bid procedure as provided in this policy, and shall be made as follows:

- (a) Direct Purchase Order. The purchase of supplies and equipment with the estimated value equal to or less than \$20,000, or \$40,000 for vehicles, shall be made by the Purchasing Officer as follows:
 - (1) Procure whenever possible at least three informal bids/quotes or enter into competitive negotiation or purchase through a governmental entity as described in this policy.
 - (2) Solicit bids by written request to prospective vendors, by telephone, or by other notice.
 - (3) Award the bid and purchase said supplies and equipment provided the same is awarded to the lowest responsible bidder and within the budgeted amount therefore.
 - (4) Keep a record of all such bids received and purchases made, which shall be open to public inspection.
- (b) Formal Bid Procedures. Except as otherwise provided, purchases of equipment and supplies of an estimated value greater than \$20,000 or \$40,000 for vehicles per unit shall be awarded by the City Council to the lowest responsive and responsible bidder pursuant to the following procedure:
 - (1) Notice Inviting Bids. Notices inviting bids include a general description of the articles to be purchased or sold, shall state where bid documents and specifications may be secured, and the time and place for opening bids.
 - (i) Published Notice. Notice Inviting Bids shall be given at least ten (10) days before the date of opening of the bids. Notice shall be published at least once in a newspaper of general circulation, printed and published in the City, or if there is none, it shall be posted in at least three public places in the City that have been designated by ordinance as the places for posting public notices.
 - (ii) Bidders' List. The Purchasing Officer shall also solicit sealed bids from all responsible prospective suppliers whose names are on the Bidders' List or who have requested their names be added thereto.
- (c) Bidder's Security. When deemed necessary by the Purchasing Officer, bidder's security may be prescribed in public notices inviting bids. Bidders shall be entitled to return of bid security; provided that a successful bidder shall forfeit his bid security upon refusal or failure to execute the contract within ten (10) days after the notice of award of contract has been

mailed, unless the City is responsible for the delay. The City Council may, on refusal or failure of the successful bidder to execute the contract, award it to the next lowest responsible bidder. If the City Council awards the contract to the next lowest bidder, the amount of the lowest bidder's security shall be applied by the City to the difference between the low bid and the second lowest bid, and the surplus, if any, shall be returned to the lowest bidder.

- (d) Bid Opening Procedure. Sealed bids shall be submitted to the City Clerk and shall be identified as bids on the envelope. Bids shall be opened in public at the time and place stated in the public notices. A tabulation of all bids received shall be open for public inspection during regular business hours for a period of not less than thirty (30) days after the bid opening.
- (e) Rejection of Bids. In its discretion, the City Council may reject any and all bids presented and re-advertise for bids
- (f) Award of Contracts. Contracts shall be awarded by the City Council to the lowest responsive and responsible bidder except as otherwise provided by this policy.
- (g) Tie Bids. If two or more bids received are for the same total amount or unit price, quality and service being equal, the City Council may accept the one it chooses or accept the lowest bid made by negotiation with the tie bidders at the time of the bid opening.
- (h) Performance Bonds. The City Council shall have authority to require a performance bond before entering into a contract in such amount as it shall find reasonably necessary to protect the best interests of the City. If the City Council requires a performance bond, the form and amount of the bond shall be described in the Notice Inviting Bids.

Cooperative, Piggyback, and Multiple Awarded Bid Purchasing With Other Agencies

Purchases may be made on behalf of the City through any governmental entity, including, but not limited to, the State of California, the County of Los Angeles, other cities or special districts, or cooperatives, provided that the entity acquiring the supplies or equipment substantially adhere to the procedures for the purchase of supplies and equipment set forth in this policy.

Approval and award of cooperative, "piggy-back" or multiple awarded purchases shall be obtained by the Purchasing Officer for an amount equal to or less than \$20,000, or \$40,000 for vehicles, and by the City Council for purchases in an amount exceeding \$20,000 or \$40,000 for vehicles.

- (a) Cooperative Purchasing. The bidding requirements in this policy shall not apply to the purchasing of any equipment or supplies which the Purchasing Officer determines to be in the best interest of the City to obtain through a cooperative competitive bidding procedure being prepared by and processed through another local, state, or federal governmental agency.
- (b) Piggyback. If the Purchasing Officer determines it to be in the best interest of the City, the Purchasing Officer is authorized to "piggy-back" onto or join into an existing written purchase contract obtained through a competitive bidding process prepared by and awarded by another local, state or federal government agency.

- (c) Multiple Awarded Bids. Multiple awarded bids are generally conducted by larger government agencies. A competitive bidding process is conducted for a specified product. Several vendors whose product meets the specification are awarded the contract. Maximum item price and contract terms are established. If the Purchasing Officer determines it to be in the City's best interest, the Purchasing Officer is authorized to use federal, state, or other governmental agency multiple awarded contracts. The Purchasing Officer must obtain quotes from at least three vendors on the awarded contract list and award the bid to the lowest responsive and responsible bidder.

Staging of Purchases Prohibited

Purchases and contracts shall not be knowingly staged or separated into smaller units or segments solely for the purpose of evading the competitive formal or informal bidding requirements of this policy.

Recycled Supply Products Specification

If in procuring supplies, a recycled or recyclable/reusable product can achieve the necessary City performance standard, and if such recycled product is readily available, specifications should, if economically feasible, require products made with recycled materials, or products that are recyclable, be bid. Unless the Department Head determines that:

- (a) A recycled or recyclable/reusable product lacks performance capabilities or needed quality levels.
- (b) A sufficient amount of said recycled or reusable product is not currently available in the market, then a reduced percentage can be required, or the supply specification can be limited to non-recycled or virgin materials.

When recycled products are required, reasonable efforts shall be made to label the products as containing recycled materials. As used in this section, recycled product does not mean used products, but is limited to new products made with materials which have been recycled.

Purchase Local Specification

If in procuring supplies, a locally manufactured and/or product sold within the City of Lakewood can achieve the necessary City performance standard, and if such locally manufactured and/or product sold is readily available, specifications should, if economically feasible, require products locally manufactured and/or sold be bid; unless the Department Head determines that a locally manufactured and/or product sold does not meet required performance capabilities or quality.

In the case of a bid submitted by a vendor located or maintaining a point of sale within the city, the amount the city will receive in sales tax revenue derived from Bradley-Burns and (Measure L) Transactions & Use Tax shall be taken into consideration when making a purchasing decision.

Disposition of Surplus Supplies and Equipment

All Department Heads shall submit to the Purchasing Officer at such times and in such form as he/she prescribes, reports showing all supplies and equipment which are no longer used or which have become obsolete or worn out. The Purchasing Officer shall have authority to sell all supplies and equipment which cannot be used by any department or which have become

- Formatted: Normal, No bullets or numbering
- Formatted: Font: (Default) Arial, 12 pt
- Formatted: Font: (Default) Arial, 12 pt
- Formatted: Left, Right: 0", Tab stops: Not at 0.25"
- Formatted: Font: (Default) Arial, 12 pt

unsuitable for City use, or trade in the same for new supplies and equipment, or otherwise dispose of the same for, as provided below:

(a) Supplies and equipment certified by the Department Head as having a value of less than ~~\$400~~ \$500 may be sold or disposed by the Purchasing Officer by current available means.

(b) Supplies and equipment certified by the Department Head as having value over ~~\$400~~ \$500 and under ~~\$5,000~~ shall be sold at auction.

~~(c) Supplies and equipment certified by the Department Head as having value equal to or greater than \$5,000 shall be sold only by sealed bid following the notice procedures as provided in this policy for purchases greater than \$20,000, or \$40,000 for vehicles. Such sales shall be awarded by the City Council to the highest bidder, provided however, the City Council may in any notice calling for bids provide that it will receive at the time and place of public hearing before the City Council oral bids in excess of 10% of the highest sealed bid and in such case the City Council shall sell the supplies or equipment to such highest bidder.~~

~~(c)~~ (c) In the event any such supplies and equipment cannot be disposed of as provided in this policy, at the discretion of the Purchasing Officer, be sold as junk or disposed of by currently available means.

~~(d)~~ (d) City employees may not purchase surplus City property directly from the City or any auction service employed by the City unless the City Manager should determine in writing that said employee was not involved in any recommendation or decision-making as to the sale of said property or the value thereof.

SOLE SOURCE PURCHASES

Sole Source Purchases. Unique commodities or services that can be obtained from only one vendor, or one distributor authorized to sell in this area, with singular characteristics or performance capabilities or which have specific compatibility components with existing City products are exempt from the competitive bidding requirements and are deemed sole source purchases. Sole source purchases may include proprietary items sold direct from the manufacturer.

- (a) All sole source purchases shall be supported by written documentation indicating the facts and nature supporting the determination of a sole source, signed by the Department Head and forwarded to the Purchasing Officer. The City Manager shall approve sole source acquisitions in an amount under \$20,000.
- (b) Approval of any sole source acquisition shall be obtained from City Council for an award of a contract for an amount equal to or exceeding \$20,000.

In purchasing equipment and supplies that need to be compatible with existing equipment and supplies, or to perform complex or unique functions, the City Manager and Department Head in consultation with one another may:

- (a) Limit bidding to a specific product type, or a brand name product; or

(b) Utilize a request for proposal approach where warranties, service and/or maintenance obligations, and product performance will be evaluated in addition to the price of the product or service. The award of the contract should be to the proposer that staff deems is in the best public interest.

Formatted: Font: (Default) Arial, 12 pt

Formatted: List Paragraph, Indent: Left: 0", Hanging: 0.38", Right: -0.01", Numbered + Level: 1 + Numbering Style: a, b, c, ... + Start at: 1 + Alignment: Left + Aligned at: 1" + Indent at: 1.25", Tab stops: Not at 0.25"

PETTY CASH AND REIMBURSEMENTS

Formatted: Left, Right: 0", Tab stops: Not at 0.25"

For occasional use in securing over-the-counter delivery of miscellaneous supplies which are not regular City stock and which are necessary to fulfill an immediate need of a department, the department head may authorize an employee to make such a purchase and be reimbursed by the City through the use of a petty cash form. Such purchases shall be limited to amounts not exceeding \$75. All petty cash forms must be approved by the Department Head or his/her designee and the Director of Finance and Administrative Services or his/her designee, and be signed by the person receiving the reimbursement.

For miscellaneous items purchased on a regular basis from a single vendor, the Department Head will contact the Purchasing Officer who will establish a purchasing arrangement with such vendors.

Employees who incur miscellaneous expenditures for meetings on an ongoing basis must complete an Individual Expense Report on a monthly basis.

TRAVEL REQUESTS AND EXPENSES

Travel and related expenses are to only occur when there is substantial benefit to the City. The Travel or Conference Authorization Request form must be submitted to and approved by the City Council for officials and by the City Manager for staff prior to the event. For reimbursement and payment for travel expenses, the Travel Request and Expense Report form must be completed by the traveler and approved by the City Council for officials or City Manager for staff. No official or staff shall sustain personal monetary loss as a result of duties performed in the service of the City. However, all expenditures and requests for reimbursement shall logically relate to the conduct of City business and shall be "necessary" to accomplish the purpose of such business and shall be "reasonable" in amount.

(a) Authorized Expenses

City funds, equipment, supplies (including letterhead), titles, and staff time must only be used for the performance of official duties. Such duties include, but are not necessarily limited to:

- (1) Meeting and communicating with representatives of other cities, county/regional, state and national government on City adopted policy positions and discuss the communities' concerns.
 - (i) Participating in local, county, regional, state and/or national organizations whose activities affect the City's interest
 - (ii) Attending meetings and participating in activities conducted in conjunction with such meetings, of civic and governmental committees and organizations in which the city has retained membership or has provided funds for the financing thereof
- (2) Business-related meetings or trips where a benefit to the City can be defined, including meetings with staff officials from other cities, and conferences and meetings of the City's membership organizations
 - (i) Attending City events and meetings with City service providers, both contracted service providers and other public agencies.

- (ii) Attending meetings to implement a City-approved strategy for attracting or retaining businesses to the City
 - (iii) Attending City-sponsored or co-sponsored events including those requiring an invitation from the sponsoring or co-sponsoring organization
- (3) Attending educational seminars designed to improve the skill and knowledge of officials and staff
 - (4) Recognizing service to the City
 - (5) Other charity or City-related events or meetings that provide a benefit to the public or the City as authorized by the City Manager for staff or Council for officials.
- (b) Non-reimbursable Expenses
- (1) The personal expense portion of any trip
 - (2) Family expenses, including partner's expenses when accompanying City staff and/or officials on City-related business, as well as children and/or pet related expenses
 - (3) Entertainment expenses, including theater, movies (either in-room or at a theater), attendance at sporting events, or other cultural events that are non-conference events
 - (4) Non-mileage personal automobile expenses, including repairs, traffic citations, insurance or fuel
 - (5) Other expenses as determined by the City Manager.
- (c) Cost Control
- To conserve the City's resources and to keep expenses within standards for public officials and staff, travel related expenditures should adhere to the guidelines in this policy. Expenses for which staff or official receives reimbursement from another agency are not reimbursable by the City. The cost borne or reimbursed by the City shall be limited to costs that fall within the listed guidelines:
- (1) Transportation: The most economical mode and class of transportation reasonably consistent with scheduling needs and cargo space requirements must be used, using the most direct and time-efficient route.
 - (i) Airfare: All officials and staff shall utilize coach or economy class accommodations when traveling by commercial airlines. Reservations, where practical, should be made in sufficient advance to receive discount pricing. Increased fees related to late booking or purchasing higher priced refundable tickets may be allowed with a sound business reason such as making changes to tickets to accommodate illness or schedule changes. Officials and staff may at their own expense pay to upgrade their airline accommodations.
 - (ii) Baggage handling fees at the rate charged by the airline or other mass transportation line.
 - (iii) Automobile: The rules regarding expenses relating to the use of Council Members' vehicle in the performance of City duties are set forth in Resolution 2005-39. For appointed officials and staff members, automobile mileage is reimbursed at the Internal Revenue Service (IRS) rate presently in effect. These rates are designed to compensate the driver for fuel, insurance, maintenance, and other vehicle related expenses. The amount does not include bridge and road tolls, which are reimbursable.

