

Tuesday, June 6, 2023, 7:00 P.M.

A quorum of City Council will be in attendance at
Tracy City Hall Chambers, 333 Civic Center Plaza, Tracy

Web Site: www.cityoftracy.org

And a Council Member will attend remotely at the following location:

1114 Washington Blvd, Detroit, MI 48226

MEMBERS OF THE PUBLIC MAY PARTICIPATE REMOTELY IN THE MEETING VIA THE FOLLOWING METHOD:

As always, the public may view the City Council meetings live on the City of Tracy's website at CityofTracy.org or on Comcast Channel 26/AT&T U-verse Channel 99. To view from the City's website, open the "Government" menu at the top of the City's homepage and select "[City Council Meeting Videos](#)" under the "City Council" section.

If you only wish to watch the meeting and do not wish to address the Council, the City requests that you stream the meeting through the City's website or watch on Channel 26.

Remote Public Comment:

During the upcoming City Council meeting public comment will be accepted via the options listed below. If you would like to comment remotely, please follow the protocols below:

- *Comments via:*
 - **Online by visiting** <https://cityoftracyevents.webex.com> and using the following **Event Number: 2551 327 4103** and **Event Password: TracyCC**
 - ***If you would like to participate in the public comment anonymously***, you may submit your comment in WebEx by typing "Anonymous" when prompted to provide a First and Last Name and inserting Anonymous@example.com when prompted to provide an email address.
 - Join by phone by dialing +1-408-418-9388, enter 25513274103#8722922# Press *3 to raise the hand icon to speak on an item.
- *Protocols for commenting via WebEx:*
 - *If you wish to comment on the "Consent Calendar", "Items from the Audience/Public Comment" or "Regular Agenda" portions of the agenda:*
 - *Listen for the Mayor to open that portion of the agenda for discussion, then raise your hand to speak by clicking on the Hand icon on the Participants panel to the right of your screen.*
 - *If you no longer wish to comment, you may lower your hand by clicking on the Hand icon again.*
 - *Comments for the "Consent Calendar" "Items from the Agenda/Public Comment" or "Regular Agenda" portions of the agenda will be accepted until the public comment for that item is closed.*

Comments received on Webex outside of the comment periods outlined above will not be included in the record.

Americans With Disabilities Act - The City of Tracy complies with the Americans with Disabilities Act and makes all reasonable accommodations for the disabled to participate in Council meetings. Persons requiring assistance or auxiliary aids should call City Hall (209/831-6105) 24 hours prior to the meeting.

Addressing the Council on Items on the Agenda - The Brown Act provides that every regular Council meeting shall provide an opportunity for the public to address the Council on any item within its jurisdiction before or during the Council's consideration of the item, provided no action shall be taken on any item not on the agenda. To facilitate the orderly process of public comment and to assist the Council to conduct its business as efficiently as possible, members of the public wishing to address the Council are requested to, but not required to, hand a speaker card, which includes the speaker's name or other identifying designation and address to the City Clerk prior to the agenda item being called. Generally, once the City Council begins its consideration of an item, no more speaker cards will be accepted. An individual's failure to present a speaker card or state their name shall not preclude the individual from addressing the Council. Each citizen will be allowed a maximum of five minutes for input or testimony. In the event there are 15 or more individuals wishing to speak regarding any agenda item including the "Items from the Audience/Public Comment" portion of the agenda and regular items, the maximum amount of time allowed per speaker will be three minutes. When speaking under a specific agenda item, each speaker should avoid repetition of the remarks of the prior speakers. To promote time efficiency and an orderly meeting, the Presiding Officer may request that a spokesperson be designated to represent similar views. A designated spokesperson shall have 10 minutes to speak. At the Presiding Officer's discretion, additional time may be granted. The City Clerk shall be the timekeeper.

Consent Calendar - All items listed on the Consent Calendar are considered routine and/or consistent with previous City Council direction. One motion, a second, and a roll call vote may enact the items listed on the Consent Calendar. No separate discussion of Consent Calendar items shall take place unless a member of the City Council, City staff or the public request discussion on a specific item.

Addressing the Council on Items not on the Agenda – The Brown Act prohibits discussion or action on items not on the posted agenda. The City Council's Meeting Protocols and Rules of Procedure provide that in the interest of allowing Council to have adequate time to address the agenda items of business, "Items from the Audience/Public Comment" following the Consent Calendar will be limited to 15-minutes maximum period. "Items from the Audience/Public Comment" listed near the end of the agenda will not have a maximum time limit. A five-minute maximum time limit per speaker will apply to all individuals speaking during "Items from the Audience/Public Comment". For non-agendized items, Council Members may briefly respond to statements made or questions posed by individuals during public comment; ask questions for clarification; direct the individual to the appropriate staff member; or request that the matter be placed on a future agenda or that staff provide additional information to Council. When members of the public address the Council, they should be as specific as possible about their concerns. If several members of the public comment on the same issue an effort should be made to avoid repetition of views already expressed.

Notice - A 90 day limit is set by law for filing challenges in the Superior Court to certain City administrative decisions and orders when those decisions or orders require: (1) a hearing by law, (2) the receipt of evidence, and (3) the exercise of discretion. The 90 day limit begins on the date the decision is final (Code of Civil Procedure Section 1094.6). Further, if you challenge a City Council action in court, you may be limited, by California law, including but not limited to Government Code Section 65009, to raising only those issues you or someone else raised during the public hearing, or raised in written correspondence delivered to the City Council prior to or at the public hearing.

Full copies of the agenda are available on the City's website: www.cityoftracy.org

CALL TO ORDER

PLEDGE OF ALLEGIANCE

INVOCATION

ACTIONS, BY MOTION, OF CITY COUNCIL PURSUANT TO AB 2449, IF ANY

ROLL CALL

PRESENTATIONS

1. Employee of the Month
2. Certificate of Appointment – Parks and Community Services Commission
3. Proclamation – Juneteenth Day
4. Proclamation – LGBTQ Pride Month
5. DARE Presentations

1. CONSENT CALENDAR

- 1.A Adopt May 16, 2023 Closed Session, Special Meeting, and Regular Meeting minutes.
- 1.B. Adopt a resolution (1) accepting the construction for the Temporary Emergency Housing Project on Arbor Avenue, Phase 1, and the preparation work for the modular and container units, Phases 3 & 4, CIP 71112, for work completed by GradeTech, Inc., of San Ramon, California, (2) authorizing the City Clerk to File the Notice of Completion with the San Joaquin County Recorder's Office, and (3) authorizing the City Engineer to release the bonds and retention payment.
- 1.C. Adopt a Resolution authorizing the purchase of equipment in the amount of \$242,000 through Sourcewell cooperative purchasing agreements to maintain and operate Legacy Fields.
- 1.D. Adopt a resolution 1) approving a Professional Services Agreement with Faster, LLC for a total not to exceed the amount of \$295,600 for a term of five years to convert the City of Tracy's current fleet asset software to web-based software and determining that it is in the best interest of the City to dispense procurement requirements for the Agreement pursuant to Tracy Municipal Code Section 2.20.140 (b)(6) and 2) authorize the City Manager to make any minor amendments and contract extensions upon recommendation from the Operations & Utilities Director.
- 1.E. Adopt a resolution authorizing the purchase of a replacement crack seal machine from Crafc0, Inc. through Sourcewell cooperative purchasing agreement #080521 for the amount of \$101,590.

- 1.F. Adopt a resolution awarding a construction contract to Tracy Grading & Paving, Inc., of Tracy, California, for the Bessie Avenue Reconstruction Project – CIP 73192, 74166, and 75164, with a not-to-exceed project budget of \$5,464,884.
- 1.G. Adopt the following: 1) Resolution initiating proceedings for the annual levy of assessments and approving the preliminary Engineer's Report for the Tracy Consolidated Landscape Maintenance District pursuant to the provisions of the Landscape and Lighting Act of 1972 for Fiscal Year 2023/2024; and 2) Subject to approval of Item 1, Resolution declaring the City of Tracy's intention to levy annual assessments for the Tracy Consolidated Landscape Maintenance District for Fiscal Year 2023/2024 and setting a public hearing on June 20, 2023, at 7 p.m. to consider the same in accordance with the Landscape and Lighting Act of 1972.
- 1.H. Waive the second reading and adopt an ordinance of the City of Tracy: 1) Amending Tracy Municipal Code Sections: (A) 6.36.040 to add clarifying language; (B) 6.36.080 to further toll the expiration date of the commercial cannabis business permits that are expiring on June 21, 2023, to March 3, 2024; and (C) 6.36.100 to modify the cannabis business permit renewal requirements; and 2) Determining that the Project is categorically exempt from the California Environment Quality Act (CEQA), pursuant to CEQA Guidelines Section 15061(B)(3).
- 1.I. Staff recommends that the City Council a) Dispense the procurement requirements for this Agreement pursuant to Tracy Municipal Code Section 2.20.140(b)(6). b) Adopt a resolution renewing a Small Government Enterprise Licensing Agreement and the purchase of Geographic Information System software licenses through the Environmental Systems Research Institute, Inc. for a term of three years and a not-to-exceed amount of \$171,600.
- 1.J. Staff recommends the City Council approve a Voluntary Agreement with Prologis, L.P. a Delaware Limited Partnership for the construction of a turnaround and installation of an automated fire-access gate on the City portion of Hansen Road, in response to the County's decision to limit access to their portion of Hansen Road.
- 1.K. Staff recommends that the City Council authorize the City of Tracy to continue participation in the San Joaquin County Urban County Consortium and Urban County Cooperation Agreement for the Federal Community Development Block Grant (CDBG) and HOME Investment Partnership (HOME) program funding for fiscal years 2024-2026

2. ITEMS FROM THE AUDIENCE

3. REGULAR AGENDA

- 3.A. Staff recommends that Council adopt a resolution approving a Joint Community Facilities Agreement with the Jefferson School District relating to the City of Tracy Community Facilities District No. 2016-1 (Tracy Hills) and approving and authorizing related documents and actions.
- 3.B. Approve a resolution to adopt amendments to the City Council's A) Code of Conduct and B) Meeting Protocols and Rules of Procedures.

- 3.C. Conduct a public hearing, and upon conclusion, adopt the following: 1) Resolution approving new positions for an annual aggregate cost of \$1,375,165 and authorizing the Budget Officer to amend the City's Position Control Roster for FY 2023/24; 2) Resolution adopting the City of Tracy Fiscal Years (FY) 2023/24 Annual Operating and Capital Budget, reflecting additional positions approved through Resolution XXX; 3) Resolution adopting Committed Fund Balances (GASB 54) for Fiscal Year ending June 30, 2023 in compliance with Statement 54 of the Governmental Accounting Standards Board; and 4) Resolution establishing Fiscal Year 2023/24 appropriations limit pursuant to Article XIII B of the California State Constitution.
- 3.D. Staff recommends that the City Council receive the annual informational report for the Youth Advisory Commission for the 2022 calendar year.
- 3.E. Staff recommends that the City Council appoint, by motion, a subcommittee of two Councilmembers, and an alternate, to interview the five (5) adult applicants to fill five (5) of the seven (7) vacancies on the City of Tracy Environmental Sustainability Commission.
- 3.F. Staff recommends that the City Council appoint, by motion, a subcommittee of two Councilmembers, and an alternate, to interview applicants to serve on the San Joaquin County Commission on Aging.
- 3.G Approve an At-Will Employment Agreement between Ms. Lichtwardt and the City of Tracy for an interim bi-weekly salary of \$11,020.62, for a term that ends when the City Council appoints a permanent City Manager.
4. ITEMS FROM THE AUDIENCE
5. STAFF ITEMS
6. COUNCIL ITEMS
7. ADJOURNMENT

TRACY CITY COUNCIL - SPECIAL MEETING MINUTES

May 16, 2023, 4:30 p.m.

Tracy City Hall, 333 Civic Center Plaza, Tracy, CA.

1. Mayor Young called the meeting to order at 4:31 p.m.
2. Actions, by Motion, of City Council pursuant to AB 2449, if any - None
3. Roll call found Council Members Arriola, Bedolla, Evans, Mayor Pro Tem Davis and Mayor Young present.
4. ITEMS FROM THE AUDIENCE - None
5. REQUEST TO CONDUCT CLOSED SESSION
 - 5.A. Conference with Labor Negotiators (Gov. Code § 54957.6)
 - City Negotiators
Michael Rogers, City Manager
Midori Lichtwardt, Assistant City Manager
Karin Schnaider, Assistant City Manager
Kimberly Murdaugh, Human Resources Director
Sara Cowell, Finance Director
Bijal Patel, City Attorney
Che Johnson, Special Counsel
 - Employee Organizations:
General Teamsters Local No. 439, IBT
Tracy Mid Managers Bargaining Unit
Tracy Police Management Association
Tracy Police Officers' Association
Tracy Technical and Support Services Employee Association

There was no public comment.

ACTION: Motion was made by Council Member Bedolla and seconded by Mayor Pro Tem Davis to recess to closed session. Roll call found all in favor; passed and so ordered. Time: 4:33 p.m.

6. Reconvened to Open Session – 5:42 p.m.
7. Report of Final Action, if Any - None
8. Council Items and Comments – None

9. Adjournment – Time: 5:42 p.m.

ACTION: Motion was made by Council Member Arriola and seconded by Mayor Pro Tem Davis to adjourn. Roll call found all in favor; passed and so ordered.

The above agenda was posted at the Tracy City Hall on May 11, 2023. The above are action minutes. A recording is available at the office of the City Clerk.

Mayor

ATTEST:

City Clerk

SPECIAL MEETING MINUTES OF THE TRACY CITY COUNCIL

May 16, 2023, 5:30 p.m.

Tracy City Hall, 333 Civic Center Plaza, Tracy, CA.

1. Mayor Young called the meeting to order at 5:51 p.m.
2. Actions, by Motion, of City Council pursuant to AB 2449, if any – None
3. Roll call found Council Members Arriola, Bedolla, Evans, Mayor Pro Tem Davis and Mayor Young present.
4. Items from the Audience: None
5. Discussion Items
 - 5.A Staff recommends that City Council conduct a workshop to review the City of Tracy's Economic Development Strategic Plan and provide feedback.

Adriana Castaneda, Director of Mobility and Housing provided the staff report.

Luis Nunez from AECOM provided the presentation.

Veronica Vargas stated Council has to be supportive of development, spoke about Valley Link, energy plant and what opportunities it can bring, opportunities to have planning growth to benefit the community, and encouraged staff to look at opportunities to grow New Jerusalem Airport.

Mary Mitracos stated downtown Tracy was large for the size of town and not enough retail to fill it, spoke in support of downtown as being the heart and soul of Tracy and hoped Council continues to focus on the downtown. Rather than trying to rehabilitate our mall it may be better to treat like it Sunrise Mall. Ms. Mitracos was heartened to see Valley Link is referred to a lot and will be a great help to community.

Dotty Nygard spoke about core infrastructure health care, have been 20 years looking at property by Kimball where promised a new facility. Sutter Tracy Community Hospital is over 75 years old. We are mandated by the state to be seismically fit by 2030, and there is a potential bill coming forward to extend the deadline to 2040. Cannot go another 17 years to get another health care facility. When looking at core infrastructure education and health care are important, need health care campus to meet the workforce and hoped to put a strong conversation forward with Sutter.

Robert Tanner referred to the mall and stated the current City Council does not remember that the City gave the mall \$2 million to entice Macy's. If the mall goes away they owe that money. All based on sales tax structure.

Mayor Young requested staff confirm in a memo as far as the agreement as it was reported years ago they had repaid in advance. Michael Rogers, City Manager responded staff would look into it and respond to Council with a memo.

Michel Bazinet stated with any economic strategy we have to be mindful for what is in it for the people of Tracy. Tracy has a lack of destination amenities is not first and foremost in people's minds when thinking of things to do. The Aquatic Center is an amenity that could transform Tracy. This Council has an opportunity to get the Aquatic Center built to give Tracy something people want to go to. Put priority on the Aquatic Center.

Gabriela Machuca suggested it may be time to consider out of the box thinking and referred to the mall and transforming, repurposing with private public partnership. Other cities are doing it. Don't want to see the mall turn into housing. There is an opportunity to do amenities and still have some kind of retail. Malls of California are never going to be the way they used to be.

Council questions and comments followed.

Karin Schnaider, Assistant City Manager responded to Council questions.

Council provided their feedback which will be considered in the final Economic Development Strategic Plan which is tentatively scheduled to return in Summer of 2023.

6. Council Comments or Items - None

7. Adjournment: Time: 7:20 p.m.

ACTION: Motion was made by Council Member Arriola and seconded by Mayor Pro Tem Davis to adjourn. Roll call found all in favor; passed and so ordered.

The above agenda was posted at the Tracy City Hall on May 11, 2023. The above are action minutes. A recording is available at the office of the City Clerk.

ATTEST:

Mayor

City Clerk

May 16, 2023, 7:00 p.m.

City Hall, 333 Civic Center Plaza, Tracy

Web Site: www.cityoftracy.org

Mayor Young called the meeting to order at 7:30 p.m.

Roll call found Council Members Arriola, Bedolla, Evans, Mayor Pro Tem Davis and Mayor Young present.

Deacon Jack Ryan offered the invocation.

There were no actions taken pursuant to AB 2449.

Mayor Young presented a proclamation for National Public Works Week to James Jackson, Operations and Utilities Director.

Mayor Young proclaimed May as Jewish American Heritage Month.

Mayor Young proclaimed May as Asian/Pacific American Heritage Month.

Sekou Millington, Police Chief swore in the following Police Department promotions: Angelo Arnaudo – Police Officer, Jake Comber – Sergeant, Jose Petitt – Corporal, Mike Roehlk – Lieutenant, Leticia Infante – Sergeant, and Ray Reynoso – Corporal.

1. CONSENT CALENDAR – Michael Rogers, City Manager pulled items I.C and 1.L from the Consent Calendar and 3.E from the regular agenda to have those items return on June 6, 2023. Item 1.L will be before the Tracy Homelessness Advisory Committee on Thursday and then will return to Council on June 6, 2023.

Karin Schnaider, Assistant City Manager explained Consent Item 1.C is pulled to correct the title which would reflect the ability for the Council to make the opinion that it is a sole source vendor. Item 1.L is the construction for the temporary emergency housing for phase 1 and other sections of the undergrounding that took place at the shelter. This item should be going first to the Homelessness Advisory Committee on May 18 for them to get an update and then return to Council on June 6, 2023.

Michael Rogers, City Manager stated item 3.E is being pulled because there are a few items that needed to be tidied up and it is an extremely important item for the City and he needs time to review the item as he was on medical leave and did not have an opportunity to review these properly so would like opportunity to do that and bring back at the next meeting.

Mayor Pro Tem Davis objected to pulling item 3.E.

Mr. Rogers stated there are some errors and things that could be added. He does not like to take things until they are absolutely ready.

Mayor Young stated the City Manager has the authority to pull items.

Mayor Pro Tem Davis appealed the Chair's decision. Council Member Bedolla and Council Member Evans seconded the appeal.

Mayor Young called for a recess. Council Members Bedolla, Evans and Mayor Pro Tem Davis objected to the call for recess.

City Council discussion ensued regarding the City Manager's authority to pull any item from the agenda.

During the discussion and at the request of Mayor Young, Bijal Patel, City Attorney provided information from Rosenberg's Rules regarding calling for a recess and confirmed there is nothing in the Tracy Municipal Code regarding the City Manager's authority to remove items from the agenda and it is within the Council's meeting protocols.

Council discussion continued.

Mayor Pro Tem Davis confirmed she wished to move forward with appealing the Mayor's decision for a recess.

Mr. Rogers stated there were a few items that need to be reviewed. As the City Manager he wanted to have an opportunity to fully understand those protocols because many of those things have an effect on the City Manager's Office.

Council discussion continued.

Mayor Pro Tem Davis confirmed she appeals Mayor Young's decision to pull the item.

Council questions continued.

Council Member Arriola read out Section 2.5 of Rules and Procedures and referred to Sections 4.3.1. and 4.3.1.2. Subsection 4.3.1.2 states if no discussion is had regarding the timing the City Manager shall place the requested item on a future Council agenda within a reasonable time and because there was no discussion related to the timing, 4.3.1.2 would make this within a reasonable time. It is the first he has heard of it but because of the emotion he feared Council was not doing this with clear heads and asked to abide by this within a reasonable time and move it to the next meeting.

Ms. Patel clarified the dates of the workshops, informed Council at the workshop that she will be coming back with amended rules on the first or second meeting in April. Council also took a motion to create a new standing committee and as a part of the standing committee, the Acting City Manager and Assistant City Manager came with a discussion item as to additional authorities for subject matter standing committees and explained that the Council rules are delayed because we wanted to get direction as to how Council wanted to form those subject matter committees because they would require additional amendments to the Code.

Mayor Pro Tem Davis called the question. Council Member Bedolla seconded calling the question.

Mayor Young continued voicing her concerns regarding item changes she felt were problematic in the Code of Conduct and shared her support for the City Manager.

Ms. Patel reiterated her role as the City Attorney to help and guide Council legally to create rules processes to make the city run with future generations and expressed her frustration with being bullied and her professional integrity being constantly attacked.

Mr. Rogers reiterated it is an important item and he needs to review it and is saying to pull it to the next meeting.

Mayor Pro Tem Davis repeated her motion to appeal the Chair's decision that this agenda item be moved to a different date and asked the Council body to hear the item tonight. Council Member Bedolla supported the request.

Council Member Arriola asked if there is any time sensitivity that it cannot wait until the next meeting. Ms. Patel responded to the question regarding the time sensitivity.

Council discussion continued.

Based on legal advice from the City Attorney, Mayor Pro Tem Davis rescinded her motion and item 3.E stays on the agenda and allows Council to move forward with the rest of the agenda.

- ACTION:** Following the removal of agenda items 1.C and 1.L by Michael Rogers, City Manager motion was made by Council Member Arriola and seconded by Council Member Bedolla to adopt the Consent Calendar. Roll call found all in favor; passed and so ordered.
- 1.A Adoption of May 2, 2023 Closed Session, Special Meeting and Regular Meeting Minutes – Minutes were adopted
 - 1.B Staff recommends that the City Council adopt a resolution approving Amendment No. 1 to the Professional Services Agreement with SKM Engineering, LLC for the upgrade of the City of Tracy Supervisory Control and Data Acquisition system increasing the total not-to-exceed amount to \$752,140.- Resolution 2023-078 approved Amendment No. 1 to the Professional Services Agreement with SKM Engineering, LLC.
 - 1.C Staff recommends that the City Council adopt a resolution renewing a Small Government Enterprise Licensing Agreement and the purchase of Geographic Information System software licenses through the Environmental Systems Research Institute, Inc. for a term of three years and a not-to-exceed amount of \$171,600. – Item was move to June 6, 2023
 - 1.D Staff recommends that the City Council adopt a resolution approving a Zero-Emission Bus Rollout Plan for the Tracer bus system as required by the California Air Resources Board's Innovative Clean Transit Regulation. – Resolution 2023-079 approved a Zero-Emission Bus Rollout Plan for the Tracer bus system.

- 1.E. Staff recommends that the City Council adopt a resolution ratifying the San Joaquin Council of Governments (SJCOG) Annual Financial Plan for Fiscal Year 2023-2024, as required by the Joint Powers Agreement between SJCOG and its member agencies – Resolution 2023-080 ratified the SJCOG Annual Financial Plan for FY 2023-2024.
- 1.F. Staff recommends that the City Council, adopt a resolution to: (1) accept the finalized construction for the Pavement Rehabilitation Project, FY 2021-2022, CIP 73183, for work completed by Tracy Grading and Paving, Inc. of Tracy, California; (2) authorize the City Clerk to File the Notice of Completion with the San Joaquin County Recorder's Office; (3) authorize the City Engineer to release the bonds and retention payment; and (4) authorize the Finance Department to close the Project. – Resolution 2023-081 accepted the construction for the Pavement Rehabilitation Project, FY 2021-2022, CIP 73183 by Tracy Grading and Paving, Inc., authorized release of bonds and closure of the project.
- 1.G. Staff recommends that the City Council, adopt a resolution, to: (1) approve an appropriation of \$485,000 from General Projects Fund (F301) to CIP 71111, for the Grand Theatre Center for the Arts Exterior Improvements Project, Phases 2 and 3; (2) award a construction contract to Diede Construction, Inc. of Woodbridge, California, in the amount of \$1,899,751 for Phases 2 and 3 of the Grand Theatre Center for the Arts Exterior Improvements, CIP 71111 with a not-to-exceed budget of \$2,374,689; and (3) authorize the City Manager to approve change orders up to the contingency amount of \$189,975, if needed. – Resolution 2023-082 approved an appropriation of \$485,000 from General Projects Fund (F301) to CIP 71111 for the Grand Theatre Center for the Arts Exterior Improvements Project, Phases 2 and 3; awarded the construction contract to Diede Construction, Inc., and authorized the City Manager to approve Change Orders.
- 1.H. Adopt a resolution approving Amendment No. 1 to the Professional Services Agreement with The KPA Group for the Citywide Public Facilities Master Plan Update to increase compensation by \$ 19,610 for a new total not-to-exceed amount of \$399,890 and extend the term of the Agreement through December 31, 2023. – Resolution 2023-083 approved Amendment No. 1 to the Professional Services Agreement with the KPA Group.
- 1.I. Staff recommends that the City Council adopt a resolution to (1) accept the construction for the Lincoln Boulevard Sewer Main and Lateral Replacement Project, CIP 74163 for work completed by Tracy Grading and Paving, Inc., of Tracy, California, (2) authorize the City Clerk to File the Notice of Completion with the San Joaquin County Recorder's Office, (3) authorize the City Engineer to release the bonds and retention payment, and (4) authorize the Finance Director to close the Project. – Resolution 2023-084 approved accepting construction for the Lincoln Boulevard Sewer Main and Lateral Replacement Project, CIP 74163 completed by Tracy Grading and Paving, Inc., authorized the Notice of Completion to be filed with the San Joaquin County Recorder's Office, authorized the release of bonds and retention payment, and closure of the project.

- 1.J. Staff recommends that the City Council approve a resolution adopting the bylaws for the (a) Tracy's Homelessness Advisory Committee and (b) Finance Committee. – Resolution 2023-085 approved adopting the bylaws for the Tracy Homelessness Advisory Committee and the Finance Committee.
- 1.K. Staff recommends that City Council approve the Offsite Improvement Agreement between City and Lennar Homes of California, LLC for public roadway improvements for Tracy Hills Drive 1B-1 that are required by the Conditions of Approval for the Vesting Tentative Subdivision Map for Tracy Hills Phase 1B – Resolution 2023-086 approved the Offsite Improvement Agreement with Lennar Homes of California, LLC., for public roadway improvements for Tracy Hills Drive 1B-1.
- 1.L. Staff recommends that the City Council adopt a resolution (1) accepting the construction for the Temporary Emergency Housing Project on Arbor Avenue, Phase 1, CIP 71112 for work completed by GradeTech, Inc., of San Ramon, California, (2) authorizing the City Clerk to File the Notice of Completion with the San Joaquin County Recorder's Office, and (3) authorizing the City Engineer to release the bonds and retention payment. – Item was moved to June 6, 2023.
- 1.M. Staff recommends that the City Council adopt a resolution (1) accepting public improvements constructed for Eastside Channel Concrete Lining by Tracy CHP Partners, LLC, (2) authorizing the City Engineer to release the bonds, and (3) authorizing the City Clerk to file the Notice of Completion with the San Joaquin County Recorder's Office. – Resolution 2023-087 accepted the public improvements constructed for Eastside Channel Concrete Lining by Tracy CHP Partners, LLC, authorized the release of bonds and filing of the Notice of Completion with the San Joaquin County Recorders Office.
- 1.N. Staff recommends that the City Council adopt a resolution approving Amendment No. 1 to the Professional Services Agreement with Indigo | Hammond + Playle Architects, LLP for the Citywide Public Safety Master Plan update (CIP 71108) to increase compensation by \$20,000 for a new total not-to-exceed amount of \$196,500 and extend the term through December 31, 2023. – Resolution 2023-088 approved Amendment No. 1 to the Professional Services Agreement with Indigo | Hammond + Playle Architects, LLP for the Citywide Public Safety Master Plan update (CIP 71108).
- 1.O. Staff recommends that the City Council adopt a resolution to (1) accept the Lewis Manor Well Rehabilitation (Production Well No. 5) Project – CIP 75153, completed by Zim Industries, Inc.; (2) authorize the City Clerk to file the Notice of Completion with the San Joaquin County Recorder's Office; (3) authorize the City Engineer to release the bonds and retention payment; and (4) authorize the Finance Director to close the project. – Resolution 2023-089 approved accepting the Lewis Manor Well Rehabilitation (Production Well No. f) Project – CIP 75153 completed by Zim Industries, authorized filing of the Notice of Completion with the San Joaquin County Recorders Office, authorized the release of the bonds and retention payment, and authorized the closure of the project.
- 1.P. Staff recommends that the City Council adopt a Resolution authorizing a Cooperative Purchasing Agreement with UniFirst Corporation for the purchase of

uniform services for a term of 5 years and a total not to exceed amount of \$500,000. – **Resolution 2023-090** authorized a Cooperative Purchasing Agreement with UniFirst Corporation.

Mayor Young called a recess at 8:42 p.m.

Mayor Young reconvened the meeting at 8:53 p.m.

2. ITEMS FROM THE AUDIENCE – Wes Huffman stated the American Legion and VFW invite Council to the Memorial Day service where they can see the new flag poles. A great City needs a lot of volunteers. Mr. Huffman stated on behalf of his friend he asked to consider dividing the City into four districts and assign Council to districts, and asked Council to consider moving items from the audience to the top of the agenda and not after the consent calendar.

Mayor Young confirmed with Mr. Huffman that the Memorial Day service will begin at 10:00 a.m. and will be held at the cemetery and war memorial.

Veronica Vargas stated Council voted to agendize a discussion to create districts for our community, was a priority asked previously, has not been agendized since early January when it was requested. Ms. Vargas spoke about a false narrative about Valley Link not having a station in Tracy and spoke about previous Valley Link presentations and dates where Valley Link was discussed, early operation segments and phases of the project moving forward.

Dotty Nygard pleaded with those that do represent us in the community that we have decency and respect in Council seats and continue to show we are a united city and here to do good business to make us move forward. Ms. Nygard stated she attended the School Board meeting and they have gone ahead regarding districts. Hope we can move forward with districts on our own terms. We will have more time and better outcome.

Sandy Taylor shared her disappointment with what she has witnessed at the Council meeting regarding disfunction on Council. This Council is more interested in playing politics versus doing the right thing for the constituents. Ms. Taylor stated she has been a part of the Aquatics task force since 2005 and spoke about throwing away all the work done over the last 18 years. Surland Communities as well as other developers have contributed time, money and expertise to amenities in Tracy.

Council Member Bedolla stated the current situation with the Aquatic Center is due to litigation by the developer.

Robert Tanner complained about how previous and current Councils treat seniors. Other cities get offered smaller containers for seniors. Seniors 65 and up are fixed income and shared his concerns about increase of rates for seniors. Staff should create a list of 65 and up.

Rosario Arulappan shared his concerns regarding the Lammers Road exit project on I-580 and spoke about traffic conditions. Tracy Hills has only one way to exit. Currently big trucks are using Valpico and Lammers Road, and traffic is increasing, and commuters

are having a hard time. New exit will provide a safer way to exit and enter. Hoped Council can move the project forward expediently.

Richard Williams stated he was at Council meeting on May 2 regarding safety concerns of uncontrolled crosswalks and spoke about making uncontrolled crosswalks safer, spoke about his father-in-law who was killed while on a crosswalk on 11th Street and submitted another signed petition to the Clerk.

Alice English shared concerns regarding Council's behavior tonight. Applauded current Council for not opposing Valley Link, did not receive EIR from Valley Link and there is no guarantee we will have Valley Link station, it will stop in Mountain House.

Alex Monceaux stated he felt Council was trying to rush through ordinance changes, was glad Council decided to take time to look at that and understands some changes have to happen in retail sector. When you look at the other aspects, 600 feet for manufacturing or industrial is irrelevant, they can be next to each other; they are not open to the public. Mr. Monceaux suggested Council takes their time when making policies.

James Young stated he would love to say we have a perfect Council but do not and hoped the Council can get through the items. Mr. Young spoke about the Aquatics Center and if the City is ever going to do it, who is holding it up and let's get it done.

Karen Moore stated Council has a power struggle and spoke about confusion on the form for wastewater rate protest and asked if a parcel number is required when submitting the form. Ms. Moore shared her support for bringing districts to the City of Tracy.

Rebekah Martin spoke in support of moving forward with the Aquatic Center.

Council Member Bedolla made a motion to address item 3.D and then item 3.E at the beginning of the regular agenda. There was no second to the motion.

Council Member Bedolla stated he wanted item 3.D and item 3.E first but would settle for just hearing 3.D first.

Mayor Young announced item 3.D will be heard before item 3.A.

DEVIATION

- 3.D Staff recommends that the City Council appoint, by motion, Matthew Shroud to serve on the City of Tracy's Parks and Community Services Commission, for a full term beginning May 17, 2023 and ending January 31, 2028.

Adrienne Richardson, City Clerk provided the staff report.

The Council subcommittee consisting of Council Member Evans and Council Member Bedolla provided input regarding their recommendation.

Council questions and comments followed.

ACTION: Motion was made by Council Member Bedolla and seconded by Council Member Evans to appoint Matthew Shroud to serve on the City of Tracy's Parks and

Community Services Commission, for a full-term beginning May 17, 2023 and ending January 31, 2028. Roll call found all in favor; passed and so ordered.

3. REGULAR AGENDA

- 3.A Staff recommends that the City Council introduce an Ordinance of the City of Tracy: 1)Amending Tracy Municipal Code Sections: (A) 6.36.012 to modify the definition of owner for commercial cannabis; (B) 6.36.040 to add clarifying language; (C) 6.36.080 to toll further toll the expiration date of the commercial cannabis business permits that are expiring on June 21, 2023, to March 3, 2024; and (D) 6.36.100 to modify the cannabis business permit renewal requirements; and 2) Determining that the Project is categorically exempt from the California Environment Quality Act (CEQA), pursuant to CEQA Guidelines Section 15061(B)(3).

Victoria Lombardo, Senior Planner and Lieutenant Miguel Contreras provided the staff report.

Sekou Millington, Police Chief responded to questions.

Alex Monceaux asked why staff is still having two background checks. Move forward with the better one. Should not be an HDL and FBI one. Shared his concerns regarding HDL and feel they should be fired.

Karen Moore spoke about a Planning Commission meeting where it was asked how far away one cannabis place was from the nearest youth center but didn't ask for anyone else and rejected it. Under Council's purview they didn't apply the ordinance fairly, and it is discriminatory; we can make it right. How can the City punish one of the cannabis retailers. Make some changes to that bad call. Understand moving ahead without FBI. This is a great way to move this forward.

Matthew Nathaniel stated it is crucial to have accurate and comprehensive background checks to ensure public safety, expressed support for staff's recommendation to approve the proposed amendments which aim to address challenges faced by the City in accessing federal data bases for background security clearances of business owners.

Motion was made by Council Member Bedolla and seconded by Council Member Evans to waive the full reading of the text and introduce an ordinance amending TMC Section 6.36.040 to add clarifying language; and Section 6.36.100 to modify the cannabis business permit renewal requirements; and 2) Determining that the Project is categorically exempt from the California Environment Quality Act (CEQA), pursuant to CEQA Guidelines Section 15061(B)(3).

Council comments and questions followed.

ACTION: Council Member Arriola made a substitute motion to amend the Tracy Municipal Code Section 6.36.080 to further toll the expiration date of the commercial

cannabis business permits that are expiring on June 21, 2023, to March 3, 2024. Mayor Young seconded the motion.

Ms. Patel reminded Council that the motion must include CEQA.

Council Member Arriola amended his motion to include determining that the Project is categorically exempt from the California Environment Quality Act (CEQA), pursuant to CEQA Guidelines Section 15061(B)(3). Mayor Young accepted the amendment. Roll call found Council Member Arriola, Mayor Pro Tem Davis and Mayor Young in favor; passed and so ordered. Council Member Bedolla and Council Member Evans opposed.

ACTION: Council voted on Council Member Bedolla's previous motion which was seconded by Council Member Evans to waive the full reading of the text and introduce an ordinance amending TMC Section 6.36.040 to add clarifying language; and Section 6.36.100 to modify the cannabis business permit renewal requirements; and 2) Determining that the Project is categorically exempt from the California Environment Quality Act (CEQA), pursuant to CEQA Guidelines Section 15061(B)(3). Roll call found all in favor; passed and so ordered.

3.B Staff recommends that the City Council receive an informational report and provide feedback on renaming the Tracy Sports Complex pursuant to the City of Tracy's Naming Public Buildings, Parks and Recreational Facilities Policy

Jolene Jauregui, Recreation Services Manager, provided the staff report.

Conrad Levoit asked how the topic came up to rename the complex. Tracy Sports Complex is a good name, there has to be something behind that.

City Council comments and questions followed.

Mayor Young, Mayor Pro Tem Davis, Council Members Evans, and Bedolla supported keeping the same name. Council Member Arriola was in support of taking it back to the Parks and Community Services Commission.

Mayor Young suggested writing into policy a process so that the Parks and Community Services Commission can weigh in on renaming opportunities.

It was Council's consensus to not rename Tracy Sports Complex and not amend the policy.

Due to the lateness of the hour Council Member Bedolla motioned to continue items 3.C and 3.E to be heard at the very beginning of the meeting on June 6, 2023. Mayor Pro Tem Davis supported the request. Roll call found Council Members Arriola, Bedolla, Mayor Pro Tem Davis and Mayor Young in favor; passed and so ordered. Council Member Evans absent from roll call.

3C. Staff recommends that Council adopt a resolution approving a Joint Community Facilities Agreement with the Jefferson School District relating to the City of

Tracy Community Facilities District No. 2016-1 (Tracy Hills) and approving and authorizing related documents and actions – Continued to June 6, 2023

There was no public comment.

3.E Approve a resolution to adopt amendments to the City Council's A) Code of Conduct and B) Meeting Protocols and Rules of Procedures – Continued to June 6, 2023

There was no public comment.

4. ITEMS FROM THE AUDIENCE – Alice English stated Mr. Williams spoke earlier about crosswalks and hoped an item comes back soon so no one else gets hurt. There has been other instances on 11th street. Another gentleman spoke about Valpico and Corral Hollow there was another accident that day. There is no safe left turn from any direction. Time to take action to put a stop sign or have red lights blinking. Ms. English spoke about Valley Link stating there was false narrative, and Measure Y's failure and money wasted on the initiative. Let's make sure what direction Valley Link is going before we go back to TOD.

Alex Monceaux hoped Valley Link never comes to Tracy which allows homeless to move into town. Mr. Monceaux apologized to Council Member Bedolla because he had said Council Member Bedolla had voted differently at a previous meeting. Has a lot of respect for all Council but does not think all Council is pro-business for free market choices. Free market will close most of these. Putting a policy in place to prevent them from opening is not good. Spoke about being pro-business and need to take a different approach.

Adrienne Richardson, City Clerk announced emails were received from the following: Brandon Kanner shared support for the Aquatic Center, Nadine and Bruce Hotchkiss, Judy Hau, David Hudson, Catherine Espitia, and Jenny Wood submitted letters of protest regarding the wastewater rate increase and Karen Moore regarding Oakland's climate, sustainability newsletter.

5. STAFF ITEMS – Michael Rogers, City Manager provided the following updates:
- We are currently accepting bids for the Bessie Avenue Reconstruction Project (between Lowell Ave. & Grant Line Rd.) for demolition and rehabilitation of the roadway surface, sidewalks, driveways, curb ramps, associated utilities, and streetlight installation. The notice is posted on Bid Notices – Construction Projects section of our website: CityOfTracy.org. Bid opening will take place at 2:00 p.m. on May 23, 2023.
 - Mailers with important information about the Wastewater Rate Study, the need to adjust rates for the first time in a decade, and the related public hearing scheduled for June 20th at 7:00 p.m. were sent to all impacted customers last week. A media release went out today, will be linked on our homepage, and outreach has begun! We sincerely apologize for the regrettable clerical error made by an external consultant during design that resulted in the misspelling our City's name in the return address. We acknowledge the negative impact this has on our credibility, deeply regret any confusion caused, and take full responsibility for the oversight. Immediate actions have been taken to prevent this from happening in the future. We value your support and trust and appreciate your understanding.

- If you haven't already, please provide feedback about your housing needs by completing our five-minute Housing Element Survey posted on our homepage: CityOfTracy.org. Three in-person workshops have been scheduled at the Transit Station – the first is May 23rd from 6:30-8:30 p.m. Please help yourself to the workshop flyers on the table outside Chambers.
 - Reserve your free tickets now for the May 31st State of the City at www.AtTheGrand.org.
 - The newly established Finance Committee will be having their second meeting tomorrow at 7:00 p.m. in Chambers. They will be discussing and providing feedback on the fiscal year 2023-24 proposed City Council budget and receive an update on the new digital budget book.
 - The City/Schools Liaison and Homelessness Advisory Committees will be meeting this Thursday at 1:00 p.m. and 7:00 p.m. respectively – the agendas are posted on our website.
6. COUNCIL ITEMS – Council Member Evans felt it was time to daylight to the residents some things he has been holding back and provided the following timeline. In December 2022 he was sworn in, asked what was keeping the custom shelter containers that were delivered to the emergency housing shelter in December from opening, did not get acceptable or complete answers. January, he asked again and was advised that the City was aware of surface rust and other issues. On January 27, he went to the shelter and built his own punch list of major issues and also noted that the spill containment under the diesel generators was slumped and if spilled would not contain that spill and would have an environmental issue. Called the City Manager from the site and advised him of those and security issues, provided a written report and requested weekly status updates on the custom shelter status. February 10, he visited the shelter again, noted the same issues and again requested weekly status updates for the entire Council. Weekly status updates began on March 3. Council Member Evans shared he received a call from former employee who is a registered engineer and wanted to speak to him about the shelter project. On January 19, a former employee submitted a punch list and extensive video containing deficiencies. The former employee was not in their position as engineer with the City in the planning stage or purchase of containers. Council Member Evans added he recently read the purchase order with the container supplier and was shocked to learn the agreed upon address was on Bricchetto Road. One member of Tracy Homelessness Advisory Committee (THAC) was not aware that we were proceeding with that. That was changed to location we now have on Arbor Road. Takeaways - 1). When he asked about custom containers, deficiencies were known at that time but not conveyed to him, did not get complete answers and felt issues were being hidden from him. 2). There were plans to deliver the custom containers to Bricchetto without consent of either one or two Council Members including one on THAC. 3). Advised staff, specifically City Manager that this City needed to appoint a project manager to oversee the shelter project from beginning to end. The City leadership rejected that advice. The City Manager spent \$600,000 of taxpayer funds on the custom shelters that was promised to open in a matter of weeks. Money was paid before inspecting and accepting delivery. Six months later these are likely a lost cause, may be scraping those containers but hoping wrong and hoped the City can find a way to move beyond where we are at and finally get these things open and get generator power.

Mayor Young asked what is the procedure we would go through for something of concern to have looked at invoices. What is the normal procedure since we have a homelessness committee.

Bijal Patel, City Attorney responded under Council's own rules two Council Members can raise issues of concerns. The Homelessness Advisory Committee has two Council Members appointed to that and it is strongly recommended that no other Council Members participate so that we stay compliant with the Brown Act in terms of not having a quorum present at a standing committee. Members who are not on the committee can voice any concerns during the Council items.

Mayor Young responded if someone came up for public comment on homelessness, she would refer them to the Homelessness Committee and then when it comes to Council deal with issues. If she has a concern regarding homelessness it would be her turn to say it under Council items.

Ms. Patel responded what she heard in that message was communication and other issues and things received between staff and that Council Member.

Council Member Arriola thanked the City Manager for acknowledging the mailer error. Council Member Arriola thanked his colleagues and Council for the One Voice trip and advocating for \$24 million for the bridge reconstruction project at the I-580/Patterson Pass Interchange. Council Member Arriola recognized and honored Memorial Day and hoped everyone would join Council at that ceremony. Council Member Arriola urged Council to take a moment and reflect and focus on prioritizing Council decorum, today was a rough day, hoped we can move forward, may have differences of opinion but let's attempt to maintain decorum as we owe it to our residents.

Mayor Pro Tem Davis shared that she has tried hard to maintain decorum, but many times has felt disrespected, bullied, not heard, things that were implied against integrity, people colluding and has never said anything but tonight felt compelled to say something because it was out of control. If ever a time to approve the Code of Conduct, it needed to be tonight, this is why we need a Code of Conduct, a parliamentarian and order. We are beholden to the rules, code of conducts, ethics and does not respond to shots being made on the dais not because she is weak but because there is an audience and does not want to feel disrespected like she has felt today by the Mayor, this is not the decorum we should be having here. Because we disagree doesn't mean we are corrupt or in a political pocket of someone else and chooses not to say anything about what she has heard about other members of the Council because it is not the forum to do that. Council should be doing the work of the people respectfully no matter if we disagree. Trying to follow Rosenberg's Rules is difficult. Council has not got the work done tonight. Mayor Pro Tem Davis apologized to the public; this was not her best moment, spoke about transparency, there is information the Mayor gets to know and the rest of Council does not, this is a general law city, everybody has the same power to vote, all Council should all be privy to the same information which has not been happening and have mentioned to the City Manager before privately. What Council Member Evans said about the homeless shelter is true, she was with him and they called the City Manager together. As a member of the Tracy Homeless Advisory Committee she only knew about Brichetto from a resident. There are a lot of omissions and believes it is intentional. Mayor Pro Tem Davis stated she did not like the running narrative about our City Attorney and shared support for the City Attorney's role, and also respects Mayor

Young's role even though she has felt disrespected by the Mayor. We need to do better. Not doing anyone favors by not speaking out and she is serving the community she was elected to serve to the best of her ability.

Mayor Pro Tem Davis asked about the manufacturing labs for cannabis and why the City does not separate manufacturing from labs. Why is retail mixed in with labs and manufacturing when they don't have store fronts and is there something we can do about it and how they are defined when it comes to the space. Mr. Monceaux mentioned 600 feet buffer between laboratories that don't have a store front. Council Member Bedolla supported the request.

Ms. Patel responded she is not really sure if that ordinance has additional buffers from business to business, or warehouse to warehouse.

Mayor Pro Tem Davis stated she got a lot of calls and text messages about the misspelling and thanked the City Manager for acknowledging that and hopefully can do better proofreading next time. As a veteran she looks forward to the Memorial Day service every year. Has a report and out of consideration for those who mentioned they do not have social media, it is in print and on line.

Council Member Bedolla stated he concurred the sentiments of the entire Council. We can learn from any day and strive for better.

Council Member Bedolla motioned that the City Council schedule a special meeting at the earliest possible time when a quorum can be present to discuss the subject of the second motion. Council Member Bedolla made a motion directing the City Attorney to return to the City Council at the next special meeting with an ordinance amending section 2.8.80 subsection B of the Tracy Municipal Code to reflect that the City Manager may be removed with the majority vote of the City Council. Mayor Pro Tem Davis seconded the motion.

Ms. Patel stated under Council rules the Mayor, City Manager or majority of City Council can call a special meeting. The first motion would require a majority vote. In order to schedule a special meeting have to vote on whether or not you agree to have a special meeting. Mayor Pro Tem Davis supported the special meeting.

Mayor Young asked for clarity on the original motion and the second motion.

Council Member Bedolla repeated his two-part motion several times for clarity.

Ms. Patel stated only the first motion requires a majority vote which is the scheduling motion. If the special meeting is scheduled by the first motion the second one is scheduled under Council items.

Mayor Pro Tem Davis seconded the special meeting motion.

Council Member Bedolla repeated his motion to schedule a special meeting at the earliest possible time when a quorum can be present. Mayor Pro Tem Davis seconded the motion.

Mayor Young asked for clarification that a special meeting has to be specific about what that meeting is.

Ms. Patel responded Council Member Bedolla's motion is to schedule a meeting to discuss the ordinance and is directing her to come back for Council to consider, to discuss the subject of the second motion.

Roll call found Council Member Bedolla, Council Member Evans, and Mayor Pro Tem Davis in favor of Council Member Bedolla's motion to schedule a special meeting at the earliest possible time when a quorum can be present; passed and so ordered. Council Member Arriola and Mayor Young opposed.

Council Member Bedolla made a motion and seconded by Mayor Pro Tem Davis to direct the City Attorney to return to the City Council at the next special meeting with an ordinance amending Tracy Municipal Code Section 2.8.80 subsection B to reflect that the City Manager may be removed with the majority vote of the City Council. No roll call was needed as it is under Council protocols.

Mayor Young stated procedurally that was still not correct.

Mayor Pro Tem Davis asked what happened to item 3.E.

Ms. Patel responded Council Member Bedolla made a motion to continue items 3.C and 3.E.

Mayor Young stated she was wondering why she did not get an answer from the City Manager, all the answers should have come from staff but came from City Attorney.

Mayor Pro Tem Davis excused herself at 11:43 p.m.

Mayor Young stated it was an unfortunate meeting we had but there is confusion that continues to persist on our Council. Her aim is to be respectful to everyone on Council and staff and the community, apologized for anything that was out of line by her and stands behind her moral and courage and having more information, she meets with City staff it is open. Mayor Young stated she does not have one on ones with the City Attorney, so if there is more information given by her then it is not coming to her. All the information that she gets is coming from the City Manager and staff. There is info she is privy to that comes from the community that contacts her and it is up to Council to be responsive as an elected official to our community.

Mayor Young reported on events and meetings she has attended including the trip to One Voice.

Mayor Young referred to comments made by a former Council Member about priorities and one of the priorities being districts. A number of items have been written over the priorities and want to make sure we are getting back to what Council put together in February so we can tackle each one based on the current structure of government which is City Manager - City Council and has deep concerns about our community and where we are headed. Back in 2018 saw horrible things happen within our community, a City Manager, Police Chief and Assistant City Manager were let go. The Grand Jury weighed in and made recommendations so lines would not be blurred between Council

and our City Manager's office and the Code of Conduct. Since 2018 a lot of agendas have filtered through our community and lines are blurred even worse and taken us to a completely different form of government and our city is at risk. There is an item to get rid of a competent City Manager because despite what has been said tonight, if anyone reads through what was presented, to say the City Manager has to confer with the City Attorney is crippling the City of Tracy. Mayor Young stated for years on Council she has heard a lot of challenges in our Engineering Department, but in the last year all the comments say it is held up in legal. Mayor Young shared concerns regarding a business community person reaching out to the City Manager to meet with him to catch up and the response from the assistant was that before she can make an appointment with the City Manager it has to be approved by the City Attorney's office. Mayor Young spoke about a meeting outside the Police Department after Police Chief Esquivel was let go, her plea to the public was does anyone see what is going on here. Council reports to the people and a lot are upset but don't respond until after the fact. Mayor Young stated she could write a long list of issues in her transparency report that over the last year have been in the realm of the Attorney's Office. There has been backlash on people who have spoken up, businesses that have been silenced, projects that have been delayed or cancelled because of inaction completely from our Attorney's Office. Mayor Young stated she has asked for a review of the Attorney after a year, asked for a report but has not got either one, and in the procedures we cannot question the City Attorney or her staff on anything so therefore she never has to give a report, she determines what happens. Mayor Young made pleas to the community to step up, speak up and stop this atrocity that is already in motion. Because our City Attorney controls three of our Council Members she can do whatever she wants and she has been. She refused to have those meetings that I have called for as Mayor that has not happened.

Council Member Bedolla stated Mayor Young has to stop throwing bombs at Council on the dais and if she does not have a point to make, then the meeting needs to be closed.

Council Member Evans responded it is a disgrace. This is a vendetta and needs to stop.

Council Member Bedolla motioned to adjourn and Council Member Evans seconded the motion.

Mayor Young responded she honored their transparency report and this is her transparency report and is specific to one person who has never given a report.

Council Member Evans responded Mayor Young is personally attacking Council.

Ms. Patel responded she usually doesn't speak up when the Mayor says things but has been in this job for one year and has taken significant abuse publicly from the Mayor, humiliation, degradation, and defamation. Ms. Patel stated she does not believe that there is anything that says she is supposed to give the Mayor a weekly report and is happy to give the Mayor anything she wants, but is not sure of what the Mayor is asking for. A performance evaluation is the will of the body. As a majority Council gets to decide if they want to do an evaluation of the City Manager or City Attorney.

Mayor Young responded she had a second on that and it is in Ms. Patel's contract to have a review every year. Because three Council Members say no then that is why you have brought it to Council.

Ms. Patel responded she is happy to have an employment evaluation. Take a vote right now and schedule it.

Mayor Young responded it is already on the schedule and Ms. Patel has already written it down.

Ms. Patel responded that is not correct procedurally and stated the Mayor asked her directly and she told the Mayor one Council Member cannot do that. If the Mayor wants this to be considered by the Council body, Council can vote on it and she has no control on that.

Mayor Young responded she signed her contract and it says Ms. Patel has to have an annual review.

Ms. Patel responded at the request of the Council body. All Council schedule it. The Mayor can make a request to convene a special closed session. The Attorney makes sure it is compliant with the Brown Act. She has no opposition to that.

Mayor Young called for a special closed session for the City Attorney's review.

Ms. Patel asked Mayor Young if she would like the meeting immediately.

Mayor Young responded to meet immediately to set the parameters of the review.

Council Member Bedolla supported the closed session for the City Attorney review.

7. ADJOURNMENT – Time: 11:59 p.m.

ACTION: Motion was made by Council Member Bedolla and seconded by Council Member Arriola to adjourn. Roll call found Council Members Arriola, Bedolla, Evans and Mayor Young in favor; passed and so ordered. Mayor Pro Tem Davis absent.

The above agenda was posted at the Tracy City Hall on May 11, 2023. The above are action minutes. A recording is available at the office of the City Clerk.

Mayor

ATTEST:

City Clerk

Agenda Item 1.B

RECOMMENDATION

Staff recommends that the City Council adopt a resolution (1) accepting the construction for the Temporary Emergency Housing Project on Arbor Avenue, Phase 1, and the preparation work for the modular and container units, Phases 3 & 4, CIP 71112, for work completed by GradeTech, Inc., of San Ramon, California, (2) authorizing the City Clerk to File the Notice of Completion with the San Joaquin County Recorder's Office, and (3) authorizing the City Engineer to release the bonds and retention payment.

EXECUTIVE SUMMARY

City staff recommends that the City Council accept the construction for the Temporary Emergency Housing Project on Arbor Road, Phase 1, Phase 3, and Phase 4, CIP 71112, as complete. Project costs are within the available budget and work was completed in accordance with plans and specifications as approved. Staff recommends that the City Council accept this phase of the project as complete.

BACKGROUND AND LEGISLATIVE HISTORY

On September 1, 2020, City Council authorized the creation of a Capital Improvement Project (CIP) for the Temporary Emergency Housing Project on Arbor Avenue, CIP 71112 (Project) to create a safe and dignified facility for residents experiencing homelessness.

In order to expedite the groundbreaking of the Project, the construction work was divided into a preliminary phase (Phase 1) which consisted of demolition, rough grading and installation of underground utilities, all work which could be and was designed and prepared in house by City staff. Phase 2, 3 & 4 which were to be designed at a later date. Future Phases to include work such as premanufactured structures installation, sprung high tension membrane structure, interior buildout of the structure, plumbing, electrical and HVACX systems, sewer lift station package and precast holding tanks, fencing and gate, sidewalks, curbs, gutters, asphalt pavement, drainage system, landscape and all other work as required.

Engineering staff prepared the plans and specifications and advertised the Project for competitive bids on December 17, 2021, and December 24, 2021. Bids for this Project were publicly opened virtually on January 19, 2022. On April 19, 2022, City Council awarded a construction contract to GradeTech, Inc., of San Ramon, California in a not-to-exceed amount of \$2,473,100.

Two (2) change orders were issued during construction activities totaling \$944,443. The two (2) authorized change orders included work to address unforeseen structures found underground that were not on records prior to the initiation of design, unforeseen concrete pads needed for modulars installation, and change in material due to unforeseen delays in the supply chain.

The contractor has now completed all work required in accordance with the plans and specifications and City staff is recommending acceptance of the Project. The City Engineer has inspected the completed work and confirmed that all work conforms to the contract plans and specifications and has been completed per the original contract.

ANALYSIS

Given the complexity and magnitude of the homelessness crisis, further exacerbated by the COVID-19 pandemic, and the limited supply of affordable permanent housing options in the City and throughout San Joaquin County, there is a significant and immediate need for interim housing solutions in the City, including interim emergency housing. Concerns about the public health, safety, and welfare of unsheltered individuals grows as the months progress without options to shelter the unhoused.

On March 10, 2020, the Tracy City Council (Council) adopted Resolution No. 2020-050, which declared a shelter crisis pursuant to California Government Code Section 8698.2. The City actively pursued the development and construction of a temporary housing shelter on City-owned land located on Arbor Avenue to serve as an ongoing full-service temporary housing solution for the City's unsheltered.

Work completed to date under Phase 1 included demolition, rough grading, and installation of underground utilities. Additional work completed to date under Phase 3 included utility tie-ins for modulars, i.e. sewer, water and electrical tie-ins. Finally, work completed to date for Phase 4, included concrete pads for the containers.

Additional work will be needed from GradeTech for Phase 4, installation of the containers, and by way of separating the additional work and allowing this amendment to the Contract, City staff will be able to move forward and complete work in order to meet the grant deadline of October 31, 2023. By way of a separate Council agenda item, staff will be requesting an amendment to this contract for GradeTech to complete additional work.

FISCAL IMPACT

The Temporary Emergency Housing Project on Arbor Avenue, Phase 1, CIP 71112, is an approved Capital Improvement Project with a budget of \$10,430,689.

Final project costs for Phase 1, and costs to date for Phases 3 & 4 were within budget as follows:

A.	Construction Contract Amount	\$ 2,221,356
B.	Approved Change orders	\$ 944,443
C.	Design, construction management, inspection, testing & miscellaneous project management expenses	\$ 296,772
	<hr/> Total Project Costs	<hr/> \$ 3,462,571

The following table lists current balances remaining in the project:

<u>Funding Source</u>	<u>Budget</u>	<u>Expenses (for all Phases)</u>	<u>Encumbered (Committed)</u>	<u>Balance</u>
Community Development Block Grant (s)	\$ 836,294	\$ 836,294	\$ -	\$ -
Homeless Housing, Assistance & Prevention	\$ 743,282	\$ 743,282	\$ -	\$ -
American Rescue Plan Act - SJ County (MOU B-8245)	\$ 3,661,113	\$ 3,217,343	\$ 443,770	\$ -
Housing Asset Funds (City)	\$ 690,000	\$ 137,852	\$ 61,404	\$ 490,744
American Rescue Plan Act - City of Tracy	\$ 4,500,000	\$ -	\$ -	\$ 4,500,000
Totals	\$ 10,430,689	\$4,934,771	\$ 505,174	\$ 4,990,744

Any remaining funds will assist in future phases of this project.

PUBLIC OUTREACH / INTEREST

Several Public outreach sessions were conducted by City Staff. A Town Hall style activity was conducted at the Homeless Advisory Committee meeting on August 22, 2022. At this meeting the community gave feedback regarding potential solutions for the City’s shelter crisis.

On May 18, 2023, the Homelessness Advisory Committee recommended that the City Council adopt this agenda item accepting the completion of this portion of the work.

COORDINATION

Coordination between Engineering and Public Works, Economic Development, and Mobility and Housing Department occurred on multiple occasions to coordinate and establish this project as complete.

CEQA DETERMINATION

Government Code section 8698.4 exempts the application of the California Environmental Quality Act (CEQA) to various actions taken by public agencies to implement the construction of a homeless shelter in response to a declared shelter crisis. In addition, the interim solutions taken thus far are in furtherance of and related to the permanent solution that will be implemented, referred to as the Temporary Emergency Housing Project on Arbor Avenue (CIP 71112). A Notice of Exemption was issued on October 16, 2020 for the Temporary Emergency Housing site at 500 Arbor Avenue in accordance with Government Code sections 65660-65662 for Low Barrier Navigation Centers and Section 15269(c) of the CEQA Guidelines (14 Cal. Code Regs. 15269(c) for Emergency Projects). No environmental impacts beyond those already analyzed for the CIP exist; accordingly, no further CEQA analysis is needed.

STRATEGIC PLAN

This agenda item supports the Public Safety Strategic Priority, Implement the adopted Homelessness Strategic Plan. More specifically, by adopting this new resolution, the City Council would reaffirm their commitment to follow through with the strategic priorities set forth in their Strategic Plan.

ACTION REQUESTED OF THE CITY COUNCIL

Staff recommends that the City Council, by resolution, (1) accept the construction for the Temporary Emergency Housing Project on Arbor Avenue, Phase 1, and the preparation work for the modular and container units, Phases 3 & 4, CIP 71112 in Tracy, California, for work completed by GradeTech, Inc., of San Ramon, California, (2) authorize the City Clerk to File the Notice of Completion with the San Joaquin County Recorder's Office, and (3) authorize the City Engineer to release the bonds and retention payment.

Prepared by: Leisser Mazariegos, Associate Engineer

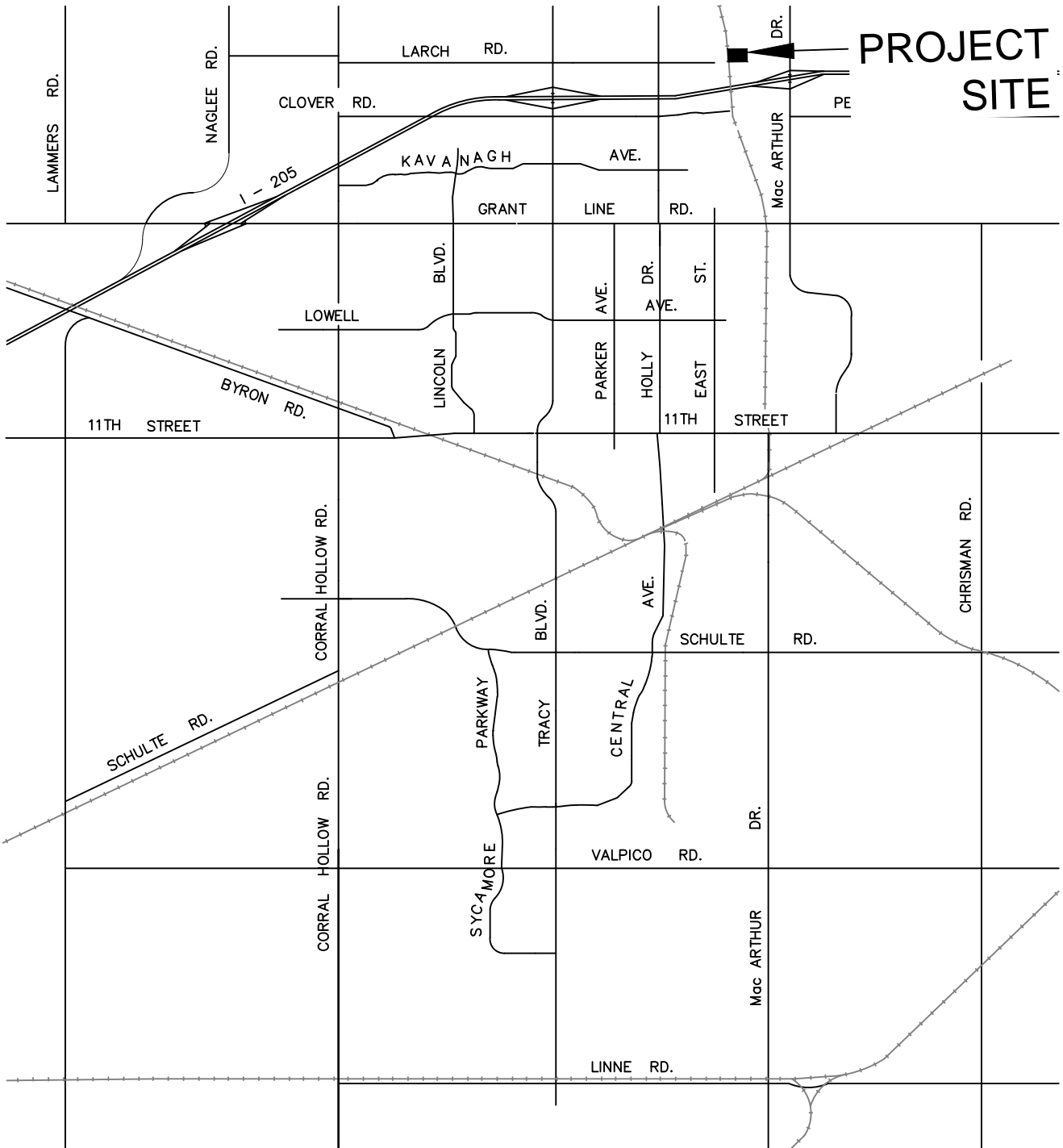
Reviewed by: Koosun Kim, PE, City Engineer / Assistant Director of Development Services
Jaylen French, Development Services Director
Sara Cowell, Finance Director
Bijal Patel, City Attorney

Approved by: Midori Lichtwardt, Interim City Manager

ATTACHMENTS

Attachment A – Location Map

CITY OF TRACY



COVID-19 ARBOR ROAD PROJECT SITE

NOT TO SCALE

TRACY CITY COUNCIL

RESOLUTION 2023-_____

- (1) ACCEPTING THE CONSTRUCTION FOR THE TEMPORARY EMERGENCY HOUSING PROJECT ON ARBOR AVENUE, PHASE 1, AND THE PREPARATION WORK FOR THE MODULARS AND CONTAINER UNITS, PHASES 3 & 4, CIP 71112, FOR WORK COMPLETED BY GRADETECH, INC., OF SAN RAMON, CALIFORNIA;
- (2) AUTHORIZING THE CITY CLERK TO FILE THE NOTICE OF COMPLETION WITH THE SAN JOAQUIN COUNTY RECORDER'S OFFICE; AND
- (3) AUTHORIZING THE CITY ENGINEER TO RELEASE THE BONDS AND RETENTION PAYMENT.

WHEREAS, on April 19, 2022, City Council approved and awarded a construction contract to GradeTech, Inc., of San Ramon, California (Contractor) for the Temporary Emergency Housing Project on Arbor Avenue, Phase 1, in Tracy, California, CIP Project 71112; and

WHEREAS, the Contractor has completed all the work required to be done in accordance with the plans and specifications and has requested acceptance of the project, and the City Engineer has inspected the completed work and confirmed that all work conforms to the contract plans and specifications; and

WHEREAS, two change orders were issued as part of this project; and

WHEREAS, the status of budget costs is as follows:

A.	Construction Contract Amount	\$ 2,221,356
B.	Approved Change orders	\$ 944,443
C.	Design, construction management, inspection, testing & miscellaneous project management expenses	\$ 296,772
Total Project Costs		\$ 3,462,571; and

WHEREAS, the Project has been completed within the available budget, within the time frame of the original contract plus the time extension given to the contractor for extra work, including rain delays, per plans, specifications, and City of Tracy Standards; and

WHEREAS, the Temporary Emergency Housing Project on Arbor Road, Phase 1, and the preparation work for the modulars and container units, Phase 3 & 4, CIP 71112, is an approved project with total funding Project cost of \$3,462,571, and the total project budget is \$10,430,689, which allowed for the project to come in on budget; now therefore, be it

RESOLVED: That the City Council hereby (1) accepts the construction for the Temporary Emergency Housing Project, CIP 71112 for work completed by GradeTech, Inc., of San Ramon, California, (2) authorizes the City Clerk to File the Notice of Completion with the

San Joaquin County Recorder's Office, and (3) authorizes the City Engineer to release the bonds and retention payment.

* * * * *

The foregoing Resolution 2023-_____ was adopted by the Tracy City Council on the 6th day of June 2023 by the following vote:

AYES:	COUNCIL MEMBERS:
NOES:	COUNCIL MEMBERS:
ABSENT:	COUNCIL MEMBERS:
ABSTENTION:	COUNCIL MEMBERS:

NANCY D. YOUNG
 Mayor of the City of Tracy, California

ATTEST: _____
 ADRIANNE RICHARDSON
 City Clerk and Clerk of the Council of
 the City of Tracy, California

Agenda Item 1.C

RECOMMENDATION

Staff recommends that the City Council adopt a Resolution authorizing the purchase of equipment in the amount of \$242,000 through Sourcewell cooperative purchasing agreements to maintain and operate Legacy Fields.

EXECUTIVE SUMMARY

Staff recommends the City Council approve the purchase of new field equipment for the Parks and Recreation Department to maintain Legacy Fields. The total for all equipment purchased through Sourcewell is expected to be \$242,000 pursuant to Sourcewell cooperative purchasing agreements. These purchases are essential to ensure Legacy Fields are maintained as a premier sports venue for local league use and tournament play.

BACKGROUND AND LEGISLATIVE HISTORY

Sourcewell is a State of Minnesota local government agency and service cooperative that offers cooperative procurement solutions to education and government agencies nationally through competitively bid and awarded contracts. The City of Tracy is an established customer with Sourcewell and is authorized to make purchases using the Sourcewell cooperative purchasing agreements, pursuant to Tracy Municipal Code, section 2.20.220.

At the April 18, 2023, regular City Council meeting, the Council adopted Resolution 2023-067 approving one-time funding in the amount of \$600,000 from Measure V (Fund 107) for the purchase of equipment to maintain and operate Legacy Fields. Construction of Legacy Fields Phase 1E is expected to be complete in Summer 2023. By procuring the necessary equipment to maintain Legacy Fields, the City will be taking a proactive approach to ensuring staff have the resources needed to preserve the integrity of the facility as utilization is expected to increase facility wide.

ANALYSIS

The estimated cost for the equipment is \$242,000 and will provide several benefits to the Parks Maintenance Division. To ensure Legacy Fields is maintained as a premier sports venue, vehicles, tractors, and other machinery will be needed. The table below outlines the type of equipment necessary to maintain Legal Fields. Each piece of equipment is intended to perform a specific function and may be deployed to other parks within the City as a back-up equipment, if needed.