- (iv) Car rental: Rental rates that are equal to or less than those available through the American Automobile Association (AAA) or other standard discount services shall be considered the most economical and reasonable for purposes of reimbursement.
 - (v) Taxis/shuttles: Taxi or shuttle fares may be reimbursed, including a reasonable gratuity per fare, when the cost of such fare is equal to or less than the cost of car rentals, fuel and parking combined, or when such transportation is necessary for time-efficiency.
 - (vi) Garage and parking expenses: Expenses for necessary parking and storage of private, rented or City vehicles may be authorized. Receipts should be provided to obtain reimbursement (except where not available such as metered parking). Parking in lots at airports or other mass travel related lots may be reimbursed. Officials and staff are encouraged to use parking at non-premium rates unless such parking is inappropriate due to time constraints or safety concerns.
- (2) Lodging: Lodging expenses will be reimbursed or paid when travel on official City business reasonably requires an overnight stay. Where lodging is in connection with a conference or other organized educational activity, reasonable lodging cost shall not exceed the maximum group rate published by the conference or activity sponsor, providing that lodging at the group rate is available at the time of booking. If the group rate is not available, the official or staff member shall be entitled to reimbursement for actual costs of lodging that is comparable in location and quality. Every effort shall be made to secure adequate lodgings that are conveniently located and moderately priced. In many instances, it makes sense to stay at the conference hotel for convenience and safety, and to avoid additional transportation costs. Government discounts and any discounts the official or staff is personally eligible for should always be sought at the time of reservation. The cost of lodging may be paid directly by the City or paid by the official or staff and subsequently reimbursed.
- (3) Communication and internet service: Officials and staff shall be reimbursed for actual phone, mobile, ~~fax~~ and internet access expenses incurred as a consequence of City business necessity. Personal calls to the staff or official's family of a reasonable duration may be reimbursed for travel requiring overnight lodging.
- (4) Meals: IRS reimbursement amounts shall be considered reasonable per se, and expenses incurred beyond such amounts shall be reimbursed only if necessary based upon location, type of venue, nature of event, or extraordinary circumstances.
- (5) Gratuity: Meal expenses and associated gratuities incurred should be moderate, while taking into account the prevailing restaurant costs of the area.
- (6) Other: All items of expenses otherwise unclassified shall be considered in this category. Examples are duplicating expenses, publications, and other expenses as necessary when traveling on City business may be allowed and should be included within this classification when requesting reimbursement.

- (d) Reimbursement limitations shall not apply to the following circumstances:
 - (1) A conference or meeting at which a set amount is charged for participation in a meal or activity
 - (2) A City-hosted meal or event
 - (3) A business related meal, meeting or event at which the City official or staff member is required to pay more than his/her proportional share of the costs on a reciprocal basis with officials or staff from other cities
 - (4) Expenditure authorized in advance by the City Council at a City Council meeting for officials, or by the City Manager for staff.
- (e) Submission of expense reports and audits:
 - (1) All expenses must have prior approval by the City Council for officials and by the City Manager for staff. The Travel or Conference Authorization Request form is used to receive this prior authorization.
 - (2) Once the costs are incurred, the Travel Request and Expense Report form with corresponding receipts documenting each expense must be submitted for approval for the official or staff to receive reimbursement. All expenses are subject to verification that they comply with this policy.
 - (3) Expense reports and receipts documenting each expense shall be submitted for reimbursement within 30 days of being incurred.
 - (4) Each Council Member shall file a brief written report on meetings attended at City expense at the next available City Council meeting.

VISA CAL-CARD PURCHASES

To promote operational efficiency the City has initiated the City's credit card program.

- (a) The VISA Cal-Card program is intended to allow designated City employees to pay for training and travel type expenses, and to purchase occasional services and supplies at or below \$1,000 per transaction using a designated bank issued credit card. The card can be used for internet, telephone or walk-in ordering. Transactions in excess of \$1,000 are only allowed for travel and conference related expenses and must be pre-approved by the City Manager.
- (b) The program does not replace the Purchase Order process. The Purchasing Order process must remain the primary purchasing process for a majority of purchases.
- (c) The credit card is for official government use only subject to transaction limits, authorized vendors, and approved procedures.
- (d) The City Manager is the Program Manager, or his/her designee and sets policies and procedures and card limits. The Program Manager makes the final decision on any dispute or issue concerning the use of the card, and has the authority to suspend the use of any credit card for any reason.
- (e) The Director of Finance and Administrative Services or his or her designee acts as the Program Coordinator and is responsible for the administration and implementation of the Cal Card policies and procedures.

- (f) The card will be issued to the Department Head and Department Head approved managers whose names will appear on the card as the Cardholder. The Cardholder is responsible for the proper use of the card.
- (g) The Program Coordinator will determine the contact person for the timely payment of accounts who will be authorized to make changes on the designated bank's website; such as limit increase/decrease, or adding/deleting card holders. These actions must be pre-approved by the Program Manager or his/her designee.
 - (1) Obtaining a credit card
 - (i) The Department Head must submit a "Request for Credit Card" memo to the Program Manager for approval.
 - (ii) The Cardholder must sign for the card.
 - (2) Using the credit card
 - (i) Cardholder must complete an orientation course with the servicing bank and sign a Cal Card agreement form. This agreement certifies that the Cardholder understands and accepts his or her responsibilities under the program.
 - (ii) The Cardholder must instruct the vendor to include the Cardholder's name and department and the term "Cal Card" purchase or "credit card" as mode of payment on the shipping label, packing list, and invoice.
 - (iii) Each card is assigned transaction and monthly limits.
 - (iv) The Cardholder is responsible for retaining all supporting documentation (such as packing slips and sales receipts) on all card activities that are reconciled to the monthly Statement of Account. The documentation must be submitted with the Statement of Account to ensure timely payment of purchases.
 - (v) The Cardholder will receive a Statement of Account and must promptly review the statement, certify the statement's accuracy and attach all supporting documentation. The Statement of Account along with the supporting documentation must be submitted to the Program Coordinator within five (5) business days of receipt.
 - (vi) The Program Coordinator or his or her designee will review the card activities and supporting documentation prior to forwarding to the Program Manager for payment approval.
 - (vii) In case of any error in the Statement of Account, the Cardholder must immediately notify the Program Coordinator. The Program Coordinator or his or her designee will be responsible for resolving the error.
 - (viii) If the card is lost or stolen, the Cardholder must immediately notify the issuing bank customer service, at the phone number listed on the back of the card, and the Program Coordinator.
 - (ix) If the card is worn, defective or cancelled, the Cardholder must immediately return the card to the Program Coordinator.
 - (x) The Cardholder is responsible for returning merchandise to the vendor and for receiving the appropriate credit. The credit memo or equivalent must be retained by the Cardholder and submitted along with the Statement of Account to the Program Coordinator.

- (xi) Personal use of the card is strictly prohibited and is subject to disciplinary action up to and including termination. The cardholder will be immediately required to return the goods to the vendor in full and/or to reimburse the City for the subject amount.
 - (xii) The Program Manager will decide on any issue or conflict on the above policies and procedures.
- (3) Changes to cardholder information. Changes to a cardholder's name, address, or Department/Division must be immediately reported by memo to the Program Coordinator who will request a new credit card if needed.
- (4) Cancellation. Should the Cardholder terminate employment with the City, the Cardholder shall submit his/her credit card and any supporting documentation to his or her Department Head. The Human Resources Division and the Department Head shall notify the Program Coordinator of the termination. The Program Coordinator or his/her designee shall notify the bank.

PURCHASING CARDS

To promote operational efficiency the City has initiated the City's purchase card program.

- (a) The Purchase Card program is intended to allow designated City employees to pay for an item that is not stocked in the purchasing warehouse and the item is needed right away.
- (b) The purchase card is for official government use only subject to transaction limits, authorized vendors, and approved procedures.
- (c) The program does not replace the Purchase Order process. The Purchasing Order process must remain the primary purchasing process for a majority of purchases.
 - (1) Obtaining a credit card
 - (i) The Department Head must submit a "Request for Purchase Card" memo to the Director of Finance and Administrative Services for approval.
 - (ii) The Cardholder must sign for the card.
 - (2) Using the purchase card
 - (i) Cardholder is responsible for the card in their possession and each charge on the card.
 - (ii) The Cardholder must use it only for City related expenses.
 - (iii) If the Purchasing Card is missing, lost or stolen, the Cardholder must immediately contact the Director of Finance and Administrative Services or his/her designee.
 - (iv) If there is an issue while trying to make a purchase transaction, the cardholder is to contact the Director of Finance and Administrative Services.
 - (v) The Cardholder must track all purchases and retain all receipts.

- (vi) If an item must be returned, the Cardholder is responsible in performing this task. The Cardholder must inform the Director of Finance and Administrative Services to ensure that the refund/credit is in the next invoice.
 - (vii) The Director of Finance and Administrative Services or his/her designee is responsible for resolving questions and issues of Cardholders and/or from the card provider.
 - (viii) The bill and register receipt must include invoice numbers for reference. Each invoice is entered into the requisition system and approval workflow.
 - (ix) The monthly card provider statements listing all transactions conducted for the month are to be reconciled with the outstanding invoices as provided by the Cardholder and ensures that all charges in the statement belong to the City.
 - (x) The Director of Finance and Administrative Services by written request from a Department Head has the capability to increase the limit for purchasing cards.
 - (xi) The Director of Finance and Administrative Services is responsible for updating the charge card list per store, and has the capability to issue new cards, and cancel and/or stop the card.
 - (xii) The Director of Finance and Administrative Services is responsible for resolving disputes.
- (3) Changes to a cardholder's name, address, or Department/Division must be immediately reported by memo to the Director of Finance who will request a new credit card if needed.
- (4) Should the Cardholder terminate employment with the City, the Cardholder shall submit his/her credit card and any supporting documentation to his or her Department Head. The Human Resources Division and the Department Head shall notify the Director of Finance and Administrative Services of the termination. The Director of Finance and Administrative Services or his/her designee shall notify the Vendor.

The City has initiated the City's purchase card program with the following vendors: Home Depot and Smart & Final:

- (a) Home Depot and Smart & Final do not accept purchase orders. The City's practice is to pay via a purchase order. The charge card is in lieu of the purchase order.
- (1) Home Depot
 - (i) The Home Depot charge card has a limit of \$13,000 per month for the whole City.
 - (ii) Each Cardholder does not have an individualized limit.
 - (iii) Each Home Depot charge card bears the employee's name.
 - (2) Smart & Final
 - (i) The Smart & Final charge card has a limit of \$10,000 per month for the whole City.
 - (ii) Each Cardholder does not have an individualized limit.
 - (iii) Each Smart & Final charge card bears the City's name.

(3) Or other Purchase Cards as approved by the Finance and Administrative Services Department.

PURCHASE/ACQUISITION OF REAL PROPERTY

Land acquisition by lease or purchase shall be performed as prescribed by state and federal law.

PUBLIC WORKS PROJECTS

Public Works Projects shall be performed pursuant to State public contract code-, inclusive of the California Uniform Public Construction Cost Accounting Act (CUPCCAA) as adopted by the City Council

Formatted: Font: 12 pt

EXEMPTIONS

The competitive bid and request for proposal/qualifications (RFP/Q) processes are not applicable to certain purchases. The following are exempt from competitive bid processes:

- (a) Department purchases under \$20,000;
- (b) Travel and expense advances;
- (c) Subscriptions;
- (d) Trade circulars, training materials or books;
- (e) Insurance premiums;
- (f) Insurance claims;
- (g) Reimbursement of expenses;
- (h) Petty cash reimbursement;
- (i) Medical payments;
- (j) Newspaper advertisements and notices;
- (k) Dues to approved organizations;
- (l) Payments to other government units;
- (m) Utility service payments, utility connection and/or installation charges;
- (n) Fuel;
- (o) Attorney services;
- (p) Postage, courier/delivery messenger services;
- (q) Land;
- (r) Buildings;
- (s) Water rights;
- (t) Debt services;
- (u) Grants;
- (v) Claim settlements.

Purchases of supplies and equipment ~~and the sale of supplies and equipment~~ shall be by bid procedure, and the procurement of services shall be by RFP/Q procedure as provided in this policy, with the exception that the Purchasing Officer is hereby given authority to ~~and~~ make such purchases and sales, and procurement without further complying with the terms and provisions of this policy where:

- (a) The head of the department involved or the Purchasing Officer certifies that the supply, equipment or service can be obtained from only one vendor, provided first authorized by the City Council.
- (b) Purchase of supplies, equipment and services provided for and sufficiently identified in the Budget approved by the City Council for the current fiscal year not exceeding \$1,000. Such purchases must be approved by the Director of Finance and Administrative Services as to availability of funds and budgetary authorization.
- (c) In case of an emergency which requires that supplies, equipment or service be obtained immediately by purchase, lease, rental or other use arrangement, the Purchasing Officer may secure the same on the open market at the lowest obtainable price without following the procedure specified in the Purchasing Policy, provided, however, that a full report of the circumstances of the emergency and of the necessity or making such an acquisition or procurement shall be filed with the City Council at its next regular meeting following such an acquisition or procurement and shall be subject to ratification by the City Council.
- (d) Emergency, shall mean those cases wherein needed supplies, equipment or services are not on hand or in place and must be procured immediately on the open market at the nearest available source of supply and there is insufficient time to follow the bid or RFP/Q procedure specified in this policy because of:
 - (1) There is a great public calamity, or
 - (2) There is immediate need to prepare for national or local defense, or
 - (3) There is a breakdown in machinery or an essential service which requires the immediate purchase of supplies or equipment to protect the public health, safety or welfare, or
 - (4) An essential department operation affecting the public health, safety and welfare would be greatly hampered if the prescribed purchasing procedure would cause an undue delay in procurement of such supplies, equipment or service.

EMERGENCY PROCEDURE

In cases of great emergency as determined by the City Council, including, but not limited to, states of emergency defined in Section 8558 of the Government Code, when repair or replacements are necessary to permit the continued conduct of the operation of services of the City, or to avoid danger to life or property the City Council, by majority vote, may proceed at once to replace or repair any public facility without adopting plans, specification, or working details, or give notice for bids to let a contract(s). The work may be done by City forces, by contract, or by combination of the two. The City Council delegates to the City Manager, the authority to declare a public emergency subject to confirmation by the City Council by a four-fifths (4/5) vote, at its next meeting.

The City's Emergency Operations Plan provides for effective mobilization of all the resources of this City, both public and private, to meet any condition constituting a Local Emergency, State of Emergency, or State of War Emergency. Any expenditure made in connection with Emergency activities, including mutual aid activities, shall be deemed conclusively to be for the direct protection and benefit of the inhabitants and property of the City.

WAIVING OF PURCHASING PROCEDURES

In its discretion, the City Council may at any time, without amending this policy, waive the purchasing procedures or alter these proceedings to fit a specific purchase or contract, when such waiver is not in violation of state or federal law. A request for waiver should occur only when unforeseen circumstances arise that justify an exception to following the provisions of this policy and is in the best interest of the City.

SUMMARY

TYPE	CATEGORY	AUTHORIZATION	FEATURES
<p>OCCASIONAL SUPPLIES & EXPENSES</p> <p>Reimbursement by the City can only be made through the use of petty cash form submitted and authorized by the Director of Finance.</p>	<p>PETTY CASH</p>	<p>DEPARTMENT HEAD</p>	<p>» For <u>occasional use</u> in securing over-the-counter delivery of miscellaneous supplies which are not regular City stock and which are necessary to fulfill an immediate need of a department, the Department Head may authorize an employee to make such purchase and be reimbursed by the City through the use of petty cash form. Such purchases shall be limited to the amounts <u>not exceeding \$75.00</u>. For miscellaneous items purchased on a regular basis from a single vendor, contact Purchasing Division staff who will establish an appropriate arrangement with such vendors.</p> <p>» Those employees who incur miscellaneous expenditures for meetings on an ongoing basis should complete an Individual Expense Report on a monthly basis.</p>
	<p>NOT TO EXCEED \$75</p>		
<p>SUPPLIES & EQUIPMENT</p> <p>All departmental requests for supplies and equipment shall be submitted to the Purchase Officer utilizing the standard requisition process. Purchasing supplies and equipment shall be made only by Purchase Order.</p>	<p>LESS THAN \$1,000</p>	<p>DEPARTMENT HEAD</p>	<p>» Item must be budgeted</p> <p>» No Bids required</p>
	<p>OVER \$1,000, LESS THAN \$5,000</p>	<p>DEPARTMENT HEAD</p>	<p>» Item must be budgeted</p> <p>» Whenever possible (this should be 99% of the time) at least three (3) informal bids/quotes must be obtained. Whether received in writing or verbally, a written record of the bid/quote information must be retained.</p> <p>» All bids/quotes shall be kept by the Purchasing Officer and open to public inspection.</p>
	<p>\$5,000 TO \$20,000 (\$40,000 for vehicles)</p>	<p>CITY MANAGER</p>	<p>» Item must be budgeted</p> <p>» Formal bid process</p> <ul style="list-style-type: none"> • Notice Inviting Bids required • Notice must be published in newspaper and posted in three (3) public places • Ten-day notice must be given before opening bids
	<p>OVER \$20,000 (over \$40,000 for vehicles)</p>	<p>CITY COUNCIL</p>	<p>» Item must be budgeted</p> <p>» Formal bid process</p> <ul style="list-style-type: none"> • Notice Inviting Bids required • Notice must be published in newspaper and posted in three (3) public places • Ten-day notice must be given before opening bids
<p>SERVICE AGREEMENTS</p> <p>All departmental requests for services shall be submitted to the City Manager utilizing the standard requisition process. Securing services shall be made only by Purchase Order or Contract.</p>	<p>LESS THAN \$1,000</p>	<p>DEPARTMENT HEAD</p>	<p>» Item must be budgeted</p> <p>» Department Head signature</p>
	<p>OVER \$1,000, LESS THAN \$5,000</p>	<p>DEPARTMENT HEAD</p>	<p>» Item must be budgeted</p> <p>» Services secured by Purchase Order</p> <p>» Department Head signature</p> <p>» May need approval as to form by the City Attorney</p>
	<p>\$5,000 TO \$20,000</p>	<p>CITY MANAGER</p>	<p>» Item must be budgeted</p> <p>» Services secured by Contract, Agreement or Letter</p> <p>» City Manager signature</p> <p>» Approved as to form by the City Attorney</p>
	<p>OVER \$20,000</p>	<p>CITY COUNCIL</p>	<p>» Item must be budgeted</p> <p>» Services secured by Contract or Agreement</p> <p>» Written report submitted to the City Council</p> <p>» Approved as to form by the City Attorney</p>

TYPE	CATEGORY	AUTHORIZATION	FEATURES
AMENDMENT	10% OR \$20,000, WHICHEVER IS LESS	CITY MANAGER	<ul style="list-style-type: none"> » Item must be budgeted » Applies to: <ul style="list-style-type: none"> • Purchase of Supplies and Equipment • Procurement of Professional Services » City Manager Signature
AMENDMENT	OVER 10% OR \$20,000	CITY COUNCIL	<ul style="list-style-type: none"> » Item must be budgeted » Applies to: <ul style="list-style-type: none"> • Purchase of Supplies and Equipment • Procurement of Professional Services » Written report submitted to the City Council
PURCHASE OF REAL PROPERTY	ANY VALUE	CITY COUNCIL	<ul style="list-style-type: none"> » Item must be budgeted » Obtain appraisal report » May be required to submit proposed acquisition to the Planning and Environment Commission » Written report submitted to the City Council

GLOSSARY

- (a) Bidder's List. "Bidder's List" shall mean a list of responsible prospective vendors capable of providing the items being bid upon.
- (b) Competitive Bid. Transparent procurement method in which bids from competing contractors, suppliers, or vendors are invited by openly advertising the scope, specifications, and terms and conditions of the proposed contract as well as the criteria by which the bids will be evaluated. Competitive bidding aims at obtaining goods and services at the lowest prices by stimulating competition, and by preventing favoritism. In (1) open competitive bidding (also called open bidding), the sealed bids are opened in full view of all who may wish to witness the bid opening; in (2) closed competitive bidding (also called closed bidding), the sealed bids are opened in presence only of authorized personnel.
- (c) Cooperative Bid. "Cooperative Bid" is when several government agencies join together to create one bid document combining all agencies product volume for consideration of the bidder in determining the unit cost.
- (d) Emergency. As determined by the City Council, including, but not limited to, states of emergency defined in Section 8558 of the Government Code, when repair or replacements are necessary to permit the continued conduct of the operation of services of the City, or to avoid danger to life or property, repair or replace any public facility without adopting plans, specification, or working details or give notice for bids to let a contract or Public Works Construction Contract.
- (e) Equipment. "Equipment" shall mean unique supplies, computers, furnishings, machinery, vehicles, rolling stock, and other personal property used in the City's business, which are not generally and regularly ordered in bulk by the City and which must perform complex tasks, or integrate efficiently with existing equipment.

- (f) General Services. "General Services" are services which do not require any unique skill, special background, training, and obtaining such services at the lowest cost should be the single most important factor in selection, as opposed to personal performance. Examples of general services include uniform cleaning and maintenance services.
- (g) Informal Bids/Quotes. Request for "Informal Bids" or "Quotes" shall mean the gathering of pricing for the same product or service, and is used when the City has determined an exact product or service required to resolve its need, and this product and/or services falls below the dollar value requiring competitive bid or request for proposal.
- (h) Maintenance Work. "Maintenance Work" shall mean:
 - (1) Routine, recurring, and usual work for the cleaning, preservation, or protections of any publicly owned or publicly operated facility for its intended purposes.
 - (2) Minor repainting.
 - (3) Resurfacing of streets and highways at less than one inch.
 - (4) Landscape maintenance, including mowing, watering, trimming, pruning, planting, replacement of plants, and servicing of irrigation and sprinkler systems.
 - (5) Work performed to keep, operate, and maintain publicly owned water or waste disposal systems including, but not limited to, wells and reservoirs.
- (i) Multiple Awarded Bid. When a bid is awarded to more than one vendor for the same or similar products. A multiple awarded bid schedule is usually set up and provides information of product type/brand and vendor who is providing the product.
- (j) Piggyback. Use of another public agency's existing contract to purchase the same product(s) as outlined in the awarding bid document.
- (k) Professional, Management, or Special Services. "Professional," "Management", or "Special Services" shall mean any work performed by an attorney, doctor, architect, engineer, land surveyor, construction manager, appraiser, expert, accounting firm, instructor, consultant or those services such as computer services, golf course operating services, concession services, parking garage operation services, and transportation/transit operator services. Factors for determining whether professional, management, or special services are needed include but are not limited to, services which require professional judgment, licensing, qualified expertise in a specific area of work, or other unique factors other than simply obtaining the service at the lowest cost to the City. Professional Management and Special Services are not subject to the informal, formal or competitive bidding requirements of this policy and may be procured through negotiated contract or Requests for Qualification and/or Proposal process.
- (l) Public Works. "Public Works" shall mean a type of public construction project subject to the regulation of the State Public Contract Code and State Labor Code and as defined in California Labor Code Division 2, Chapter 1, Article 1, Section 1720 and as further amended. Examples of a Public Works Project include:
 - (1) The erection, construction of, alteration, major painting, repair, or demolition of public buildings, streets, walkways, water and sewer facilities, drainage facilities, or other public facilities, whether owned, leased, or operated by the City.

- (2) Furnishing supplies or materials for any of the above works or projects.
 - (3) A public work does not include maintenance work as defined in this article.
- (m) Purchase. "Purchase" shall include the renting, leasing, purchasing, licensing, or a trade of equipment or supplies.
 - (n) Purchasing Officer. The "Purchasing Officer," for the purposes of this policy, shall be the City Manager or his/her designated representative.
 - (o) Request for Proposal. "Requests for Proposal (RFP)" shall mean requests for a project or professional service. Requests for proposals allow bidders to highlight their experience and knowledge in an area through the proposal itself. Request for proposals list requirements of products or services, such as function, work flow, integration specifications and goals, providing in great detail how the requested product or service will be accommodated. Requests for proposals include a scope of work (SOW), pricing information, price quotes, contract terms and conditions, and detailed reference information. The scope of work describes tasks, products, services and even external factors that may not be required to satisfy the proposal. A request for proposals is developed when the City has discovered a need to resolve an issue, without a specific plan for the way that the need should be fulfilled and allowing vendors to express individual creativity when presenting products or services as a response to a request for a proposal.
 - (p) Sealed Bid. "Sealed Bids" shall contain information regarding a project including project parameters and pricing. All entities that submit a sealed bid are not aware of what others have bid. Sealed bids are turned in to the City Clerk. Sealed bids contain the actual pricing associated with the project. Sealed bids allow for all bidders to submit pricing to a the City in a confidential manner. Sealed bids are used to keep bidding results confidential until a winner is selected. Sealed bids are submitted by a specified date and time to the City Clerk.
 - (q) Supplies. "Supplies" shall mean office supplies, janitorial supplies, materials, goods, tools, or other commodities used in the general conduct of the City's business, excepting supplies or materials for a public work which is regulated under the California Public Contract Code Sections 20160, et seq.
 - (r) Task Order. Supplementary contractual and obligating document that usually includes task description, used in task type contracts, and means a task, delivery, or call order for supplies and/or services placed against an established contract, agreement or blanket purchase order.
 - (s) Task Type Contract. Two-part contract in which one part lays down the general provisions of the contract, and the other part (represented by one or more task orders) gives the details of the specific job to be performed.
 - (t) Quotes/Informal Bids. Request for "Quotes" or "Informal Bids" shall mean the gathering of pricing for the same product or service, and is used when the City has determined an exact product or service required to resolve its need, and this product and/or services falls below the dollar value requiring competitive bid or request for proposal.

- (u) Urgency. "Urgency" shall exist when the service, repair, or replacements are immediately necessary to permit the continued performance of the operations or services of the City, or to avoid the immediate danger to life, health, or property.

**D
I
V
I
D
E
R
S
H
E
E
T**

COUNCIL AGENDA

March 22, 2022

TO: The Honorable Mayor and City Council

SUBJECT: Community Safety Commission Recommendation – Disabled Person Parking

INTRODUCTION

The Community Safety Commission met on March 7, 2022 to consider various community safety matters that included the consideration of a request for a disabled person parking space at 20520 Alburdis Avenue.

STATEMENT OF FACT

The Public Works Department received a request for a disabled person parking space at 20520 Alburdis Avenue. The resident stated that he is requesting the space because his wife is disabled and uses a wheelchair. She prefers to load and unload at the curb and parking is limited because of the school and nearby apartments. Staff observed the location, checked the placard number, and recommended installation of a space. The Community Safety Commission, at their regular meeting on March 7, 2022 approved recommending installation.

RECOMMENDATION

The Community Safety Commission recommends that the City Council adopt the attached resolution authorizing installation of a disabled person designated parking space at 20520 Alburdis Avenue.



Lisa Ann Rapp
Director of Public Works



Thaddeus McCormack
City Manager

RESOLUTION NO. 2022-15

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
LAKEWOOD ESTABLISHING DISABLED PERSON
DESIGNATED PARKING ON THE EAST SIDE OF ALBURTIS
AVENUE WITHIN THE CITY OF LAKEWOOD

THE CITY COUNCIL OF THE CITY OF LAKEWOOD DOES RESOLVE AS
FOLLOWS:

SECTION 1. This Resolution is enacted pursuant to Section 21458 and 22507 of the Vehicle Code of the State of California, and Section 3250.2 of the Lakewood Municipal Code.

SECTION 2. Disabled person designated parking is hereby established on the east side of Alburdis Avenue, beginning one hundred ten (110) feet north of the north curb line of 206th Street, continuing north for a distance of twenty (20) feet within the City of Lakewood. No vehicle shall stop, stand or park in said parking restriction unless displaying a special identification license plate or placard issued by the Department of Motor Vehicles pursuant to Section 22511.55 of the California Vehicle Code.

SECTION 3. This resolution shall be effective as long as said restriction is painted and posted in accordance with the requirements of Vehicle Code Section 22511.7 of the California Vehicle Code. In addition, this resolution shall be in effect only as long as Martha Fietzek, a physically disabled person, occupies the house at 20520 Alburdis Avenue.

SECTION 4. This resolution has been adopted pursuant to a Community Safety Commission recommendation.

ADOPTED AND APPROVED this 22nd day of March, 2022.

Mayor

ATTEST:

City Clerk

**D
I
V
I
D
E
R
S
H
E
E
T**

COUNCIL AGENDA

March 22, 2022

TO: The Honorable Mayor and City Council

SUBJECT: Purchase AVID NEXIS Editing Servers

INTRODUCTION

The Administration Department has determined a need to replace the CityTV editing media server and to update the media composer edit bays software, located inside The Centre. The current media server will reach its end of life in December 2022.

STATEMENT OF FACT

The Purchasing Officer was requested to solicit proposals for this project. Request for Proposal (RFP) documents were distributed to three potential vendors. Of the total packages distributed, two were received by the deadline.

On March 15, 2022 the Purchasing Officer opened two sealed responses. The Purchasing Officer and the Senior Producer of the Media Production Division reviewed the two proposals to determine that specifications had been successfully met and the total amounts were accurate.