Below are the recommended vendors, their purchasing agreement number through Sourcewell, the anticipated cost, and a brief description of each piece of equipment:

Vendor	Purchasing Agreement	Equipment	Price	Description
DNF, Inc.	#040319-KBA	Kubota Tractor M7060	\$52,000	Utility tractor to operate mower and other implements.
DNF, Inc.	#031121-KBA	Kubota RTV-X1120	\$39,000	Utility vehicle for efficient maintenance operations.
Saba Holding Company, LLC	#032119-VCE	Volvo Tractor L20HS	\$102,000	Small loader to load and move bulk and palletized materials.
Turf Star, Inc.	#031121-TTC	Toro 5040 Sandpro	\$35,000	Infield grooming machine for ballfields.
Belkorp Agriculture Inc.	#031121-DAC	John Deere Z930M	\$14,000	Small trim mower for efficient turf maintenance.
TOTAL			\$242,000	

FISCAL IMPACT

At the April 18, 2023, regular City Council meeting, the Council adopted Resolution 2023-067 approving one-time funding in the amount of \$600,000 from Measure V (Fund 107) for the current Fiscal Year, 2022/2023. If the subject \$242,000 expenditure is approved, \$358,000 of the appropriated \$600,000 will remain for the procurement of additional equipment consistent with Resolution 2023-067. For the items that cannot be procured through cooperative purchasing agreements, staff will adhere the City’s purchasing policy and return to Council for equipment which exceeds \$50,000.

PUBLIC OUTREACH/ INTEREST

N/A

COORDINATION

The Parks and Recreation Department coordinated with Finance and Utilities & Operations (Fleet Division).

STRATEGIC PLAN

This agenda item is consistent with the City Council’s adopted Quality of Life strategies and respective goals.

CALIFORNIA ENVIRONMENTAL QUALITY ACT

This is an operational item and CEQA does not apply.

ACTION REQUESTED OF THE CITY COUNCIL

Staff recommends that the City Council adopt a Resolution authorizing the purchase of the equipment described in the table above in the amount of \$242,000 through Sourcewell Cooperative purchasing agreements to maintain and operate Legacy Fields.

Prepared by: Todd Rocha, Public Works Superintendent
Nilo Velazquez, Management Analyst II

Reviewed by: Brian MacDonald, Director of Parks & Recreation
Sara Cowell, Director of Finance
Bijal Patel, City Attorney
Karin Schnaider, Assistant City Manager

Approved by: Midori Lichtwardt, Interim City Manager

Attachments:

Attachment A: Sourcewell Solicitation Number #040319-KBA
Attachment B: Sourcewell Solicitation Number #031121-KBA
Attachment C: Sourcewell Solicitation Number #032119-VCE
Attachment D: Sourcewell Solicitation Number #031121-TTC
Attachment E: Sourcewell Solicitation Number #031121-DAC

Form C

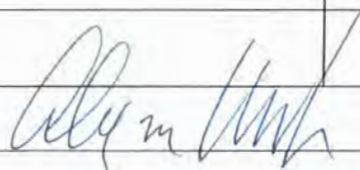
**EXCEPTIONS TO PROPOSAL, TERMS, CONDITIONS,
AND SOLUTIONS REQUEST**



Company Name: Kubota Tractor Corporation

Any exceptions to the terms, conditions, specifications, or proposal forms contained in this RFP must be noted in writing and included with the Proposer's response. The Proposer acknowledges that the exceptions listed may or may not be accepted by Sourcewell or included in the final contract. Sourcewell will make reasonable efforts to accommodate the listed exceptions and may clarify the exceptions in the appropriate section below.

Section/page	Term, Condition, or Specification	Exception	Sourcewell ACCEPTS
8.N/8.27/31	Affirmative Action	Kubota operates under California Law where according to the State Constitution it is unlawful to require affirmative action	Sourcewell accepts

Proposer's Signature:  Date: 3/29/19

Sourcewell's clarification on exceptions listed above:

Contract Award
RFP #040319



FORM D

Formal Offering of Proposal
(To be completed only by the Proposer)

MEDIUM DUTY AND COMPACT CONSTRUCTION EQUIPMENT WITH RELATED ATTACHMENTS,
ACCESSORIES, AND SUPPLIES

In compliance with the Request for Proposal (RFP) for MEDIUM DUTY AND COMPACT CONSTRUCTION EQUIPMENT WITH RELATED ATTACHMENTS, ACCESSORIES, AND SUPPLIES, the undersigned warrants that the Proposer has examined this RFP and, being familiar with all of the instructions, terms and conditions, general and technical specifications, sales and service expectations, and any special terms, agrees to furnish the defined products and related services in full compliance with all terms and conditions of this RFP, any applicable amendments of this RFP, and all Proposer's response documentation. The Proposer further understands that it accepts the full responsibility as the sole source of solutions proposed in this RFP response and that the Proposer accepts responsibility for any subcontractors used to fulfill this proposal.

Company Name: Kubota Tractor Corporation Date: 3/29/2019

Company Address: 1000 Kubota Drive

City: Grapevine State: TX Zip: 76051

CAGE Code/DUNS: 06-207-4828

Contact Person: Jon Cheek Title: National Accounts Manager

Authorized Signature:  Alex Woods
(Name printed or typed)

FORM E
CONTRACT ACCEPTANCE AND AWARD



(Top portion of this form will be completed by Sourcewell if the vendor is awarded a contract. The vendor should complete the vendor authorized signatures as part of the RFP response.)

Sourcewell Contract #: 040319-KBA

Proposer's full legal name: Kubota Tractor Corporation

Based on Sourcewell's evaluation of your proposal, you have been awarded a contract. As an awarded vendor, you agree to provide the products and services contained in your proposal and to meet all the terms and conditions set forth in this RFP, in any amendments to this RFP, and in any exceptions that are accepted by Sourcewell.

The effective date of the Contract will be May 31, 2019 and will expire on May 31, 2023 (no later than the later of four years from the expiration date of the currently awarded contract or four years from the date that the Sourcewell Chief Procurement Officer awards the Contract). This Contract may be extended for a fifth year at Sourcewell's discretion.

Sourcewell Authorized Signatures:

DocuSigned by:
Jeremy Schwartz
C0FD2A139D08489...
SOURCEWELL DIRECTOR OF OPERATIONS AND
PROCUREMENT/CPO SIGNATURE

Jeremy Schwartz
(NAME PRINTED OR TYPED)

DocuSigned by:
Chad Coquette
7EA288F817A84CC...
SOURCEWELL EXECUTIVE DIRECTOR/CEO SIGNATURE

Chad Coquette
(NAME PRINTED OR TYPED)

Awarded on May 28, 2019

Sourcewell Contract # 040319-KBA

Vendor Authorized Signatures:

The Vendor hereby accepts this Contract award, including all accepted exceptions and amendments.

Vendor Name Kubota Tractor Corporation

Authorized Signatory's Title VICE PRESIDENT

Alex M Woods
VENDOR AUTHORIZED SIGNATURE

Alex M Woods
(NAME PRINTED OR TYPED)

Executed on 5/30, 2019

Sourcewell Contract # 040319-KBA



Form F

PROPOSER ASSURANCE OF COMPLIANCE

Proposal Affidavit Signature Page

PROPOSER'S AFFIDAVIT

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

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

[The rest of this page has been left intentionally blank. Signature page below]

By signing below, Proposer is acknowledging that he or she has read, understands, and agrees to comply with the terms and conditions specified above.

Company Name: Kubota Tractor Corporation

Address: 1000 Kubota Drive

City/State/Zip: Grapevine, TX 76051

Telephone Number: (817) 532-3875

E-mail Address: Jon.Cheek@Kubota.com

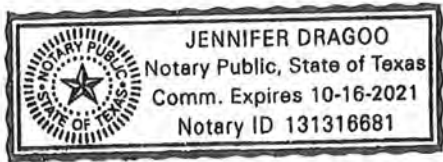
Authorized Signature: 

Authorized Name (printed): Alex Woods

Title: Vice President, Sales Operations, Supply Chain and Parts

Date: 03/29/2019

Notarized



Subscribed and sworn to before me this 29th day of March, 2019

Notary Public in and for the County of Tarrant State of Texas

My commission expires: 10/16/2021

Signature: Jennifer Dragoo



Form P

PROPOSER QUESTIONNAIRE

Payment Terms, Warranty, Products and Services, Pricing and Delivery, and Industry-Specific Questions

Proposer Name: Kubota Tractor Corporation

Questionnaire completed by: Jon Cheek

Payment Terms and Financing Options

- 1) What are your payment terms (e.g., net 10, net 30)? Net 45
- 2) Do you provide leasing or financing options, especially those options that schools and governmental entities may need to use in order to make certain acquisitions? Yes
- 3) Briefly describe your proposed order process. Please include enough detail to support your ability to report quarterly sales to Sourcewell. For example, indicate whether your dealer network is included in your response and whether each dealer (or some other entity) will process the Sourcewell Members' purchase orders.

Dealers will provide quotes to the Sourcewell customers and process the orders. Kubota Tractor Corporation will assist in quotes where needed and also help process orders when needed. The dealers must enter a dealer code reflecting the Sourcewell account in order to be compensated for the sale. The entering of this code will identify the order as an Sourcewell order and allow the information to be pulled for reporting purposes.

- 4) Do you accept the P-card procurement and payment process? If so, is there any additional cost to Sourcewell Members for using this process? No, we do not accept P-card payments.

Warranty

- 5) Describe in detail your manufacturer warranty program, including conditions and requirements to qualify, claims procedure, and overall structure. You may include in your response a copy of your warranties, but at a minimum please also answer the following questions.
 - Do your warranties cover all products, parts, and labor?
 - Do your warranties impose usage restrictions or other limitations that adversely affect coverage?
 - Do your warranties cover the expense of technicians' travel time and mileage to perform warranty repairs?
 - Are there any geographic regions of the United States for which you cannot provide a certified technician to perform warranty repairs? How will Sourcewell Members in these regions be provided service for warranty repair?
 - Will you cover warranty service for items made by other manufacturers that are part of your proposal, or are these warranties issues typically passed on to the original equipment manufacturer?
 - What are your proposed exchange and return programs and policies?

Please see the Kubota Warranty Guide in the supporting documents under Form P.

- 6) Describe any service contract options for the items included in your proposal.
There are no service contract options available for this program but extended warranties are available (see Warranty Guide in Supporting Documents under Form P).

Pricing, Delivery, Audits, and Administrative Fee

- 7) Provide a general narrative description of the equipment/products and related services you are offering in your proposal.

All Kubota products in the 2019 Full Line Brochure are available to Sourcewell members (please see 2019 Full Line Brochures in Supporting Documents under Form P).

- 8) Describe your pricing model (e.g., line-item discounts or product-category discounts). Provide detailed pricing data (including standard or list pricing and the Sourcewell discounted price) on all of the items that you want Sourcewell to consider as part of your RFP response. If applicable, provide a SKU for each item in your proposal. (Keep in mind that reasonable price and product adjustments can be made during the term of an awarded Contract. See the body of the RFP and the Price and Product Change Request Form for more detail.)

Kubota will offer a specific discount off of published list price based on each model and series. Please see Sourcewell Discount Structure file and Price Lists in the Supporting Documents under Form P.

- 9) Please quantify the discount range presented in this response. For example, indicate that the pricing in your response represents is a 50% percent discount from the MSRP or your published list.

Please see the Sourcewell Discount Structure file in the Supporting Documents under Form P.

- 10) The pricing offered in this proposal is

- a. the same as the Proposer typically offers to an individual municipality, university, or school district.
- b. the same as the Proposer typically offers to GPOs, cooperative procurement organizations, or state purchasing departments.
- c. better than the Proposer typically offers to GPOs, cooperative procurement organizations, or state purchasing departments.
- d. other than what the Proposer typically offers (please describe).

- 11) Describe any quantity or volume discounts or rebate programs that you offer.

None

- 12) Propose a method of facilitating “sourced” products or related services, which may be referred to as “open market” items or “nonstandard options”. For example, you may supply such items “at cost” or “at cost plus a percentage,” or you may supply a quote for each such request.

Most often, the Kubota dealer has already been in contact with the member and knows the requirements of the member which allows him to offer recommendations on the sourced items. The dealer will put that information on the quote. The member will then issue a purchase order which will include the non-Kubota product(s).

- 13) Identify any total cost of acquisition costs that are **NOT** included in the pricing submitted with your response. This cost includes all additional charges that are not directly identified as freight or shipping charges. For example, list costs for items like installation, set up, mandatory training, or initial/pre-delivery inspection. Identify any parties that impose such costs and their relationship to the Proposer.

In addition to equipment cost, there will be freight charges based on current freight rates, assembly fees, and pre-delivery inspection fees. Assembly fees can vary depending on how many accessories the equipment has and what kind. Pre-delivery inspection is a flat \$250 per unit. Please see Install Times and Freight Costs calculations in Supporting Documents under Form P

- 14) If travel expense, delivery or shipping is an additional cost to the Sourcewell Member, describe in detail the complete travel expense, shipping and delivery program.

Freight will be charged to the member. In the lower 48 States, freight is determined by an equalized freight rate chart by product model and series, and it is included in the quote up front so that the member has this information when making their purchasing decision.

- 15) Specifically describe those travel expense, shipping and delivery programs for Alaska, Hawaii, Canada, or any offshore delivery.

Shipping costs to offshore locations are calculated by freight forwarding companies used by delivering dealers and included in the member quote in the beginning so that the member has the information at the time of making their purchasing decision.

- 16) Describe any unique distribution and/or delivery methods or options offered in your proposal.

KTC has a National Distribution Center, 4 Division Warehouses, and 1100 plus dealers that are expected to carry on average 7 months' worth of inventory. KTC will, if needed, ship units from almost anywhere in the country to satisfy urgent orders at no additional cost to the membership.

- 17) Please specifically describe any self-audit process or program that you plan to employ to verify compliance with your proposed Contract with Sourcewell. This process includes ensuring that Sourcewell Members obtain the proper pricing, that the Vendor reports all sales under the Contract each quarter, and that the Vendor remits the proper administrative fee to Sourcewell.

Kubota has multiple product groups that constantly review and audit pricing along with our digital marketing group that manages our electronic pricing database. In addition, the National Accounts group constantly reviews pricing for accuracy giving multiple layers of audit and review. The dealers cannot get paid for their sales using the Sourcewell program without submitting all of the information required to report accurately on the contract usage reports. This information is then downloaded to create our usage reports for the Sourcewell program.

- 18) Identify a proposed administrative fee that you will pay to Sourcewell for facilitating, managing, and promoting the Sourcewell Contract in the event that you are awarded a Contract. This fee is typically calculated as a percentage of Vendor's sales under the Contract or as a per-unit fee; it is not a line-item addition to the Member's cost of goods. (See RFP Section 6.29 and following for details.)

Kubota proposes paying an administrative fee of 1.5% of total sales produced under this contract less freight, assembly fees and pre-delivery inspection fees on Kubota products only.

Industry-Specific Questions

- 19) Describe any industry-specific quality management system certifications obtained by your organization.

- ISO 9001

- 20) Describe any environmental management system certifications obtained by your organization.

The Kubota Group endeavors to strike a balance between attaining business growth and contributing to environmental conservation, and strives toward ongoing symbiotic development with society through eco-friendly corporate activities. The Group has set five basic categories for environmental conservation: "Tackling Climate Change," "Working towards a Recycling-based Society," "Conserving Water Resources," "Controlling Chemical Substances," and "Conserving Biodiversity." Based on these categories, we are committed to the conservation of the global environment through products, technologies and services that address social issues in the areas of food, water, and the living environment.

- ISO 14001
- US EPA certified engines

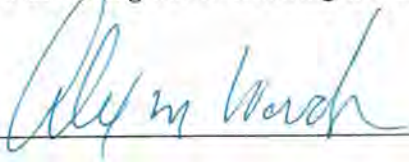
Below are some awards that Kubota has received for their environmental management:

- Highest-Rated "A-List Company" in "CDP Water*", a research concerning sustainable water management conducted in 2017
- Environmental Technology and Project Award presented by the Environmental Engineering Committee of the Japan Society of Civil Engineers
- Green Industry Award in 2017 from the Thai government
- 7 time BLUE PROPER award winner from the environment minister of the Indonesian government
- Kansai Eco-Office Encouragement Award and Certification of an Excellent Waste-reduction Building in Japan
- Gold Level LEED Certification, U.S. Corporate Head Quarters

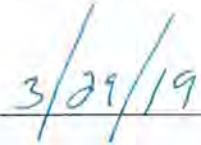
21) Describe any preventive maintenance programs that your organization offers for the solutions you are proposing in your response.

Preventive maintenance is different for each type of equipment, business use of the equipment, and environment in which the equipment is used in. Each customer's preventive maintenance needs are different. We have many preventive maintenance plans that have been created between our dealers and customers that are designed to best meet the customer's needs. These preventive maintenance plans are executed by the delivering dealer ensuring the continuing relationship between the local dealer and the customer.

Signature: _____



Date: _____



**Solicitation Number: RFP #031121****CONTRACT**

This Contract is between Sourcewell, 202 12th Street Northeast, P.O. Box 219, Staples, MN 56479 (Sourcewell) and Kubota Tractor Corporation, 1000 Kubota Drive, Grapevine, TX 76051 (Vendor).

Sourcewell is a State of Minnesota local government agency and service cooperative created under the laws of the State of Minnesota (Minnesota Statutes Section 123A.21) that offers cooperative procurement solutions to government entities. Participation is open to federal, state/province, and municipal governmental entities, higher education, K-12 education, nonprofit, tribal government, and other public entities located in the United States and Canada. Sourcewell issued a public solicitation for Grounds Maintenance Equipment, Attachments, and Accessories with Related Services from which Vendor was awarded a contract.

Vendor desires to contract with Sourcewell to provide equipment, products, or services to Sourcewell and the entities that access Sourcewell's cooperative purchasing contracts (Participating Entities).

1. TERM OF CONTRACT

- A. **EFFECTIVE DATE.** This Contract is effective upon the date of the final signature below.
- B. **EXPIRATION DATE AND EXTENSION.** This Contract expires April 30, 2025, unless it is cancelled sooner pursuant to Article 22. This Contract may be extended up to one additional one-year period upon request of Sourcewell and with written agreement by Vendor.
- C. **SURVIVAL OF TERMS.** Articles 11 through 14 survive the expiration or cancellation of this Contract.

2. EQUIPMENT, PRODUCTS, OR SERVICES

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

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

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

B. **WARRANTY.** Vendor warrants that all Equipment, Products, and Services furnished are free from liens and encumbrances, and are free from defects in design, materials, and workmanship. In addition, Vendor warrants the Equipment, Products, and Services are suitable for and will perform in accordance with the ordinary use for which they are intended. Vendor's dealers and distributors must agree to assist the Participating Entity in reaching a resolution in any dispute over warranty terms with the manufacturer. Any manufacturer's warranty that is effective past the expiration of the Vendor's warranty will be passed on to the Participating Entity.

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

3. PRICING

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

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

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

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

time after delivery where circumstances or conditions prevent effective inspection of the Equipment and Products at the time of delivery.

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

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

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

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

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

4. PRODUCT AND PRICING CHANGE REQUESTS

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

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

restatement must include all Equipment, Products, and Services offered, even for those items where pricing remains unchanged.

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

5. PARTICIPATION, CONTRACT ACCESS, AND PARTICIPATING ENTITY REQUIREMENTS

A. PARTICIPATION. Sourcewell's cooperative contracts are available and open to public and nonprofit entities across the United States and Canada; such as federal, state/province, municipal, K-12 and higher education, tribal government, and other public entities.

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

Vendor is responsible for familiarizing its sales and service forces with Sourcewell contract use eligibility requirements and documentation and will encourage potential participating entities to join Sourcewell. Sourcewell reserves the right to add and remove Participating Entities to its roster during the term of this Contract.

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

6. PARTICIPATING ENTITY USE AND PURCHASING

A. ORDERS AND PAYMENT. To access the contracted Equipment, Products, or Services under this Contract, a Participating Entity must clearly indicate to Vendor that it intends to access this Contract; however, order flow and procedure will be developed jointly between Sourcewell and Vendor. Typically, a Participating Entity will issue an order directly to Vendor. If a Participating Entity issues a purchase order, it may use its own forms, but the purchase order should clearly note the applicable Sourcewell contract number. All Participating Entity orders under this Contract must be issued prior to expiration of this Contract; however, Vendor performance, Participating Entity payment, and any applicable warranty periods or other Vendor or Participating Entity obligations may extend beyond the term of this Contract.

Vendor's acceptable forms of payment are included in Attachment A. Participating Entities will be solely responsible for payment and Sourcewell will have no liability for any unpaid invoice of any Participating Entity.

B. **ADDITIONAL TERMS AND CONDITIONS/PARTICIPATING ADDENDUM.** Additional terms and conditions to a purchase order, or other required transaction documentation, may be negotiated between a Participating Entity and Vendor, such as job or industry-specific requirements, legal requirements (e.g., affirmative action or immigration status requirements), or specific local policy requirements. Some Participating Entities may require the use of a Participating Addendum; the terms of which will be worked out directly between the Participating Entity and the Vendor. Any negotiated additional terms and conditions must never be less favorable to the Participating Entity than what is contained in this Contract.

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

D. **TERMINATION OF ORDERS.** Participating Entities may terminate an order, in whole or in part, immediately upon notice to Vendor in the event of any of the following events:

1. The Participating Entity fails to receive funding or appropriation from its governing body at levels sufficient to pay for the goods to be purchased;
2. Federal, state, or provincial laws or regulations prohibit the purchase or change the Participating Entity's requirements; or
3. Vendor commits any material breach of this Contract or the additional terms agreed to between the Vendor and a Participating Entity.

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

7. CUSTOMER SERVICE

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

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

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

8. REPORT ON CONTRACT SALES ACTIVITY AND ADMINISTRATIVE FEE PAYMENT

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

The Report must contain the following fields:

- Customer Name (e.g., City of Staples Highway Department);
- Customer Physical Street Address;
- Customer City;
- Customer State/Province;
- Customer Zip Code;
- Customer Contact Name;
- Customer Contact Email Address;
- Customer Contact Telephone Number;
- Sourcwell Assigned Entity/Participating Entity Number;
- Item Purchased Description;
- Item Purchased Price;
- Sourcwell Administrative Fee Applied; and
- Date Purchase was invoiced/sale was recognized as revenue by Vendor.

B. ADMINISTRATIVE FEE. In consideration for the support and services provided by Sourcwell, the Vendor will pay an administrative fee to Sourcwell on all Equipment, Products, and Services provided to Participating Entities. The Administrative Fee must be included in, and not added to, the pricing. Vendor may not charge Participating Entities more than the contracted price to offset the Administrative Fee.

The Vendor will submit payment to Sourcwell for the percentage of administrative fee stated in the Proposal multiplied by the total sales of all Equipment, Products, and Services purchased by Participating Entities under this Contract during each calendar quarter. Payments should note the Vendor's name and Sourcwell-assigned contract number in the memo; and must be mailed to the address above "Attn: Accounts Receivable" or remitted electronically to Sourcwell's banking institution per Sourcwell's Finance department instructions. Payments must be received no later than 45 calendar days after the end of each calendar quarter.

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

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

9. AUTHORIZED REPRESENTATIVE

Sourcewell's Authorized Representative is its Chief Procurement Officer.

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

10. AUDIT, ASSIGNMENT, AMENDMENTS, WAIVER, AND CONTRACT COMPLETE

A. **AUDIT.** Pursuant to Minnesota Statutes Section 16C.05, subdivision 5, the books, records, documents, and accounting procedures and practices relevant to this Agreement are subject to examination by Sourcewell or the Minnesota State Auditor for a minimum of six years from the end of this Contract. This clause extends to Participating Entities as it relates to business conducted by that Participating Entity under this Contract.

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

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

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

E. **CONTRACT COMPLETE.** This Contract contains all negotiations and agreements between Sourcewell and Vendor. No other understanding regarding this Contract, whether written or oral, may be used to bind either party. For any conflict between the attached Proposal and the terms set out in Articles 1-22, the terms of Articles 1-22 will govern.

F. **RELATIONSHIP OF THE PARTIES.** The relationship of the parties is one of independent contractors, each free to exercise judgment and discretion with regard to the conduct of their

respective businesses. This Contract does not create a partnership, joint venture, or any other relationship such as master-servant, or principal-agent.

11. LIABILITY

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

12. GOVERNMENT DATA PRACTICES

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

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

13. INTELLECTUAL PROPERTY, PUBLICITY, MARKETING, AND ENDORSEMENT

A. INTELLECTUAL PROPERTY

1. *Grant of License.* During the term of this Contract:
 - a. Sourcewell grants to Vendor a royalty-free, worldwide, non-exclusive right and license to use the Trademark(s) provided to Vendor by Sourcewell in advertising and promotional materials for the purpose of marketing Sourcewell's relationship with Vendor.
 - b. Vendor grants to Sourcewell a royalty-free, worldwide, non-exclusive right and license to use Vendor's Trademarks in advertising and promotional materials for the purpose of marketing Vendor's relationship with Sourcewell.
2. *Limited Right of Sublicense.* The right and license granted herein includes a limited right of each party to grant sublicenses to its and their respective distributors, marketing representatives, and agents (collectively "Permitted Sublicensees") in advertising and promotional materials for the purpose of marketing the Parties' relationship to Participating Entities. Any sublicense granted will be subject to the terms and conditions of this Article. Each party will be responsible for any breach of this Article by any of their respective sublicensees.
3. *Use; Quality Control.*

- a. Sourcewell must not alter Vendor's Trademarks from the form provided by Vendor and must comply with Vendor's removal requests as to specific uses of its trademarks or logos.
 - b. Vendor must not alter Sourcewell's Trademarks from the form provided by Sourcewell and must comply with Sourcewell's removal requests as to specific uses of its trademarks or logos.
 - c. Each party agrees to use, and to cause its Permitted Sublicensees to use, the other party's Trademarks only in good faith and in a dignified manner consistent with such party's use of the Trademarks. Upon written notice to the breaching party, the breaching party has 30 days of the date of the written notice to cure the breach or the license will be terminated.
4. As applicable, Vendor agrees to indemnify and hold harmless Sourcewell and its Participating Entities against any and all suits, claims, judgments, and costs instituted or recovered against Sourcewell or Participating Entities by any person on account of the use of any Equipment or Products by Sourcewell or its Participating Entities supplied by Vendor in violation of applicable patent or copyright laws.
5. *Termination.* Upon the termination of this Contract for any reason, each party, including Permitted Sublicensees, will have 30 days to remove all Trademarks from signage, websites, and the like bearing the other party's name or logo (excepting Sourcewell's pre-printed catalog of vendors which may be used until the next printing). Vendor must return all marketing and promotional materials, including signage, provided by Sourcewell, or dispose of it according to Sourcewell's written directions.

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

C. **MARKETING.** Any direct advertising, marketing, or offers with Participating Entities must be approved by Sourcewell. Materials should be sent to the Sourcewell Contract Administrator assigned to this Contract.

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

14. GOVERNING LAW, JURISDICTION, AND VENUE

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

15. FORCE MAJEURE

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

16. SEVERABILITY

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

17. PERFORMANCE, DEFAULT, AND REMEDIES

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

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

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

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

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

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

18. INSURANCE

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

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

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

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

Minimum limits:

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

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

Minimum Limits:

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

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

Minimum Limits:

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

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

Minimum Limits:
\$2,000,000

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

Minimum limits:
\$2,000,000 per occurrence
\$2,000,000 annual aggregate

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

B. CERTIFICATES OF INSURANCE. Prior to commencing under this Contract, Vendor must furnish to Sourcewell a certificate of insurance, as evidence of the insurance required under this Contract. Prior to expiration of the policy(ies), renewal certificates must be mailed to Sourcewell, 202 12th Street Northeast, P.O. Box 219, Staples, MN 56479 or sent to the Sourcewell Contract Administrator assigned to this Contract. The certificates must be signed by a person authorized by the insurer(s) to bind coverage on their behalf.

Failure to request certificates of insurance by Sourcewell, or failure of Vendor to provide certificates of insurance, in no way limits or relieves Vendor of its duties and responsibilities in this Contract.

C. ADDITIONAL INSURED ENDORSEMENT AND PRIMARY AND NON-CONTRIBUTORY INSURANCE CLAUSE. Vendor agrees to list Sourcewell and its Participating Entities, including their officers, agents, and employees, as an additional insured under the Vendor's commercial general liability insurance policy with respect to liability arising out of activities, "operations," or "work" performed by or on behalf of Vendor, and products and completed operations of Vendor. The policy provision(s) or endorsement(s) must further provide that coverage is primary and not excess over or contributory with any other valid, applicable, and collectible insurance or self-insurance in force for the additional insureds.

D. WAIVER OF SUBROGATION. Vendor waives and must require (by endorsement or otherwise) all its insurers to waive subrogation rights against Sourcewell and other additional insureds for losses paid under the insurance policies required by this Contract or other

insurance applicable to the Vendor or its subcontractors. The waiver must apply to all deductibles and/or self-insured retentions applicable to the required or any other insurance maintained by the Vendor or its subcontractors. Where permitted by law, Vendor must require similar written express waivers of subrogation and insurance clauses from each of its subcontractors.

E. UMBRELLA/EXCESS LIABILITY/SELF-INSURED RETENTION. The limits required by this Contract can be met by either providing a primary policy or in combination with umbrella/excess liability policy(ies), or self-insured retention.

19. COMPLIANCE

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

B. LICENSES. Vendor must maintain a valid and current status on all required federal, state/provincial, and local licenses, bonds, and permits required for the operation of the business that the Vendor conducts with Sourcwell and Participating Entities.

20. BANKRUPTCY, DEBARMENT, OR SUSPENSION CERTIFICATION

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

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

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

Participating Entities that use United States federal grant or FEMA funds to purchase goods or services from this Contract may be subject to additional requirements including the procurement standards of the Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards, 2 C.F.R. § 200. Participating Entities may also require additional requirements based on specific funding specifications. Within this Article, all

references to “federal” should be interpreted to mean the United States federal government. The following list only applies when a Participating Entity accesses Vendor’s Equipment, Products, or Services with United States federal funds. . The Participating Entity must provide advance notification to Vendor if federal funds are being used for the purchase.

A. EQUAL EMPLOYMENT OPPORTUNITY. Except as otherwise provided under 41 C.F.R. § 60, all contracts that meet the definition of “federally assisted construction contract” in 41 C.F.R. § 60-1.3 must include the equal opportunity clause provided under 41 C.F.R. §60-1.4(b), in accordance with Executive Order 11246, “Equal Employment Opportunity” (30 FR 12319, 12935, 3 C.F.R. §, 1964-1965 Comp., p. 339), as amended by Executive Order 11375, “Amending Executive Order 11246 Relating to Equal Employment Opportunity,” and implementing regulations at 41 C.F.R. § 60, “Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor.” The equal opportunity clause is incorporated herein by reference. [Note - Vendor operates under California law and does not participate in or file Affirmative Action Plans.]

B. DAVIS-BACON ACT, AS AMENDED (40 U.S.C. § 3141-3148). When required by federal program legislation, all prime construction contracts in excess of \$2,000 awarded by non-federal entities must include a provision for compliance with the Davis-Bacon Act (40 U.S.C. § 3141-3144, and 3146-3148) as supplemented by Department of Labor regulations (29 C.F.R. § 5, “Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction”). In accordance with the statute, contractors must be required to pay wages to laborers and mechanics at a rate not less than the prevailing wages specified in a wage determination made by the Secretary of Labor. In addition, contractors must be required to pay wages not less than once a week. The non-federal entity must place a copy of the current prevailing wage determination issued by the Department of Labor in each solicitation. The decision to award a contract or subcontract must be conditioned upon the acceptance of the wage determination. The non-federal entity must report all suspected or reported violations to the federal awarding agency. The contracts must also include a provision for compliance with the Copeland “Anti-Kickback” Act (40 U.S.C. § 3145), as supplemented by Department of Labor regulations (29 C.F.R. § 3, “Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States”). The Act provides that each contractor or subrecipient must be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he or she is otherwise entitled. The non-federal entity must report all suspected or reported violations to the federal awarding agency. Vendor must be in compliance with all applicable Davis-Bacon Act provisions.

C. CONTRACT WORK HOURS AND SAFETY STANDARDS ACT (40 U.S.C. § 3701-3708). Where applicable, all contracts awarded by the non-federal entity in excess of \$100,000 that involve the employment of mechanics or laborers must include a provision for compliance with 40 U.S.C. §§ 3702 and 3704, as supplemented by Department of Labor regulations (29 C.F.R. § 5). Under 40 U.S.C. § 3702 of the Act, each contractor must be required to compute the wages of

every mechanic and laborer on the basis of a standard work week of 40 hours. Work in excess of the standard work week is permissible provided that the worker is compensated at a rate of not less than one and a half times the basic rate of pay for all hours worked in excess of 40 hours in the work week. The requirements of 40 U.S.C. § 3704 are applicable to construction work and provide that no laborer or mechanic must be required to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous. These requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence. This provision is hereby incorporated by reference into this Contract. Vendor certifies that during the term of an award for all contracts by Sourcewell resulting from this procurement process, Vendor must comply with applicable requirements as referenced above.

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

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

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

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

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

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

J. BUY AMERICAN PROVISIONS COMPLIANCE. To the extent applicable, Vendor must comply with all applicable provisions of the Buy American Act. Purchases made in accordance with the Buy American Act must follow the applicable procurement rules calling for free and open competition. [Note – Vendor’s products are not manufactured domestically and do not satisfy the second element of the Buy American Act test for domestically manufactured products.]

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

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

solid waste management services in a manner that maximizes energy and resource recovery; and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.

22. CANCELLATION

Sourcewell or Vendor may cancel this Contract at any time, with or without cause, upon 60 days' written notice to the other party. However, Sourcewell may cancel this Contract immediately upon discovery of a material defect in any certification made in Vendor's Proposal. Cancellation of this Contract does not relieve either party of financial, product, or service obligations incurred or accrued prior to cancellation.