Following is a summary of the proposals. The totals include sales tax and all other charges.

- | | |
|----------------|-------------|
| 1. Melrose MAC | \$30,959.76 |
| 2. ALT Systems | \$32,676.65 |

The responsible and responsive low bidder meeting specifications is Melrose Mac of Los Angeles, CA.

Funds for this purchase from the American Rescue Plan Act appropriation were approved by the City Council on September 14, 2021.

STAFF RECOMMENDATION

It is recommended that the City Council authorize the award of the contract to Melrose MAC for a total amount of \$30,959.76.

Bill Grady *BG*
Director of Communication


Thaddeus McCormack
City Manager

**D
I
V
I
D
E
R
S
H
E
E
T**

COUNCIL AGENDA

March 22, 2022

TO: The Honorable Mayor and City Council

SUBJECT: Resolution Appointing a Member and Alternates to the Governing Board of the Los Angeles Gateway Region Integrated Regional Water Management Joint Powers Authority

INTRODUCTION

The City of Lakewood joined the Los Angeles Gateway Region Integrated Water Management Authority and Joint Powers Authority on July 24, 2007.

STATEMENT OF FACT

Currently, Director of Public Works Lisa Rapp is the primary board member, and Director of Water Resources Jason Wen, Public Works Environmental Programs Manager Konya Vivanti, and Assistant Water Resources Director Derwin Dy serve as the alternates. Since Lisa Rapp will be retiring from the City of Lakewood on April 14, 2022, the proposed resolution will appoint (soon to be) Public Works Director Kelli Tunnicliff to replace her as the primary member on the GWMA Board, effective Friday, April 15, 2022. Dr. Wen has also retired and would be removed as a representative for the City of Lakewood. Once a new Water Resources Director is on-boarded, they can be added to the list of alternates by resolution, if desired. Lisa Rapp has chaired the GWMA Board for several years and will preside over one final board meeting on April 14, 2022.

In accordance to GWMA's Bylaws adopted on October 12, 2015, all non-Legislative Body appointments to the GWMA Board must be done by Resolution. Legislative Body appointments may be done by minute order. The most recent changes to the bylaws allow board members to serve until replaced by their appointing organization.

The GWMA Bylaws allow for a Board Member and alternate Board Member(s) to serve continuously across successive two-year terms such that the governing body need not re-appoint the same persons to the GWMA Board every two years, unless the governing body desires to change its designated Board Member and/or alternate Board Member or must otherwise fill a vacancy. The proposed resolution adds a new appointee for the primary member, reaffirms the two remaining alternates, and omits the two members who have retired.

RECOMMENDATION

Staff recommends the following action:

1. Approval of the proposed resolution appointing one primary board member and two alternate board members representing Lakewood with Gateway Region Integrated Regional Water Management Joint Powers Authority effective 4/15/2022.


Lisa Ann Rapp
Director of Public Works


Thaddeus McCormack
City Manager

RESOLUTION NO. 2022-16

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
LAKEWOOD APPOINTING A MEMBER AND
ALTERNATE(S) TO THE LOS ANGELES GATEWAY
REGION INTEGRATED REGIONAL WATER MANAGEMENT
JOINT POWERS AUTHORITY GOVERNING BOARD

WHEREAS, the Los Angeles Gateway Region Integrated Regional Water Management Joint Powers Authority (GWMA) was formed in 2007 in response to the passage of two voter approved water bonds; Proposition 50, passed in 2002 and Proposition 84, passed in 2006; and

WHEREAS, the City of Lakewood is a member of the GWMA; and

WHEREAS, each member agency shall appoint one Member and up to three Alternate Members to the Governing Board in accordance with the GWMA Bylaws; and

WHEREAS, pursuant to the GWMA Bylaws, the Member and Alternate Members appointed by this Resolution shall hold office until the Board Member or alternate Board Member(s) is replaced by subsequent action of this legislative body or he or she ceases to be employed by the agency.

WHEREAS, pursuant to the GWMA Joint Powers Agreement and the GWMA Bylaws, the Member and Alternate Member(s) shall serve two-year terms beginning October 1st of each odd-numbered year.

NOW, THEREFORE, BE IT RESOLVED as follows:

1. Effective as of April 15, 2022, Kelli Tunnicliff is appointed to serve as the GWMA Board Member representing Lakewood.
2. Effective as of April 15, 2022, Konya Vivanti, and Derwin Dy are appointed to serve as alternate Board Member(s) representing Lakewood.
3. The Board Member and alternate Board Member(s) designated above shall continue in their respective positions as if re-appointed for each successive two-year term, unless the Board Member or alternate Board Member(s) is replaced by subsequent action of this legislative body or he or she ceases to be employed by the agency.

ADOPTED AND APPROVED THIS 22ND DAY OF MARCH, 2022.

Mayor

ATTEST:

City Clerk

**D
I
V
I
D
E
R
S
H
E
E
T**

COUNCIL AGENDA

March 22, 2022

TO: The Honorable Mayor and City Council

SUBJECT: Notice of Completion – Public Works Contract 21-09
Well 13A Water Treatment Plant Installation (Phase 1)

INTRODUCTION

JR Filanc Construction Company, Inc., the Contractor on Public Works Contract 21-09, has completed work which consisted of installation of a treatment plant at Plant 13 located on Palo Verde north of Del Amo.

STATEMENT OF FACT

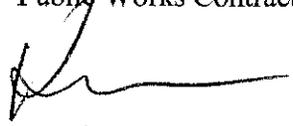
On September 14, 2021 Council awarded Public Works Contract 2021-09 to JR Filanc Construction Company, Inc. in the amount of \$115,000. No change orders (COs) were issued throughout the construction period resulting in a final contract amount of \$115,000.

The contract was substantially completed in March 2022. JR Filanc Construction Company Inc.'s staff has addressed all items on the project punch list. Staff recommends issuing the NOC.

RECOMMENDATION

It is the recommendation of Staff that the City Council:

- (1) Accept the work performed by JR Filanc Construction Company, Inc. in a final contract amount of \$115,000, and authorize the City Clerk to file the Notice of Completion for Public Works Contract 2021-09.


Kelli Tunnicliff
Deputy Director of Public Works


Thaddeus McCormack
City Manager

DIVIDER SHEET

COUNCIL AGENDA

March 22, 2022

TO: The Honorable Mayor and City Council

SUBJECT: Notice of Completion – “Traffic Signal Modification on Lakewood Blvd at Hardwick - PW Proj 21-01”

INTRODUCTION

The project added a second left-turn lane on Lakewood Boulevard for northbound traffic to turn onto westbound Hardwick Street. Dual left-turn lanes for southbound traffic already exist at this location.

The project was entirely funded by Metro with their Measure R funds. No City of Lakewood funds were required.

STATEMENT OF FACT

The City Council awarded a contract for “Traffic Signal Modification on Lakewood Blvd at Hardwick” in an amount of \$287,248 to Belco Elecnor Electric, Inc. of Chino on April 13, 2021.

The final amount of the construction contract was \$269,735.27. The decreased contract amount of \$17,512.73 was due to quantity adjustments of actual field measurements versus estimated bid quantities.

RECOMMENDATION

That the City Council accept the work constructed by Belco Elecnor Electric, Inc. of Chino for “Traffic Signal Modification on Lakewood Blvd at Hardwick - PW Proj 21-01” in the amount of \$269,735.27 and authorize the City Clerk to file the Notice of Completion for the project.


Lisa Ann Rapp
Director of Public Works


Thaddeus McCormack
City Manager

**D
I
V
I
D
E
R

S
H
E
E
T**

Reports

COUNCIL AGENDA

March 22, 2022

TO: The Honorable Mayor and City Council

SUBJECT: Approve an Agreement with West Coast Arborists, Inc. for Tree Trimming and Maintenance Services

INTRODUCTION

The Public Works Department supplements its maintenance operations by utilizing a contractor to provide routine citywide tree trimming along with other tree-related services, such as removals, planting, arborist inspections, and emergency response. West Coast Arborists (WCA) has provided these services to the City since 1994 and the latest agreement allows for a 5-year contract extension.

STATEMENT OF FACT

On December 14, 2021, the California JPIA updated its recommended procedures and standards and issued a template guideline for tree maintenance and a sample agreement for cities to adopt, both of which are intended to assist cities in mitigating liability exposure associated with trees and to provide for the care and protection of trees to maximize their benefits to the community. To incorporate the JPIA recommendations, staff is requesting the issuance of a new agreement with WCA to incorporate the JPIA recommendations, which will include modified pricing including an annual CPI adjustment, and a revision to services provided to increase the frequency of trims for certain fast-growing species and large-scale trees.

The City inventory includes a total of 24,936 trees of which a fourth of the trees (6,234 trees) are intended to be grid trimmed each year at a unit price of \$60.70 per tree. As per the agreement, a grid trim only includes raising lower limbs where practical to a minimum height to clear roadways and sidewalks and removing dead, diseased, and dying limbs. A grid trim is not considered a full prune. When a tree requires a full prune, services are provided at an hourly rate at an average cost of \$250 per tree, depending on the height and diameter of the tree.

The City desires to increase the level of service provided, by shifting from a grid trim approach to a full trim approach for every tree on either a two or four-year cycle and has negotiated rates in the proposed agreement to allow for structural, full trims to occur on every tree that will not only raise the limbs and remove dead, diseased and dying branches but will also reduce weight and remove branches and stems to minimize the risk of failure and improve the tree appearance. While the majority of the trees will be trimmed every four years, fast-growing trees including the Eucalyptus Citriodora, Purple Orchid, Chinese Pistache, and African Sumac will be trimmed on a two-year cycle, as will large-scale trees including the Chinese Elm, Ficus, CI Pine, Stone Pine, Aleppo Pine, Eucalyptus Sideroxylon, and Fern Pine.

The City believes by providing full trims on every tree within a four-year cycle as well as trimming certain species more frequently on a 2-year cycle, the number of service requests will decrease sufficiently, which will offset some of the cost increase anticipated for the increased level of service.

In addition to trimming, the budget includes other tree-related services, such as removals, planting, arborist inspections, emergency response, and an update of the City's entire tree inventory. The current inventory was converted from legacy software into WCA's proprietary software called Arbor Access. Over the next four years, WCA will identify the location of each tree using GPS technology, at no additional cost to the City. The budget anticipates the addition of approximately 250 newly planted trees which will be added to the inventory at a \$4 per tree unit rate. Arbor Access enables staff to track the history of maintenance work, service requests and allows staff to monitor performance.

Table No. 1 compares the existing budget and the proposed budget associated with these changes.

Table No. 1			
	FY21/22 Budget	FY22/23 Proposed Budget	%
Grid Prune – 4 year	\$399,000	\$330,120	
<i>Grid Prune – 2 year</i>	<i>\$0</i>	<i>\$102,620</i>	
<i>Full Trim – Large Species - 2 year</i>	<i>\$0</i>	<i>\$304,690</i>	
Service Request Trims	\$54,528	\$36,700	
Other Tree Maintenance (Tree/Stump Removal, Crew Rental Trims, Emergency Calls, etc.)	\$304,175	\$204,800	
Plant Health Care	\$40,397	\$45,000	
Planting	\$50,860	\$95,400	
GPS Tree Inventory for 250 Replacement Trees	\$0	\$1,000	
Total	\$848,960	\$1,120,330	32%

The overall budget increased by 32%. However, if the current scope of services remained unchanged, and the existing budget was adjusted by last year's Consumer Price Index (CPI) of 7.5% with the additional 1,276 tree trims per year at the service request price of \$250 per tree, the resulting increase would be 45% or \$1,231,632.

Staff surveyed the market to verify the proposed contract unit rates were in line with recently awarded, low bid contracts. Table No. 2 summarizes the findings and provides average unit pricing. In all cases, the proposed unit rates negotiated on the City's behalf, are lower than the average rates of the 11 contracts awarded in 2020 and 2021.

Table No. 2

Item/Description	Unit	Lakewood Price FY 21-22	Recently Awarded Contracts										AVG	Proposed Rate		
			Highland Awarded 3/22/2021	B.P.S. Awarded 6/18/2021	Appara Hills Awarded 5/12/2021	Combarillo Awarded 6/22/2021	Arusa Awarded 6/21/2021	Laguna Hills Awarded 7/13/2021	Irvine/Date Awarded 7/14/2021	Bradbury Awarded 11/12/2022	Signal Hill Awarded 6/13/2021	Los Alamitos Awarded 6/15/2020			RPV Awarded 6/17/2021	
1. Grid Tree Pruning	Each	\$ 80.70	\$ 70.00	\$ 60.00	\$ 69.00	\$89 - \$120	\$ 74.00	\$40 - \$300	\$ 70.00	\$ 85.00	\$ 64.00	\$ 84.00	\$ 64.00	\$ 73.87	\$ 70.00	
2. Service Reciprocal Tree Pruning (Fixed Rate)	Each	\$ 60.70	\$70 - \$224	\$50 - \$70	\$72 - \$382	\$52 - \$359	\$ 174.00	\$40 - \$225	\$70 - \$330	\$50 - \$329	\$ 55.00	\$43-\$183	\$4.00	\$5-\$22	\$70-\$24	
3. Tree and Stump Removal (regardless of size)	Dia. Inch	\$ 20.35	\$ 37.00	\$20-\$1,170*	\$ 40.00	\$ 40.00	\$ 44.00	\$ 36.00	\$37 - \$42	\$ 44.00	\$32-\$39	\$40-\$50	\$34-\$1194	\$ 40.20	\$ 36.00	
4. Tree Only Removal (regardless of size)	Dia. Inch	\$ 13.90	\$ 27.00	\$150-\$980*	\$ 30.00	\$ 32.00	\$ 34.00	\$ 26.00	\$ 34.00	\$ 34.00	\$ 34.00	\$30-\$40	\$ 33.50	\$ 30.00		
8. Stump Only Removal (regardless of size)	Dia. Inch	\$ 6.45	\$ 10.00	\$70-\$100*	\$ 17.00	\$ 18.00	\$ 18.00	\$ 16.00	\$ 16.00	\$ 15.00	\$ 10.00	\$ 19.75	\$ 20.00	\$34-\$194	\$ 16.78	\$ 12.00
6. Root Prune Trees (max 12 root length)	Local Foot	\$ 9.55					\$ 24.00						\$ 44.00	\$ 36.00	\$ 19.00	
7. Plant 15-gallon tree without Root Barrier	Each	\$ 124.90	\$ 109.00		\$ 172.00		\$ 184.00		\$ 195.00	\$ 148.00	\$ 127.00	\$ 120.00	\$ 144.00	\$ 184.71	\$ 187.00	
8. Plant 15-gallon tree with Root Barrier	Each	\$ 148.20			\$ 192.00		\$ 224.00		\$ 225.00	\$ 160.00	\$ 158.00	\$ 148.00	\$ 164.00	\$ 177.43	\$ 177.00	
9. Plant 24" box tree without Root Barrier	Each	\$ 249.30	\$ 279.00		\$ 372.00	\$ 332.00	\$ 364.00		\$ 390.00	\$ 300.00	\$ 238.00	\$ 254.00	\$ 374.00	\$ 323.00	\$ 323.00	
10. Plant 24" box tree with Root Barrier	Each	\$ 304.25			\$ 392.00	\$ 372.00	\$ 394.00		\$ 395.00	\$ 323.00	\$ 280.00	\$ 274.00	\$ 404.00	\$ 351.38	\$ 351.00	
11. Tree Waterfall	Day	\$ 495.75			\$ 782.00	\$ 718.00	\$ 752.00		\$ 720.00	\$ 624.00	\$ 752.00	\$ 720.00	\$ 723.14	\$ 680.00		
12. Crew Rental	Man Hour	\$ 49.30	\$ 63.00	\$ 90.00	\$ 82.00	\$ 89.00	\$ 94.00	\$ 100.00	\$ 95.00	\$ 100.00	\$ 78.00	\$ 94.00	\$ 90.00	\$ 82.20	\$ 85.00	
13. Emergency Response (Reg. Business Hours)	Man Hour	\$ 103.85	\$ 116.00	\$ 106.00	\$ 132.00	\$ 123.00	\$ 134.00	\$ 150.00	\$ 120.00	\$ 100.00	\$ 78.00	\$ 119.00	\$ 135.00	\$ 119.10	\$ 119.00	
14. Emergency Response (Evening, weekends, holidays)	Man Hour	\$ 103.85	\$ 116.00	\$ 106.00	\$ 132.00	\$ 123.00	\$ 134.00	\$ 150.00	\$ 120.00	\$ 100.00	\$ 78.00	\$ 119.00	\$ 135.00	\$ 119.10	\$ 119.00	