Sourcewell

Kubota Tractor Corporation

DocuSigned by:
Jeremy Schwartz
C0FD2A139D06489...
By: _____
Jeremy Schwartz
Title: Chief Procurement Officer
Date: 4/28/2021 | 12:20 PM CDT

DocuSigned by:
Alex Woods
7839492180EC44E...
By: _____
Alex Woods
Title: Vice President
Date: 4/28/2021 | 9:39 AM PDT

Approved:

DocuSigned by:
Chad Coquette
7E42B8F817A64CC...
By: _____
Chad Coquette
Title: Executive Director/CEO
Date: 4/28/2021 | 12:30 PM CDT

RFP 031121 - Grounds Maintenance Equipment, Attachments, and Accessories with Related Services

Vendor Details

Company Name: Kubota Tractor Corporation
Address: 1000 Kubota Drive
Grapevine, TX 76051
Contact: Mike Spillars
Email: mike.spillars@kubota.com
Phone: 817-532-5592
HST#: 95-2801513

Submission Details

Created On: Thursday January 21, 2021 09:29:17
Submitted On: Thursday March 11, 2021 13:37:19
Submitted By: Rusty Pugh
Email: rusty.pugh@kubota.com
Transaction #: e816d383-5749-427b-85c2-950c6dca68cc
Submitter's IP Address: 74.84.168.187

Specifications

Table 1: Proposer Identity & Authorized Representatives

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

Line Item	Question	Response *
1	Proposer Legal Name (and applicable d/b/a, if any):	Kubota Tractor Corporation
2	Proposer Address:	1000 Kubota Drive Grapevine, TX 76051
3	Proposer website address:	www.kubotausa.com
4	Proposer's Authorized Representative (name, title, address, email address & phone) (The representative must have authority to sign the "Proposer's Assurance of Compliance" on behalf of the Proposer and, in the event of award, will be expected to execute the resulting contract):	Alex Woods Vice President 1000 Kubota Drive, Grapevine, TX 76051 alex.woods@kubota.com PH: 817-756-1171
5	Proposer's primary contact for this proposal (name, title, address, email address & phone):	Rusty Pugh National Accounts Manager, Municipal and New Business 1000 Kubota Drive, Grapevine, TX 76051 rusty.pugh@kubota.com 817-716-3587
6	Proposer's other contacts for this proposal, if any (name, title, address, email address & phone):	Mike Spillars National Accounts Business Development Manager 1000 Kubota Drive, Grapevine, TX 76051 mike.spillars@kubota.com 817-532-5592

Table 2: Company Information and Financial Strength

Line Item	Question	Response *
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7	<p>Provide a brief history of your company, including your company's core values, business philosophy, and industry longevity related to the requested equipment, products or services.</p>	<p>Who Kubota is, and will continue to be, is summed up in this statement; Kubota is passionate about, and dedicated to food, water, and life. Gonshiro Kubota demonstrated this with the founding of Kubota in 1890 as a casting company to serve a critical need for safe drinking water. In 1893 Kubota produced the first ever domestic cast iron pipes. Following WWII food was in short supply in Japan. Kubota developed the cultivator, a pioneering piece of equipment in the mechanization of agriculture and the revolution of the production of food. With small villages in Japan suffering from labor shortages, Kubota developed our first tractor to provide a stable and abundant food supply. In 1969 Kubota Corporation filled a void in sub-compact tractors by introducing its first tractor into the United States. The Kubota Tractor Corporation was formed in 1972 as a privately held corporation of Kubota Corporation, Osaka, Japan. It has been growing and expanding its offering in the United States ever since. Kubota Tractor Corporation serves Kubota Corporation as distribution in the United States for Kubota equipment. This includes all the products serving this contract in turf mowing and grounds maintenance equipment, tractors, and attachments, as well as compact construction equipment which includes excavators, skid steers, backhoes, wheel loaders and utility vehicles. Additionally, Kubota Corporation has a wholly owned subsidiary in Canada (Kubota Canada Limited "KCL"). KCL supports Canadian sales and distribution. Innovating products since 1890, Kubota continues today to innovate and bring new products and technology into the marketplace. One example is Kubota's revolutionary common rail system with exhaust gas recirculation (EGR), and diesel particulate filter (DPF) muffler. This combination produces more torque at low rpm's with less emissions and better fuel efficiency. This innovation is used across our products where possible. Another example is our inventive glide steer technology, found on our GR series of mowers. These mowers also feature Reverse Awareness Systems (KRS) for additional safety when mowing in reverse. These are but a few examples in action of Kubota's philosophy of creating new and innovative products that are dedicated to preserving our environment and life. Kubota continues to innovate and serve its customers today with the number one selling sub-compact tractor, mini excavator, diesel utility vehicle, and diesel engine in the United States along with a varied and respected product offering. Kubota's core values of dedication to food, water and life are tied to serving our customers. Our company is committed to working for the development of society by drawing on all our capabilities and know-how to offer superior products and technologies. Kubota's business philosophy and primary objective is not sales and profits, rather, to win the trust of our customers and contribute to society in a growing number of ways. Everything we do is for the customer and this can be seen below in the "Kubota Promise".</p> <ol style="list-style-type: none"> a. Produce state of the art, quality products b. Lead the industry in engineering and technological firsts c. Respect the environment and protect our customer's safety d. Provide uncompromising service e. Listen and respond to the customer's needs f. Value each customer relationship with integrity and respect g. Support professional dealers and retailers h. Manage with vision and leadership <p>Since our founding in 1890, Kubota continues to be a global leader in the products we produce and the markets we serve. Food, water, and the environment are indispensable for human beings. Kubota is looking to the future to support earth and humanity. By contributing products, like the utility vehicles in this proposal, and creating a superior living environment through superior products, technologies, and services, Kubota is living out its core values and business philosophy of being passionate about, and dedicated to food, water, and life.</p>
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8	What are your company's expectations in the event of an award?	<p>If awarded the Sourcewell contract number 031121, Kubota expects to meet and exceed the expectations of Sourcewell members for products, services, and support. Kubota will position Sourcewell as our first and best solution for cooperative purchasing. Our dedicated National Account Manager for Municipal and Business Development makes our Sourcewell contracts a focus for sales growth throughout the United States and Canada. Kubota is committed to supporting Sourcewell members wherever they are located at a level that meets and exceeds their expectations. Kubota will build into dealer training meetings, Sourcewell member aftersales support, and marketing direction to ensure success. We will engage our 1,100 dealers to promote our contract, and support Sourcewell members to the greatest extent possible.</p> <p>Kubota will engage government entities in the adoption of our Sourcewell contract in place of establishing individual government contracts. Kubota and the National Account Manager for Municipal and New Business will partner with Sourcewell for marketing materials and trade show support. Kubota looks forward to attending and supporting Sourcewell "Get to Know Us" forums and will encourage dealer participation to understand the value of contract purchasing with Sourcewell members. Kubota will incorporate all Sourcewell marketing materials, resources, and tools (e.g. training videos, Talkin' Tactics Webinars, etc.) into dealer education and business development. Lastly, Kubota's expectations are when Sourcewell members reach out to their local Kubota dealer, the dealer knows who they are and how they can help.</p>	*
9	<p>Demonstrate your financial strength and stability with meaningful data. This could include such items as financial statements, SEC filings, credit and bond ratings, letters of credit, and detailed reference letters. Upload supporting documents (as applicable) in the document upload section of your response.</p>	<p>Financial information has been attached. These documents include general information such as Dun and Bradstreet number and Federal I.D numbers as well as more specific financial information such as creditors and banking information. Beyond the numbers is more tangible evidence of strength and stability.</p> <p>Kubota can demonstrate this financial strength and stability in multiple ways. Kubota pays dividends on its stock. Dividends attract long-term investors and offering them is a sign of financial stability. Additionally, in 2020, Kubota announced a multi-year strategic alliance with Microsoft. Kubota is migrating its IT infrastructure and SAP mission-critical systems onto Microsoft's trusted cloud platform. This investment in long-term company infrastructure streamlines business operations, accelerates innovation, and shifts towards a solution provision model. Furthermore, this investment not only demonstrates financial strength and stability, it allows Kubota to develop AI-based solutions for businesses in the area of food, water, and the environment.</p> <p>Kubota Tractor Corporation's parent company, Kubota Corporation, carries an AA- issuer rating as well as a Long-Term Issue rating of AA-. This very high credit worthiness is supported by excellent factors. The short-term rating is a-1+. This rating denotes a high certainty of fulfillment of short-term obligation. In closing, a copy of the most recently available full year financial report has been included in documentation.</p>	*
10	What is your US market share for the solutions that you are proposing?	Kubota has approximately 34% market share for the solutions being proposed.	*
11	What is your Canadian market share for the solutions that you are proposing?	Kubota's Canadian market share data mirrors that of the United States.	*
12	Has your business ever petitioned for bankruptcy protection? If so, explain in detail.	No, Kubota has never petitioned for bankruptcy protection.	*
13	<p>How is your organization best described: is it a manufacturer, a distributor/dealer/reseller, or a service provider? Answer whichever question (either a) or b) just below) best applies to your organization.</p> <p>a) If your company is best described as a distributor/dealer/reseller (or similar entity), provide your written authorization to act as a distributor/dealer/reseller for the manufacturer of the products proposed in this RFP. If applicable, is your dealer network independent or company owned?</p> <p>b) If your company is best described as a manufacturer or service provider, describe your relationship with your sales and service force and with your dealer network in delivering the products and services proposed in this RFP. Are these individuals your employees, or the employees of a third party?</p>	<p>a) Distributor. Kubota Tractor Corporation was incorporated under the laws of the state of California and is a wholly owned subsidiary of the holding company Kubota North America Corporation which is wholly owned by Kubota Corporation, a Japanese Corporation. Kubota Tractor Corporation and Kubota Canada Ltd sell Kubota equipment to the Kubota dealer network of over 1,100 independently owned Kubota dealerships. These dealers service and sell Kubota products in all 50 states and throughout Canada.</p>	*

14	If applicable, provide a detailed explanation outlining the licenses and certifications that are both required to be held, and actually held, by your organization (including third parties and subcontractors that you use) in pursuit of the business contemplated by this RFP.	<p>No licenses and certifications are required to be held by Kubota. However, our commitment to environmental excellence is witnessed in achieving our ISO 14001 environmental certifications. ISO 14001 certification has been achieved at all domestic sites and 14 production sites in Japan. ISO 14001 certification is an environmental certification issued by the International Organization for Standardization. Additionally, all divisions have achieved ISO 9001 certification. 24 Kubota Group companies whose primary operation is manufacturing have acquired certification.</p> <p>Certifications demonstrate Kubota's commitment to excellence in quality in design, development, and environmental sustainability. Some examples include employing DRBFM, a cross functional disciplined process to evaluate proposed changes to designs. Kubota self-audits quality, quality compliance, cross audits, and audits at short notice. This focus on auditing and compliance is to achieve operational excellence. It is these kinds of actions that result in Kubota's operational excellence and our certifications.</p>	*
15	Provide all "Suspension or Debarment" information that has applied to your organization during the past ten years.	None. There have been no suspensions or debarment in the past ten years.	*

Table 3: Industry Recognition & Marketplace Success

Line Item	Question	Response *
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16	Describe any relevant industry awards or recognition that your company has received in the past five years	<p>2020</p> <ul style="list-style-type: none"> • Landscape Business "Twenty for 2020 New Products Award • Pro Tool Innovation Awards – SZ series stand-on mowers • Rental Equipment Register 2020 "Innovative Product Award" – SVL65-2 • Pro Tool Innovation Awards – RTV-XG850 • Diesel International "Diesel of the Year" V5009 – first ever won by a Japanese manufacturer for this European award • "2020 Machine of the Year" Agraheute Audience Choice Award– M7003 • Georgia US Department of Economic Development GEAR Award Transportation Equipment Manufacturer of the Year. <p>2019</p> <ul style="list-style-type: none"> • Best-selling diesel utility vehicle in North America – Power Products Marketing North American Utility Vehicle Market Reports (ranked number one every year since 2004). • The North American Dealers Association (NAEDA) Dealers-Manufacturers survey has ranked Kubota number one, six years in a row. • OEM Off-Highway Research – Worlds #1 selling compact excavator. • Kubota obtained the highest rated "A-List Company" in "CDP Water Security Program". The CDP is an international non-profit organization that conducts researches against companies and governments to reduce greenhouse gases and emissions. • Equipment Watch - Kubota U35-4 compact excavator wins Highest Retained Value Award. • Excellence Award in Environmental Reporting - 23rd annual Environmental Communication Awards co-sponsored by the Japanese Ministry of the Environment and the Global Environment Forum. <p>2018</p> <ul style="list-style-type: none"> • Best-selling diesel utility vehicle in North America – Power Products Marketing North American Utility Vehicle Market Reports. • Environmental Technology and Project Award presented by the Environmental Engineering Committee of the Japan Society of Civil Engineers. • OEM Off-Highway Research – Worlds #1 selling compact excavator. • Excellence Award - CASBEE Sakai Environmental Building Awards for promoting environmentally buildings. • BLUE PROPER Award - Environment Minister Indonesia. This rating is only for companies found operating 100 percent in compliance with environmental regulations. • Green Award - Kubota Environmental Engineering (Shanghai) - Chinese Environmental Conference. • KBS Kubota Co., Ltd. - Environmental Contribution Award presented at the 2018 Logistics Awards sponsored by the Japan Institute of Logistics Systems. • Excellence Award in Environmental Reporting - 22rd annual Environmental Communication Awards co-sponsored by the Japanese Ministry of the Environment and the Global Environment Forum. <p>2017</p> <ul style="list-style-type: none"> • AE50 Outstanding Innovation Award – RTV X1140 Utility Vehicle • Best-selling diesel utility vehicle in North America – Power Products Marketing North American Utility Vehicle Market Reports. • OEM Off-Highway Research – Worlds #1 selling compact excavator. • Green Industry Award from the Thai government. • Kubota obtained the highest rated "A-List Company" in "CDP Water Security Program" in 2017. The CDP is an international non-profit organization that conducts researches against companies and governments to reduce greenhouse gases and emissions. • AGRITECHNICA 2017 – Vicon Extra 7100T GEOMOW – Machine of the Year. • iF International Forum - Design Award – M7001 series <p>2016</p> <ul style="list-style-type: none"> • Japan Institute of Design Promotion – FY2016 Good Design Award. • Best-selling diesel utility vehicle in North America – Power Products Marketing North American Utility Vehicle Market Reports. • OEM Off-Highway Research – Worlds #1 selling compact excavator.
17	What percentage of your sales are to the governmental sector in the past three years	Government and education collectively comprise approximately 45% of Kubota's national accounts program reporting.
18	What percentage of your sales are to the education sector in the past three years	Government and education collectively comprise approximately 45% of Kubota's national accounts program reporting.

19	List any state, provincial, or cooperative purchasing contracts that you hold. What is the annual sales volume for each of these contracts over the past three years?	Sourcewell cooperative purchasing contract – 2020 - \$34.5mm, 2019 - \$33.8mm, 2018 - \$26.3mm BuyBoard – 2020 - \$8.03mm, 2019 - \$9.9mm, 2018 – no contract HGAC cooperative purchasing contract - 2020 - \$306k, 2019 - \$595k, 2018 - \$656k MAPO cooperative purchasing contract - 2020 - \$1.4mm, 2019 - \$1.7mm, 2018 - \$1.16mm Louisiana state contract - 2020 - \$199k, 2019 - \$3.4mm, 2018 - \$3.41mm Oregon state contract - 2020 - \$396k, 2019 - \$1.2mm, 2018 - \$860k New York state contract (adopted Sourcewell contract, volume is included in Sourcewell totals) Pennsylvania state contract - 2020 - \$2.07mm, 2019 - \$2.2mm, 2018 - \$44k	*
20	List any GSA contracts or Standing Offers and Supply Arrangements (SOSA) that you hold. What is the annual sales volume for each of these contracts over the past three years?	Kubota has multiple dealers holding General Services Administration contracts and can be found on https://www.gsaadvantage.gov/advantage/ws/main/start_page?store=ADVANTAGE . While dealer overall sales volumes are visible to Kubota, dealer GSA sales volumes are not reported Kubota.	*

Table 4: References/Testimonials

Line Item 21. Supply reference information from three customers who are eligible to be Sourcewell participating entities.

Entity Name *	Contact Name *	Phone Number *	
Lodi Unified School District	Eric Wise	209-712-6346	*
Eugene Water and Electric Board	Gary Lentsch	503-484-2411	*
Samaritan's Purse	Matt Libby	207-551-8292	*
New York State Natural Heritage Trust	Bill Bohach	631-323-2440	
Auburn University	Malcomb Pegues	251-928-2740	

Table 5: Top Five Government or Education Customers

Line Item 22. Provide a list of your top five government, education, or non-profit customers (entity name is optional), including entity type, the state or province the entity is located in, scope of the project(s), size of transaction(s), and dollar volumes from the past three years.

Entity Name	Entity Type *	State / Province *	Scope of Work *	Size of Transactions *	Dollar Volume Past Three Years *	
Village of Holley	Government	New York - NY	Construction and grounds maintenance equipment - Kubota equipment purchases	\$25,000-\$50,000	\$763,406	*
Miami Dade Parks and Recreation	Government	Florida - FL	Construction and grounds maintenance equipment - Kubota equipment purchases	\$25,000-\$50,000	\$498,766	*
City of Greensboro	Government	North Carolina - NC	Construction and grounds maintenance equipment - Kubota equipment purchases	\$25,000-\$50,000	\$384,395	*
Town of Fallsburg	Government	New York - NY	Construction and grounds maintenance equipment - Kubota equipment purchases	\$25,000-\$50,000	\$355,798	*
City of Athens	Government	Alabama - AL	Construction and grounds maintenance equipment - Kubota equipment purchases	\$25,000-\$50,000	\$342,345	*

Table 6: Ability to Sell and Deliver Service

Describe your company's capability to meet the needs of Sourcewell participating entities across the US and Canada, as applicable. Your response should address in detail at least the following areas: locations of your network of sales and service providers, the number

of workers (full-time equivalents) involved in each sector, whether these workers are your direct employees (or employees of a third party), and any overlap between the sales and service functions.

Line Item	Question	Response *
23	Sales force.	Kubota's sales force is strong and contains employees of our company as well as that of our dealer network numbering over 1,100 locations. Sales coverage is in place for all 50 states as well as Canada by both our dealers and Kubota commercial sales team. Our typical dealer averages four sales representatives leading to dealer sales representation that conservatively averages over 4,000 representatives. Kubota in Canada has 154 dealer locations with similar sales force averages. Additionally Kubota directly employs 51 region sales managers, five district sales managers, and five division sales managers. This Kubota sales force is essential for educating and instructing dealers in promoting and supporting government and education entities. This combined sales effort will also drive new Sourcewell member growth and engagement.
24	Dealer network or other distribution methods.	Kubota has five divisions in the United States that is served by three distribution warehouse in Georgia, Kansas, and California. These centers serve and support over 1,100 Kubota dealers serving all fifty states in the United States. In Canada, Kubota has 154 dealers who serve all of Canada.
25	Service force.	Kubota places a high level of importance on quality, dependability, and service support. In fact, Kubota dealers average over twice as many service technicians as sales representatives. With each Kubota dealer averaging 9 service technicians, Kubota's dealer network averages over nine thousand service representatives in the United States. Many of these have mobile service vehicles. Kubota's Canadian dealer network has similar averages of service technicians in its 154 dealerships. Kubota internally employs approximately 50 field-based technical service representatives to assist the dealer network with ensuring maximum up time and value for Kubota users. Kubota has stringent dealer requirements to provide strong customer service support and obligations are high. Each dealership is required to have a factory trained service technician on staff at all times. This factory training is facilitated by the Kubota corporate technical service center in Grapevine, TX. A corporate service training staff ensures dealers have access to, and take advantage of, world-class service training. Every dealer is also required to participate annually in service training school which last multiple days. These requirements ensure Kubota dealers meet our stated service goals and expectations.
26	Describe in detail the process and procedure of your customer service program, if applicable. Include your response-time capabilities and commitments, as well as any incentives that help your providers meet your stated service goals or promises.	Kubota has created a one-step process for customer service for Sourcewell members. Sourcewell members with one call or email can easily access parts, service, warranty work, or training locally with their servicing dealer. Kubota dealers are ready to make the process simple and quick for Sourcewell members. Dealers are responsible to in turn work with Kubota directly to provide the best parts and service turnkey solution for Sourcewell members. Our customer service model places the responsibility on the dealer, not the Sourcewell member, to understand and deal with the processes behind the scenes. Kubota's high expectations of its dealer networks extend to customer service and helping Sourcewell members with this quick and easy customer service process.
27	Describe your ability and willingness to provide your products and services to Sourcewell participating entities in the United States.	Kubota will provide service and support to Sourcewell members in all 50 states in the United States.
28	Describe your ability and willingness to provide your products and services to Sourcewell participating entities in Canada.	Kubota Canada Ltd. is able to provide to Sourcewell members service and support in Canada.
29	Identify any geographic areas of the United States or Canada that you will NOT be fully serving through the proposed contract.	There are no geographic restrictions in the United States or Canada. There are no participating Sourcewell entities that Kubota will not be fully serving.
30	Identify any Sourcewell participating entity sectors (i.e., government, education, not-for-profit) that you will NOT be fully serving through the proposed contract. Explain in detail. For example, does your company have only a regional presence, or do other cooperative purchasing contracts limit your ability to promote another contract?	There are no participating Sourcewell entities that Kubota will not be fully serving. Kubota will support all Sourcewell members equally and fully.
31	Define any specific contract requirements or restrictions that would apply to our participating entities in Hawaii and Alaska and in US Territories.	There are no restrictions to supporting Sourcewell members in Alaska and Hawaii. Kubota has dealers located in both states to support Sourcewell members.

Table 7: Marketing Plan

Line Item	Question	Response *
32	Describe your marketing strategy for promoting this contract opportunity. Upload representative samples of your marketing materials (if applicable) in the document upload section of your response.	<p>Growth in government, non-profit, and education verticals has become a priority for Kubota corporately. Part of our strategy to grow these verticals is to track performance in these areas. Performance is now measured and is a key performance indicator for the Kubota corporate and region sales team and incorporated into their individual management plans. This demonstrates Kubota's commitment and desire for marketing our Sourcewell contracts locally, regionally, and nationally. We will leverage our extensive dealer network and corporate sales team to promote Sourcewell at all levels. For local marketing, Kubota will ensure our 1,100 plus dealers are made aware immediately of this contract if awarded. An electronic dealer sales bulletin will be issued that will update our entire dealer network as soon as possible. This puts several thousand Kubota dealer sales team members into motion marketing our contract locally if a contract is awarded. Further, Kubota will incorporate the new Sourcewell Supplier Portal into our dealer training and encourage dealers to utilize this tool. This portal will help our dealers sales teams as well as Kubota's corporate sales team get what they need, when they need it for information regarding our Sourcewell contracts. Engaging and supporting our dealers will drive marketing Sourcewell on a local level. Kubota's in-house, full-time marketing team will assist in creating engaging marketing materials as needed for dealers. Setting up dealers for success will ensure successful marketing at the local level.</p> <p>To this previous point, dealer training will be a priority in marketing this contract. We will incorporate this contract, if awarded, into our web-based dealer training. An important part of this training is leveraging our dedicated web-based dealer quote tool specifically designed for our Sourcewell contracts. This quote tool is prepopulated by Kubota with the agreed upon products and pricing to help eliminate errors in pricing to Sourcewell members. This helps dealers focus solely on marketing to Sourcewell members and building quick and accurate turn-key solutions. Part of contract engagement is also making our dealers aware of and encouraging dealers to participate in local Sourcewell events. Our corporate national accounts team attends local, regional, and national Kubota dealer meetings to market Sourcewell and make sure our dealers are fully equipped to support Sourcewell members.</p> <p>Kubota corporately will take ownership of marketing Sourcewell on a regional and national basis. Our dedicated National Account Manager for Municipal and New Business will drive our marketing, promoting, and supporting events in government entities; public and private, K-12 schools, colleges, universities, and non-profit organizations. Kubota is an eco-system of high expectations. We will carry these high expectation into marketing Sourcewell solutions.</p>
33	Describe your use of technology and digital data (e.g., social media, metadata usage) to enhance marketing effectiveness.	<p>Kubota has integrated digital resources into dealer training and education to support current Sourcewell contracts and this current proposed solution. Training videos are available online to help dealers understand and identify how to serve Sourcewell members and grow our business utilizing the Sourcewell contract. Dealers are instructed in how the process works and can be integrated into their individual dealer sales plans. Additionally, we have created dealer facing quotation tools dedicated to our Sourcewell contract to ensure ease of use and accuracy of information provided to Sourcewell members.</p>
34	In your view, what is Sourcewell's role in promoting contracts arising out of this RFP? How will you integrate a Sourcewell-awarded contract into your sales process?	<p>Kubota views Sourcewell as a partner in promoting a contract that would arise from this RFP. Kubota's experience is in the products, services and turnkey solutions we have created for the Grounds Maintenance contract. Sourcewell's experience is in facilitating competitive solicitations leading to solutions that empower community success. This partnership between Sourcewell and Kubota would deliver a world class, turnkey solution to Sourcewell members if a contract arises from this RFP. Sourcewell is our partner for contract adoption, promotion, and education. Kubota will partner with Sourcewell in seeking state adoption and acceptance of Sourcewell solutions. Sourcewell partnering with us in GTKU's has been and will continue to be effective in dealer sales education. We expect Sourcewell to continue creating content and marketing material we can use to promote Sourcewell in general and our solution specifically. We expect Sourcewell to continue engaging our dealers in person at our annual dealer meetings. Lastly, we will continue to expect to rely on our contract manager for input and guidance regarding our solutions. We expect a partnership in promoting, educating, and engagement so both organizations grow together.</p>
35	Are your products or services available through an e-procurement ordering process? If so, describe your e-procurement system and how governmental and educational customers have used it.	<p>An e-procurement system is not currently in place. However, Kubota does use an e-quoting tool to ensure speed and accuracy for Sourcewell members. The complexity and customization involved in building solutions for Sourcewell members requires a consultative approach to best design individualized solutions for Sourcewell members. Working with dealers to fully understand the local terrain and environment, as well as taking advantage of the expertise of our local dealer network best serves Sourcewell members. The ability to use local dealers to tailor local member requirements with the available products, options, and services for Sourcewell members provides a distinct advantage over e-procurement.</p>

Table 8: Value-Added Attributes

Line Item	Question	Response *
36	Describe any product, equipment, maintenance, or operator training programs that you offer to Sourcewell participating entities. Include details, such as whether training is standard or optional, who provides training, and any costs that apply.	Training is available for all products found in this contract through our dealer network. Training is tailored to the Sourcewell member's existing knowledge and requirements. Operator training is provided for every member upon delivery of each product. More advanced levels of training are available upon request. Other training such as additional on-site training may be requested by Sourcewell members. This training may be discussed with dealers and provided as an additional line-item in a Sourcewell member quote.
37	Describe any technological advances that your proposed products or services offer.	Innovation in technology is common and ongoing within our company. Kubota utilizes fuel efficient engine systems (water cooled diesel common rail systems and gasoline EFI). This is advanced electronic fuel injection systems which is an advancement from carburetors. EFI systems are more fuel efficient, constantly adjusting for air to fuel ratios. This burns less fuel and creates less pollutants and waste. Kubota also uses electronic fuel injection, otherwise known as common rail systems, in our diesel engines. Common rail systems and our Kubota Eco-Plus system prioritizes fuel economy, lowers noise and excess vibration providing for the health of the operator and our environment. Because of our technological advances, many of our competitors choose to use Kubota engines in their products. Concerning lawn, garden, and grounds maintenance care, Kubota's mulching systems on all products improve grass health, not requiring disposal. Kubota's technological advances are focused on fuel efficiency, reducing waste, pollution, and improving not just products performance, but improving our environment.
38	Describe any "green" initiatives that relate to your company or to your products or services, and include a list of the certifying agency for each.	Kubota's has a deep commitment to green initiatives. In 1995 Kubota began the internal Environmental Audit System for environmental protection in accordance with standards stricter than existing laws and regulations and towards continuous environmental improvement. All domestic establishments achieved ISO 14001 environmental certifications from the International Organization for Standardization. In 2010 Kubota was certified as an Eco-First Company by Japan's Ministry for the Environment. The Kubota Group has established a Kubota Group Environmental Charter as well as involvement with environmental conservation activities and setting medium and long-term environmental conservation targets. These targets have resulted in actions that have achieved results. 2019 in comparison to 2014 has achieved the following results. CO2 emission per unit produced has been reduced by -17.1%. Energy use per unit of production was reduced by -14.3%. Waste discharge has reduced by -10% per unit of production. Water consumption per unit of production was reduced by -19.5%. VOC's (volatile organic compounds) was reduced per unit of production by -38.1% Our long-range plans and immediate actions of the present demonstrate Kubota's commitment to reducing CO2 and VOC emissions, reducing waste, conserving water, and preserving our environment. "For Earth, For Life", it is more than our motto, it is what we do. https://www.kubota.com/sustainability/environment/active/index.html
39	Identify any third-party issued eco-labels, ratings or certifications that your company has received for the equipment or products included in your Proposal related to energy efficiency or conservation, life-cycle design (cradle-to-cradle), or other green/sustainability factors.	All products in the proposed solution meet or exceed the highest applicable Environmental Protections Agency requirements and certifications.
40	Describe any Women or Minority Business Entity (WMBE), Small Business Entity (SBE), or veteran owned business certifications that your company or hub partners have obtained. Upload documentation of certification (as applicable) in the document upload section of your response.	No proposal for this section.

41	What unique attributes does your company, your products, or your services offer to Sourcewell participating entities? What makes your proposed solutions unique in your industry as it applies to Sourcewell participating entities?	<p>A unique attribute to Kubota is its blending of commitment to the environment with its commitment to improving our products. Progress and advancements in technology, design, and safety enhancement, go hand in hand in product improvements with environmental considerations in mind. Kubota designs safety into our products. 3M activity or method, man, machinery is employed in our design.</p> <p>Further, ISE or inherently safe equipment is a better choice compared to machinery lacking similar design considerations. This is, machinery designed with fewer ways of causing harm. Seeking continuous improvement is foundational to Kubota's philosophy and practice. Our company employs DRBFM, a cross functional disciplined process to evaluate proposed changes to designs. Kubota self-audits quality, quality compliance, cross audits, and audits at short notice. This focus on auditing and compliance is to achieve operational excellence and continuous improvement. 5-gen and PDCA (plan, do, check, act) continuous improvement is used in manufacturing and operations. Hydrostatic power steering, common rail systems, and reverse awareness systems and cameras, are just a few of the many, many features, all introduced and interwoven as a result of a focus on enhanced safety, performance, and concern for the environment. This is a unique attribute in our industry.</p> <p>Lastly, Kubota manufactures and/or markets products in more than 130 countries. This footprint that extends around the globe allows our company to pool "best practices" from across many languages, cultures, and geographic regions. We pool these ideas and innovations and share them across the entire business. This unique attribute of viewing people, products, and the environment as interrelated and global, is a unique attribute shared with Sourcewell members. Kubota is more than part of a supply chain; Kubota is part of a global value chain.</p>	*
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Table 9: Warranty

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

Line Item	Question	Response *	
42	Do your warranties cover all products, parts, and labor?	Yes. Warranty documents providing detail are included in this proposal.	*
43	Do your warranties impose usage restrictions or other limitations that adversely affect coverage?	Warranty details are provided in the warranty guide. The warranty guide is fully instructive in warranty details. Abuse and neglect for example are not covered under warranty.	*
44	Do your warranties cover the expense of technicians' travel time and mileage to perform warranty repairs?	Travel time and mileage are not under the coverage of warranty. However, if Kubota issues a recall there may be reimbursement for travel time and/or mileage paid to the dealer/technician.	*
45	Are there any geographic regions of the United States or Canada (as applicable) for which you cannot provide a certified technician to perform warranty repairs? How will Sourcewell participating entities in these regions be provided service for warranty repair?	Every authorized Kubota dealer is required to have one factory trained technician on staff. With 1,100 dealers in the United States with coverage in all 50 states as well as 154 dealers in Canada, Kubota dealers are well positioned to serve Sourcewell members with factory trained technicians. Kubota dealers are responsible to service and support all sales made by the dealer. Service for warranty repairs for Sourcewell members are made by the servicing dealer. Should, on a rare occasion, a dealer have difficulty due to remoteness or other circumstance, Kubota and the servicing dealer will work together to find resolution.	*
46	Will you cover warranty service for items made by other manufacturers that are part of your proposal, or are these warranties issues typically passed on to the original equipment manufacturer?	No items in our proposal are made by other manufacturers. Kubota is the sole manufacturer for all products in our proposal. All Kubota products are covered by a Kubota warranty.	*
47	What are your proposed exchange and return programs and policies?	All sales are final. However, at its discretion, Kubota may choose to work with a Sourcewell member if they purchase a product that is not matched to their needs. Kubota reserves the right to accept or deny any request for returns or exchanges. Please note, Kubota's number one dealer rating six years in a row by The North American Dealers Association (NAEDA) Dealers-Manufacturers survey speaks to our ability and willingness to resolve most any issue that arises. Lastly, any items found to be warrantable will be provided for under the terms of the warranty statement.	*
48	Describe any service contract options for the items included in your proposal.	Service contract options will be quoted as Open-Market items by local Kubota dealers.	*

Table 10: Payment Terms and Financing Options

Line Item	Question	Response *
49	What are your payment terms (e.g., net 10, net 30)?	Terms of sale are net thirty days.
50	Do you provide leasing or financing options, especially those options that schools and governmental entities may need to use in order to make certain acquisitions?	Kubota offers financing and leasing options to Sourcewell members through Kubota Credit Corporation.
51	Briefly describe your proposed order process. Include enough detail to support your ability to report quarterly sales to Sourcewell as described in the Contract template. For example, indicate whether your dealer network is included in your response and whether each dealer (or some other entity) will process the Sourcewell participating entities' purchase orders.	<p>The proposed order process is established to best support Sourcewell members by letting members work closely with their local supporting Kubota dealers throughout the order process. Kubota dealers are included in our response. The process flow below describes both the Sourcewell member order process as well as the internal order process between Kubota and dealers.</p> <p>Sourcewell member process flow:</p> <ul style="list-style-type: none"> • Sourcewell members contact their local Kubota dealer or Kubota Tractor Corporation directly for a quote. Additionally, Kubota dealers proactively marketing the Sourcewell contract may become aware of a need or quote request. If non-Sourcewell members request a quote, dealers have been instructed how to help prospective and qualifying non-members become a Sourcewell member. • The local Kubota dealer will provide the existing or new Sourcewell member with a Kubota authorized Sourcewell quote. This quote is created using the Kubota authorized dealer quote tool. • If Sourcewell members decide to move forward and acquire a Kubota product, Sourcewell members will issue a purchase order made to the Kubota dealer. • The servicing dealer will fulfill the order either from their dealer inventory, or the dealer will order the product from Kubota in the event the product is not located in the servicing dealer inventory. • The product is shipped to the Kubota dealer for the required inspections and any preparation needed for the Sourcewell member. • Delivery is coordinated with the Sourcewell member and upon delivery, operating instructions are reviewed and dealers assist with all needs and questions by the Sourcewell member. Sourcewell member satisfaction is ensured before the process moves on. The process continues and turns internally between Kubota and dealers. <p>Kubota/Dealer process flow:</p> <ul style="list-style-type: none"> • Dealers will settle the purchased unit indicating the sale is to a Sourcewell member in order to receive credit for the sale. • The supporting dealer will provide Kubota the quote as well as the Sourcewell member purchase order for reference. • Kubota will create quarterly reports for dealer sales to Sourcewell members. Kubota will submit this report to Sourcewell quarterly. • Kubota makes payment to Sourcewell based on the agreed upon administrative fee. For reference, this process is the currently established process for Sourcewell contract 040319.
52	Do you accept the P-card procurement and payment process? If so, is there any additional cost to Sourcewell participating entities for using this process?	Kubota dealers may, at their discretion, accept the P-card procurement and payment process. Kubota encourages dealers to accept the P-card and encourages Sourcewell members to consult with their local supporting dealer for participation.

Table 11: Pricing and Delivery

Provide detailed pricing information in the questions that follow below. Keep in mind that reasonable price and product adjustments can be made during the term of an awarded Contract as described in the RFP, the template Contract, and the Sourcewell Price and Product Change Request Form.

Line Item	Question	Response *
53	Describe your pricing model (e.g., line-item discounts or product-category discounts). Provide detailed pricing data (including standard or list pricing and the Sourcewell discounted price) on all of the items that you want Sourcewell to consider as part of your RFP response. If applicable, provide a SKU for each item in your proposal. Upload your pricing materials (if applicable) in the document upload section of your response.	Kubota will offer a specific discount from published list price for each series and product family in our proposed solution. These discounts from MSRP can be found in the supporting pricing documentation submitted in the documents step.
54	Quantify the pricing discount represented by the pricing proposal in this response. For example, if the pricing in your response represents a percentage discount from MSRP or list, state the percentage or percentage range.	Kubota will offer a specific discount from published list price for each series and product family in our proposed solution. These discounts from MSRP can be found in the supporting pricing documentation submitted in the documents step. The discount from published list price is as follows: Tractors B series – 22% BX series – 22% L series – 22% M series – 22% Turf F series – 22% GR series – 22% T series – 22% Z series – 22% TLB series - B26, L47 & M62 – 22% Land Management Disc mowers – 22% Rotary tedders – 22% Rotary rakes – 22% Spreaders – 22%
55	Describe any quantity or volume discounts or rebate programs that you offer.	Kubota offers best and last pricing for individual units without requiring Sourcewell members to buy in volume or apply for rebates after the sale.
56	Propose a method of facilitating “sourced” products or related services, which may be referred to as “open market” items or “nonstandard options”. For example, you may supply such items “at cost” or “at cost plus a percentage,” or you may supply a quote for each such request.	Requests for open market “sourced” or non-standard items can be added to Sourcewell members quotes at their request. Acceptance of these quoted sourced/non-standard items will be at the discretion of Sourcewell members.
57	Identify any element of the total cost of acquisition that is NOT included in the pricing submitted with your response. This includes all additional charges associated with a purchase that are not directly identified as freight or shipping charges. For example, list costs for items like pre-delivery inspection, installation, set up, mandatory training, or initial inspection. Identify any parties that impose such costs and their relationship to the Proposer.	Pre-delivery inspections and freight will be shown on all Sourcewell member quotes to ensure complete costs transparency prior to acquisition. These items will be shown clearly as line items on the quote form. All common accessories and attachments have a standard labor time associated with the installation of accessories. Dealer labor rate will vary due to regional economic differences (e.g. Seattle, WA labor rates are typically higher than Greenville, SC). Kubota reviews all dealer labor rate differences and ensures that all dealer rates are justified and compliant with normal regional economic conditions. Kubota strives to maintain a labor rate relative to \$100/hr. All charges will be turnkey solutions with no hidden costs and will be clearly identified on all Sourcewell members quotes prior to solution acquisition.
58	If freight, delivery, or shipping is an additional cost to the Sourcewell participating entity, describe in detail the complete freight, shipping, and delivery program.	Freight charges will be shown on every Sourcewell member quote prior to acquisition. Kubota's proposed solution includes many various models with great weight and size disparities (e.g. a BX1880 tractor weighs 1,407lbs, an M6 tractors weighs 11,387lbs). These will be shipped from east coast, west coast, and central US warehouses to all 50 states, territories, Canada, and wherever Sourcewell members are located. A flat rate charge to ensure costs are covered would be prohibitively and artificially high. Our solution is a freight pricing model of showing freight charges tailored by size, model, weight, to a specific location. This solution best address the logistical variances in supporting all Sourcewell members equally.
59	Specifically describe freight, shipping, and delivery terms or programs available for Alaska, Hawaii, Canada, or any offshore delivery.	The freight pricing model for Alaska Hawaii, Canada, and all offshore deliveries will be to show all freight charges on Sourcewell member quotes prior to acquisition. Freight in Canada by Kubota Canada Ltd. will follow this process. Freight for Hawaii and Alaska will be provided by a freight forwarder and shown on all quotes prior to acquisition.

60	Describe any unique distribution and/or delivery methods or options offered in your proposal.	A unique aspect of Kubota's distribution method is having new forward inventory placed within our Kubota dealer network. Many products, attachments, accessories, and solutions are already in place and close to Sourcewell members within our 1,100+ location dealer network. This allows for Sourcewell members to visit local dealers and many times have a hands-on opportunity with a solution prior to acquisition. While Kubota does ship products from its three US warehouses (California, Georgia, and Kansas) and one in Canada (greater Toronto area), this access to solutions locally is an added benefit to Sourcewell members. Additionally, have a local, servicing dealer allows for specialization of products to meet local and unique Sourcewell member needs and requirements prior to delivery (e.g. dealers based in and familiar with local subzero winterization requirements).	*
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Table 12: Pricing Offered

Line Item	The Pricing Offered in this Proposal is: *	Comments
61	b. the same as the Proposer typically offers to GPOs, cooperative procurement organizations, or state purchasing departments.	

Table 13: Audit and Administrative Fee

Line Item	Question	Response *
62	Specifically describe any self-audit process or program that you plan to employ to verify compliance with your proposed Contract with Sourcewell. This process includes ensuring that Sourcewell participating entities obtain the proper pricing, that the Vendor reports all sales under the Contract each quarter, and that the Vendor remits the proper administrative fee to Sourcewell.	Kubota self-audits multiple product group's regularly reviewing and auditing pricing along with our digital marketing group that manages our electronic pricing database. In addition, the National Accounts group regularly reviews dealer quoting for pricing accuracy. These multiple layers of self-audit and review elevate accuracy and compliance. Kubota dealers are not paid for their sales using the Sourcewell program without submitting all of the required information to report accurately on the Sourcewell contract usage reports. This information is in turn downloaded to create our usage reports for the Sourcewell program. This series of overlapping auditing for pricing and reporting drives contract compliance.
63	Identify a proposed administrative fee that you will pay to Sourcewell for facilitating, managing, and promoting the Sourcewell Contract in the event that you are awarded a Contract. This fee is typically calculated as a percentage of Vendor's sales under the Contract or as a per-unit fee; it is not a line-item addition to the Member's cost of goods. (See the RFP and template Contract for additional details.)	Kubota proposes paying a 1.5% administrative fee of total sales less freight, assembly fees, and pre-delivery inspection fees for Kubota products only.

Table 14A: Depth and Breadth of Offered Equipment Products and Services

Line Item	Question	Response *
64	Provide a detailed description of the equipment, products, and services that you are offering in your proposal.	<p>The solutions being proposed by Kubota are broad and encompassing of professional grounds maintenance requirements. Kubota's turnkey solutions of whole goods, equipment, attachments, accessories, and related services as they relate to grounds maintenance is well established around the world for both professionals and consumers. Kubota offers in this proposal turf management with walk-behind mowers as small as 21 inches in cutting width up to over 13 feet in cutting width using disc mowers and many various sizes in between. This solves for mower cutting jobs as small as imaginable while providing extensive cutting widths across the range of 21 inches to 13 feet.</p> <p>Our solutions solve for the smallest and tightest areas (zero turn mowers) in grounds maintenance in and around walkways, landscaping, lawn and garden maintenance, up through large tracts of acreage needing to be maintained. This proposal includes small walk behind mowers, small riding mowers, mid-size lawn and garden tractors, commercial zero-turn mowers in both gas and diesel. All of these products are built by Kubota and Kubota engineered for professional performance.</p> <p>This proposal also includes a wide variety of tractors, attachments, and accessories. These tractors range in size from 1,407lbs to 11,387lbs. This range empowers Sourcewell members with a comprehensive selection of tractors and attachments suited to their specific needs. The tractors come with a sweeping assortment of accessories and attachments. These include but is not limited to, loaders, backhoes, buckets, grapple buckets, snow blowers, sweepers, a wide range of mower decks and grass mulching and catchers, forklift attachments, straight blades, angled blades. The loaders and backhoe options in this proposal offer ground engaging ability to dig, push and move material in professional grounds maintenance. Fork lift attachments for tractors provide forklift capability for moving product as needed.</p> <p>Lastly, while our mowing solutions maintain small to medium land size, our land management solutions solve for maintenance of large swaths of acreage. This is done with next generation disc mowing that moves on from sickle bar mowing. Disc mowing is better suited to fine-stemmed grasses leaving a clean evenly maintained area. With our many models, sizes, and series, of disc mowers, tedders, rakes, etc., along with options, accessories, attachments, and services, this proposal is broad in scope and robust enough to support any professional grounds maintenance requirements.</p>
65	Within this RFP category there may be subcategories of solutions. List subcategory titles that best describe your products and services.	Along with the many various whole goods in this proposal is a long list of attachments, accessories, options, and services. These may be referred to as subcategories. The literature provided in additional documents shows these subcategories in better detail.

Table 14B: Depth and Breadth of Offered Equipment Products and Services

Indicate below if the listed types or classes of equipment, products, and services are offered within your proposal. Provide additional comments in the text box provided, as necessary.

Line Item	Category or Type	Offered *	Comments
66	Lawn and garden equipment, tools, attachments, and accessories	<input checked="" type="radio"/> Yes <input type="radio"/> No	Full spectrum of lawn, sod, grounds, and garden equipment and tools.
67	Irrigation systems, equipment, parts, and related installation and maintenance services	<input checked="" type="radio"/> Yes <input type="radio"/> No	Our solutions (ground engaging) can be used to install irrigation systems
68	Beach and waterfront maintenance equipment and accessories	<input checked="" type="radio"/> Yes <input type="radio"/> No	The products we offer in our proposed solution can be used for grounds maintenance along waterfront areas.
69	Accessories, parts, and services related to the solutions described above, including maintenance or repair, and warranty programs	<input checked="" type="radio"/> Yes <input type="radio"/> No	Full assortment and wide variety of attachments and accessories for grounds maintenance as well as service and training.

Table 15: Industry Specific Questions

Line Item	Question	Response *
70	If you are awarded a contract, provide a few examples of internal metrics that will be tracked to measure whether you are having success with the contract.	Kubota produces multiple sales reports on a monthly basis including our sales volume numbers for the Sourcewell contract. Our main report is the National Accounts Month End report. This report lists all of our sales through the national accounts programs in terms of dollar volume and model mix. Kubota Executives, Middle Management and Field Sales reps review the report(s) and monitor their dealer and dealer group performance with the Sourcewell contract. We also produce a contract usage report that is sorted by Region Sales manager so that each RSM has visibility to the dealers under his responsibility that are and are not using the contract to its fullest potential. Corrective action in the form of sales training is created for underperforming dealers. Sourcewell is a specific call out line item on all National Account sales reports and is thoroughly reviewed by all levels of management for increased monthly/yearly performance.
71	Describe the serviceability of the products included in your proposal (parts availability, warranty and technical support, etc.).	Serviceability in the way of after sale support for Sourcewell members is easy and robust. With an extensive dealer network across the United States and Canada waiting to support Sourcewell members, the serviceability of the solutions proposed by Kubota is comprehensive. Local dealers will provide local expertise for parts, warranty work as well as regular service internals as needed. Our dealers are experts in our products. Sourcewell members will be able to sit down with these localized experts and map out any turnkey solution needed. Every Kubota dealer is required to have a factory trained technician on staff. To support this, Kubota dealers are required to participate annually in service school training. To also help ensure a high level of serviceability for parts, Kubota has added a parts component to measuring our dealers performance. The goal is to incentivize Kubota dealers to have parts on the shelf when needed. Parts on the shelf, factory trained technicians, and local experts in the solutions in this proposal ensure a high level of serviceability and dependability waiting for Sourcewell members.
72	Describe advancements reflected in the equipment or products offered in your proposal, such as safety, longevity or life cycle cost measures.	Advancements are ongoing and constant as is total operational improvement. Some examples of our advancements follow here. Kubota has developed Reverse Awareness Systems for our GR series of mowers. These advancements enhance safety when mowing in reverse. Regarding life-cycle and longevity, Kubota offers multiple year warranties as standard for many products. For products with standard one year warranty's, most all products have extended warranty's available to Sourcewell members. Another advancement is Kubota's exclusive "Swift-Tach" loaders which allow for safe and easy removal and installation. "Swift-Connect" backhoes are likewise designed and performance matched for ease and safety. Another example of an advancement is the industry-exclusive optional one-lever quick couplers found on the LX series of tractors in this proposal. Likewise is the industry-exclusive mechanical self-leveling kit for easier material handling capabilities. Kubota engines with their next generation common rail systems and electronic fuel injections are examples of advancements that improve fuel cost savings and environmental enhancement. Throughout Kubota's product offering, our products are engineered to provide durable long life that reduce down time as well as minimize lifetime costs. The previous are but a few of the product advancements that will serve Sourcewell members.

Exceptions to Terms, Conditions, or Specifications Form

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

Proposer's Affidavit

PROPOSER AFFIDAVIT AND ASSURANCE OF COMPLIANCE

I certify that I am the authorized representative of the Proposer submitting the foregoing Proposal with the legal authority to bind the Proposer to this Affidavit and Assurance of Compliance:

1. The Proposer is submitting this Proposal under its full and complete legal name, and the Proposer legally exists in good standing in the jurisdiction of its residence.
2. The Proposer warrants that the information provided in this Proposal is true, correct, and reliable for purposes of evaluation for contract award.
3. The Proposer, including any person assisting with the creation of this Proposal, has arrived at this Proposal independently and the Proposal has been created without colluding with any other person, company, or parties that have or will submit a proposal under this solicitation; and the Proposal has in all respects been created fairly without any fraud or dishonesty. The Proposer has not directly or indirectly entered into any agreement or arrangement with any person or business in an effort to influence any part of this solicitation or operations of a resulting contract; and the Proposer has not taken any action in restraint of free trade or competitiveness in connection with this solicitation. Additionally, if Proposer has worked with a consultant on the Proposal, the consultant (an individual or a company) has not assisted any other entity that has submitted or will submit a proposal for this solicitation.
4. To the best of its knowledge and belief, and except as otherwise disclosed in the Proposal, there are no relevant facts or circumstances which could give rise to an organizational conflict of interest. An organizational conflict of interest exists when a vendor has an unfair competitive advantage or the vendor's objectivity in performing the contract is, or might be, impaired.
5. The contents of the Proposal have not been communicated by the Proposer or its employees or agents to any person not an employee or legally authorized agent of the Proposer and will not be communicated to any such persons prior to Due Date of this solicitation.
6. If awarded a contract, the Proposer will provide to Sourcewell Participating Entities the equipment, products, and services in accordance with the terms, conditions, and scope of a resulting contract.
7. The Proposer possesses, or will possess before delivering any equipment, products, or services, all applicable licenses or certifications necessary to deliver such equipment, products, or services under any resulting contract.
8. The Proposer agrees to deliver equipment, products, and services through valid contracts, purchase orders, or means that are acceptable to Sourcewell Members. Unless otherwise agreed to, the Proposer must provide only new and first-quality products and related services to Sourcewell Members under an awarded Contract.
9. The Proposer will comply with all applicable provisions of federal, state, and local laws, regulations, rules, and orders.
10. The Proposer understands that Sourcewell will reject RFP proposals that are marked "confidential" (or "nonpublic," etc.), either substantially or in their entirety. Under Minnesota Statutes Section 13.591, subdivision 4, all proposals are considered nonpublic data until the evaluation is complete and a Contract is awarded. At that point, proposals become public data. Minnesota Statutes Section 13.37 permits only certain narrowly defined data to be considered a "trade secret," and thus nonpublic data under Minnesota's Data Practices Act.
11. Proposer its employees, agents, and subcontractors are not:
 - a. Included on the "Specially Designated Nationals and Blocked Persons" list maintained by the Office of Foreign Assets Control of the United States Department of the Treasury found at: <https://www.treasury.gov/ofac/downloads/sdnlist.pdf>;
 - b. Included on the government-wide exclusions lists in the United States System for Award Management found at: <https://sam.gov/SAM/>; or

- c. Presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from programs operated by the State of Minnesota; the United States federal government or the Canadian government, as applicable; or any Participating Entity. Vendor certifies and warrants that neither it nor its principals have been convicted of a criminal offense related to the subject matter of this solicitation.

By checking this box I acknowledge that I am bound by the terms of the Proposer's Affidavit, have the legal authority to submit this Proposal on behalf of the Proposer, and that this electronic acknowledgment has the same legal effect, validity, and enforceability as if I had hand signed the Proposal. This signature will not be denied such legal effect, validity, or enforceability solely because an electronic signature or electronic record was used in its formation. - Rusty Pugh, National Account Manager Municipal and New Business, Kubota Tractor Corporation

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

Yes No

The Bidder acknowledges and agrees that the addendum/addenda below form part of the Bid Document.

Check the box in the column "I have reviewed this addendum" below to acknowledge each of the addenda.

File Name	I have reviewed the below addendum and attachments (if applicable)	Pages
Addendum_11_Grounds_Maintenance_Equipment_RFP_031121 Thu March 4 2021 06:08 PM	<input checked="" type="checkbox"/>	2
Addendum_10_Grounds_Maintenance_Equipment_RFP_031121 Thu February 25 2021 01:00 PM	<input checked="" type="checkbox"/>	1
Addendum_9_Grounds_Maintenance_Equipment_RFP_031121 Tue February 23 2021 10:33 AM	<input checked="" type="checkbox"/>	1
Addendum_8_Grounds_Maintenance_Equipment_RFP_031121 Mon February 22 2021 10:21 AM	<input checked="" type="checkbox"/>	2
Addendum_7_Grounds_Maintenance_Equipment_RFP_031121_CDR_Suggests Wed February 17 2021 09:01 AM	<input checked="" type="checkbox"/>	1
Addendum_6_Grounds_Maintenance_Equipment_RFP_031121 Tue February 16 2021 11:03 AM	<input checked="" type="checkbox"/>	1
Addendum_5_Grounds_Maintenance_Equipment_RFP_031121 Fri February 12 2021 03:14 PM	<input checked="" type="checkbox"/>	1
Addendum_4_Grounds_Maintenance_Equipment_RFP_031121 Tue February 2 2021 02:12 PM	<input checked="" type="checkbox"/>	1
Addendum_3_Grounds_Maintenance_Equipment_RFP_031121 Thu January 21 2021 03:47 PM	<input checked="" type="checkbox"/>	2
Addendum_2_Grounds_Maintenance_Equipment_RFP_031121 Wed January 20 2021 02:02 PM	<input checked="" type="checkbox"/>	1
Addendum_1_Grounds_Maintenance_Equipment_RFP_031121 Tue January 19 2021 03:36 PM	<input checked="" type="checkbox"/>	1

**AMENDMENT #1
TO
CONTRACT #031121-KBA**

THIS AMENDMENT is effective upon the date of the last signature below by and between **Sourcewell** and **Kubota Tractor Corporation** (Supplier).

Sourcewell awarded a contract to Supplier to provide Grounds Maintenance Equipment, Attachments, and Accessories with Related Services, to Sourcewell and its Participating Entities, effective April 28, 2021, through April 30, 2025 (Contract).

The parties wish to amend the following terms within the Contract.

- 1. Section 6. Participating Entity Use and Purchasing–Subsection B. Additional Terms and Conditions/Participating Addendum, of the Contract, is deleted in its entirety and replaced with the following:

B. ADDITIONAL TERMS AND CONDITIONS/PARTICIPATING ADDENDUM. Additional terms and conditions to a purchase order, or other required transaction documentation, may be negotiated between a Participating Entity and Vendor, such as job or industry-specific requirements, legal requirements (e.g., affirmative action or immigration status requirements), or specific local policy requirements. Some Participating Entities may require the use of a Participating Addendum; the terms of which will be worked out directly between Participating Entity and the Vendor, or its authorized dealers, distributors, or resellers, as applicable. Any negotiated additional terms and conditions must never be less favorable to the Participating Entity than what is contained in this Contract.

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

Sourcewell

Kubota Tractor Corporation

DocuSigned by:
Jeremy Schwartz
By: _____
C0FD2A139D06489...
Jeremy Schwartz, Director of Operations/CPO

DocuSigned by:
Rusty Pugh
By: _____
89D8A8D8BEC744A...
Rusty Pugh, National Accounts Manager

Date: 4/22/2022 | 11:25 AM CDT

Date: 4/22/2022 | 8:27 AM PDT

Approved:

DocuSigned by:
Chad Coauette
By: _____
7E42B8F817A64CC...
Chad Coauette, Executive Director/CEO

Date: 4/22/2022 | 11:37 AM CDT

Form C

**EXCEPTIONS TO PROPOSAL, TERMS, CONDITIONS,
AND SOLUTIONS REQUEST**



Company Name: Volvo Construction Equipment North America, LLC

Any exceptions to the terms, conditions, specifications, or proposal forms contained in this RFP must be noted in writing and included with the Proposer's response. The Proposer acknowledges that the exceptions listed may or may not be accepted by Sourcewell or included in the final contract. Sourcewell will make reasonable efforts to accommodate the listed exceptions and may clarify the exceptions in the appropriate section below.

Section/page	Term, Condition, or Specification	Exception	Sourcewell ACCEPTS

Proposer's Signature: *Cole Rubin* Date: 3/11/2019

Sourcewell's clarification on exceptions listed above:

No exceptions noted.



Contract Award
RFP #032019



FORM D

Formal Offering of Proposal
(To be completed only by the Proposer)

HEAVY CONSTRUCTION EQUIPMENT WITH RELATED ACCESSORIES, ATTACHMENTS, AND SUPPLIES

In compliance with the Request for Proposal (RFP) for HEAVY CONSTRUCTION EQUIPMENT WITH RELATED ACCESSORIES, ATTACHMENTS, AND SUPPLIES, the undersigned warrants that the Proposer has examined this RFP and, being familiar with all of the instructions, terms and conditions, general and technical specifications, sales and service expectations, and any special terms, agrees to furnish the defined products and related services in full compliance with all terms and conditions of this RFP, any applicable amendments of this RFP, and all Proposer's response documentation. The Proposer further understands that it accepts the full responsibility as the sole source of solutions proposed in this RFP response and that the Proposer accepts responsibility for any subcontractors used to fulfill this proposal.

Volvo Construction Equipment North America,
Company Name: LLC Date: 3/11/2019

Company Address: 312 Volvo Way

City: Shippensburg State: PA Zip: 17257

CAGE Code/DUNS: 1X0J7 / 109016329

Contact Person: Kathy Tedone Title: Government Buying Contract Specialist

Authorized Signature: Cole Renken, Director of Government Sales & Key Account Operations
(Name printed or typed)

FORM E

CONTRACT ACCEPTANCE AND AWARD



(Top portion of this form will be completed by Sourcewell if the vendor is awarded a contract. The vendor should complete the vendor authorized signatures as part of the RFP response.)

Sourcewell Contract #: 032119-VCE

Proposer's full legal name: Volvo Construction Equipment North America, LLC

Based on Sourcewell's evaluation of your proposal, you have been awarded a contract. As an awarded vendor, you agree to provide the products and services contained in your proposal and to meet all the terms and conditions set forth in this RFP, in any amendments to this RFP, and in any exceptions that are accepted by Sourcewell.

The effective date of the Contract will be May 13, 2019 and will expire on May 13, 2023 (no later than the later of four years from the expiration date of the currently awarded contract or four years from the date that the Sourcewell Chief Procurement Officer awards the Contract). This Contract may be extended for a fifth year at Sourcewell's discretion.

Sourcewell Authorized Signatures:

DocuSigned by:

Jeremy Schwartz

C0FD2A139D08489...
SOURCEWELL DIRECTOR OF OPERATIONS AND
PROCUREMENT/CPO SIGNATURE

Jeremy Schwartz
(NAME PRINTED OR TYPED)

DocuSigned by:

Chad Coauette

7E428BF817A84CC...
SOURCEWELL EXECUTIVE DIRECTOR/CEO SIGNATURE

Chad Coauette
(NAME PRINTED OR TYPED)

Awarded on May 10, 2019

Sourcewell Contract # 032119-VCE

Vendor Authorized Signatures:

The Vendor hereby accepts this Contract award, including all accepted exceptions and amendments.

Vendor Name Volvo Construction Equipment North America LLC

Authorized Signatory's Title VP Finance

[Signature]

VENDOR AUTHORIZED SIGNATURE

Krister Persson

(NAME PRINTED OR TYPED)

Executed on May 16, 2019

Sourcewell Contract # 032119-VCE



Form F

PROPOSER ASSURANCE OF COMPLIANCE

Proposal Affidavit Signature Page

PROPOSER'S AFFIDAVIT

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

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

[The rest of this page has been left intentionally blank. Signature page below]

By signing below, Proposer is acknowledging that he or she has read, understands, and agrees to comply with the terms and conditions specified above.

Company Name: Volvo Construction Equipment North America, LLC

Address: 312 Volvo Way

City/State/Zip: Shippensburg, PA 17257

Telephone Number: 1 828 551 5860

E-mail Address: cole.renken@volvo.com

Authorized Signature: *Cole Renken*

Authorized Name (printed): Cole Renken

Title: Director, Government Sales & Key Account Operations

Date: 3/13/19

Notarized

PATRICIA M. HAYDEN
NOTARY PUBLIC
Henderson County, North Carolina
My Commission Expires September 23, 2020

Subscribed and sworn to before me this 13 day of March, 20 19

Notary Public in and for the County of Henderson State of NC

My commission expires: September 23, 2020

Signature: *Patricia M. Hayden*



Form P

PROPOSER QUESTIONNAIRE

Payment Terms, Warranty, Products and Services, Pricing and Delivery, and Industry-Specific Questions

Proposer Name: Volvo Construction Equipment North America, LLC

Questionnaire completed by: Kathy Tedone, Government Buying Contract Specialist

Payment Terms and Financing Options

1) What are your payment terms (e.g., net 10, net 30)?

Payment terms are Net 30 unless extended by our individual dealers.

2) Do you provide leasing or financing options, especially those options that schools and governmental entities may need to use in order to make certain acquisitions?

VCE, through its dealership network, offers its governmental and education customers the ability to lease or rent its products.

VCE and its dealership network are partnered with National Cooperative Leasing, a company which holds its own awarded Sourcewell contract and Baystone Government Finance, a division of KS State Bank.

National Cooperative Leasing (NCL) has specialized in government leasing and financing for over 20 years and has many programs available and customize every solution to meet the needs of government agencies.

KS State Bank is a full-service community bank located in Manhattan, KS. Since 1987, they have originated and successfully funded millions of dollars in municipal obligations throughout the United States.

VCE is working collaboratively with NCL to incorporate a financing and leasing section to its existing Government Buying Contract Sales Training as described in Form A.

Additionally, VCE provides its municipal customers, through its dealership network, the ability to rent to own our equipment to assist in meeting budget constraints they may have.

3) Briefly describe your proposed order process. Please include enough detail to support your ability to report quarterly sales to Sourcewell. For example, indicate whether your dealer network is included in your response and whether each dealer (or some other entity) will process the Sourcewell Members' purchase orders.

VCENA's entire dealer network is included in this proposal, please see copy of **Dealer Directories under Form P**, for verification purposes.

- Dealer creates quote to customer using standardized Sourcewell Quote Form/Tool created by VCE Contract Specialist– See **Addendum under Form P**
- Dealer forwards to Government Buying VCE Contract Specialist for review to ensure contract pricing/discounts and to logging and record
- Dealer provides customer with contract quote
- Customer issues purchase order to dealer
- Dealer submits copy of customer purchase order to VCE Government Buying Contract Specialist who keeps on file (for internal auditing purposes).
- Dealer also maintains copies of customer quote and purchase order
- Dealer places order with VCE
- Dealer delivers machine to customer
- Dealer invoices customer (forwards copy to VCE Government Buying Contract Specialist)
- Government Buying Contract Specialist submits quarterly report, along with check for administrative fees, on a quarterly basis on behalf of all dealers for units that delivered in that quarter.
- Government Buying Contract Specialist audits dealers on a monthly basis to follow up on pending quotes, orders and machine delivery to ensure all contract sales are reported. Additionally, VCE has an internal Open Orders report that is cross-referenced monthly.

	NIPA 2015 Fees Paid	NIPA 2016 Fees Paid	NIPA 2017 Fees Paid	NIPA/Sourcewell 2018 Fees Paid
Q1		\$ 19,478.36	\$ 55,585.46	\$ 55,004.75
Q2		\$ 40,400.85	\$ 65,959.08	\$ 30,599.60
Q3	\$ 13,487.24	\$ 32,289.18	\$ 55,124.23	\$ 96,441.16
Q4	\$ 22,389.48	\$ 48,332.03	\$ 81,308.00	\$ 91,123.98
	\$ 35,876.72	\$ 140,500.41	\$ 257,976.77	\$ 273,169.49

4) Do you accept the P-card procurement and payment process? If so, is there any additional cost to Sourcewell Members for using this process?

No

Warranty

5) Describe in detail your manufacturer warranty program, including conditions and requirements to qualify, claims procedure, and overall structure. You may include in your response a copy of your warranties, but at a minimum please also answer the following questions.

- **Do your warranties cover all products, parts, and labor?**

VCE's standard government warranty covers all products. The standard warranty shall include labor costs to accomplish the repair or replacement of the defective part provided that the repair or replacement was performed by an authorized VCE Dealer.

- **Do your warranties impose usage restrictions or other limitations that adversely affect coverage?**

No restrictions other than those specified in the Warranty for Governmental/Municipalities as stated below and in the attached Warranty for Governmental/Municipalities.

- **Do your warranties cover the expense of technicians' travel time and mileage to perform warranty repairs?**

Travel time and mileage are not included in the standard government warranty. Customers have an option to include travel time and mileage in their extended coverage policies.

- **Are there any geographic regions of the United States for which you cannot provide a certified technician to perform warranty repairs? How will Sourcewell Members in these regions be provided service for warranty repair?**

All areas of the United States and Canada, including Hawaii and Alaska, can be provided certified technicians to perform warranty repairs through servicing dealers.

- **Will you cover warranty service for items made by other manufacturers that are part of your proposal, or are these warranties issues typically passed on to the original equipment manufacturer?**

VCE does not cover other manufacturer items.

- **What are your proposed exchange and return programs and policies?**

Through the standard warranty program, VCE may request some parts and major components to be returned for further inspection on failure analysis. Major components are returned as part of the remanufactured program that VCE offers dealers. Remanufactured parts offer customers options vs new for large, high dollar value components like transmissions, axles and engines.

Please see attached addendum, [VCE Governmental Warranty Certificate under Form P](#) for all Volvo Construction Equipment (VCE) Products. Claims are filed electronically through servicing dealers on behalf of customers.

VCE has an Inspection Program required with machine delivery. The "Inspection Program Delivery Instructions" is to be used for checking the machine with the customer/owner and for presenting the machine to the customer/owner at time of delivery. A Report Checklist of machine operation, safety and maintenance must be completed at time of customer delivery and the signed Delivery Instructions must be submitted as a pre-condition for a valid machine warranty. A copy of a Delivery Inspection Form can be provided upon request for every model. The warranty period commences immediately following the delivery of said product to customer/owner.

Subject to the exceptions and limitations set forth below, Volvo CE or Dealer will repair or replace any part of a new Machine or new Part which proves to be defective in material or workmanship during the following periods (the "Warranty Period"):

Volvo Wheel Loaders

- 12 months/2500 hours

Volvo Articulated Haulers

- 12 months/2500 hours

Volvo Hydraulic Excavators

- 12 months/2500 hours

Volvo Pavers (ABG)

- 12 months/2500 hours

Volvo Compact Hydraulic Excavators (less than 11 metric tons)

- 12 months/unlimited hours

Volvo Compact Wheel Loaders (up to 100 net hp.)

- 12 months/unlimited hours

Volvo Skid Steer Loaders

- 12 months/unlimited hours
- Lifetime arm (original owner only)

Volvo Compactors

- 24 month unlimited hours

Volvo Pavers (Blaw-Knox)

- 24 month unlimited hours

Volvo Attachments

- 12 months

Volvo Parts

- 6 months/1500 hours from original purchase date or install date if a VCE dealer completed the install.

Volvo Remanufactured Components

- 12 months/2500 hours from purchase date or install date if a VCE dealer completed the install.

Extended warranty policies are available to meet our customers need through our Extended Service Protection Plan (ESPP). These extended coverage's are specifically designed to meet individual customers' needs. Extended policies are optional for all machines.

VCE ESPP covers parts and labor at various coverage levels up to 84 months.

VCE ESPP also offers optional coverage for travel, time and mileage at an additional cost.

VCE ESPP covered repairs must be performed by an authorized Volvo dealer in the US or Canada.

6) Describe any service contract options for the items included in your proposal.

VCE offers 2 - 4 levels of Customer Support Agreements (CSAs) to include tools and service designed to meet our customers' specific needs. With each agreement customer has access to a factory trained Volvo technician that is trained on and knows that specific machine. Customers will come to trust this person with the maintenance of their investment and how to make the best use of their VCE for the maximum efficiency. Please refer to **Customer Support Agreement Brochure addendum under Form P** or visit: <https://www.volvoce.com/united-states/en-us/services/agreements/>

Customer Support Agreements increase efficiency and maximize uptime and includes:

- Maintenance according to Volvo Service Program
- Service performed by a trained Volvo Service Technician
- Genuine Volvo Parts
- Volvo lubricants and Volvo coolants
- Service history documentation
- Fixed price of preventive maintenance and flexible payment solutions
- Analysis tools and services like CareTrack, Oil Analysis and MATRIS can be included. These services monitor the status of the machine, providing early indications, which can help maximize the uptime potential of the machine.

With an extended warranty agreement and a customer support agreement, a customer is protected against most unexpected costs allowing for improved budget and financial planning.

Pricing, Delivery, Audits, and Administrative Fee

7) Provide a general narrative description of the equipment/products and related services you are offering in your proposal.

Volvo Construction Equipment is a major international company that engineers, manufactures, markets and sells equipment for construction, road and related industries and offers a comprehensive range of wheel loaders, hydraulic and wheeled excavators, articulated haulers, soil and asphalt compactors, pavers, skid steer and compact track loaders and specialty built products for the demolition, waste and recycling industry segments.

VCE does not just sell machines, we also offer a wide range of aftermarket products and services that enhance the customer's experience and satisfaction, called Customer Solutions. Customer Solutions is a key contributor to VCE's Business. Customer Solutions is the part of the organization that creates products to engage customers throughout the entire machine lifecycle. Together, our products and services enhance the customers' experience and satisfaction. VCE's products and services are expanded upon within this RFP response.

8) Describe your pricing model (e.g., line-item discounts or product-category discounts). Provide detailed pricing data (including standard or list pricing and the Sourcewell discounted price) on all of the items that you want Sourcewell to consider as part of your RFP response. Provide a SKU for each item in your proposal. (Keep in mind that reasonable price and product adjustments can be made during the term of an awarded Contract. See the body of the RFP and the Price and Product Change Request Form for more detail.)

VCE uses the same pricing matrix and has in place a standard government discount program for all of our government contracts. In determining our Sourcewell discount Off List price, VCE begins with its standard government discount and incorporates any contract costs (1.5% fee) and applies a dealer margin capped at 8%.

Please see attached PDF [Sourcewell VCE Price Catalogue under Pricing folder](#), bookmarked by Product Category and Model. The discount Off List price matrix is referenced on the second page. VCE's price pages begin with base list price for each model followed by all standard and additional options at list price. Sourcewell contract discount Off List is applied to the fully speced machine and is applied to everything line itemed within the VCE price catalogue.

9) Please quantify the discount range presented in this response. For example, indicate that the pricing in your response represents is a 50% percent discount from the MSRP or your published list.

The discount Off List for VCE ranges from 35.4% - 42.9% Off List depending on VCE product category and model, with the exception of SDLG wheel loaders at 11.7% Off List and the LC450H at 24.9% Off List.