* The rates for Tree & Stump Removal in Santa Fe Springs are based on size ranges.

AVG	Proposed Rates
\$ 73.63	\$ 70.00
\$50-\$825	\$70-\$340
\$ 40.20	\$ 36.00
\$ 33.50	\$ 30.00
\$ 16.78	\$ 12.00
\$ 34.00	\$ 19.00
\$ 156.71	\$ 157.00
\$ 177.43	\$ 177.00
\$ 323.00	\$ 323.00
\$ 351.38	\$ 351.00
\$ 723.14	\$ 680.00
\$ 92.20	\$ 85.00
\$ 119.10	\$ 115.00
\$ 119.10	\$ 115.00

Over the years, WCA has provided quality service in all areas of work; from completing trimming to tree removals, as well as handling emergency work such as wind storm incident activity. WCA has been very responsive to all City service requests on a 24-hour basis.

WCA is recommended based on the following criteria:

- Demonstrated understanding of the services to be provided;
- Previous experience in providing a superior level of service on similar-sized public projects;
- Ability to utilize GIS technology to identify, track and resolve any issues with the approximately 25,000 trees throughout the City;
- Demonstrated a high level of competence, knowledge, and expertise in the areas of water management, irrigation system programming, and maintenance and repair;
- Assessment of proposed work plan and supervision of service delivery and compliance with schedule;
- Ability to provide innovative approaches and techniques in the delivery of services;
- Reasonable fees; and
- Well-organized communication systems and electronic reporting capabilities that demonstrate an ability to complete tasks efficiently and effectively and do not require constant supervision by the City.

RECOMMENDATION

That the City Council approve an Agreement for Tree Maintenance Services with West Coast Arborists, Inc. and authorize the Mayor to sign the Agreement in a form approved by the City Attorney.



Kelli Tunncliff
Deputy Director of Public Works



Thaddeus McCormack
City Manager

COUNCIL AGENDA

March 22, 2022

TO: The Honorable Mayor and City Council

SUBJECT: Update to Lakewood's Master Tree List and Tree Planting Plan

INTRODUCTION

Lakewood's Tree Master Plan was adopted in 1977 and revised in 1990 and 2007, and once again needs to be updated to reflect changes in our urban forest. West Coast Arborists, Inc. (WCA), the city's tree contractor, utilizes a user-friendly tree database that will be updated over the next four years as trees are re-planted or removed in accordance with the Master Tree List. Since the original Master Tree List and Planting Plan was adopted and subsequently revised, we continue to learn that certain species and varieties are more compatible with the urban environment. Updating the Master Tree List and Plan approximately every 10 to 15 years has enabled staff to continue to plant trees that are less hardscape aggressive, have less troublesome seeds, fruit, and roots, and are less susceptible to disease or insect problems.

DISCUSSION

Staff has proposed eight changes to the Master Tree List as follows:

Purple Orchid Tree – Hong Kong Orchid

The Purple Orchid has abundant seedlings which may germinate in the landscape and create litter concerns from the falling leaves, flowers, and seedpods, and branches tend to develop low on the trunk and droop toward the ground forming a large bush if left unpruned. The Purple Orchid will generally be replaced by the Hong Kong Orchid because they are similar in structure, size and leaf, but are slower growing, produce little to no fruit, and will grow under harsh urban conditions with minimal irrigation.

Catalpa – Nettleleaf Hackberry

The Catalpa can be a concern for pedestrians and can be hardscape aggressive. Catalpas will generally be replaced by the Nettleleaf Hackberries because they are similar in structure, size, and appearance. The Nettleleaf Hackberry also has a lower potential for root damage to hardscape.

Holly Oak/New Zealand Christmas Tree – Engleman Oak

The Holly Oak was replaced by the New Zealand Christmas Tree during the 2007 revision. Holly Oaks produce acorns that can be a concern for pedestrians and are also hardscape aggressive. The New Zealand Christmas Tree has not proven to be conducive to our environment and the recommendation is to replace both the Holly Oaks and New Zealand Christmas Trees with Engleman Oaks which are similar in structure, size, and leaf to the Holly Oak and are drought tolerant, slow growing with lower potential for root damage to hardscape and provide for a higher canopy to clear service vehicles.

New Zealand Christmas Tree- Palo Verde (select locations)

The New Zealand Christmas Tree will be replaced with the Palo Verde Tree in a few locations. On Candlewood between Palo Verde and San Gabriel River and on Palo Verde between Lindstrom Elementary and Carfax Avenue, the New Zealand Christmas Tree is too large for the tree wells and is not tolerant to heat and dry conditions. The New Zealand Christmas Tree will be replaced in these locations with the Palo Verde which is more drought-tolerant and better suited for the tree wells and height below overhead power lines.

Raywood Ash – Fan Tex Ash

The Raywood Ash was introduced during the 2007 revision to the Tree Master Plan. The Raywood Ash replaced the Modesto Ash which was susceptible to wooly aphids. The Raywood Ash has not tolerated the conditions well for its intended purpose and is susceptible to sun scorch and dieback. Therefore the recommendation is to replace the Raywood Ash with the Fan Tex Ash which is more tolerable to heat and drought.

Tulip Tree – Chinese Elm

The Tulip Tree has proved to be susceptible to several common tree diseases which can cause honeydew drip and the roots have moderate potential hardscape issues. The Tulip Tree will be recommended for replacement with the Chinese Elm, which was one of the original trees on the Master Tree List. The Chinese Elm has historically worked well in the Lakewood environment, with few complaints associated with the tree.

Canary Island Pine – Yew Pine, She-Oak, or Shoestring Acacia

The Canary Island Pines has been an iconic symbol for Lakewood, dating back to the original Tree Master Plan. As they have matured, the height of the trees far exceeds the parkway planting area and the trees have large pinecones that have become problematic. Staff's recommendation is to replace the Canary Island Pine with the Yew Pine based upon several considerations, such as the size of the parkway, tolerance to heat and drought, slower growth pattern, lack of pinecones, less invasive root system, and similar appearance.

Council may choose to consider two alternates to the Yew Pine, including either the She-Oak or the Shoestring Acacia. The She-Oak is not a pine, however, its appearance is similar, with needle-like leaves, small seed capsules, and evergreen foliage. The She-Oak produces lower leaf litter, requires less trimming, is drought tolerant, and has low root damage potential. One area of concern for this species is availability in local nurseries of 24" box trees, although they are expected to be available in summer 2023. The Shoestring Acacia would be a new addition to Lakewood. The appearance is less similar to the Canary Island Pine, however, it is well suited for an urban environment and does not produce pinecones.

Podocarpus Yellow Pine – Yew Pine

The Podocarpus Yellow Pine is too large for small urban parkways, is hardscape aggressive, and bears heavy fruit which can cause limbs to break. In the revised plan, staff proposes to change the Podocarpus Yellow Pine to the Yew Pine based upon several considerations, such as the size of the parkway, tolerance to heat and drought, slower growth pattern, significantly less to no fruit, less invasive root system and similar aesthetics to the Yellow Pine.

Update to Lakewood's Master Tree List and Tree Planting Plan

March 22, 2022

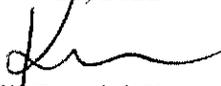
Page 3

SUMMARY

An oral report will be presented at the Council meeting that will include an update on our inventory of street trees and a summary of the proposed changes to the Master Tree List and Tree Planting Plan.

RECOMMENDATION

Staff recommends that Council adopt the updated Master Tree List and Tree Planting Plan dated March 22, 2022.



Kelli Tunnicliff
Deputy Director of Public Works



Thaddeus McCormack
City Manager

**D
I
V
I
D
E
R
S
H
E
E
T**

COUNCIL AGENDA

March 22, 2022

TO: The Honorable Mayor and City Council

SUBJECT: Unfunded Accrued Liability Funding Policy

INTRODUCTION

This item was presented earlier this evening at the City Council's study session for review and discussion with no recommended action.

The City's sound fiscal position has allowed the City to assure the continuity of services and set aside funds for needed capital improvement projects, initiating infrastructure activities throughout the City. Having addressed these priorities, it is appropriate to review the City's other long-term responsibilities, pension and other post-employment benefit (OPEB) obligations. While the City has been prudent in its funding of these long-term responsibilities and making them less burdensome than they are for other agencies, there are additional strategic opportunities that could further accelerate their payoff. Doing so would provide savings, therefore increasing available funding for other City priorities and strengthening the City's financial standing well into the future.

BACKGROUND

City staff has been working with Suzanne Harrell, Managing Director of Harrell & Company Advisors as a consultant on this matter. Harrell & Company Advisors offers independent financial advisory services and debt management strategies to local governments and public agencies throughout the State of California. The firm specializes in financing city and special district capital improvement projects, economic development and infrastructure. Suzanne Harrell is the managing director of the firm and has 30 years of experience in all aspects of capital financing and financial analysis. Since beginning her public finance career in 1988, she has acted as financial advisor on over \$7.5 billion in total financing for California public agencies, including tax allocation bond and water bond financings for the City of Lakewood.

STATEMENT OF FACT

City staff and Ms. Harrell introduced this discussion at the December 6, 2021 City Council Audit Committee meeting with a comprehensive presentation detailing the City's current position and offering strategies for increasing the funded status and minimizing future year impacts to the City. Potential tools such as a Section 115 Trust for pension obligations, named for the Internal Revenue Code (IRC) provision allowing for the establishment of this formal set-aside were discussed. A future Section 115 Trust with earmarked funds currently in the City's General Fund reserves would provide higher investment yields that could then be used to pay down existing obligations at a faster pace. It is important to note that the City already has a Section 115 Trust in place for OPEB obligations. Another instrument that could be used in a coordinated manner are Additional Discretionary Payments (ADPs). These are merely supplemental contributions toward obligations that could be made from budgetary surpluses and/or savings from debts that are scheduled to be fully-funded in the near future. Over time, making ADPs to CalPERS would provide a greater benefit than maintaining and investing funds in the City's reserves.

The Committee expressed interest in these approaches and directed staff to develop a comprehensive Unfunded Accrued Liability Funding Policy and bring it back to the Committee. Staff and consultant proceeded, doing so at the March 10, 2022 City Council Audit Committee meeting. See attached draft policy. The policy clearly identifies the purpose, objectives, and the procedures for funding these liabilities. While the proposed policy establishes a mechanism to fund the long-term obligations, it does not mandate setting aside additional amounts beyond current funding levels. After reviewing and discussing, the Committee recommended that the policy be presented to the City Council for adoption.

At the meeting a detailed presentation will be provided.

GOVERNMENTAL FUND BALANCE POLICY REVISION

The adoption of an Unfunded Accrued Liability Funding Policy would also require the modification of the City's current Governmental Fund Balance Policy. As previously mentioned, the latter policy calls for certain employee pension and benefit amounts to be set aside and included in the City's Committed General Fund Balance Reserve (as stated within the Annual Comprehensive Financial Report).

The development of an Unfunded Accrued Liability Funding Policy and more specifically, the establishment of a Section 115 Trust for pension-related obligations would require that these amounts be diverted from the City's Committed General Fund Balance Reserve and deposited into the trust. Doing so allows for them to be accounted for as dedicated assets set aside for pension funding needs. More importantly, the trust allows for the funds to be placed in longer-term (yet safe) investments resulting in significantly higher investment returns over time and the formal recognition by the auditors of the funds as an offset to the liabilities.

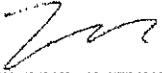
There are several other less prominent revisions to the policy. They include the addition of the Capital Improvement Contingency and Long-Term Obligation categories within the City Manager's Assigned Funds category, as well as the revision of the Infrastructure and Structures component also within the same category.

After reviewing and discussing, the Audit Committee recommended that the policy be presented to the City Council for adoption. Two versions of the revised policy are attached - a "clean" version already incorporating the changes and a "red line" version highlighting the proposed changes.

RECOMMENDATION

Staff recommends that the City Council adopt the Unfunded Accrued Liability Funding Policy and the revised Governmental Fund Balance Policy.


Jose Gomez
Director of Finance and Administrative Services


Thaddeus McCormack
City Manager

CITY OF LAKEWOOD

Unfunded Accrued Liability Funding Policy

PURPOSE

The purpose of this Unfunded Accrued Liability Funding Policy (“Policy”) is to provide a process to accelerate the payoff for any Unfunded Accrued Liabilities (“UAL”) that develop as calculated annually by CalPERS, PARS or for the City’s other post-employment health benefits (“OPEB”). This funding Policy is intended to support the decision-making process of the City Council.

POLICY

It is the policy of the City of Lakewood to identify funds available on an annual basis to deposit into irrevocable trusts for the payment of UAL for retirement benefits and to identify a process for the use of such funds to mitigate the impact on the City’s budget or to accelerate the payment of the UAL.

OBJECTIVES

The primary objective of funding pension plans and retiree benefits is to ensure that sufficient assets will be accumulated to deliver promised benefits when they come due.

A secondary objective is to provide more predictable pension costs as an aid to annual budgeting.

To achieve these objectives, the policy is to fund its CalPERS pension plan, the PARS Supplemental Plan and the OPEB benefits up to 100% of the total accrued liability whenever possible, and no less than 90% by June 30, 2027.

OVERVIEW

The level of funding for the City of Lakewood’s Miscellaneous Employee Retiree Benefit Plan (“CalPERS Plan”), PARS Supplemental Retirement Plan and Retiree Health (OPEB) Plan fluctuate over time based on the actuarial assumptions used to calculate the liabilities and the value of assets available to satisfy the liabilities.

There are currently three (3) irrevocable trusts related to the City’s retirement benefits:

- CalPERS asset pool allocable to the CalPERS Plan;
- PARS asset pool allocable to the Supplemental Plan; and
- PARS Section 115 trust allocable to the OPEB Plan.

The City has another irrevocable trust alternative for funding the CalPERS Plan over time. A Section 115 trust (“Pension Section 115 Trust”) allows municipalities to set aside extra resources for pension funding at reduced investment risk that may be inherent in the CalPERS asset pool. These funds can be withdrawn to pay UAL or to pay the City’s normal cost portion of annual pension costs.

The City can also make additional discretionary payments into the CalPERS system to reduce the interest cost that CalPERS charges the City on the unpaid balances.

CITY OF LAKEWOOD

Unfunded Accrued Liability Funding Policy

PROCEDURES FOR PARS SUPPLEMENTAL PLAN AND OPEB PLAN

These two plans are at or nearing 100% funding.

Future annual UAL payments relating to the OPEB Plan, if any, will be equal to the actuarially determined contribution (“ADC”) required by the plan administrator.

Future annual UAL payments relating to the PARS Supplemental Plan, if any, will be equal to the greater of \$618,000 or the ADC required by the plan administrator, until 100% funding is achieved, and thereafter will be equal to ADC required by the plan administrator, if any.

PROCEDURES FOR PENSION SECTION 115 TRUST

Deposits

Initial funding of the Pension Section 115 Trust will be provided by funds reserved for the CalPERS Plan and the PARS Supplemental Plan in the City’s General Fund reserves as of June 30, 2021.

Future deposits will be determined at the conclusion of the City’s annual audit and when the surplus fund balance above the City’s current reserve policy is known.

Withdrawals

There are two possible uses of funds withdrawn from the Pension Section 115 Trust:

- Provide one-time budgetary savings by applying the funds withdrawn to the current year scheduled UAL for the CalPERS Plan.
- Provide for Additional Discretionary Payments (ADPs) applied to specific portions of the UAL for the CalPERS Plan

Beginning in Fiscal Year 2024-25, funds would be withdrawn from the Pension Section 115 Trust and applied to the current year scheduled UAL for the CalPERS Plan when the current year’s UAL payment exceeds \$3,532,000 (the anticipated amount of the FY 2023-24 UAL payment). This would provide a like amount of budgetary savings and a budgetary cap on annual UAL pension costs.

ADPs can be applied each year to various components of the CalPERS Plan UAL. To achieve the greatest interest savings over time, an ADP made from Pension Section 115 Trust funds would be applied to the UAL component or base (“UAL Base”) with the most remaining years needed to fully amortize under the CalPERS amortization method.

The amount of the annual ADP made from Pension Section 115 Trust funds would be determined in May each year and remitted to CalPERS by June 15. The ADP can be calculated as:

- A percent of the next succeeding year scheduled UAL payment, or
- An amount equal to the investment earnings on the Pension Section 115 Trust balance.

CITY OF LAKEWOOD

Unfunded Accrued Liability Funding Policy

In any year that the combined balance of the Pension Section 115 Trust together with the CalPERS asset pool equals or exceeds 90% of the actuarial accrued liability of the CalPERS Plan, no ADP from the Pension Section 115 Trust need be made.

PROCEDURES FOR ADP FROM BUDGET SAVINGS

ADPs may also be made annually from certain budgetary savings.

In subsequent years, the ADP will equal the amount of budget savings from the prior years' ADC to the PARS Supplemental Plan once the Supplemental Plan has achieved full funding.

The ADPs made from budgetary savings relating to the City's other retirement benefit plans will be applied to accelerate payment of new UAL Bases created that year. This will assist in keeping the City's total UAL payment from growing larger each year under the CalPERS amortization methods, as more UAL is added over time.

SUMMARY

Establishing a Pension Section 115 Trust and procedures for the use of ADPs will assist the City in maintaining a manageable level of annual retirement costs while reducing long-term pension costs.

[Note: This Policy amends the City's Governmental Fund Balance Policy by eliminating the procedures for Pension Obligations section of the Committed Funds.]

GLOSSARY

ADC means the actuarially determined contribution calculated by the applicable plan administrator for the annual contribution to the plan designed to achieve the plan's funding requirement.

ADP means an Additional Discretionary Payment paid into a plan in addition to the ADC.

CalPERS means the California Public Employees' Retirement System.

Normal Cost means the employer's share of annual cost of service accrual for the upcoming fiscal year, for active employees.

OPEB means Other-Post Retirement Benefits and refers to health benefits paid under the PEMHCA plan.

PARS means Public Agency Retirement Services.

UAL means the unfunded accrued liability relating to a retirement plan and is the difference between the total actuarial accrued liability for such plan and the irrevocable assets pledged toward payment of those liabilities.

UAL BASE means the separate liability or credit created in any year, which when combined with all others, comprise the total UAL.

Revised Governmental Fund Balance Policy

“Clean” Version

CITY OF LAKEWOOD

Governmental Fund Balance Policy

Fund balance refers to the difference between assets and liabilities in the city's governmental funds balance sheet. This information is one of the most widely used elements of state and local government financial statements. Financial statement users examine fund balance information to identify the available liquid resources that can be used to repay long-term debt, add new programs, finance capital improvements, or enhance the financial position of the city.

PURPOSE

The purpose of this policy is to improve financial reporting by establishing fund balance classifications that create a hierarchy based on the extent to which the City is bound to observe spending constraints that govern how the City can use amounts reported in the governmental fund balance sheet. This policy satisfies the requirements of GASB Statement No. 54.

POLICY

It is the policy of the City of Lakewood to identify the various classifications of the City's governmental fund balance in its Annual Comprehensive Financial Report (ACFR). These classifications take into consideration the City's long-term infrastructure needs, non-current liabilities, stabilization funds, funds necessary to mitigate economic uncertainties, funding that has spending constraints such as grants, and fixed assets that will not easily convert to cash.

The fund balance is a tool the City uses to have an effective long-term financial plan, as well to ensure sufficient liquidity for the City meets its financial obligations in the short-term.

OBJECTIVES

The City of Lakewood's Fund Balance Policy has two (2) objectives:

- (i) To determine the available liquid resources; and**
- (ii) To provide the information necessary to make informed financial decisions.**

The classifications of the City's governmental fund balance are designed to clarify the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the fund can be spent, rather than to simply represent the financial resources available for appropriation.

OVERVIEW

Governmental funds represent one of three categories of funds; the other two categories are proprietary funds (water enterprise fund), and fiduciary funds (pension funds held in trust).

Governmental funds are used to account for activities primarily supported by taxes, fees, grants, and bond proceeds.

Governmental funds are further classified into five fund types: General Fund, the chief operating fund of the City; Special Revenue Funds, which account for funds legally restricted for a specific use; Debt Service Fund; Capital Projects Fund; and Permanent Funds for endowment arrangements.

Governmental funds are designed to focus on the near-term. To do this, governmental funds present only the subset of the

CITY OF LAKEWOOD

Governmental Fund Balance Policy

City's assets that are considered the City's current financial resources, and the corresponding sub-set of liabilities that is expected to be liquidated with those current financial resources, resulting in a method to assess the City's financial liquidity. Because governmental funds report only a subset of assets and liabilities, the difference between the two, or fund balance, is a measure of working capital – not of net worth.

The fund balance is only an approximate measure of liquidity or working capital. It is this discrepancy of measuring working capital that requires the City to recognize what makes-up the fund balance and isolate funds that are needed for longer-term obligations, discern what funds are restricted for specified purposes, and pull-out funds that are not available at all. To accomplish this, the City's financial statements for governmental funds are comprised of five (5) fund balance classifications:

- (i) Nonspendable Funds**
- (ii) Restricted Funds**
- (iii) Committed Funds**
- (iv) Assigned Funds**
- (v) Unassigned Funds**

NONSPENDABLE & RESTRICTED FUND BALANCE

The first two classifications are subject to requirements outside the local governing body's control for financial decision-making and planning purposes; Nonspendable resources are essentially irrelevant, and Restricted resources are of no

discretionary value. Accordingly, this policy will just briefly describe Nonspendable and Restricted funds in this Section.

Nonspendable Funds

Some of the assets that are included in determining the City's fund balance are inherently nonspendable:

- Assets that will never convert to cash, such as prepaid items and inventories.
- Assets that will not convert to cash within sixty (60) days from the start of the fiscal year, such as long-term loans receivable, and non-financial assets held for resale.
- Assets that must be maintained intact pursuant to legal or contractual requirements, such as an endowment.

Restricted Funds

Restricted funds describe the portion of the fund balance that is subject to externally enforceable legal restrictions, these restrictions fall into three (3) categories:

- (i) Restrictions are imposed by parties altogether outside the scope of the City's governance:
 - Creditors (typically through a debt covenant)
 - Grantors (typically state, federal and other governmental agencies)
 - Contributors
 - Other governments.

CITY OF LAKEWOOD

Governmental Fund Balance Policy

(ii) Restrictions that arise when the authorization to raise revenues is conditioned upon the revenue being used for a particular purpose, such as:

- Gas taxes must be used for street repair
- Prop C must be used for fixed transit routes
- Prop A must be used for transit programs
- Measure R must be used for local street repair

(iii) Long-term loans receivable and non-financial assets that are collected can also be considered Restricted if the collected funds are subject to an externally enforceable restriction on how they can be spent.

PROCEDURES

This Section provides a comprehensive protocol on what is legally deemed the unrestricted portion of the fund balance, and the order in which the classifications are spent.

The unrestricted portion of the fund balance is comprised of the City's fund balance or resources that are classified as Committed Funds, Assigned Funds, or Unassigned Funds.

UNRESTRICTED FUND BALANCE

Committed Funds

Committed funds describe the portion of the fund balance that is constrained by limitations imposed by the Lakewood City Council. The Council imposed limitation must occur no later than the close of the reporting period and remains binding unless removed under the same manner.

Types of commitments:

- | | |
|----------------------|--------------------------|
| Self Insurance | Economic Uncertainties |
| Pension Obligations | Capital Projects |
| Refuse Stabilization | Construction In Progress |

Self Insurance

Since 1998, \$4 million has been held in reserve in the General Fund for self Insurance. These funds are held to cover liability and worker's compensation expenses that are in excess of the costs covered by the California Joint Powers Insurance Authority, CJPIA. The CJPIA has historically covered all costs for the city, so the use of these funds is rare and would only be used for very large unpredictable claims. Periodic review of this amount is required to ensure adequate funds are available.

Employee Compensated Absences Obligations

Annually, the value of compensated absences, which is the liability derived from employee accrued sick and vacation leave, is computed. This amount in full is held as a Committed Fund Balance in the General Fund.

Pension obligations (previously included in this policy are now addressed in the City's Unfunded Accrued Liability Funding Policy.

Refuse Stabilization

The refuse stabilization funds of \$1,964,966 were built up over a period of years using the Long Beach SERRF rebates. In Fiscal Year 2010, the rebate program ceased. The rate stabilization funds are set aside to offset sharp increases in costs due to the implementation of a new refuse related program, or offset large annual increases (greater than 10%), or unexpected increases within the fiscal year (greater than

CITY OF LAKEWOOD

Governmental Fund Balance Policy

3%) in refuse collection or disposal. New programs and rate increase of ten percent or greater is unusual, and rate increases mid-year even more so; the use of these funds to offset rate increases would be rarely used and would only provide a bridge to the new higher rate.

Economic Uncertainties

The amount for economic uncertainties is computed as 20% of the General Fund's annual operating expenditures. These funds are held to offset major or unexpected reductions in revenue. Reduction in revenue equal to or greater than 10% would trigger the use of these funds to support core city services. The city has yet to experience a ten percent drop in revenues; the use of these funds is rare.

Capital Projects – Construction In Progress

The amount for capital related contracts and purchases is limited to the required continuing appropriations or encumbrances for contracts or purchases that required Council approval. These contracts and purchases are discrete in that they are independent of other costs, easily identifiable and one-time in nature.

Assigned Funds

Assigned funds describe the portion of the fund balance that reflects the intended use of resources by the Lakewood City Council. The amounts set aside for an intended use can be assigned by the City Manager.

Types of Assigned Funds:

- Infrastructure and Structures
- Equipment and Vehicle Replacement
- Contract Services in Cases of Emergency

- Capital Improvement Contingency
- Long-Term Obligations

Infrastructure and Structures

These Assigned funds are set aside for major emergency or unexpected necessary repairs of the City's streets, hard-scape, facilities, communication and technology systems, or other owned City property. The Assigned amount is a minimum of \$3 million, and may be periodically revised as needs are assessed

Equipment and Vehicle Replacement

These Assigned funds are set aside for emergency or unexpected replacement of the City's vehicles or equipment. The Assigned amount is the value of the assets before depreciation divided by seven, which corresponds to the ACFR seven-year depreciation schedule.

Contract Services in Cases of Emergency

These Assigned funds are set aside for contract services necessary to address an emergency or unexpected event. The Assigned amount is equivalent to the current one-month costs of the top eight contract services, and one-month lease from the Lakewood Equestrian Center.

Capital Improvement Contingency

These Assigned funds are set aside for the construction of larger projects that may require long-term accumulation of funds and/or grant-matching funds.