The LC450H Landfill Compactor was introduced to the North America market in late 2018 to meet demand in the waste and recycling segment. The discount Off List will change in 2019.

See Sourcewell product/discount Off List matrix, second page of [VCE Price Catalogue under Pricing folder](#).

10) The pricing offered in this proposal is

a. the same as the Proposer typically offers to an individual municipality, university, or school district.

b. the same as the Proposer typically offers to GPOs, cooperative procurement organizations, or state purchasing departments.

c. better than the Proposer typically offers to GPOs, cooperative procurement organizations, or state purchasing departments.

d. other than what the Proposer typically offers (please describe).

VCE offers its best pricing and discounts to its governmental and municipal customers via our national cooperative purchasing contracts (Sourcewell and HGAC) and strives to keep pricing/discounts aligned between these contracts.

With cooperative purchasing contracts, VCE defines several requirements for the dealers that provide

very competitive pricing for government customers. VCE also includes some program options for our dealers to protect current customer and conquest to new customers through our Defend and Grow program. Overall, these program options for dealers ensures consistent and competitive pricing on VCE products.

11) Describe any quantity or volume discounts or rebate programs that you offer.

VCE uses the guideline of an additional 1% discount on 2-5 units, an additional 2% on 6-10 units; an additional 3% discount on 10 units or more for government contracts.

12) Propose a method of facilitating “sourced” products or related services, which may be referred to as “open market” items or “nonstandard options”. For example, you may supply such items “at cost” or “at cost plus a percentage,” or you may supply a quote for each such request.

VCE proposes a cap at a dealer margin cap of 10% above cost for “Open Sourced Product/Equipment”. Dealer will quote these as “Sourced Options” and provide cost of the option/attachment on the Sourcewell quote to customer. These “Sourced Options” will not be subject to the Sourcewell discount Off List to customer or the Sourcewell Administrative Fee. VCE instructs the dealer to retain copies of other manufacturer invoices for any possible customer audit.

In some limited situations, dealer may choose not to quote as a Sourced Options and quote the option/attachment to customer as a “Non-Contracted Item”.

In terms of “Sourced” and “Non-contracted” items – due diligence will be left upon customer in determining spending thresholds and comfort level in purchasing via the contract.

13) Identify any total cost of acquisition costs that are NOT included in the pricing submitted with your response. This cost includes all additional charges that are not directly identified as freight or shipping charges. For example, list costs for items like installation, set up, mandatory training, or initial inspection. Identify any parties that impose such costs and their relationship to the Proposer.

Pre Delivery Inspection (PDI) costs are associated with the local dealer to provide a required comprehensive inspection and preparation of the machine once it arrives at dealer location from manufacturing plant before delivery to the customer. Parameters are defined for our dealers on PDI costs. These costs are not included in machine pricing and will be provided at time of quotation and are typically between 0.5% and 1.0% of the transaction price dependent upon the complexity of the machine and whether Sourced or Non-Sourced options or attachments must be installed. The dealer reserves right to include additional labor or installation charges for Sourced and/or Non Contracted options and attachments.

14) If travel expense, delivery or shipping is an additional cost to the Sourcewell Member, describe in detail the complete shipping and delivery program.

Freight from manufacturing facility/Port to the local dealer location is included in VCE list pricing

All machines are shipped from VCE to freight on board (F.O.B.) dealer location throughout U.S., Canada, Hawaii, and Alaska. VCE has the ability to ship products wherever there is a dealer location throughout the U.S., Canada, Alaska, and Hawaii. List pricing for all VCE equipment includes freight from factory / port to the local dealer branch location specified.

Freight from dealer branch to customer – charged to customer

Dealer arranges local freight to the customer location from the dealership branch on customer's behalf, if requested. Freight charges to customers are not inflated and dealer will provide a quote, if requested, for local freight when quoting the unit. A copy of the freight quote can be provided to the customer, if requested, at the time the customer is issuing a purchase order.

15) Specifically describe those travel expense, shipping and delivery programs for Alaska, Hawaii, Canada, or any offshore delivery.

Please refer to Question 14. Customer is responsible for freight charges from dealership branch.

16) Describe any unique distribution and/or delivery methods or options offered in your proposal.

No difference in process to ship to these areas. In areas such as Alaska, occasionally equipment is shipped to remote areas by barge. This arrangement is worked out between dealer and customer.

17) Please specifically describe any self-audit process or program that you plan to employ to verify compliance with your proposed Contract with Sourcewell. This process includes ensuring that Sourcewell Members obtain the proper pricing, that the Vendor reports all sales under the Contract each quarter, and that the Vendor remits the proper administrative fee to Sourcewell.

VCE's Government Buying Contract Specialist requires its dealerships to adhere to a strict quotation/procurement process as outlined in its Government Buying Contract Sales Training. This position works one-on-one daily with dealership sales managers and representatives to ensure processes, procedures, and the terms and conditions of the contract are being met. The Contract Specialist conducts a periodic, internal audit to ensure the process is followed. VCE reserves the right to suspend any dealer from utilizing the contract if dealers are not upholding the contract requirements.

VCE has a dedicated Sourcewell Quote Tool/Form that all dealers are required to utilize to ensure contract pricing/discounts are utilized and a **Required Sourcewell Reference Guide (addendums attached under Form P folder)**. All quotes by the VCE dealer network must be forwarded to the Government Buying Contract Specialist for contract price/discount verification and logging/filing. This position keeps a detailed log of all quoting and confirmed order activity and requires copies of customer quotes, purchase orders, and invoices to customers on file as back up of transaction and for reporting purposes. This position submits the quarterly sales report to Sourcewell and pay fees on behalf of all

VCE dealers. Please see Question 3, Form P for details of Order/Process Flow and below snapshot of Table of Contents for VCE’s Required Sourcewell Reference Guide.

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18) Identify a proposed administrative fee that you will pay to Sourcewell for facilitating, managing, and promoting the Sourcewell Contract in the event that you are awarded a Contract. This fee is typically calculated as a percentage of Vendor’s sales under the Contract or as a per-unit fee; it is not a line-item addition to the Member’s cost of goods. (See RFP Section 6.29 and following for details.)

VCE proposes a 1.5% administrative fee to be charged against the machine price.

Industry-Specific Questions

19) Describe any industry-specific quality management system certifications obtained by your organization.

VCE is certified in ISO 9001: 2015 (Quality), ISO 14001:2015 (Environmental) and OHSAS 18001:2007 (Safety) – **Please see attached ISO Certification Addendum under Form P**

21) Describe any preventative maintenance programs that your organization offers for the solutions you are proposing in your response.

VCE offers Customer Support Agreements (CSA's) that include preventative maintenance programs and optional repair agreements.

Customer Support Agreements increase efficiency and maximize uptime and includes:

- Maintenance according to Volvo Service Program
- Service performed by a trained Volvo Service Technician
- Genuine Volvo Parts
- Volvo lubricants and Volvo coolants
- Service history documentation
- Fixed price of preventive maintenance and flexible payment solutions
- Analysis tools and services like CareTrack, Oil Analysis and MATRIS can be included. These services monitor the status of the machine, providing early indications, which can help maximize the uptime potential of the machine.

With an extended warranty agreement and a customer support agreement, a customer is protected against most unexpected costs allowing for improved budget and financial planning.

Signature:



Date:

March 13, 2019

031121-TTC

**Solicitation Number: RFP #031121****CONTRACT**

This Contract is between Sourcewell, 202 12th Street Northeast, P.O. Box 219, Staples, MN 56479 (Sourcewell) and The Toro Company, 8111 Lyndale Avenue South, Bloomington, MN 55420 (Vendor).

Sourcewell is a State of Minnesota local government agency and service cooperative created under the laws of the State of Minnesota (Minnesota Statutes Section 123A.21) that offers cooperative procurement solutions to government entities. Participation is open to federal, state/province, and municipal governmental entities, higher education, K-12 education, nonprofit, tribal government, and other public entities located in the United States and Canada. Sourcewell issued a public solicitation for Grounds Maintenance Equipment, Attachments, and Accessories with Related Services from which Vendor was awarded a contract.

Vendor desires to contract with Sourcewell to provide equipment, products, or services to Sourcewell and the entities that access Sourcewell's cooperative purchasing contracts (Participating Entities).

1. TERM OF CONTRACT

- A. **EFFECTIVE DATE.** This Contract is effective upon the date of the final signature below.
- B. **EXPIRATION DATE AND EXTENSION.** This Contract expires April 30, 2025, unless it is cancelled sooner pursuant to Article 22. This Contract may be extended up to one additional one-year period upon request of Sourcewell and with written agreement by Vendor.
- C. **SURVIVAL OF TERMS.** Articles 11 through 14 survive the expiration or cancellation of this Contract.

2. EQUIPMENT, PRODUCTS, OR SERVICES

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

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

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

B. **WARRANTY.** Vendor warrants that all Equipment, Products, and Services furnished are free from liens and encumbrances, and are free from defects in design, materials, and workmanship. In addition, Vendor warrants the Equipment, Products, and Services are suitable for and will perform in accordance with the ordinary use for which they are intended for the duration of Vendor's written warranty for such item. Other than the warranties in this paragraph and Vendor's express written warranty for its product, Vendor expressly disclaims all other warranties, express or implied. Vendor agrees to work with its dealers and distributors to assist the Participating Entity in reaching a resolution in any dispute over warranty terms with the manufacturer. Any manufacturer's warranty that is effective past the expiration of the Vendor's warranty will be passed on to the Participating Entity.

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

3. PRICING

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

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

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

A. **SHIPPING AND SHIPPING COSTS.** All delivered Equipment and Products must be properly packaged. Damaged Equipment and Products may be rejected. If the damage is not readily apparent at the time of delivery, Vendor must permit the Equipment and Products to be

returned within a reasonable time at no cost to Sourcewell or its Participating Entities. Participating Entities reserve the right to inspect the Equipment and Products at a reasonable time after delivery where circumstances or conditions prevent effective inspection of the Equipment and Products at the time of delivery.

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

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

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

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

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

4. PRODUCT AND PRICING CHANGE REQUESTS

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

- Identify the applicable Sourcewell contract number;
- Clearly specify the requested change;
- Provide sufficient detail to justify the requested change;
- Individually list all Equipment, Products, or Services affected by the requested change, along with the requested change (e.g., addition, deletion, price change); and

- Include a complete restatement of pricing documentation in Microsoft Excel with the effective date of the modified pricing, or product addition or deletion. The new pricing restatement must include all Equipment, Products, and Services offered, even for those items where pricing remains unchanged.

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

5. PARTICIPATION, CONTRACT ACCESS, AND PARTICIPATING ENTITY REQUIREMENTS

A. PARTICIPATION. Sourcewell's cooperative contracts are available and open to public and nonprofit entities across the United States and Canada; such as federal, state/province, municipal, K-12 and higher education, tribal government, and other public entities.

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

Vendor is responsible for familiarizing its sales and service forces with Sourcewell contract use eligibility requirements and documentation and will encourage potential participating entities to join Sourcewell. Sourcewell reserves the right to add and remove Participating Entities to its roster during the term of this Contract.

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

6. PARTICIPATING ENTITY USE AND PURCHASING

A. ORDERS AND PAYMENT. To access the contracted Equipment, Products, or Services under this Contract, a Participating Entity must clearly indicate to Vendor that it intends to access this Contract; however, order flow and procedure will be developed jointly between Sourcewell and Vendor. Typically, a Participating Entity will issue an order directly to Vendor. If a Participating Entity issues a purchase order, it may use its own forms, but the purchase order should clearly note the applicable Sourcewell contract number. All Participating Entity orders under this Contract must be issued prior to expiration of this Contract; however, Vendor performance,

Participating Entity payment, and any applicable warranty periods or other Vendor or Participating Entity obligations may extend beyond the term of this Contract.

Vendor's acceptable forms of payment are included in Attachment A. Participating Entities will be solely responsible for payment and Sourcewell will have no liability for any unpaid invoice of any Participating Entity.

B. **ADDITIONAL TERMS AND CONDITIONS/PARTICIPATING ADDENDUM.** Additional terms and conditions to a purchase order, or other required transaction documentation, may be negotiated between a Participating Entity and Vendor, such as job or industry-specific requirements, legal requirements (e.g., affirmative action or immigration status requirements), or specific local policy requirements. Some Participating Entities may require the use of a Participating Addendum; the terms of which will be worked out directly between the Participating Entity and the Vendor. Any negotiated additional terms and conditions must never be less favorable to the Participating Entity than what is contained in this Contract.

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

D. **TERMINATION OF ORDERS.** Participating Entities may terminate an order, in whole or in part, immediately upon notice to Vendor in the event of any of the following events:

1. The Participating Entity fails to receive funding or appropriation from its governing body at levels sufficient to pay for the goods to be purchased;
2. Federal, state, or provincial laws or regulations prohibit the purchase or change the Participating Entity's requirements; or
3. Vendor commits any material breach of this Contract or the additional terms agreed to between the Vendor and a Participating Entity.

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

7. CUSTOMER SERVICE

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

- Maintenance and management of this Contract;
- Timely response to all Sourcwell and Participating Entity inquiries; and
- Business reviews to Sourcwell and Participating Entities, if applicable.

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

8. REPORT ON CONTRACT SALES ACTIVITY AND ADMINISTRATIVE FEE PAYMENT

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

The Report must contain the following fields:

- Customer Name (e.g., City of Staples Highway Department);
- Customer Physical Street Address;
- Customer City;
- Customer State/Province;
- Customer Zip Code;
- Customer Contact Name;
- Customer Contact Email Address;
- Customer Contact Telephone Number;
- Sourcwell Assigned Entity/Participating Entity Number;
- Item Purchased Description;
- Item Purchased Price;
- Sourcwell Administrative Fee Applied; and
- Date Purchase was invoiced/sale was recognized as revenue by Vendor.

B. ADMINISTRATIVE FEE. In consideration for the support and services provided by Sourcwell, the Vendor will pay an administrative fee to Sourcwell on all Equipment, Products, and Services provided to Participating Entities. The Administrative Fee must be included in, and not added to, the pricing. Vendor may not charge Participating Entities more than the contracted price to offset the Administrative Fee.

The Vendor will submit payment to Sourcwell for the percentage of administrative fee stated in the Proposal multiplied by the total sales of all Equipment, Products, and Services purchased by Participating Entities under this Contract during each calendar quarter. Payments should note the Vendor's name and Sourcwell-assigned contract number in the memo; and must be

mailed to the address above "Attn: Accounts Receivable" or remitted electronically to Sourcewell's banking institution per Sourcewell's Finance department instructions. Payments must be received no later than 45 calendar days after the end of each calendar quarter.

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

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

9. AUTHORIZED REPRESENTATIVE

Sourcewell's Authorized Representative is its Chief Procurement Officer.

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

10. AUDIT, ASSIGNMENT, AMENDMENTS, WAIVER, AND CONTRACT COMPLETE

A. **AUDIT.** Pursuant to Minnesota Statutes Section 16C.05, subdivision 5, the books, records, documents, and accounting procedures and practices relevant to this Agreement are subject to examination by Sourcewell or the Minnesota State Auditor for a minimum of six years from the end of this Contract. This clause extends to Participating Entities as it relates to business conducted by that Participating Entity under this Contract.

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

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

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

E. **CONTRACT COMPLETE.** This Contract contains all negotiations and agreements between Sourcewell and Vendor. No other understanding regarding this Contract, whether written or oral, may be used to bind either party. For any conflict between the attached Proposal and the terms set out in Articles 1-22, the terms of Articles 1-22 will govern.

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

11. LIABILITY

Vendor must indemnify, save, and hold Sourcewell and its Participating Entities, including their agents and employees, harmless from any claims or causes of action, including injury or death to persons or property and attorneys' fees, alleged to have been caused by some defect in the Equipment, Products, or Services under this Contract to the extent the Equipment, Product, or Service has been used according to its specifications and operating instructions.

12. GOVERNMENT DATA PRACTICES

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

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

13. INTELLECTUAL PROPERTY, PUBLICITY, MARKETING, AND ENDORSEMENT

A. INTELLECTUAL PROPERTY

1. *Grant of License.* During the term of this Contract:

a. Sourcewell grants to Vendor a royalty-free, worldwide, non-exclusive right and license to use the Trademark(s) provided to Vendor by Sourcewell in advertising and promotional materials for the purpose of marketing Sourcewell's relationship with Vendor.

b. Vendor grants to Sourcewell a royalty-free, worldwide, non-exclusive right and license to use Vendor's Trademarks in advertising and promotional materials for the purpose of marketing Vendor's relationship with Sourcewell.

2. *Limited Right of Sublicense.* The right and license granted herein includes a limited right of each party to grant sublicenses to its and their respective distributors, marketing representatives, and agents (collectively "Permitted Sublicensees") in advertising and promotional materials for the purpose of marketing the Parties' relationship to Participating Entities. Any sublicense granted will be subject to the terms and conditions of this Article. Each party will be responsible for any breach of this Article by any of their respective sublicensees.

3. *Use; Quality Control.*

- a. Sourcewell must not alter Vendor's Trademarks from the form provided by Vendor and must comply with Vendor's removal requests as to specific uses of its trademarks or logos.
- b. Vendor must not alter Sourcewell's Trademarks from the form provided by Sourcewell and must comply with Sourcewell's removal requests as to specific uses of its trademarks or logos.
- c. Each party agrees to use, and to cause its Permitted Sublicensees to use, the other party's Trademarks only in good faith and in a dignified manner consistent with such party's use of the Trademarks. Upon written notice to the breaching party, the breaching party has 30 days of the date of the written notice to cure the breach or the license will be terminated.

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

5. *Termination.* Upon the termination of this Contract for any reason, each party, including Permitted Sublicensees, will have 30 days to remove all Trademarks from signage, websites, and the like bearing the other party's name or logo (excepting Sourcewell's pre-printed catalog of vendors which may be used until the next printing). Vendor must return all marketing and promotional materials, including signage, provided by Sourcewell, or dispose of it according to Sourcewell's written directions.

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

C. **MARKETING.** Any direct advertising, marketing, or offers with Participating Entities must be approved by Sourcewell. Materials should be sent to the Sourcewell Contract Administrator assigned to this Contract.

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

14. GOVERNING LAW, JURISDICTION, AND VENUE

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

15. FORCE MAJEURE

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

16. SEVERABILITY

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

17. PERFORMANCE, DEFAULT, AND REMEDIES

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

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

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

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

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

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

18. INSURANCE

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

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

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

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

Minimum limits:

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

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

Minimum Limits:

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

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

Minimum Limits:

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

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

Minimum Limits:
\$2,000,000

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

B. CERTIFICATES OF INSURANCE. Prior to commencing under this Contract, Vendor must furnish to Sourcewell a certificate of insurance, as evidence of the insurance required under this Contract. Prior to expiration of the policy(ies), renewal certificates must be mailed to Sourcewell, 202 12th Street Northeast, P.O. Box 219, Staples, MN 56479 or sent to the Sourcewell Contract Administrator assigned to this Contract. The certificates must be signed by a person authorized by the insurer(s) to bind coverage on their behalf.

Failure to request certificates of insurance by Sourcewell, or failure of Vendor to provide certificates of insurance, in no way limits or relieves Vendor of its duties and responsibilities in this Contract.

C. ADDITIONAL INSURED ENDORSEMENT AND PRIMARY AND NON-CONTRIBUTORY INSURANCE CLAUSE. Vendor agrees to list Sourcewell and its Participating Entities, including their officers, agents, and employees, as an additional insured under the Vendor's commercial general liability insurance policy with respect to liability arising out of activities, "operations," or "work" performed by or on behalf of Vendor, and products and completed operations of Vendor. The policy provision(s) or endorsement(s) must further provide that coverage is primary and not excess over or contributory with any other valid, applicable, and collectible insurance or self-insurance in force for the additional insureds.

D. WAIVER OF SUBROGATION. Vendor waives and must require (by endorsement or otherwise) all its insurers to waive subrogation rights against Sourcewell and other additional insureds for losses paid under the insurance policies required by this Contract or other insurance applicable to the Vendor or its subcontractors. The waiver must apply to all deductibles and/or self-insured retentions applicable to the required or any other insurance maintained by the Vendor or its subcontractors. Where permitted by law, Vendor must require similar written express waivers of subrogation and insurance clauses from each of its subcontractors.

E. UMBRELLA/EXCESS LIABILITY/SELF-INSURED RETENTION. The limits required by this Contract can be met by either providing a primary policy or in combination with umbrella/excess liability policy(ies), or self-insured retention.

19. COMPLIANCE

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

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

20. BANKRUPTCY, DEBARMENT, OR SUSPENSION CERTIFICATION

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

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

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

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

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

regulations at 41 C.F.R. § 60, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor." The equal opportunity clause is incorporated herein by reference.

B. DAVIS-BACON ACT, AS AMENDED (40 U.S.C. § 3141-3148). When required by federal program legislation, all prime construction contracts in excess of \$2,000 awarded by non-federal entities must include a provision for compliance with the Davis-Bacon Act (40 U.S.C. § 3141-3144, and 3146-3148) as supplemented by Department of Labor regulations (29 C.F.R. § 5, "Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction"). In accordance with the statute, contractors must be required to pay wages to laborers and mechanics at a rate not less than the prevailing wages specified in a wage determination made by the Secretary of Labor. In addition, contractors must be required to pay wages not less than once a week. The non-federal entity must place a copy of the current prevailing wage determination issued by the Department of Labor in each solicitation. The decision to award a contract or subcontract must be conditioned upon the acceptance of the wage determination. The non-federal entity must report all suspected or reported violations to the federal awarding agency. The contracts must also include a provision for compliance with the Copeland "Anti-Kickback" Act (40 U.S.C. § 3145), as supplemented by Department of Labor regulations (29 C.F.R. § 3, "Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States"). The Act provides that each contractor or subrecipient must be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he or she is otherwise entitled. The non-federal entity must report all suspected or reported violations to the federal awarding agency. Vendor must be in compliance with all applicable Davis-Bacon Act provisions.

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

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

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

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

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

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

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

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

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

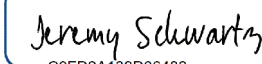
L. PROCUREMENT OF RECOVERED MATERIALS (2 C.F.R. § 200.322). A non-federal entity that is a state agency or agency of a political subdivision of a state and its contractors must comply with Section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act. The requirements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

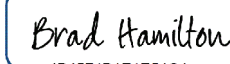
22. CANCELLATION

Sourcewell or Vendor may cancel this Contract at any time, with or without cause, upon 60 days' written notice to the other party. However, Sourcewell may cancel this Contract immediately upon discovery of a material defect in any certification made in Vendor's Proposal. Cancellation of this Contract does not relieve either party of financial, product, or service obligations incurred or accrued prior to cancellation.


Sourcewell

The Toro Company

DocuSigned by:

 By: C0FD2A139D06489...
 Jeremy Schwartz
 Title: Chief Procurement Officer
 Date: 4/28/2021 | 12:24 PM CDT

DocuSigned by:

 By: 4B4574B1E1E54C4...
 Brad Hamilton
 Title: Group VP
 Date: 4/29/2021 | 4:07 PM CDT

Approved:

DocuSigned by:

 By: 7E42B8F817A64CC...
 Chad Coauette
 Title: Executive Director/CEO
 Date: 4/29/2021 | 4:31 PM CDT

RFP 031121 - Grounds Maintenance Equipment, Attachments, and Accessories with Related Services

Vendor Details

Company Name: The Toro Company
Does your company conduct business under any other name? If yes, please state: Toro
Address: 8111 Lyndale Avenue South
Bloomington, MN 55420
Contact: Jon Stodola
Email: jon.stodola@toro.com
Phone: 612-597-3224
Fax: 612-597-3224
HST#: 41-0580470

Submission Details

Created On: Tuesday January 26, 2021 08:26:53
Submitted On: Wednesday March 10, 2021 16:49:38
Submitted By: Jon Stodola
Email: jon.stodola@toro.com
Transaction #: a9949e16-696c-4bd0-8278-1f0375b1ebb6
Submitter's IP Address: 76.113.144.182

Specifications

Table 1: Proposer Identity & Authorized Representatives

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

Line Item	Question	Response *
1	Proposer Legal Name (and applicable d/b/a, if any):	The Toro Company
2	Proposer Address:	8111 Lyndale Avenue South Bloomington, MN 55420
3	Proposer website address:	www.toro.com
4	Proposer's Authorized Representative (name, title, address, email address & phone) (The representative must have authority to sign the "Proposer's Assurance of Compliance" on behalf of the Proposer and, in the event of award, will be expected to execute the resulting contract):	Brad Hamilton, Group VP 8111 Lyndale Avenue South Bloomington, MN 55420 952-887-8815 Brad.Hamilton@toro.com
5	Proposer's primary contact for this proposal (name, title, address, email address & phone):	Jon Stodola, Government Contracts Manager 8111 Lyndale Avenue South Bloomington, MN 55420 612-597-3224 Jon.Stodola@toro.com
6	Proposer's other contacts for this proposal, if any (name, title, address, email address & phone):	N/A

Table 2: Company Information and Financial Strength

Line Item	Question	Response *
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7	Provide a brief history of your company, including your company's core values, business philosophy, and industry longevity related to the requested equipment, products or services.	<p>The Toro Company is proud of its legacy of quality and innovation. Founded in 1914 to build tractor engines for The Bull Tractor Company, the company survived the tumultuous years of World War I by building steam steering engines for merchant ships to support the war effort. In 1920, Toro entered the turf industry when it mounted five reel mowers to the front of a Toro tractor to cut the fairways at The Minikahda Club in Minneapolis.</p> <p>We take pride in our responsibility to employees, customers, shareholders and the environment. Since 1914, we have cultivated our reputation around trusted relationships and constant innovation to help anticipate the future needs of our customers. At the same time, we are building on a tradition of excellence around a number of strong brands to help customers care for golf courses, professional contractors, underground construction professionals, groundskeepers, agricultural growers, rental companies, government and educational institutions, and homeowners – in addition to many leading sports venues and historic sites.</p> <p>Over the years, we have strengthened our position as a leading worldwide provider of turf and landscape maintenance equipment, and precision irrigation solutions due in large part to a strong network of distributors, dealers and retailers in more than 125 countries around the world.</p> <p>The Toro Company's Commercial Division employs 14 Regional and District Sales Managers that call directly on customers and Distributors. These resources are located in Arizona, California, Connecticut, Florida, Massachusetts, Montana, Minnesota, Ohio, Virginia, and Ontario Canada.</p> <p>Most customer activity for the Commercial Division products will be with our distributor's sales force of approximately 200 Outside Sales representatives. The resources are located in every state except Alaska. We also have a network of hundreds of Landscape Contractor and Siteworks Systems dealers throughout the US and Canada.</p> <p>All of Toro's Commercial products are shipped from our warehouse in Tomah, Wisconsin to distribution. Distributors' facilities range in size depending on the services offered at the facility such as sales, service, parts, etc. Toro's Commercial Channel of distributors have over 100 offices nationally ranging in size from 10,000 square feet to 150,000 square feet.</p> <p>Our Purpose: To help our customers enrich the beauty, productivity, and sustainability of the land.</p> <p>Our Vision: To be the most trusted leader in solutions for outdoor equipment. Every day. Everywhere.</p> <p>Our Mission: To deliver superior innovation and to deliver superior customer care.</p> <p>For more information, visit www.toro.com.</p>
8	What are your company's expectations in the event of an award?	<p>Our expectation is that customers will use the Sourcewell value-based contract to purchase Toro and related equipment, in order to achieve their goals of creating and maintaining outstanding grounds and landscapes.</p> <p>We also expect our dedicated distributor/dealer network to support Sourcewell members with superior customer service that aligns with our corporate mission. In doing so, we expect to develop new relationships with Sourcewell members and incrementally grow our sales of Toro and related equipment to government and education customers.</p>
9	Demonstrate your financial strength and stability with meaningful data. This could include such items as financial statements, SEC filings, credit and bond ratings, letters of credit, and detailed reference letters. Upload supporting documents (as applicable) in the document upload section of your response.	<p>The Toro Company continues to strengthen our position as a leading worldwide provider of innovative solutions for the outdoor environment, including turf, snow, irrigation, and ground-engaging equipment.</p> <p>Through a strong network of professional distributors, dealers, and retailers in more than 125 countries, we proudly offer a wide range of products across a family of global brands to help golf courses, professional contractors, agricultural growers, rental companies, government and education institutions, and homeowners achieve their goals.</p> <p>For fiscal year 2020, The Toro Company achieved nearly \$3.4 billion in net sales (a 7.7% increase over fiscal year 2019), and \$327.7 million in net earnings. See the attached (The Toro Company_Fourth-Quarter and Full-Year Fiscal 2020 Results) for more details.</p> <p>In addition, attached is a summary of Toro's financial condition according to Dunn & Bradstreet (Attachment: BnBi THE TORO COMPANY Feb 19 2021 (002).pdf)</p>

10	What is your US market share for the solutions that you are proposing?	Toro is not able to divulge that information.	*
11	What is your Canadian market share for the solutions that you are proposing?	Toro is not able to divulge that information.	*
12	Has your business ever petitioned for bankruptcy protection? If so, explain in detail.	No.	*
13	How is your organization best described: is it a manufacturer, a distributor/dealer/reseller, or a service provider? Answer whichever question (either a) or b) just below) best applies to your organization. a) If your company is best described as a distributor/dealer/reseller (or similar entity), provide your written authorization to act as a distributor/dealer/reseller for the manufacturer of the products proposed in this RFP. If applicable, is your dealer network independent or company owned? b) If your company is best described as a manufacturer or service provider, describe your relationship with your sales and service force and with your dealer network in delivering the products and services proposed in this RFP. Are these individuals your employees, or the employees of a third party?	<p>The Toro Company would best be described as a manufacture.</p> <p>As such, Toro utilizes our channel partners (distributors/dealers) to provide service and support to our end-user customers.</p> <p>For our Commercial Division, which makes up approximately 90% of our Government Contracts business, we have 26 distributors throughout the United States and Canada with many satellite offices to meet your needs. They have protected territories which allows them to make significant investments in their facilities and people to support the equipment and services they provide. Our distributors and dealers handle the sales, order processing, fulfillment, billing, and all service work associated with Toro products.</p> <p>BOSS Snowplow provides sales and service support through 228 Distributors in the United States and Canada. Within a Distributor protected sales territory they also set up a network of Dealers to quickly and effectively service the customer. Our Distributors and Dealers handle all aspects of the customer experience including sales, ordering, registration, installation, service, and warranty. The attached list of 228 Distributors will provide information on their location, contact, and which BOSS Products they are qualified to support. The BOSS Technical Service and Customer Service Departments provide factory support and training to all Distributors and Dealers and we pride ourselves on providing World-Class service to all levels of customer. Feedback from our Customers and Dealers allows BOSS to continuously improve our product. We communicate these improvements through Service Bulletins, Training Videos, Technical Manuals, and Web-based training.</p> <p>Similar to BOSS, Toro's LCE, SWS, and RESCOM Irrigation divisions provide service and support through a combined network of more than 5,500 dealers/distributors, throughout the United States and Canada.</p> <p>For a complete list of Distributors and Dealers, please reference the attached file (Toro Distributor_Dealer List 2021).</p>	*
14	If applicable, provide a detailed explanation outlining the licenses and certifications that are both required to be held, and actually held, by your organization (including third parties and subcontractors that you use) in pursuit of the business contemplated by this RFP.	<p>Toro products are designed and built to comply with all applicable voluntary safety and environmental standards, including ISO standards, CE standards, and exhaust and evaporative standards set by the US Environmental Protection Agency (EPA), California Air Resources Board (CARB), and the European Union. Toro products are also tested and certified by outside laboratories to comply with EMC (electromagnetic compatibility) regulatory arrangements.</p> <p>The Toro Company holds a Dealer License (wholesaler) from the State of Minnesota, a Business License from the State of Washington, a manufacturer license from the Arizona Department of Transportation, and a license as a Recreational Product Manufacturer from the Louisiana Motor Vehicle Commission. In addition, The Toro Company is authorized to conduct business in the following states, as well as being incorporate in Delaware: California, Colorado, Florida, Indiana, Iowa, Kentucky, Louisiana, Michigan, Minnesota, Mississippi, Nebraska, Pennsylvania, Rhode Island, Tennessee, Texas, and Wisconsin.</p> <p>Toro distributors and dealers also have the proper licenses and registrations to conduct business in the states/provinces in which they operate.</p> <p>In an effort to achieve our vision of becoming the most trusted leader in solutions for outdoor equipment, Toro requires each of our direct employee and distributor salespeople to complete an extensive and ongoing training program called TSPC (Toro Sales Professional Certification) that focuses on ethical selling practices and professional sales management. We are unique in our industry in requiring this certification of professional standard.</p>	*
15	Provide all "Suspension or Debarment" information that has applied to your organization during the past ten years.	Toro has not been under any suspension or disbarment within the past ten years.	*

Table 3: Industry Recognition & Marketplace Success

Line Item	Question	Response *
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16	Describe any relevant industry awards or recognition that your company has received in the past five years	<p>a) Heavy Equipment Guide, Top Product in 2020: The Toro e-Dingo Small machines that rental houses and contractors want for versatile use both indoors and outdoors and in areas with noise and emissions reduction needs are the perfect proving ground for electric equipment. Toro's first electric Dingo, the wheeled e-Dingo 500, is a small machine delivering environmentally friendly performance both indoors and outdoors, and we look forward to seeing more electric compact equipment like it in the coming years.</p> <p>b) Innovative Iron Awards, 2020 – The Toro e-Dingo Selected as a “game-changer” for its zero emissions and lithium-ion battery.</p> <p>c) Rental Equipment Register (RER) – The Toro e-Dingo received the following Innovative Product Awards: Winner in the Earthmoving category, and Silver winner in Overall.</p> <p>d) Rental Magazine 2020 Editor's Choice Award - The Toro e-Dingo. The Rental 2020 Editor's Choice Awards represent the equipment rental industry's best products gaining interest from end-users and rental professionals alike. Rental's editorial staff chose products based on several factors including innovation, utility for the rental market, and audience engagement online at ForConstructionPros.com/Rental</p> <p>e) Innovative Iron Awards, 2019 – The Toro TRX Trencher Selected one of the most innovative products in the equipment classes include all compact equipment, including skid steers, mini excavators, backhoes, telehandlers, tractors, aerial lifts, UTVs, and components like engines, hydraulics, and software.</p> <p>f) Green Industry Pros, Editor's Choice Award, 2019 – The Toro TRX Trencher Chosen for Innovation, Dependability, Audience engagement online at GreenIndustryPros.com, and from end-users and landscape professionals alike.</p> <p>g) Heavy Equipment Guide, Top Product in 2020: The Toro Dingo TXL 2000 As the industry's biggest ride-on utility loader, Toro's Dingo TXL 2000 fits into a smaller class of equipment but has the capability of small skid steers or compact track loaders.</p> <p>h) The Toro Company received the AE50 award for our innovative engineering of the NEW Toro Outcross in Feb. 2019. Awards are presented at ASABE's annual Agricultural Equipment Technology Conference (AETC). The award-winning products are also highlighted in a special issue of ASABE's Resource magazine and given by the American Society of Ag and Biological Engineers.</p> <p>i) The Toro Company is the leading “smart” irrigation products manufacturer, having receiving multiple accolades and awards from the Irrigation Association®, EPA, and others, for their innovative and water-efficient products. Some examples of unique Toro irrigation products include Precision™ Series Spray Nozzles with patented oscillating stream technology that delivers water savings of up to 35 percent when compared to competitive fixed spray nozzles; the T5 RapidSet® ¾” gear-driven rotor and its patent-pending tool-free arc adjustment feature; the cutting-edge EVOLUTION® Series irrigation controller and its multiple wireless add-on devices that enable performance advances, such as web connectivity, soil moisture sensing, and automatic weather-based schedule adjustments; and a full line of drip irrigation products, such as DL2000™ dripline and its patented ROOTGUARD® technology that allows it to be buried below ground to virtually eliminate the water waste seen through evaporation and runoff.</p> <p>j) The Toro GrandStand MULTI FORCE was a new product award winner in the May/June 2016 issue of Landscape and Irrigation's “Twenty for 2016 New Product Awards”. The award recognizes the GrandStand MUTLI FORCE as one of the standout new products to hit the market in 2016, based on innovation and application within the market. Endure</p> <p>k) The Toro Company received the Gold Medal for Innovation, awarded to the Toro Reelmaster 5010-H at demopark+demogolf 2015.</p>
17	What percentage of your sales are to the governmental sector in the past three years	<p>As we are a publicly-traded Company, Toro considers information about our customers confidential. However, below is a representation of The Toro Company revenue for fiscal year 2020 by market segment and geographic location.</p> <p>Net Sales By Segment: Professional 75% / Residential 24% / Other 1% Net Sales By Product: Equipment 88% / Irrigation 12% Net Sales By Geographical Location: US 80% / International 20%</p>
18	What percentage of your sales are to the education sector in the past three years	<p>As we are a publicly-traded Company, Toro considers information about our customers confidential.</p>

19	List any state, provincial, or cooperative purchasing contracts that you hold. What is the annual sales volume for each of these contracts over the past three years?	<p>a) NASPO ValuePoint Contracts - AK, HI, KS, KY, ME, MO, NE, NM, RI, SD, VA, WI</p> <p>b) Toro held State Contracts - AR, DE, NY, OH</p> <p>c) Toro Distributor held State Contracts - CA, GA, IA, IL, LA, MA, MD, MN, MS, NC, OK, OR, PA, SC, TN, UT, WA</p> <p>d) Cooperative Contracts - OMNIA Partners, Kinetic GPO</p> <p>As we are a publicly-traded company, the detailed sales information you are requesting is considered confidential.</p>	*
20	List any GSA contracts or Standing Offers and Supply Arrangements (SOSA) that you hold. What is the annual sales volume for each of these contracts over the past three years?	<p>a) GSA Contract : GS-06F-0012R – Schedule 51v - Kansas City</p> <p>b) GSA Contract : GS-07F-5432R – Schedule 78 – Philadelphia</p> <p>As we are a publicly-traded company, the detailed sales information you are requesting is considered confidential.</p>	*

Table 4: References/Testimonials

Line Item 21. Supply reference information from three customers who are eligible to be Sourcewell participating entities.