CITY OF LAKEWOOD

Governmental Fund Balance Policy

Long-Term Obligations

These Assigned funds are set aside for use in providing budget stability and allowing for the use of current-year surpluses during years where anticipated expenditures are greater than forecasted revenues.

Unassigned Funds

The General Fund often will have net resources in excess of what is classified in one of the four previous categories. This amount is presented as the unassigned fund balance. Only the General Fund can report a positive unassigned fund balance; however, all governmental funds can report a negative unassigned fund balance.

Use of Resources

In circumstances when an expenditure is made for a purpose for which amounts are available in multiple fund balance classifications, the order of allocation of these available funds is first restricted, second committed, third assigned, and lastly unassigned amounts.

SUMMARY

Components of the Fund Balance

Nonspendable Fund Balance

- Inherently nonspendable
- Portion of net resources that cannot be spent because of their form
- Portion of net resources that cannot be spent because they must be maintained intact

Restricted Fund Balance

- Externally enforceable limits on use
- Limitations imposed by creditors, grantors, contributors, or laws and regulations of other governments
- Limitations imposed by law through constitutional provisions or enabling legislation

Committed Fund Balance

- Council Self-imposed Limitations set in place prior to the end of the fiscal year
- Limitation imposed at highest level of decision making that requires formal action at the same level to remove

Assigned Fund Balance

- Limitation resulting from intended use
- Intended use established by the City Manager

Unassigned Fund Balance

- Total fund balance in the General Fund in excess of nonspendable, restricted, committed and assigned fund balance (surplus)
- Excess of nonspendable, restricted, and committed fund balance over total fund balance (deficit)

Use of Fund Balance

- Restricted
- Committed
- Assigned

CITY OF LAKEWOOD

Governmental Fund Balance Policy

GLOSSARY

State and local governments use three broad categories of funds: *governmental* funds, *proprietary* funds and *fiduciary* funds.

Governmental funds include the following.

- *General* fund. This fund is used to account for general operations and activities not requiring the use of other funds.
- *Special revenue* funds are required to account for the use of revenue earmarked by law for a particular purpose. State and federal fuel tax revenues require special revenue funds, because federal and state laws restrict these taxes to transportation uses.
- *Capital projects* funds are used to account for the construction or acquisition of fixed assets such as buildings, equipment and roads. Depending on its use, a fixed asset may instead be financed by a special revenue fund or a proprietary fund. A capital project fund exists only until completion of the project. Fixed assets acquired and long-term debts incurred by a capital project are assigned to the government's *General Fixed Assets* and *Long-Term Debts*.
- *Debt service* funds are used to account for money that will be used to pay the interest and principal of long-term debts. Bonds used by a government to finance major construction projects, to be paid by tax levies over a period of years, require a debt service fund to account for their repayment. The debts of special assessment and proprietary funds are serviced within those funds, rather than by a separate debt service fund.

- *Special assessment* funds account for public infrastructure improvements financed by special levies against property holders. Sidewalk and alley repairs often rely on special assessments.

Proprietary funds include *Enterprise* funds used for services provided to the public on a user charge basis, similar to the operation of a commercial enterprise. Water and sewage utilities are common examples of government enterprises.

Fiduciary funds are used to account for assets held in trust by the government for the benefit of individuals or other entities. The employee pension fund, created by the State of Maryland to provide retirement benefits for its employees, is an example of a fiduciary fund. Financial statements may further distinguish fiduciary funds as either *trust* or *agency* funds; a trust fund generally exists for a longer period of time than an agency fund.

Revised Governmental Fund Balance Policy

“Red line” Version

CITY OF LAKEWOOD Governmental Fund Balance Policy

Fund balance refers to the difference between assets and liabilities in the city's governmental funds balance sheet. This information is one of the most widely used elements of state and local government financial statements. Financial statement users examine fund balance information to identify the available liquid resources that can be used to repay long-term debt, add new programs, finance capital improvements, or enhance the financial position of the city.

PURPOSE

The purpose of this policy is to improve financial reporting by establishing fund balance classifications that create a hierarchy based on the extent to which the City is bound to observe spending constraints that govern how the City can use amounts reported in the governmental fund balance sheet. This policy satisfies the requirements of GASB Statement No. 54.

POLICY

It is the policy of the City of Lakewood to identify the various classifications of the City's governmental fund balance in its Annual Comprehensive ~~Annual~~-Financial Report (ACFRGAFR). These classifications take into consideration the City's long-term infrastructure needs, non-current liabilities, stabilization funds, funds necessary to mitigate economic uncertainties, funding that has spending constraints such as grants, and fixed assets that will not easily convert to cash.

The fund balance is a tool the City uses to have an effective long-term financial plan, as well to ensure sufficient liquidity for the City meets its financial obligations in the short-term.

OBJECTIVES

The City of Lakewood's Fund Balance Policy has two (2) objectives:

- (i) To determine the available liquid resources; and**
- (ii) To provide the information necessary to make informed financial decisions.**

The classifications of the City's governmental fund balance are designed to clarify the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the fund can be spent, rather than to simply represent the financial resources available for appropriation.

OVERVIEW

Governmental funds represent one of three categories of funds; the other two categories are proprietary funds (water enterprise fund, ~~and fleet and print shop internal service funds~~), and fiduciary funds (pension funds held in trust).

Governmental funds are used to account for activities primarily supported by taxes, fees, grants, and bond proceeds.

Governmental funds are further classified into five fund types: General Fund, the chief operating fund of the City; Special Revenue Funds, which account for funds legally restricted for a specific use; Debt Service Fund; Capital Projects Fund; and Permanent Funds for endowment arrangements.

CITY OF LAKEWOOD Governmental Fund Balance Policy

Governmental funds are designed to focus on the near-term. To do this, governmental funds present only the subset of the City's assets that are considered the City's current financial resources, and the corresponding sub-set of liabilities that is expected to be liquidated with those current financial resources, resulting in a method to assess the City's financial liquidity. Because governmental funds report only a subset of assets and liabilities, the difference between the two, or fund balance, is a measure of working capital – not of net worth.

The fund balance is only an approximate measure of liquidity or working capital. It is this discrepancy of measuring working capital that requires the City to recognize what makes-up the fund balance and isolate funds that are needed for longer-term obligations, discern what funds are restricted for specified purposes, and pull-out funds that are not available at all. To accomplish this, the City's financial statements for governmental funds are comprised of five (5) fund balance classifications:

- (i) Nonspendable Funds**
- (ii) Restricted Funds**
- (iii) Committed Funds**
- (iv) Assigned Funds**
- (v) Unassigned Funds**

NONSPENDABLE & RESTRICTED FUND BALANCE

The first two classifications are subject to requirements outside the local governing body's control for financial decision-making and planning purposes; Nonspendable resources are

essentially irrelevant, and Restricted resources are of no discretionary value. Accordingly, this policy will just briefly describe Nonspendable and Restricted funds in this Section.

Nonspendable Funds

Some of the assets that are included in determining the City's fund balance are inherently nonspendable:

- Assets that will never convert to cash, such as prepaid items and inventories.
- Assets that will not convert to cash within sixty (60) days from the start of the fiscal year, such as long-term loans receivable, and non-financial assets held for resale.
- Assets that must be maintained intact pursuant to legal or contractual requirements, such as an endowment.

Restricted Funds

Restricted funds describe the portion of the fund balance that is subject to externally enforceable legal restrictions, these restrictions fall into three (3) categories:

- (i) Restrictions are imposed by parties altogether outside the scope of the City's governance:
 - Creditors (typically through a debt covenant)
 - Grantors (typically state, federal and other governmental agencies)
 - Contributors
 - Other governments.

**CITY OF LAKEWOOD
Governmental Fund Balance Policy**

(ii) Restrictions that arise when the authorization to raise revenues is conditioned upon the revenue being used for a particular purpose, such as:

- Gas taxes must be used for street repair
- Prop C must be used for fixed transit routes
- Prop A must be used for transit programs
- Measure R must be used for local street repair

(iii) Long-term loans receivable and non-financial assets that are collected can also be considered Restricted if the collected funds are subject to an externally enforceable restriction on how they can be spent.

PROCEDURES

This Section provides a comprehensive protocol on what is legally deemed the unrestricted portion of the fund balance, and the order in which the classifications are spent.

The unrestricted portion of the fund balance is comprised of the City's fund balance or resources that are classified as Committed Funds, Assigned Funds, or Unassigned Funds.

UNRESTRICTED FUND BALANCE

Committed Funds

Committed funds describe the portion of the fund balance that is constrained by limitations imposed by the Lakewood City Council. The Council imposed limitation must occur no later than the close of the reporting period and remains binding unless removed under the same manner.

Types of commitments:

- | | |
|----------------------|--------------------------|
| Self Insurance | Economic Uncertainties |
| Pension Obligations | Capital Projects |
| Refuse Stabilization | Construction In Progress |

Self Insurance

Since 1998, \$4 million has been held in reserve in the General Fund for self insurance. These funds are held to cover liability and worker's compensation expenses that are in excess of the costs covered by the California Joint Powers Insurance Authority, CJPIA. The CJPIA has historically covered all costs for the city, so the use of these funds is rare and would only be used for very large unpredictable claims. Periodic review of this amount is required to ensure adequate funds are available.

Pension Employee Compensated Absences Obligations

~~Pension obligations include: CalPERS (California Public Employees' Retirement System); PARS (Public Agency Retirement Services); and OPEB (Other Post-Employment Benefits - retiree health benefit); as well as compensated absences.~~

~~Every year CalPERS provides an Annual Valuation Report. This report specifies the employer contribution rate for both 'normal cost' and amortized costs, and unfunded liability. Using a weighted amortized cost rate, the unfunded liability attributed to amortized cost is computed. This computed amount in part or in full is then held as a Committed fund balance in the General Fund. This plan is scheduled to be fully funded by 2043.~~

~~The funds necessary to cover OPEB obligations is determined by a biennial actuarial as of June 30 every odd year. This~~

CITY OF LAKEWOOD Governmental Fund Balance Policy

~~actuarial computes the unfunded accrued liability, this amount is then transferred into the OPEB Trust. On even years, City staff computes the estimated OPEB unfunded liability using the assumptions presented in the prior year's actuarial. This amount in part or full is held in the General Fund as a Committed Fund Balance to be paid to the Trust in the following year per the actuarial. This plan is to be maintained at a minimum of 90% funded.~~

~~The PARS plan also has a biennial actuarial as of June 30 every odd year. The actuarial provides the PARS 'normal rate' and the unfunded actuarial liability rate. Using a weighted unfunded actuarial liability rate, the unfunded liability cost is computed, which is then held in part or in full as a Committed fund balance in the General Fund. The PARS is closed to new members and is scheduled to reach full funding by 2036.~~

Annually, the value of compensated absences, which is the liability ~~of derived from employee~~ accrued sick and vacation leave, is computed. This ~~computed~~ amount in full is held as a Committed ~~f~~und ~~B~~alance in the General Fund.

[Pension obligations \(previously included in this policy are now addressed in the City's Unfunded Accrued Liability Funding Policy\).](#)

Refuse Stabilization

The refuse stabilization funds of \$1,964,966 were built up over a period of years using the Long Beach SERRF rebates. In Fiscal Year 2010, the rebate program ceased. The rate stabilization funds are set aside to offset sharp increases in costs due to the implementation of a new refuse related program, or offset large annual increases (greater than 10%),

or unexpected increases within the fiscal year (greater than 3%) in refuse collection or disposal. New programs and rate increase of ten percent or greater is unusual, and rate increases mid-year even more so; the use of these funds to offset rate increases would be rarely used and would only provide a bridge to the new higher rate.

Economic Uncertainties

The amount for economic uncertainties is computed as 20% of the General Fund's annual operating expenditures. These funds are held to offset major or unexpected reductions in revenue. Reduction in revenue equal to or greater than 10% would trigger the use of these funds to support core city services. The city has yet to experience a ten percent drop in revenues; the use of these funds is rare.

Capital Projects – Construction In Progress

The amount for capital related contracts and purchases is limited to the required continuing appropriations or encumbrances for contracts or purchases that required Council approval. These contracts and purchases are discrete in that they are independent of other costs, easily identifiable and one-time in nature.

Assigned Funds

Assigned funds describe the portion of the fund balance that reflects the intended use of resources by the Lakewood City Council ~~and/or the Lakewood Redevelopment Agency~~. The amounts set aside for an intended use can be assigned by the City Manager.

CITY OF LAKEWOOD Governmental Fund Balance Policy

Types of Assigned Funds:

- Infrastructure and Structures
- Equipment and Vehicle Replacement
- Contract Services in Cases of Emergency
- Capital Improvement Contingency
- Long-Term Obligations

Infrastructures and Structures

These Assigned funds are set aside ~~to~~ for major emergency or unexpected necessary repairs of the City's streets, hard-scape, facilities, communication and technology systems, or other owned City property. The Assigned amount is a minimum of \$3 million, and may be periodically revised as needs are assessed the value of the assets before depreciation divided by thirty, which corresponds to the CAFR thirty-year depreciation schedule.

Equipment and Vehicle Replacement

These Assigned funds are set aside ~~to~~ for emergency or unexpected replacement of the City's vehicles or equipment. The Assigned amount is the value of the assets before depreciation divided by seven, which corresponds to the ACFR CAFR seven-year depreciation schedule.

Contract Services in Cases of Emergency

These Assigned funds are set aside ~~to~~ for contract services necessary to ~~deal with address~~ an emergency or unexpected event. The Assigned amount is equivalent to the current one-month costs of the top eight contract services, and one-month lease from the Lakewood Equestrian Center Stables.

Capital Improvement Contingency

These Assigned funds are set aside for the construction of larger projects that may require long-term accumulation of funds and/or grant-matching funds.

Long-Term Obligations

These Assigned funds are set aside for use in providing budget stability and allowing for the use of current-year surpluses during years where anticipated expenditures are greater than forecasted revenues.

Unassigned Funds

The General Fund often will have net resources in excess of what is classified in one of the four previous categories. This amount is presented as the unassigned fund balance. Only the General Fund can report a positive unassigned fund balance; however, all governmental funds can report a negative unassigned fund balance.

Use of Resources

In circumstances when an expenditure is made for a purpose for which amounts are available in multiple fund balance classifications, the order of allocation of these available funds is first restricted, second committed, third assigned, and lastly unassigned amounts.