Entity Name *	Contact Name *	Phone Number *	
Ramsey County Parks - Goodrich Golf Course	Charlie Miller, Superintendent	651-784-2500	*
City of Minneapolis Parks and Recreation Department	Dale Walker, Fleet Manager	612-313-7772	*
City of Lakeville Parks	Mark Kruse, Supervisor	952-985-2720	*

Table 5: Top Five Government or Education Customers

Line Item 22. Provide a list of your top five government, education, or non-profit customers (entity name is optional), including entity type, the state or province the entity is located in, scope of the project(s), size of transaction(s), and dollar volumes from the past three years.

Entity Name	Entity Type *	State / Province *	Scope of Work *	Size of Transactions *	Dollar Volume Past Three Years *	
Confidential	Government	California - CA	Golf, Turf & Landscape Equipment & Irrigation	Various mix of mowers, vehicles, specialty equipment, and irrigation components valuing \$500-\$600K	\$5M - \$6M	*
Confidential	Government	California - CA	Golf, Turf & Landscape Equipment & Irrigation	Various mix of mowers, vehicles, specialty equipment, and irrigation components valuing \$300-\$600K	\$3M-\$4M	*
Confidential	Government	Nevada - NV	Golf, Turf & Landscape Equipment	Various mix of mowers, vehicles, specialty equipment valuing \$350-\$850K	\$2.5M-\$3M	*
Confidential	Government	Wisconsin - WI	Golf, Turf & Landscape Equipment	Various mix of mowers, vehicles, specialty equipment valuing \$250-\$400K	\$2.5M-\$3M	*
Confidential	Government	Colorado - CO	Golf, Turf & Landscape Equipment	Various mix of mowers, vehicles, specialty equipment valuing \$150K-\$1M	\$1M-\$1.5M	*

Table 6: Ability to Sell and Deliver Service

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

Line Item	Question	Response *
23	Sales force.	<p>Toro has a national sales team of more than 50 Regional and District Sales Managers that represent our Commercial, Landscape Contractor, Irrigation, Siteworks Systems, and BOSS products across the United States and Canada. These representatives are assigned to various distributors and dealers to provide training, programming, and strategy for initiatives such as this one with Sourcewell.</p>
24	Dealer network or other distribution methods.	<p>Most of our distributors and dealers are privately-owned companies that are the connection between Toro and the end-user customer. The sales managers of these companies will manage a team of representatives responsible for selling and marketing Toro products. Every area of the United States and Canada has a representative assigned for sales coverage from one of our distributors/dealers. We have included a listing of these distributors/dealers with this proposal. See Distributor_Dealer List 2021 attached.</p> <p>All of Toro's Commercial products are shipped from our warehouse in Tomah, Wisconsin to distribution. Distributors' facilities range in size depending on the services offered at the facility such as sales, service, parts, etc. Toro's Commercial Channel of distributors have over 100 offices nationally ranging in size from 10,000 square feet to 150,000 square feet.</p> <p>In addition, Toro has thousands of local dealers that represent Landscape Contractor products, Irrigation, Siteworks Systems, and Boss snow removal equipment throughout the US and Canada.</p>
25	Service force.	<p>Toro utilizes our channel partners to provide service and support to our end-user customers. For our Commercial division, we have 26 distributors in the United States and Canada with many satellite offices to meet your needs. All distributors maintain a service parts fulfillment operation and carry A, B, and C moving parts to ensure they are positioned to respond to their customer service needs. Additionally, they also maintain service facilities staffed with full-time technicians to provide services in the area to meet Toro's service level objective of 9+ in Overall Satisfaction. They have protected territories which allows them to make significant investments in their facilities and people to support the equipment and services they provide.</p> <p>The Toro Company provides on-going technical training (on-line and in-person) to our channel partners ensuring the service technicians have the technical knowledge and aptitude to support advanced technology. The Toro company also provides centralized and advanced technical assistance and support to our distributor operations teams. This includes troubleshooting equipment issues, providing updates to equipment, issuing service bulletins, working through warranty issues, implementing performance standards and measurements, providing on-site support when needed for product quality concerns, and developing action plans for improvement. We have processes in place to help our channel partners exceed the needs of our customers developed through our 100 years of experience. These include monitoring our customer's opinion of their service experience and developing improvements as necessary to achieve Customer Satisfaction Index scores above 9.</p>
26	Describe in detail the process and procedure of your customer service program, if applicable. Include your response-time capabilities and commitments, as well as any incentives that help your providers meet your stated service goals or promises.	<p>The Toro Commercial Customer Care group operates a Voice of Customer program in North America that focuses on the end-customer service experience. Commercial distributors provide Toro their completed customer repair orders for the week or month then Toro contracts an independent 3rd party to complete customer experience surveys. The insights gained are used to correct processes and provide additional resources as we collectively strive to maintain a 9+ overall customer satisfaction index, which is above industry standard. See attached labeled (Question 26) Graphs) for rolling 12-month performance. These metrics along with additional operational metrics are factored into a distributor's overall annual performance rating which has specific incentives tied to it.</p> <p>Distributor response time:</p> <p>Response time is dependent on many factors but generally, our distributor partners respond to a customer call or email immediately and determine an agreeable time to service the equipment. Most distributors have field service capabilities that allow service work at the customer's site. Toro Commercial Customer Care measures our distributor on two performance metrics specific to service repair turnaround time and their ability to respond and repair a customer service issue in 6 calendar days or less.</p>

27	Describe your ability and willingness to provide your products and services to Sourcwell participating entities in the United States.	<p>As described in response to our reach and capabilities, Toro has the ability to fully support the needs (products and service) of public agencies throughout the US.</p> <p>As independent companies, our distributors/dealers have the ability to choose whether or not they participate in the Sourcwell agreement. However, Toro strongly encourages our distributors/dealers to participate in the Sourcwell agreements and provides financial support for those who do. Furthermore, most of our dealers and all of our Commercial distributors see the value of simplifying the buying process and encourage their customers to use the agreement.</p>	*
28	Describe your ability and willingness to provide your products and services to Sourcwell participating entities in Canada.	<p>As described in response to our reach and capabilities, Toro has the ability to fully support the needs (products and service) of public agencies throughout Canada.</p> <p>As independent companies, our distributors/dealers have the ability to choose whether or not they participate in the Sourcwell agreement. However, Toro strongly encourages our distributors/dealers to participate in the Sourcwell agreements and provides financial support for those who do. Furthermore, most our distributors/dealers see the value of simplifying the buying process and encourage their customers to use the agreement.</p>	*
29	Identify any geographic areas of the United States or Canada that you will NOT be fully serving through the proposed contract.	Toro has the ability to serve all geographic areas in the US and Canada through our distributor and dealer networks.	*
30	Identify any Sourcwell participating entity sectors (i.e., government, education, not-for-profit) that you will NOT be fully serving through the proposed contract. Explain in detail. For example, does your company have only a regional presence, or do other cooperative purchasing contracts limit your ability to promote another contract?	Toro has the ability to serve all participating entity sectors in the US and Canada through our distributor and dealer networks.	*
31	Define any specific contract requirements or restrictions that would apply to our participating entities in Hawaii and Alaska and in US Territories.	<p>Participating entities in Hawaii, Alaska, US Territories, and Canada may be subject to additional freight charges. Any additional freight charges would be provided prior to purchase as a pass-through cost and included in the customer quote.</p> <p>Due to a difference in the buying structure and fluctuation in the US/Canada exchange rate, a separate price structure will be established for Canadian customers. Please reference pricing documents for details.</p>	*

Table 7: Marketing Plan

Line Item	Question	Response *
32	Describe your marketing strategy for promoting this contract opportunity. Upload representative samples of your marketing materials (if applicable) in the document upload section of your response.	<p>a) The Toro Company will release a Distributor Operating Bulletin (DOB) to its channel partners, endorsed by the executive sponsor Grant Young, General Manager, Commercial announcing the new award which will be incorporated into the Commercial Division Program Manual used by distribution. Additionally, Toro University hosts monthly webcasts and other training events where the contract will be discussed. We have been training and implementing government contracts with our distributor and dealer partners for many years. If we are awarded the Sourcewell contract, we will continue to employ many different techniques to provide training. Initially, we will train the Toro sales and marketing team responsible for this implementation. We will provide PowerPoint presentations to our distributors/dealers that are co-authored by Toro and Sourcewell. We will implement individual conference calls by distributor to review the contract, discuss the benefits to the customer and the distributor, and answer questions.</p> <p>b) The Toro sales and marketing team will make sales calls with our channel partners to our end users to discuss this contract and sign up new users. Our marketing department will create specific documents that provide our distributors and customers with an overview of the contract and the benefits to them. These marketing pieces will be made available to all of our distributors and will be used at local and national trade shows. As part of the ongoing training process, Toro representatives will drive participation in local and regional trade shows and conferences with our distributors where we model the selling of this contact to customers.</p> <p>c) We will continue to train our sales force and engaging the resources we need to assure the success of this contract.</p> <p>See the attached (Toro Marketing Samples) file for examples.</p>
33	Describe your use of technology and digital data (e.g., social media, metadata usage) to enhance marketing effectiveness.	The Toro Company uses a variety of technologies to communicate with customers and to deliver relevant and meaningful content in a timely fashion. The goal of these Marketing initiatives ranges from driving basic awareness of our brand and products to driving increasing levels of engagement relating to learning about the features, advantages, and benefits of each product we sell. From websites, eNewsletters, email messaging, and videos to Social Media postings and beyond, Toro uses a wide range of tools – digital and analog - to generate interest in and drive leads to our distributor channel partners who sell and support our products locally.
34	In your view, what is Sourcewell's role in promoting contracts arising out of this RFP? How will you integrate a Sourcewell-awarded contract into your sales process?	<p>a) The Toro Company's expectations of Sourcewell's role in promoting the contract would include; jointly publishing a press release announcing the award, deployment of an eBlast to the Sourcewell membership announcing the new contract, and/or announcing it on the Sourcewell social media channels, updating The Toro Company contract on the Sourcewell website, and that Sourcewell would promote the contract at the appropriate industry trade shows and forward any inquires directly about The Toro Company to Toro in order for The Toro Company to convert that inquire into a sale.</p> <p>b) Regarding the integration into our sales process, and beyond those referenced in response to question (32), Toro has made the Sourcewell agreement a standard part of our onboarding training for internal and distributor/dealer personnel. As part of our discovery process with government and non-profit agencies, we are identifying and encouraging the use of the Sourcewell agreement. Our distributors/dealers see the value of the Sourcewell agreement for their organization by simplifying the buying process, and for their customers (end-users) by offering competitive pricing and simplifying the buying process on their end. A Toro/Sourcewell co-branded flier is used to highlight the benefits of the agreement and used by distributor/dealer personnel during customer calls and industry events. See the (Toro Marketing Samples) attachment for an example of the co-branded flyer.</p>
35	Are your products or services available through an e-procurement ordering process? If so, describe your e-procurement system and how governmental and educational customers have used it.	No

Table 8: Value-Added Attributes

Line Item	Question	Response *
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36	Describe any product, equipment, maintenance, or operator training programs that you offer to Sourcewell participating entities. Include details, such as whether training is standard or optional, who provides training, and any costs that apply.	<p>All new and used equipment delivered to the customer includes one-on-one or group training provided by the salesperson and service staff. Their distributor salesperson can discuss these offerings as they are made available by The Toro Company. Local training is offered by each of our distributors and the educational content varies depending on the end user's needs. Group training may be offered as well. Dates and cost of training vary from year to year. Certificates of completion are issued to each attendee after completion of training classes.</p> <p>Operator safety training for all products are offered: online at Toro.com and a digital operator manual is provided with each new piece of equipment.</p> <p>Safety Video: https://www.toro.com/en/customer-support/education-and-tech-reference/operator-training</p> <p>The Toro Company also offers in-depth factory training at a reasonable cost to the end-user. This training takes place at Toro's World Headquarters in Bloomington, MN. The dates vary year by year. Topics include the following:</p> <ul style="list-style-type: none"> - Cutting Unit Technology: Cutting unit set-up and adjustments - Traction Units: Electronic and hydraulic systems diagnostics, troubleshooting, and testing - Tier4 Engine Systems: Overview of why and how they work - Spray Systems: Components, operation, and calibration - Toro Reel Cutting Units: How they really work - Open forum with engineering and other product experts - Diagnostics, InfoCenters, and more! <p>Additional training and reference materials found on Toro.com or in myTurf@toro.com</p>
37	Describe any technological advances that your proposed products or services offer.	<p>★ = Toro exclusive features</p> <p>GR3360/3370 Greensmaster eTriFlex models carry no hydraulic fluid and utilize all-electric components for traction, steering, lift, and cutting.</p> <ul style="list-style-type: none"> - All-Electric Traction, Steering, Lift & Reel Control – No onboard hydraulic fluid eTriFlex Models: - Engine/Generator Model, with Battery Assist Technology and up to 20% fuel savings. Constant 2,400 rpm and shrouded engine for amazingly quiet operation - Lithium-Ion Battery Model, 48-Volt virtually silent operation - ★ Radius Dependent Speed (RDS) System for Optimal Perimeter Cut - Advanced Cutting Performance o Double A-Arm ★ plus Link-System Suspension for superior contour-following o ★ Industry-leading Flex™ technology and DPA cutting units for easy adjustment and precision o ★ Lift-In-Turn feature combined with RDS provides a consistent cleanup cut - Highly Productive and Versatile o ★ “Slow-in-Turn” feature minimizes turf scrubbing that can occur during turn arounds o ★ Tool-Free, Quick-Change cutting units o ★ Lift-Gate Footrest for easy access to the center cutting unit <p>Greensmaster Walk greens mowers (flex & fixed head)</p> <ul style="list-style-type: none"> - ★ Flex Suspension with proven Dual Precision Adjustment (DPA) Cutting Unit technology - Multiple, easy to configure clip rate settings - ★ Telescoping loop handle design with combined operational and safety bail - Operational bail allows slowing down or a complete stop in tight turns without disengaging traction - ★ Rubber-mounted handle to reduce oscillation motion from walking for cutting consistency - No greasing requirement and modular designs for labor-saving maintenance - Excellent balance for superior tracking and easy turnaround - ★ Tool-free cutting unit removal <p>Toro exclusive PX Hydraulic Fluid is another great innovation from Toro. This new premium hydraulic fluid performs better and lasts longer than conventional fluids. This means your equipment will run more smoothly and require fewer hydraulic fluid changes saving you time and money – up to 71%. Most 2019 and newer Toro commercial equipment come factory filled with Toro PX Hydraulic Fluid and have change intervals twice as long as previously...up to 2000 hours!</p> <p>EdgeSeries Reels+™ replacement reels take performance to the next level with bearings and seals already installed on the reel. Available for Toro riding and walk Greensmaster® and Reelmaster® mowers, EdgeSeries Reels+ are designed for longer life with less maintenance—all while delivering a phenomenal quality of cut.</p> <p>myTurf Pro is a powerful and easy-to-use, application that seamlessly connects your assets and your maintenance program, regardless of brand. Provide your team with the tools to become more efficient by automating routine tasks, easily ordering parts, managing</p>

maintenance assignments, and tracking task completion. "At a glance" overviews keep you informed of asset status.

Toro Genuine Parts

Reliability – Most local distributors deliver parts within 24 hours. Toro backs this promise with 48-hour delivery support

Toro MVP kits - Toro provides Maintenance Value Performance (MVP) Kits for many common maintenance jobs, including filter change kits, hydraulic hose replacement kits, cutting unit overhaul kits, roller rebuild kits, and more. All the required parts are included in a single package to make ordering and completing the job easier and less expensive. Whether you are rebuilding rollers, replacing hydraulic hoses, or overhauling your cutting units, Toro MVP Kits make it simple to order all the necessary parts for the job

DPA Cutting Units with all-new EdgeSeries™ Reels for Improved Greens & Fairways - EdgeSeries innovations include – longer-lasting - materials, even more precise manufacturing techniques, and well-researched design changes to both the reel and bedknife geometry that come together to provide an outstanding quality of cut with less maintenance.

Groundsmaster 3200/3300

The innovative tilt-up deck design making blade maintenance and deck cleaning simple. Additionally, all engine maintenance points are easily accessible. Enhanced climbing and hillside stability – CrossTrax all-wheel drive is based on the innovative Toro Series/Parallel™ design. If one of the front tires begins to slip, power is transferred to the opposite rear tire for optimum traction. Heavy-duty, 7-gauge steel decks with a front bullnose and side bumpers paired with the industry's toughest spindle assembly for extended product life. INFOCENTER™ CONTROL PANEL Real-time information delivered to the operator's fingertips for ultimate control.

Outcross 9060

Don't mistake the Outcross 9060 for the agricultural tractors often found on golf courses and sports fields. It is not a tractor! The Outcross 9060 does all the work of a tractor AND a super-duty utility vehicle without the headaches often associated with operating each in turf maintenance applications. Outcross's 4-wheel steering makes it highly maneuverable, stable, and extremely turf-friendly. Its electronically-controlled traction drive and low center of gravity help it traverse side hills and challenging terrain. The Outcross 9060 has a hydrostatic drive system, eliminating the need for an operator who is proficient with the complicated controls and shifting commonly associated with a traditional tractor. Simply select forward or reverse, and drive! Pre-set parameters and programable "guardrails" ensure the operator is productive while keeping them from operating outside the manager's specifications. Simple one-action operation of complicated attachments, such as an aerator, keeps the operator focused on the task at hand. Cruise control, shuttle shifting, a passenger seat, and intuitive controls add to the ease-of-use and efficiency. Save money by maintaining one machine instead of two or three. Spread fertilizer and seed more accurately to reduce waste. With three-point, drawbar, bed, and loader capabilities, productivity comes standard. Outcross owners can mow grass, spread fertilizer, load sand, haul a pallet of sod, aerate, top dress, remove snow and ice, blow leaves, prune roots, spread seed, tow a trailer, sweep a path, chop wood, and much, much more.

38	Describe any "green" initiatives that relate to your company or to your products or services, and include a list of the certifying agency for each.	<p>Sustainability is not a new concept for The Toro Company. It is deeply rooted in our purpose - to help our customers enrich the beauty, productivity and sustainability of the land.</p> <p>At our corporate website we have full details of our Sustainability initiative, which is more comprehensive than a policy. Please see: https://www.thorocompany.com/sustainability/sustainability-endures</p> <p>Alternative power, smart-connected products, and autonomous technologies are important areas of focus for us. For example, our Reelmaster® 5010-H and Greensmaster® eTriFlex™ hybrid mowers provide fuel savings over comparable mowers, plus they reduce noise levels and operating costs for our customers. In addition, the new e-Dingo is designed to provide customers with the ability to work indoors with zero emissions and lower noise pollution. We also recently established a new technology acceleration center, which is designed to support our development of smart-connected technologies.</p> <p>Key sustainability initiatives and accomplishments include:</p> <ul style="list-style-type: none"> • Deepening commitment to diversity, equity, and inclusion. In addition to designating DEI as part of the formal responsibilities within Toro's human resources team, the company is broadening the lens from workforce and workplace practices to seeking out synergies with supplier management practices and philanthropic giving. • Employee health and safety is a paramount value of Toro. Toro implemented a comprehensive environmental, health and safety data management system to help drive engagement and increased transparency for proactive safety performance. Toro saw reductions in both its total recordable injury and lost workday rates during fiscal 2020. • Impacting our communities and smallholder farmers in developing countries. As part of its Land. Water. Thrive. philanthropic initiative and employee immersion experience, Toro partnered with iDE to work with smallholder farmers in Honduras to better understand their irrigation practices to help develop drip systems and water storage solutions that are affordable, sustainable, and meet the needs of both growers and their communities. • Continued focus on water stewardship. Toro was recognized by the U.S. Environmental Protection Agency with the WaterSense Excellence Award for its dedication to water management innovation and education, marking the fifth consecutive year that it has received the prestigious award. • Improving operational efficiency. Toro began its journey to implement a new energy management system to better access site energy consumption and resource efficiency at its production facilities. The new system provides real-time access to data with analytics to identify key performance trends and opportunities for operational efficiency, as well as energy and environmental impact reduction. • Energy-efficient technologies. With a focus on energy efficiency and developing sustainable solutions, Toro introduced several products to further expand its alternative power offerings. Examples include a new line of 60V lithium-ion products for homeowners, the Greensmaster eTriFlex hybrid riding greens mower, and the all-electric e-Dingo 500 compact utility loader. • In Australia Toro refreshed its product packaging and received an "advanced" classification in a recent audit of sustainable packaging activities undertaken by the Australian Packaging Covenant, a government body. • We participate in a "closed loop" recycling partnership in CA with Revolution Plastics; this recycles our drip irrigation materials. In the first six months of the program, 381,000 pounds of materials were recycled. • Toro has replaced its printed operator manuals with online guides, in order to improve comprehension and reduce paper usage. • Our Hammerhead business introduced "Cured-in-Place Pipes" whereby aging pipes are repaired with a revolutionary bluelight LED system. Repairing rather than replacing extends the life of existing pipe networks and reduces overall landfill waste. <p>Other sustainability-related awards include:</p> <ul style="list-style-type: none"> - Wyland National Mayor's Challenge for Water Conservation Co-Sponsor - Urban Park Innovation Award - 2019 Everyday Hero Award - ISO 14001:2004 compliant
39	Identify any third-party issued eco-labels, ratings or certifications that your company has received for the equipment or products included in your Proposal related to energy efficiency or conservation, life-cycle design (cradle-to-cradle), or other green/sustainability factors.	<p>The battery chargers we use for our electric products meet the California Energy Commission (CEC) energy efficiency standards and are labeled with the "BC" mark. They also meet the U.S. DOE and NRCAN energy efficiency standards.</p>

40	Describe any Women or Minority Business Entity (WMBE), Small Business Entity (SBE), or veteran owned business certifications that your company or hub partners have obtained. Upload documentation of certification (as applicable) in the document upload section of your response.	The Toro Company does not qualify for a WMBE, SBE, or Veteran owned business. However, most of our distributor/dealer partners are designated Small Businesses and several are Woman and/or Minority owned.	*
41	What unique attributes does your company, your products, or your services offer to Sourcewell participating entities? What makes your proposed solutions unique in your industry as it applies to Sourcewell participating entities?	<p>Toro is unique in the breadth of products it can offer through its comprehensive distributor/dealer network to Sourcewell members under this contract. Sourcewell members will be able to obtain, from a single Toro distributor/dealer, utility vehicles, rotary mowers, reel mowers, turf cultivation, walk-behind trenchers, ride-on vibratory plows, irrigation products, synthetic turf grooming equipment, and a variety of turf renovation, tree care, compaction, concrete, and masonry equipment. This wide range of products available from a single dealer provides Sourcewell members that varying equipment needs with the extra efficiency of working with a single, knowledgeable dealer.</p> <p>As an organization, Toro is focused on providing and developing Turf specific products. Toro is unique in its focus and support of the Turf Industry.</p>	*

Table 9: Warranty

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

Line Item	Question	Response *	
42	Do your warranties cover all products, parts, and labor?	<p>As a product owner, the Sourcewell member is responsible for required maintenance and adjustments stated in the Operator's Manual. Failure to perform required maintenance and adjustments can be grounds for disallowing a warranty claim.</p> <p>When a warrantable condition exists, an authorized Toro distributor or dealer will repair the Product at no cost to the Sourcewell member, including applicable diagnosis, labor, and parts, excluding the following:</p> <ul style="list-style-type: none"> - Product failures which result from the use of non-Toro replacement parts, or from installation and use of add-on or modified non-Toro branded accessories and products. A separate warranty may be provided by the manufacturer of these items. - Product failures which result from failure to perform recommended maintenance and/or adjustments. Failure to properly maintain the Toro product per the Recommended Maintenance listed in the Operator's manual can result in claims for warranty being denied. - Product failures which result from operating the Product in an abusive, negligent, or reckless manner. - Parts subject to consumption through use unless found to be defective. Examples of parts that are consumed, or used up, during normal Product operation include, but are not limited to, brake pads and linings, clutch linings, blades, reels, rollers and bearings (sealed or greaseable), bed knives, spark plugs, castor wheels and bearings, tires, filters, belts, and certain sprayer components such as diaphragms, nozzles, and check valves, etc. - Failures caused by outside influence. Including, but not limited to, weather, storage, practices, contamination, use of unapproved fuels, coolants, lubricants, additives, fertilizers, water, or chemicals, etc. - Failure or performance issues due to the use of fuels (e.g. gasoline, diesel, or biodiesel) that do not conform to their respective industry standards. - Normal noise, vibration, wear and tear, and deterioration. - Normal "wear and tear" includes, but is not limited to, damage to seats due to wear or abrasion, worn painted surfaces, scratched decals or windows, etc. 	*
43	Do your warranties impose usage restrictions or other limitations that adversely affect coverage?	Yes. The standard commercial equipment warranty covers the equipment for two years or 1500 operational hours, whichever comes first.	*
44	Do your warranties cover the expense of technicians' travel time and mileage to perform warranty repairs?	Travel time and mileage of Toro Authorized distributor and dealer service personnel to diagnose and perform warranty repairs are covered by Toro, up to 1,000 total miles per claim.	*

45	Are there any geographic regions of the United States or Canada (as applicable) for which you cannot provide a certified technician to perform warranty repairs? How will Sourcewell participating entities in these regions be provided service for warranty repair?	Toro can provide warranty repair for all geographic areas in the US and for all Canadian Provinces through our authorized distributor and dealer networks.	*
46	Will you cover warranty service for items made by other manufacturers that are part of your proposal, or are these warranties issues typically passed on to the original equipment manufacturer?	Non-Toro brand attachments are not covered under Toro's Commercial warranty but the service can be provided by Toro distributors.	*
47	What are your proposed exchange and return programs and policies?	New, unused, uninstalled items are eligible for return or exchange and subject to a 15% restocking fee. In addition, any charges associated with return shipment from the returnee's specified location to a Toro distribution center will be the responsibility of the returnee. Used or installed items cannot be returned or exchanged. New, uninstalled Parts are to be returned at customer's expense within 90 days of purchase.	*
48	Describe any service contract options for the items included in your proposal.	<p>Our distributors may offer a variety of maintenance programs depending on the need of the customer. These range from Time and Materials type services, Preventive maintenance contracts, Full-Service maintenance contracts that include preventive maintenance and repairs. These programs are priced based on the specific needs of the customer, equipment age, and condition. The distributor can provide pricing for these programs on a local level.</p> <p>Toro has also developed a Web-based Asset Maintenance Management system called myTurfPro offering both free and subscription-based services.</p>	*

Table 10: Payment Terms and Financing Options

Line Item	Question	Response *
49	What are your payment terms (e.g., net 10, net 30)?	Standard payment terms are 0% 30 days for cash/check payments and EFT payments.
50	Do you provide leasing or financing options, especially those options that schools and governmental entities may need to use in order to make certain acquisitions?	<p>Multiple leasing and financing options are supported by Toro and available from Toro distributors and dealers.</p> <p>Tax-exempt financing and leasing is a tool that municipalities can use to spread the cost of capital equipment acquisitions over the life of the assets being financed. Toro has partnership agreements in the US with two different finance companies, PNC Equipment Finance and TCF Equipment Finance. Because of these relationships, we have developed documents to help streamline the process for our tax-exempt customers. This includes the credit application, approval, and non-appropriation language. This nationwide team of finance professionals has an in-depth understanding of tax-exempt financing.</p> <p>Based on tax-exempt pricing (\$1 purchase option at end of lease term), the monthly lease rate is indexed to a spread not to exceed 470 basis points (BPS) over the like term US treasuries. Individual transaction pricing will be priced to the market based on specific transaction details.</p> <p>For Fair Market Value (FMV) leases, terms from three to five years will be available. The monthly payments will not exceed 3.5% of the award price (at 600 hours per year of use). Alternative hours and payment terms (skip pays, annual pays, etc.) can be quoted by one of our financing partners. At the end of the lease (assuming all terms and conditions of the lease have been met), the equipment may be returned (subject to turn-in requirements identified in the lease documents), renewed for an additional time, on mutually agreeable terms between the parties, or purchased at the then, fair market value of the equipment.</p> <p>In Canada, Toro's distributors hold direct relationships with financial institutions.</p> <p>As for LCE equipment, various additional special finance options are available through Toro's finance partners including, stated value and municipal lease options as well as no interest and low-interest fixed-term loans. For current offers, visit www.toro.com/finance.</p>
51	Briefly describe your proposed order process. Include enough detail to support your ability to report quarterly sales to Sourcewell as described in the Contract template. For example, indicate whether your dealer network is included in your response and whether each dealer (or some other entity) will process the Sourcewell participating entities' purchase orders.	<p>Sourcewell members will submit purchase orders directly to an authorized Toro distributor/dealer.</p> <p>Sourcewell members can contact Toro directly to verify a specific dealer and/or pricing provided by our local distributor/dealers. Sourcewell members may also confirm their authorized distributor/dealer online at www.toro.com/locator.</p> <p>Toro will encourage and incent our authorized distributors/dealers to participate in the Sourcewell contract and provide contract pricing to Sourcewell members at the agreed-upon prices.</p> <p>Toro distributors/dealers supporting the Sourcewell contract will receive rebates from Toro for equipment sold under the Sourcewell contract to Sourcewell members. Toro distributors/dealers will be required to submit documentation to ensure compliance with the contract in order to receive their rebates. This information will be shared with Sourcewell directly from Toro on a quarterly basis, or as requested by Sourcewell. Toro has an impeccable track record of providing this information accurately and on time since the beginning of our first contract. We understand the importance of transparency and accurate reporting for Sourcewell, and for our customer agencies.</p>
52	Do you accept the P-card procurement and payment process? If so, is there any additional cost to Sourcewell participating entities for using this process?	Most of Toro's authorized distributors/dealers are able to accept P-card procurement and payments. Additional fees may apply to purchases made using p-card procurement.

Table 11: Pricing and Delivery

Provide detailed pricing information in the questions that follow below. Keep in mind that reasonable price and product adjustments can be made during the term of an awarded Contract as described in the RFP, the template Contract, and the Sourcewell Price and Product Change Request Form.

Line Item	Question	Response *
53	Describe your pricing model (e.g., line-item discounts or product-category discounts). Provide detailed pricing data (including standard or list pricing and the Sourcewell discounted price) on all of the items that you want Sourcewell to consider as part of your RFP response. If applicable, provide a SKU for each item in your proposal. Upload your pricing materials (if applicable) in the document upload section of your response.	<p>For the contiguous United States, our pricing model is a discount off US MSRP that includes freight charges to the customer's dock.</p> <p>For Hawaii, Alaska, and US Islands, the discount structure is the same (discount off US MRSP) but freight is not included in the price. Freight will be determined at the time of the sale by the distributor/dealer.</p> <p>For Canada, the pricing model is our US MSRP multiplied by the exchange rate at the time of order (exchange rate based on the monthly average published rate at that time according to the Bank of Canada – Monthly Exchange Rate). This creates a new MSRP for Canada and then the discount off that price is applied.</p> <p>Bank of Canada – Monthly Exchange Rate https://www.bankofcanada.ca/rates/exchange/monthly-exchange-rates/</p>
54	Quantify the pricing discount represented by the pricing proposal in this response. For example, if the pricing in your response represents a percentage discount from MSRP or list, state the percentage or percentage range.	<ul style="list-style-type: none"> • Toro Commercial products: 22% off current US MSRP • Bullseye Products: 5% off current US MSRP • Toro Landscape Contractor Equipment (LCE): 27% off current US MSRP • Toro Landscape Contractor SNOW Equipment (LCE SNOW): 20% off current MSRP • Toro Golf Irrigation: 40% off current US MSRP • Toro Residential Commercial Irrigation: 40% off current US MSRP • Irritrol Irrigation Wholefoods, Attachments and Accessories: 40% off current US MSRP • Rainmaster Irrigation Wholegoods (RA): 35% off current US MSRP • Rainmaster Irrigation Parts (RB): 0% off current US MSRP • Sentinel Irrigation Wholegoods: 35% off current US MSRP • Large Commercial Rotors: 15% off current US MSRP • Site Works Systems (SWS) Equipment: 17% off current US MSRP • Ventrac Products: 12% off current US MSRP • Toro BOSS Snow Removal Products: 25% off current US MSRP • Used and Demonstrator equipment: pricing will be set by the distributor/dealer based on product condition, age, hours, etc. • Third-party attachments: distributors/dealers will set the price but will not exceed the list price and may include setup and freight charges.
55	Describe any quantity or volume discounts or rebate programs that you offer.	Toro authorized distributors/dealers understand these are ceiling prices and may choose to provide additional discounts based on unit quantity or total purchase volume..
56	Propose a method of facilitating “sourced” products or related services, which may be referred to as “open market” items or “nonstandard options”. For example, you may supply such items “at cost” or “at cost plus a percentage,” or you may supply a quote for each such request.	Toro authorized distributors/dealers may provide third-party equipment that attaches to Toro products. These products will be priced no higher than that products List Price. Freight and set-up fees may also apply to these products.
57	Identify any element of the total cost of acquisition that is NOT included in the pricing submitted with your response. This includes all additional charges associated with a purchase that are not directly identified as freight or shipping charges. For example, list costs for items like pre-delivery inspection, installation, set up, mandatory training, or initial inspection. Identify any parties that impose such costs and their relationship to the Proposer.	We have identified the pricing and potential cost variations in items 53, 54, 55, and 56.
58	If freight, delivery, or shipping is an additional cost to the Sourcewell participating entity, describe in detail the complete freight, shipping, and delivery program.	Shipping charges for Toro equipment outside the contiguous United States are not covered as part of the product price. The Sourcewell members outside this area will be invoiced only for the actual costs of freight and delivery which can be provided at the time of order. Shipping costs will also be added for any third-party attachments purchased for Toro products.