SUMMARY

Components of the Fund Balance

Nonspendable Fund Balance

- Inherently nonspendable
- Portion of net resources that cannot be spent because of their form

Formatted: Justified

Formatted: Underline

CITY OF LAKEWOOD Governmental Fund Balance Policy

- Portion of net resources that cannot be spent because they must be maintained intact

Restricted Fund Balance

- Externally enforceable limits on use
- Limitations imposed by creditors, grantors, contributors, or laws and regulations of other governments
- Limitations imposed by law through constitutional provisions or enabling legislation

Committed Fund Balance

- Council Self-imposed Limitations set in place prior to the end of the fiscal year
- Limitation imposed at highest level of decision making that requires formal action at the same level to remove

Assigned Fund Balance

- Limitation resulting from intended use
- Intended use established by the City Manager

Unassigned Fund Balance

- Total fund balance in the General Fund in excess of nonspendable, restricted, committed and assigned fund balance (surplus)
- Excess of nonspendable, restricted, and committed fund balance over total fund balance (deficit)

Use of Fund Balance

- Restricted
- Committed
- Assigned

GLOSSARY

State and local governments use three broad categories of funds: *governmental* funds, *proprietary* funds and *fiduciary* funds.

Governmental funds include the following.

- *General* fund. This fund is used to account for general operations and activities not requiring the use of other funds.
- *Special revenue* funds are required to account for the use of revenue earmarked by law for a particular purpose. State and federal fuel tax revenues require special revenue funds, because federal and state laws restrict these taxes to transportation uses.
- *Capital projects* funds are used to account for the construction or acquisition of fixed assets such as buildings, equipment and roads. Depending on its use, a fixed asset may instead be financed by a special revenue fund or a proprietary fund. A capital project fund exists only until completion of the project. Fixed assets acquired and long-term debts incurred by a capital project are assigned to the government's *General Fixed Assets* and *Long-Term Debts*.
- *Debt service* funds are used to account for money that will be used to pay the interest and principal of long-term debts. Bonds used by a government to finance major construction projects, to be paid by tax levies over a period of years, require a debt service fund to account for their repayment. The debts of special assessment and proprietary funds are

Formatted: Font: 8 pt, Not Italic

Formatted: Indent: Left: 0.25", No bullets or numbering

CITY OF LAKEWOOD Governmental Fund Balance Policy

serviced within those funds, rather than by a separate debt service fund.

- *Special assessment* funds account for public infrastructure improvements financed by special levies against property holders. Sidewalk and alley repairs often rely on special assessments.

Proprietary funds include the following.

- ~~*Internal service* funds are used for operations serving other funds or departments within a government on a cost-reimbursement basis. A printing shop, which takes orders for booklets and forms from other offices and is reimbursed for the cost of each order, would be a suitable application for an internal service fund.~~
- *Enterprise* funds are used for services provided to the public on a user charge basis, similar to the operation of a commercial enterprise. Water and sewage utilities are common examples of government enterprises.

Fiduciary funds are used to account for assets held in trust by the government for the benefit of individuals or other entities. The employee pension fund, created by the State of Maryland to provide retirement benefits for its employees, is an example of a fiduciary fund. Financial statements may further distinguish fiduciary funds as either *trust* or *agency* funds; a trust fund generally exists for a longer period of time than an agency fund.

**D
I
V
I
D
E
R

S
H
E
E
T**

COUNCIL AGENDA

March 22, 2022

TO: Honorable Mayor and City Council

SUBJECT: Public Safety Committee Discussion and Development of Community Safety Plan

INTRODUCTION

Over the last several months, regionally and nationally, there has been an uptick of high profile property crimes, of which Lakewood has not been immune. While crime data for Lakewood shows a decrease of property crimes in 2021 and thus far in 2022, the heightened sensationalism and arbitrary nature of these types of crime are of a concern of the community. Accordingly, the Public Safety Committee will meet on Thursday, March 17, 2022, to discuss and develop a community safety plan.

STATEMENT OF FACTS

The Public Safety Committee will meet on Thursday, March 17, 2022, to discuss recent crime trends, particularly property crimes and develop a community safety plan. Items to be considered include:

- Enhanced deployment of Deputy Sheriff's in neighborhoods on overtime basis
- Deploy Community Safety Officers during late night in neighborhoods
- Contracted private security to provide highly visible patrol in targeted areas of city
- Expansion of Automated License Plate Reader camera network throughout city
- Enhance current crime prevention public outreach messaging
- Institute a security camera rebate program
- Develop a comprehensive public-private partnership for catalytic converter etching

A supplemental staff report summarizing the Public Safety Committee's discussion and recommendations will be provided Monday, March 21, 2022. It is anticipated the recommendation will include the necessary funding appropriation to implement components of the plan.

RECOMMENDATION

Staff recommends that the Council review and approve the recommendations of the Public Safety Committee, make the requisite appropriation and provide appropriate direction to staff.

Joshua Yordt 
Director of Public Safety


Thaddeus McCormack
City Manager

The Public Safety Committee met on Thursday, March 17, 2022 to discuss and develop recommendations for a Neighborhood Safety Enhancement plan.

The recommended Neighborhood Safety Enhancement Plan includes:

- Increased Deputy Sheriff patrols at night in Lakewood neighborhoods. These will be added to existing patrols through overtime focused on nighttime hours. Deputy Sheriff's will be assigned to patrol neighborhoods, shopping centers to deter criminal activity and handle any potential criminal activity they observe. They will also work in conjunction with and respond to calls for service generated by the private security guard patrols noted below.
 - **Recommended allocation \$75,000**
- Hire contracted private security guards to also patrol neighborhoods at night, working in collaboration with the Lakewood Sheriff's Station. The Sheriff's Department countywide is currently limited in staffing and not allowing cities to add permanent patrol positions to their contracts, so the Security Guards will enable Lakewood to increase the number of patrol vehicles during the critical overnight hours, with the goal of nearly doubling the number of patrol cars normally on Lakewood streets overnight. The Security Guards will not carry out law enforcement actions, but will observe and report to Deputy Sheriffs for fast response. They will also provide a highly-visible nighttime presence driving through Lakewood neighborhoods. The Security Guards will be hired on a three-month contract, and their effectiveness will be evaluated over that time period before a decision is made on continuing their services.
 - **Recommended allocation \$175,000**
- Expand the number of Automatic License Plate Reading (ALPR) cameras in Lakewood to major thoroughfares coming into Lakewood. The additional ALPR cameras are solar powered and use cellular connectivity to transmit data making them more versatile and easier to install. The recommendation is to add ten (10) additional ALPR cameras.
 - **Recommended allocation \$85,000**
- Offer a rebate program to residents for the purchase of home security camera devices. These cameras have proven valuable in deterring and spotting criminal activity and in the evidence they provide Sheriff's investigators to find criminal perpetrators. The recommended rebate is \$50 per device for as many as two devices per household. With the new rebate program, Lakewood hopes to add as many 400 cameras to those already in operation throughout the city.
 - **Recommended allocation \$20,000**
- Purchase a radar trailer with variable message board and ALPR camera. This trailer will be capable of providing speed feedback to motorists, deliver important safety and other messages to the public and detect "wanted" or stolen vehicles. The trailer can be deployed to various location throughout the city to address crime and traffic related issues, while also displaying important messages.
 - **Recommended allocation \$30,000**

- Other steps in the plan include holding extra catalytic converter “etching” events (putting ID on converters and making them harder to sell if stolen) through public-private partnerships, promoting Crime Stoppers and other “See Something, Say Something” public education, and increasing the publicity for Neighborhood Watch, Volunteers on Patrol and other methods by which Lakewood residents can get involved in the effort to maintain and enhance safety in their neighborhood and community.
 - **Recommended allocation \$15,000**

The total recommended allocation of funds for the Neighborhood Safety Enhancement Plan is \$400,000.

The Public Safety Committee also discussed other topics that are already in process or require further exploration.

- Exploring a regional City Prosecutor for pursuing criminal charges against suspects that the new L.A. County District Attorney is no longer pursuing.
- Lakewood, in collaboration with the cities of Hawaiian Gardens and Signal Hill, submitted a grant proposal for County Measure H funds to fund a homeless outreach specialist. Final approvals for the funding are pending. This added position will enhance Lakewood’s overall ability to offer services to the homeless and will work closely with city and Sheriff’s Department staff.
- Lakewood collaborated with neighboring cities to form a street racing task force that ran December 2020 through May 2021. The task force was comprised of Deputy Sheriffs focused on responding to street racing activity and enforcing related traffic violations such as modified exhaust. Lakewood is currently working regionally and at the state level to pass legislation to help curb street racing activity.

RECOMMENDATION:

Staff recommends that the City Council approve the recommendations of the Public Safety Committee; appropriate \$400,000 for the recommended purposes; and approve contract private security services in an amount not to exceed \$175,000, delegating selection of a private security company to the Public Safety Committee and authorizing the City Manager to execute an agreement with the selected company.

**D
I
V
I
D
E
R

S
H
E
E
T**

COUNCIL AGENDA

March 22, 2022

TO: Honorable Mayor and City Council

SUBJECT: Volunteer Appreciation Month

INTRODUCTION

April is recognized as National Volunteer Month, and the Recreation and Community Services Department is celebrating the hard work of Lakewood's volunteers by offering several events to both celebrate and encourage volunteerism. Many of the department's programs would not be possible without the assistance of the hundreds of volunteers who give their time, energy and effort to help others. Giving back to the community through volunteer service is a Lakewood tradition, and volunteers have helped to make the city what it is today; a strong and caring community.

STATEMENT OF FACT

Volunteer Recognition

Events to recognize the efforts of volunteers have been scheduled throughout the month of April. The 25th annual Lakewood Volunteer Day is on Saturday, April 9. Immediately following the Volunteer Day event, volunteers are thanked at a recognition luncheon. The Older Adult Volunteer Recognition Luncheon is on Wednesday, April 20 at Monte Verde Park. At this event, the Older Adult Volunteer of the Year will be honored along with many other older adult volunteers who give their time throughout the year. Rounding out the month, Lakewood Youth Sports (LYS) coaches will be treated to a recognition event, which includes a trip to an Angels baseball game the evening of Saturday, April 23. The event will be hosted at the Lakewood Youth Center and attendees will be treated to a meal, a word of thanks from the Mayor and will then board buses bound for the Angel Stadium of Anaheim.

Volunteers in Action

In 2021, volunteers coached youngsters on 46 baseball/softball teams and 31 football/volleytennis/volleyball teams, contributing 3,029 hours of service. The 2021 basketball season did not occur due to COVID-19 regulations, but a skills clinic was offered in its place. Volunteers also enhanced many senior programs and services. A dedicated group of 150 volunteers contributed 9,621 hours to Lakewood Meals on Wheels. Older adult classes at the Burns Community Center and Weingart Senior Center were able to resume in June of 2021. Burns Community Center volunteers provide class instruction in special activities such as book club, poker club, and technology classes. Twenty-five adult volunteers regularly worked at the Weingart Senior Center providing class instruction in specialty classes such as knitting, crocheting, sculpting, painting, and dance for a total of 194.5 hours of service. Other programs such as the senior nutrition program rely heavily on volunteers to perform tasks such as meal preparation, service and clean up. Lastly, the 2021 Tax Program utilized four volunteers in March, April and May contributing 320 hours of service. Taxes were dropped off and picked up by appointment

due to the center being closed to the public. Volunteers continue to augment public service and assistance, and supervision at a variety of special events and weekly programs.

Lakewood Volunteer Day is one way many residents get involved and help their neighbors. This day is set aside as a means for the entire community to come and volunteer a few hours "close to home" working on a variety of projects. Volunteer groups are matched with appropriate project sites. All projects are designed to begin work at 8 a.m. and conclude by 12 p.m. In 2021, Volunteer Day wasn't able to be held in April due to COVID-19 regulations, however a Lakewood Day of Service event was offered on Saturday, September 11 as a scaled-down Volunteer Day event, in offer some assistance to residents. The Day of Service event had 182 volunteers contributing 728 hours of service working on 13 project sites.

Lakewood teens continue to be enthusiastic volunteers. In 2021, teens contributed 297 hours of service at parks and community centers. Unfortunately, the Teens in Lakewood Care (TLC) program was not able to help residents in 2021 due to COVID-19 restrictions. This tradition of voluntary action provides an opportunity for teens to create a strong pattern of civic engagement into adulthood. We look forward to having this program back in 2022 and have two dates on the calendar for July and October.

The Project Shepherd Holiday Program is made possible because of the many volunteers who generously give their time. In December, 2021, 65 volunteers worked in the warehouse at the Lakewood Youth Center. Volunteers packed boxes, distributed gifts, and loaded cars totaling 207.5 hours of service. This enabled 417 families to receive food and gifts over the holiday season.

SUMMARY

Volunteers have an enormous impact on the health and well-being of communities. According to the most recent research from the Independent Sector, the estimated dollar value of volunteer time in California is \$33.61 per hour. The value of volunteer programs is not derived simply by looking at this dollar amount and the total volunteer hours worked; instead, the contribution made by all generations of volunteers in Lakewood is of the greatest importance. Volunteers have enabled the Recreation and Community Services Department to maximize its resources and provide a variety of quality programs and services to all ages. Volunteers continue to be a cornerstone in maintaining the programs that improve the quality of life in Lakewood and make it such a unique community.

RECOMMENDATION

It is the recommendation of staff that the City Council receive and file the Volunteer Appreciation Month Program Update.

Valarie Frost, Director *VF*
Recreation and Community Services

Thaddeus McCormack
Thaddeus McCormack
City Manager

**D
I
V
I
D
E
R

S
H
E
E
T**

*Housing
Successor*

**CITY OF LAKEWOOD SUCCESSOR AGENCY - HOUSING
FUND SUMMARY 3/17/2022**

In accordance with section 2521 of the Lakewood Municipal Code there is presented herewith a summary of obligations to be paid by voucher 428 through 428. Each of the following demands has been audited by the Director of Administrative Services and approved by the City Manager.

3901	HOUSING SUCCESSOR AGENCY	18,000.00
		<hr/>
		18,000.00

Council Approval

Date

City Manager

Attest

City Clerk

Director of Administrative Services

**CITY OF LAKEWOOD SUCCESSOR AGENCY - HOUSING
SUMMARY CHECK REGISTER**

<u>CHECK #</u>	<u>CHECK DATE</u>	<u>VEND #</u>	<u>VENDOR NAME</u>	<u>GROSS</u>	<u>DISC.</u>	<u>CHECK AMOUNT</u>
428	03/17/2022	3699	LOPEZ, JAIME AND NELIDA	18,000.00	0.00	18,000.00
Totals:				<u>18,000.00</u>	<u>0.00</u>	<u>18,000.00</u>