59	Specifically describe freight, shipping, and delivery terms or programs available for Alaska, Hawaii, Canada, or any offshore delivery.	<p>For Hawaii, Alaska, and US Islands, the discount structure is the same (discount off US MRSP) but freight is not included in the price. Freight will be determined at the time of the sale by the distributor/dealer.</p> <p>For Canada, the pricing model is our US MSRP multiplied by the exchange rate at the time of order (exchange rate based on the monthly average published rate at that time according to the Bank of Canada – Monthly Exchange Rate). This creates a new MSRP for Canada and then the discount off that price is applied.</p> <p>Bank of Canada – Monthly Exchange Rate https://www.bankofcanada.ca/rates/exchange/monthly-exchange-rates/</p>	*
60	Describe any unique distribution and/or delivery methods or options offered in your proposal.	Most products will be shipped from a distributor/dealer to the customer, but many of the products in the Landscape Contractor Equipment or Irrigation divisions may be available at the distributor/dealer location and may be picked up on-site.	*

Table 12: Pricing Offered

Line Item	The Pricing Offered in this Proposal is: *	Comments
61	c. better than the Proposer typically offers to GPOs, cooperative procurement organizations, or state purchasing departments.	The pricing in our proposals is one of the most aggressive pricing structures offered to GPOs, cooperative procurement organizations, or state purchasing departments as a result of the reach and value provided by Sourcewell.

Table 13: Audit and Administrative Fee

Line Item	Question	Response *
62	Specifically describe any self-audit process or program that you plan to employ to verify compliance with your proposed Contract with Sourcewell. This process includes ensuring that Sourcewell participating entities obtain the proper pricing, that the Vendor reports all sales under the Contract each quarter, and that the Vendor remits the proper administrative fee to Sourcewell.	The Toro Company will be paying all administration fees to Sourcewell for sales on this contract. Toro distributors/dealers supporting the Sourcewell contract will receive rebates from Toro for equipment sold under the Sourcewell contract to Sourcewell members. Toro distributors/dealers will be required to submit documentation to ensure compliance with contract in order to receive rebate. Additionally, Toro may contact Sourcewell members purchasing Toro product under the Sourcewell cooperative purchasing contract to ensure member satisfaction. For our Commercial products we have a pricing system that allows our distributors to choose the Program pricing they need. We will have the Sourcewell pricing established in this system for them to select, and verification against this system will be used during the rebating process.
63	Identify a proposed administrative fee that you will pay to Sourcewell for facilitating, managing, and promoting the Sourcewell Contract in the event that you are awarded a Contract. This fee is typically calculated as a percentage of Vendor's sales under the Contract or as a per-unit fee; it is not a line-item addition to the Member's cost of goods. (See the RFP and template Contract for additional details.)	Toro agrees to pay administrative fees to Sourcewell in the amount of 1.5% of all sales of whole goods and accessories, less freight, shipping, and set-up costs, associated with this contract.

Table 14A: Depth and Breadth of Offered Equipment Products and Services

Line Item	Question	Response *
64	Provide a detailed description of the equipment, products, and services that you are offering in your proposal.	<p>Toro offers a full line of irrigation, synthetic turf maintenance, and mowing equipment from 21" rotary mowers to rotary mowers with up to 16' width of cut, reel mowers, aeration equipment, sprayers, debris removal equipment, material handling, greens rollers, zero-turn mowers, four-wheel steer mowers, snow removal attachments, compact utility loaders, and utility vehicles to meet the needs of any golf course, park, sports field, or general grounds maintenance.</p> <ul style="list-style-type: none"> • SPORTS FIELDS AND GROUNDS EQUIPMENT Toro offers a complete and comprehensive line of new unused Sports Fields and Grounds Equipment of the latest design and technology to include, but not limited to, mowing equipment, utility vehicles, spraying equipment, irrigation products, turf cultivation equipment, and synthetic maintenance equipment. • GOLF COURSE MAINTENANCE EQUIPMENT Toro offers a complete and comprehensive line of new unused Golf Course Maintenance Equipment of the latest design and technology to include, but not be limited to, mowing equipment, utility vehicles, spraying equipment, renovation and utility equipment, turf cultivation equipment, and irrigation equipment. • RELATED EQUIPMENT PARTS Toro provides a complete and comprehensive line of Original Equipment Manufacturer (OEM) Sports Fields and Grounds Equipment Parts and Golf Course Maintenance Equipment Parts. • USED EQUIPMENT Each of our distributors provides access to quality used and demonstrator (demo) equipment. (Quantities and products are based on availability.)
65	Within this RFP category there may be subcategories of solutions. List subcategory titles that best describe your products and services.	<ul style="list-style-type: none"> a) Walk-Behind Rotary Mowers b) Zero-Radius Rotary Mowers c) Wide-Area Rotary Mowers d) Walk-Behind Reel Mowers e) Commercial and Wide-Area Reel Mowers f) Walk-Behind and Ride-On Greens Mowers g) Utility Vehicles h) Utility Tractors i) Turf Cultivation Equipment j) Turf Application Equipment k) Debris Management Equipment l) Infield Groomers m) Compact Utility Loaders n) Residential / Commercial Irrigation o) Sentinel Irrigation Products p) Irritrol Irrigation Products q) Large Commercial Rotors r) Rainmaster Irrigation Wholegoods s) Rainmaster Irrigation Parts/Accessories t) Golf Irrigation u) Snow & Ice Removal Equipment v) Synthetic Turf Maintenance Equipment

Table 14B: Depth and Breadth of Offered Equipment Products and Services

Indicate below if the listed types or classes of equipment, products, and services are offered within your proposal. Provide additional comments in the text box provided, as necessary.

Line Item	Category or Type	Offered *	Comments
66	Lawn and garden equipment, tools, attachments, and accessories	<input checked="" type="radio"/> Yes <input type="radio"/> No	As described in section 14A, Toro provides a wide variety of lawn and garden equipment, attachments, and accessories. Including, but not limited to lawnmowers, utility tractors, utility vehicles, snow removal equipment, and golf course maintenance equipment.
67	Irrigation systems, equipment, parts, and related installation and maintenance services	<input checked="" type="radio"/> Yes <input type="radio"/> No	As described in section 14A, Toro provides a wide variety of Residential, Commercial, and Golf Course Maintenance equipment, parts, repair, and installation services for both new and renovation projects.
68	Beach and waterfront maintenance equipment and accessories	<input checked="" type="radio"/> Yes <input type="radio"/> No	As described in section 14A, Toro provides a wide variety of beach and waterfront maintenance equipment and accessories that include, but are not limited to infield groomers, utility tractors, utility vehicles, and Debris Management Equipment.
69	Accessories, parts, and services related to the solutions described above, including maintenance or repair, and warranty programs	<input checked="" type="radio"/> Yes <input type="radio"/> No	Toro provides a wide variety of Original Equipment Manufacturer (OEM) accessories and parts for unique configurations, and to increase the life of reliability of our equipment. Toro and our distributor/dealer network provide the latest technology to support the maintenance, repair, and warranty of Toro equipment.

Table 15: Industry Specific Questions

Line Item	Question	Response *
70	If you are awarded a contract, provide a few examples of internal metrics that will be tracked to measure whether you are having success with the contract.	Through Toro's Partners in Excellence (PIE) program, Toro measures specific areas of the business, year after year, and provides tangible ways for both Toro, and our distributor/dealer partners to see what we're doing well and what areas need improvement. Scores are based on things such as customer satisfaction, parts and product availability, service, and growth. These, along with contract utilization metrics will be used to measure the success of the Sourcewell contract.
71	Describe the serviceability of the products included in your proposal (parts availability, warranty and technical support, etc.).	<p>myTurf Pro is a powerful and easy-to-use, application that seamlessly connects your assets and your maintenance program, regardless of brand. Provide your team with the tools to become more efficient by automating routine tasks, easily ordering parts, managing maintenance assignments, and tracking task completion. "At a glance" overviews keep you informed of asset status.</p> <p>Toro Genuine Parts Reliability – Most local distributors deliver parts within 24 hours. Toro backs this promise with 48-hour delivery support</p> <p>Toro MVP kits - Toro provides Maintenance Value Performance (MVP) Kits for many common maintenance jobs, including filter change kits, hydraulic hose replacement kits, cutting unit overhaul kits, roller rebuild kits, and more. All the required parts are included in a single package to make ordering and completing the job easier and less expensive. Whether you are rebuilding rollers, replacing hydraulic hoses, or overhauling your cutting units, Toro MVP Kits make it simple to order all the necessary parts for the job.</p> <p>Also, see our response to question 25 for additional details on the serviceability of products (parts availability, warranty, and technical support).</p>
72	Describe advancements reflected in the equipment or products offered in your proposal, such as safety, longevity or life cycle cost measures.	<p>Toro exclusive PX Hydraulic Fluid is another great innovation from Toro. This new premium hydraulic fluid performs better and lasts longer than conventional fluids. This means your equipment will run more smoothly and require fewer hydraulic fluid changes saving you time and money – up to 71%. Most 2019 and newer Toro commercial equipment come factory filled with Toro PX Hydraulic Fluid and have change intervals twice as long as previously...up to 2000 hours!</p> <p>EdgeSeries Reels+™ replacement reels take performance to the next level with bearings and seals already installed on the reel. Available for Toro riding and walk Greensmaster® and Reelmaster® mowers, EdgeSeries Reels+ are designed for longer life with less maintenance —all while delivering a phenomenal quality of cut.</p> <p>DPA Cutting Units with all-new EdgeSeries™ Reels for Improved Greens & Fairways - EdgeSeries innovations include – longer-lasting - materials, even more precise manufacturing techniques, and well-researched design changes to both the reel and bedknife geometry that come together to provide an outstanding quality of cut with less maintenance.</p>

Exceptions to Terms, Conditions, or Specifications Form

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

Proposer's Affidavit

PROPOSER AFFIDAVIT AND ASSURANCE OF COMPLIANCE

I certify that I am the authorized representative of the Proposer submitting the foregoing Proposal with the legal authority to bind the Proposer to this Affidavit and Assurance of Compliance:

1. The Proposer is submitting this Proposal under its full and complete legal name, and the Proposer legally exists in good standing in the jurisdiction of its residence.
2. The Proposer warrants that the information provided in this Proposal is true, correct, and reliable for purposes of evaluation for contract award.
3. The Proposer, including any person assisting with the creation of this Proposal, has arrived at this Proposal independently and the Proposal has been created without colluding with any other person, company, or parties that have or will submit a proposal under this solicitation; and the Proposal has in all respects been created fairly without any fraud or dishonesty. The Proposer has not directly or indirectly entered into any agreement or arrangement with any person or business in an effort to influence any part of this solicitation or operations of a resulting contract; and the Proposer has not taken any action in restraint of free trade or competitiveness in connection with this solicitation. Additionally, if Proposer has worked with a consultant on the Proposal, the consultant (an individual or a company) has not assisted any other entity that has submitted or will submit a proposal for this solicitation.
4. To the best of its knowledge and belief, and except as otherwise disclosed in the Proposal, there are no relevant facts or circumstances which could give rise to an organizational conflict of interest. An organizational conflict of interest exists when a vendor has an unfair competitive advantage or the vendor's objectivity in performing the contract is, or might be, impaired.
5. The contents of the Proposal have not been communicated by the Proposer or its employees or agents to any person not an employee or legally authorized agent of the Proposer and will not be communicated to any such persons prior to Due Date of this solicitation.
6. If awarded a contract, the Proposer will provide to Sourcewell Participating Entities the equipment, products, and services in accordance with the terms, conditions, and scope of a resulting contract.
7. The Proposer possesses, or will possess before delivering any equipment, products, or services, all applicable licenses or certifications necessary to deliver such equipment, products, or services under any resulting contract.
8. The Proposer agrees to deliver equipment, products, and services through valid contracts, purchase orders, or means that are acceptable to Sourcewell Members. Unless otherwise agreed to, the Proposer must provide only new and first-quality products and related services to Sourcewell Members under an awarded Contract.
9. The Proposer will comply with all applicable provisions of federal, state, and local laws, regulations, rules, and orders.
10. The Proposer understands that Sourcewell will reject RFP proposals that are marked "confidential" (or "nonpublic," etc.), either substantially or in their entirety. Under Minnesota Statutes Section 13.591, subdivision 4, all proposals are considered nonpublic data until the evaluation is complete and a Contract is awarded. At that point, proposals become public data. Minnesota Statutes Section 13.37 permits only certain narrowly defined data to be considered a "trade secret," and thus nonpublic data under Minnesota's Data Practices Act.
11. Proposer its employees, agents, and subcontractors are not:
 - a. Included on the "Specially Designated Nationals and Blocked Persons" list maintained by the Office of Foreign Assets Control of the United States Department of the Treasury found at: <https://www.treasury.gov/ofac/downloads/sdnlist.pdf>;
 - b. Included on the government-wide exclusions lists in the United States System for Award Management found at: <https://sam.gov/SAM/>; or

- c. Presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from programs operated by the State of Minnesota; the United States federal government or the Canadian government, as applicable; or any Participating Entity. Vendor certifies and warrants that neither it nor its principals have been convicted of a criminal offense related to the subject matter of this solicitation.

By checking this box I acknowledge that I am bound by the terms of the Proposer's Affidavit, have the legal authority to submit this Proposal on behalf of the Proposer, and that this electronic acknowledgment has the same legal effect, validity, and enforceability as if I had hand signed the Proposal. This signature will not be denied such legal effect, validity, or enforceability solely because an electronic signature or electronic record was used in its formation. - Brad Hamilton, Group Vice President, The Toro Company

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

Yes No

If the Applicant declares an actual or potential Conflict of Interest by marking the box below, the Applicant must set out below details of the actual or potential Conflict of Interest:

Toro does not believe we have an actual or potential Conflict of Interest. However, for the purpose of full transparency, The Toro Company has been in communication with Venture Products, Inc. (i.e. Ventrac) during the solicitation process, who we believe will be responding to this solicitation. The Toro Company acquired Venture Products, Inc. in March of 2020 and is one of several brands under the Toro Family of Brands.

The Bidder acknowledges and agrees that the addendum/addenda below form part of the Bid Document.

Check the box in the column "I have reviewed this addendum" below to acknowledge each of the addenda.

File Name	I have reviewed the below addendum and attachments (if applicable)	Pages
Addendum_11_Grounds_Maintenance_Equipment_RFP_031121 Thu March 4 2021 06:08 PM	<input checked="" type="checkbox"/>	2
Addendum_10_Grounds_Maintenance_Equipment_RFP_031121 Thu February 25 2021 01:00 PM	<input checked="" type="checkbox"/>	1
Addendum_9_Grounds_Maintenance_Equipment_RFP_031121 Tue February 23 2021 10:33 AM	<input checked="" type="checkbox"/>	1
Addendum_8_Grounds_Maintenance_Equipment_RFP_031121 Mon February 22 2021 10:21 AM	<input checked="" type="checkbox"/>	2
Addendum_7_Grounds_Maintenance_Equipment_RFP_031121_CDR_Suggests Wed February 17 2021 09:01 AM	<input checked="" type="checkbox"/>	1
Addendum_6_Grounds_Maintenance_Equipment_RFP_031121 Tue February 16 2021 11:03 AM	<input checked="" type="checkbox"/>	1
Addendum_5_Grounds_Maintenance_Equipment_RFP_031121 Fri February 12 2021 03:14 PM	<input checked="" type="checkbox"/>	1
Addendum_4_Grounds_Maintenance_Equipment_RFP_031121 Tue February 2 2021 02:12 PM	<input checked="" type="checkbox"/>	1
Addendum_3_Grounds_Maintenance_Equipment_RFP_031121 Thu January 21 2021 03:47 PM	<input checked="" type="checkbox"/>	2
Addendum_2_Grounds_Maintenance_Equipment_RFP_031121 Wed January 20 2021 02:02 PM	<input checked="" type="checkbox"/>	1
Addendum_1_Grounds_Maintenance_Equipment_RFP_031121 Tue January 19 2021 03:36 PM	<input checked="" type="checkbox"/>	1

**AMENDMENT #1
TO
CONTRACT # 031121-TTC**

THIS AMENDMENT is by and between **Sourcewell** and **The Toro Company** (Vendor).

Sourcewell awarded a contract to Vendor to provide Grounds Maintenance Equipment, Attachments, and Accessories with Related Services to Sourcewell and its Participating Entities, effective April 29, 2021, through April 30, 2025 (Contract).

The parties wish to amend the following terms within the Contract.

1. This Amendment is effective upon the date of the last signature below.
2. Vendor wishes to modify its pricing model to offer Product-category discounts off of current MSRP will apply as described in items 54-60. In Canada, the pricing model will be US MSRP multiplied by the exchange rate at the time of order (exchange rate based on the monthly average published rate at the time of order, according to the Bank of Canada – Monthly Exchange Rate). This creates a new MSRP for Canada and then the discount off that price is applied. Bank of Canada – Monthly Exchange Rate: <https://www.bankofcanada.ca/rates/exchange/monthly-exchange-rates/>
3. Vendor will offer a “Smart Value” volume discount that includes the following incentive for individual large orders.

Toro Commercial Purchases	Customer Goods	Toro Commercial Purchases	Customer Goods
\$ 150K - \$ 199K	\$ 4,500	\$ 550K - \$ 599K	\$ 22,000
\$ 200K - \$ 249K	\$ 6,000	\$ 600K - \$ 649K	\$ 24,000
\$ 250K - \$ 299K	\$ 10,000	\$ 650K - \$ 699K	\$ 26,000
\$ 300K - \$ 349K	\$ 12,000	\$ 700K - \$ 749K	\$ 28,000
\$ 350K - \$ 399K	\$ 14,000	\$ 750K - \$ 799K	\$ 30,000
\$ 400K - \$ 449K	\$ 16,000	\$ 800K - \$ 849K	\$ 32,000
\$ 450K - \$ 499K	\$ 18,000	\$ 850K - \$ 899K	\$ 34,000
\$ 500K - \$ 549K	\$ 20,000	\$ 900K*	\$ 36,000

Only single Purchase Orders (POs) on Toro Commercial Equipment qualify. Multiple POs may not be combined to qualify.

Vendor-authorized distributors/dealers understand these are ceiling prices and may choose to provide additional discounts based on unit quantity or total purchase volume.

- 4. Vendor-authorized distributors/dealers may provide third-part equipment that attach to, or are used in, the configuration with any of Toro’s products. These products will be priced no higher than the products List Price.

Freight and setup fees may apply.

Vendor-authorized distributors/dealers may include setup fees – not to exceed 2% of the total Product cost, plus up to an additional 6% for cab-unit setups. Setup fees must be identified as a separate line- item on the quotation.

For the contiguous United States, delivery fees may be included at the distributor/dealer discretion – not to exceed 2% of the total product cost. Delivery fees must be identified as a separate line-item on the quotation.

For Alaska, Hawaii, US Islands, and Canada, freight and delivery fees may be included at distributor/dealer discretion – delivery fees not to exceed 2% of the total product cost; freight not to exceed actual pass-through costs. Freight and deliver fees must be identified as a separate line-item on the quotation.

- 5. Vendor will encourage and incent its authorized dealers to provide contract terms to Sourcewell members consistent with the terms of this Amendment; however, participation in the program described in the Amendment will be at the discretion of each Toro dealer.

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

Sourcewell

The Toro Company

DocuSigned by:
 By: Jeremy Schwartz
 Jeremy Schwartz, Chief Procurement Officer

DocuSigned by:
 By: Brad Hamilton
 Brad Hamilton

Date: 10/29/2021 | 3:14 PM CDT

Title: Group Vice President

Approved:

Date: 10/29/2021 | 3:00 PM CDT

DocuSigned by:
 By: Chad Coquette
 Chad Coquette, Executive Director/CEO

Date: 10/29/2021 | 3:28 PM CDT

031121-DAC

**Solicitation Number: RFP #031121****CONTRACT**

This Contract is between Sourcewell, 202 12th Street Northeast, P.O. Box 219, Staples, MN 56479 (Sourcewell) and Deere & Company, 2000 John Deere Run, Cary, NC 27513 (Vendor).

Sourcewell is a State of Minnesota local government agency and service cooperative created under the laws of the State of Minnesota (Minnesota Statutes Section 123A.21) that offers cooperative procurement solutions to government entities. Participation is open to federal, state/province, and municipal governmental entities, higher education, K-12 education, nonprofit, tribal government, and other public entities located in the United States and Canada. Sourcewell issued a public solicitation for Grounds Maintenance Equipment, Attachments, and Accessories with Related Services from which Vendor was awarded a contract.

Vendor desires to contract with Sourcewell to provide equipment, products, or services to Sourcewell and the entities that access Sourcewell's cooperative purchasing contracts (Participating Entities).

1. TERM OF CONTRACT

- A. EFFECTIVE DATE. This Contract is effective upon the date of the final signature below.
- B. EXPIRATION DATE AND EXTENSION. This Contract expires April 30, 2025, unless it is cancelled sooner pursuant to Article 22. This Contract may be extended up to one additional one-year period upon request of Sourcewell and with written agreement by Vendor.
- C. SURVIVAL OF TERMS. Articles 11 through 14 survive the expiration or cancellation of this Contract.

2. EQUIPMENT, PRODUCTS, OR SERVICES

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

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

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

B. **WARRANTY.** Vendor warrants that all Equipment, Products, and Services furnished are free from liens and encumbrances, and are free from defects in design, materials, and workmanship. In addition, Vendor warrants the Equipment, Products, and Services are suitable for and will perform in accordance with the ordinary use for which they are intended. Vendor's dealers and distributors must agree to assist the Participating Entity in reaching a resolution in any dispute over warranty terms with the manufacturer. Any manufacturer's warranty that is effective past the expiration of the Vendor's warranty will be passed on to the Participating Entity.

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

3. PRICING

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

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

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

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

time after delivery where circumstances or conditions prevent effective inspection of the Equipment and Products at the time of delivery.

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

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

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

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

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

4. PRODUCT AND PRICING CHANGE REQUESTS

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

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

restatement must include all Equipment, Products, and Services offered, even for those items where pricing remains unchanged.

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

5. PARTICIPATION, CONTRACT ACCESS, AND PARTICIPATING ENTITY REQUIREMENTS

A. PARTICIPATION. Sourcewell's cooperative contracts are available and open to public and nonprofit entities across the United States and Canada; such as federal, state/province, municipal, K-12 and higher education, tribal government, and other public entities.

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

Vendor is responsible for familiarizing its sales and service forces with Sourcewell contract use eligibility requirements and documentation and will encourage potential participating entities to join Sourcewell. Sourcewell reserves the right to add and remove Participating Entities to its roster during the term of this Contract.

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

6. PARTICIPATING ENTITY USE AND PURCHASING

A. ORDERS AND PAYMENT. To access the contracted Equipment, Products, or Services under this Contract, a Participating Entity must clearly indicate to Vendor that it intends to access this Contract; however, order flow and procedure will be developed jointly between Sourcewell and Vendor. Typically, a Participating Entity will issue an order directly to Vendor. If a Participating Entity issues a purchase order, it may use its own forms, but the purchase order should clearly note the applicable Sourcewell contract number. All Participating Entity orders under this Contract must be issued prior to expiration of this Contract; however, Vendor performance, Participating Entity payment, and any applicable warranty periods or other Vendor or Participating Entity obligations may extend beyond the term of this Contract.

Vendor's acceptable forms of payment are included in Attachment A. Participating Entities will be solely responsible for payment and Sourcewell will have no liability for any unpaid invoice of any Participating Entity.

B. **ADDITIONAL TERMS AND CONDITIONS/PARTICIPATING ADDENDUM.** Additional terms and conditions to a purchase order, or other required transaction documentation, may be negotiated between a Participating Entity and Vendor, such as job or industry-specific requirements, legal requirements (e.g., affirmative action or immigration status requirements), or specific local policy requirements. Some Participating Entities may require the use of a Participating Addendum; the terms of which will be worked out directly between the Participating Entity and the Vendor. Any negotiated additional terms and conditions must never be less favorable to the Participating Entity than what is contained in this Contract.

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

D. **TERMINATION OF ORDERS.** Participating Entities may terminate an order, in whole or in part, immediately upon notice to Vendor in the event of any of the following events:

1. The Participating Entity fails to receive funding or appropriation from its governing body at levels sufficient to pay for the goods to be purchased;
2. Federal, state, or provincial laws or regulations prohibit the purchase or change the Participating Entity's requirements; or
3. Vendor commits any material breach of this Contract or the additional terms agreed to between the Vendor and a Participating Entity.

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

7. CUSTOMER SERVICE

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

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

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

8. REPORT ON CONTRACT SALES ACTIVITY AND ADMINISTRATIVE FEE PAYMENT

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

The Report must contain the following fields:

- Customer Name (e.g., City of Staples Highway Department);
- Customer Physical Street Address;
- Customer City;
- Customer State/Province;
- Customer Zip Code;
- Sourcwell Assigned Entity/Participating Entity Number;
- Item Purchased Description;
- Item Purchased Price;
- Sourcwell Administrative Fee Applied; and
- Date Purchase was invoiced/sale was recognized as revenue by Vendor.

B. ADMINISTRATIVE FEE. In consideration for the support and services provided by Sourcwell, the Vendor will pay an administrative fee to Sourcwell on all Equipment, Products, and Services provided to Participating Entities. The Administrative Fee must be included in, and not added to, the pricing. Vendor may not charge Participating Entities more than the contracted price to offset the Administrative Fee.

The Vendor will submit payment to Sourcwell for the percentage of administrative fee stated in the Proposal multiplied by the total sales of all Equipment, Products, and Services purchased by Participating Entities under this Contract during each calendar quarter. Payments should note the Vendor's name and Sourcwell-assigned contract number in the memo; and must be mailed to the address above "Attn: Accounts Receivable" or remitted electronically to Sourcwell's banking institution per Sourcwell's Finance department instructions. Payments must be received no later than 45 calendar days after the end of each calendar quarter.

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

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

9. AUTHORIZED REPRESENTATIVE

Sourcewell's Authorized Representative is its Chief Procurement Officer.

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

10. AUDIT, ASSIGNMENT, AMENDMENTS, WAIVER, AND CONTRACT COMPLETE

A. **AUDIT.** Pursuant to Minnesota Statutes Section 16C.05, subdivision 5, the books, records, documents, and accounting procedures and practices relevant to this Agreement are subject to examination by Sourcewell or the Minnesota State Auditor for a minimum of six years from the end of this Contract. This clause extends to Participating Entities as it relates to business conducted by that Participating Entity under this Contract.

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

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

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

E. **CONTRACT COMPLETE.** This Contract contains all negotiations and agreements between Sourcewell and Vendor. No other understanding regarding this Contract, whether written or oral, may be used to bind either party. For any conflict between the attached Proposal and the terms set out in Articles 1-22, the terms of Articles 1-22 will govern.

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

11. LIABILITY

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

12. GOVERNMENT DATA PRACTICES

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

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

13. INTELLECTUAL PROPERTY, PUBLICITY, MARKETING, AND ENDORSEMENT

A. INTELLECTUAL PROPERTY

1. *Grant of License.* During the term of this Contract:
 - a. Sourcewell grants to Vendor a royalty-free, worldwide, non-exclusive right and license to use the Trademark(s) provided to Vendor by Sourcewell in advertising and promotional materials for the purpose of marketing Sourcewell's relationship with Vendor.
 - b. Vendor grants to Sourcewell a royalty-free, worldwide, non-exclusive right and license to use Vendor's Trademarks in advertising and promotional materials for the purpose of marketing Vendor's relationship with Sourcewell.
2. *Limited Right of Sublicense.* The right and license granted herein includes a limited right of each party to grant sublicenses to its and their respective distributors, marketing representatives, and agents (collectively "Permitted Sublicensees") in advertising and promotional materials for the purpose of marketing the Parties' relationship to Participating Entities. Any sublicense granted will be subject to the terms and conditions of this Article. Each party will be responsible for any breach of this Article by any of their respective sublicensees.
3. *Use; Quality Control.*
 - a. Sourcewell must not alter Vendor's Trademarks from the form provided by Vendor and must comply with Vendor's removal requests as to specific uses of its trademarks or logos.

b. Vendor must not alter Sourcewell's Trademarks from the form provided by Sourcewell and must comply with Sourcewell's removal requests as to specific uses of its trademarks or logos.

c. Each party agrees to use, and to cause its Permitted Sublicensees to use, the other party's Trademarks only in good faith and in a dignified manner consistent with such party's use of the Trademarks. Upon written notice to the breaching party, the breaching party has 30 days of the date of the written notice to cure the breach or the license will be terminated.

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

5. *Termination.* Upon the termination of this Contract for any reason, each party, including Permitted Sublicensees, will have 30 days to remove all Trademarks from signage, websites, and the like bearing the other party's name or logo (excepting Sourcewell's pre-printed catalog of vendors which may be used until the next printing). Vendor must return all marketing and promotional materials, including signage, provided by Sourcewell, or dispose of it according to Sourcewell's written directions.

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

C. **MARKETING.** Any direct advertising, marketing, or offers with Participating Entities must be approved by Sourcewell. Materials should be sent to the Sourcewell Contract Administrator assigned to this Contract.

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

14. GOVERNING LAW, JURISDICTION, AND VENUE

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

15. FORCE MAJEURE

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

16. SEVERABILITY

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

17. PERFORMANCE, DEFAULT, AND REMEDIES

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

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

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

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

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

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

18. INSURANCE

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

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

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

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

Minimum limits:

\$500,000 each accident for bodily injury by accident

\$500,000 policy limit for bodily injury by disease

\$500,000 each employee for bodily injury by disease

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

Minimum Limits:

\$1,000,000 each occurrence Bodily Injury and Property Damage

\$1,000,000 Personal and Advertising Injury

\$2,000,000 aggregate for Products-Completed operations

\$2,000,000 general aggregate

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

Minimum Limits:

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

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

Minimum Limits:
\$2,000,000

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

B. CERTIFICATES OF INSURANCE. Prior to commencing under this Contract, Vendor must furnish to Sourcewell a certificate of insurance, as evidence of the insurance required under this Contract. Prior to expiration of the policy(ies), renewal certificates must be mailed to Sourcewell, 202 12th Street Northeast, P.O. Box 219, Staples, MN 56479 or sent to the Sourcewell Contract Administrator assigned to this Contract. The certificates must be signed by a person authorized by the insurer(s) to bind coverage on their behalf.

Failure to request certificates of insurance by Sourcewell, or failure of Vendor to provide certificates of insurance, in no way limits or relieves Vendor of its duties and responsibilities in this Contract.

C. ADDITIONAL INSURED ENDORSEMENT AND PRIMARY AND NON-CONTRIBUTORY INSURANCE CLAUSE. Vendor agrees to list Sourcewell and its Participating Entities, including their officers, agents, and employees, as an additional insured under the Vendor's commercial general liability insurance policy with respect to liability arising out of activities, "operations," or "work" performed by or on behalf of Vendor, and products and completed operations of Vendor. The policy provision(s) or endorsement(s) must further provide that coverage is primary and not excess over or contributory with any other valid, applicable, and collectible insurance or self-insurance in force for the additional insureds.

D. WAIVER OF SUBROGATION. Vendor waives and must require (by endorsement or otherwise) all its insurers to waive subrogation rights against Sourcewell and other additional insureds for losses paid under the insurance policies required by this Contract or other insurance applicable to the Vendor or its subcontractors. The waiver must apply to all deductibles and/or self-insured retentions applicable to the required or any other insurance maintained by the Vendor or its subcontractors. Where permitted by law, Vendor must require similar written express waivers of subrogation and insurance clauses from each of its subcontractors.

E. UMBRELLA/EXCESS LIABILITY/SELF-INSURED RETENTION. The limits required by this Contract can be met by either providing a primary policy or in combination with umbrella/excess liability policy(ies), or self-insured retention.

19. COMPLIANCE

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

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

20. BANKRUPTCY, DEBARMENT, OR SUSPENSION CERTIFICATION

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

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

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

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

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

regulations at 41 C.F.R. § 60, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor." The equal opportunity clause is incorporated herein by reference.

B. DAVIS-BACON ACT, AS AMENDED (40 U.S.C. § 3141-3148). When required by federal program legislation, all prime construction contracts in excess of \$2,000 awarded by non-federal entities must include a provision for compliance with the Davis-Bacon Act (40 U.S.C. § 3141-3144, and 3146-3148) as supplemented by Department of Labor regulations (29 C.F.R. § 5, "Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction"). In accordance with the statute, contractors must be required to pay wages to laborers and mechanics at a rate not less than the prevailing wages specified in a wage determination made by the Secretary of Labor. In addition, contractors must be required to pay wages not less than once a week. The non-federal entity must place a copy of the current prevailing wage determination issued by the Department of Labor in each solicitation. The decision to award a contract or subcontract must be conditioned upon the acceptance of the wage determination. The non-federal entity must report all suspected or reported violations to the federal awarding agency. The contracts must also include a provision for compliance with the Copeland "Anti-Kickback" Act (40 U.S.C. § 3145), as supplemented by Department of Labor regulations (29 C.F.R. § 3, "Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States"). The Act provides that each contractor or subrecipient must be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he or she is otherwise entitled. The non-federal entity must report all suspected or reported violations to the federal awarding agency. Vendor must be in compliance with all applicable Davis-Bacon Act provisions.

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

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

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

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

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

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

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

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

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

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

22. CANCELLATION

Sourcewell or Vendor may cancel this Contract at any time, with or without cause, upon 60 days' written notice to the other party. However, Sourcewell may cancel this Contract immediately upon discovery of a material defect in any certification made in Vendor's Proposal. Cancellation of this Contract does not relieve either party of financial, product, or service obligations incurred or accrued prior to cancellation.

Sourcewell

Deere & Company

DocuSigned by:
Jeremy Schwartz
C0FD2A139D06489...
By: _____
Jeremy Schwartz
Title: Chief Procurement Officer
Date: 4/28/2021 | 12:22 PM CDT

DocuSigned by:
Andrew Roman
C44230CF47A24D5...
By: _____
Andrew Roman
Title: Contract Administrator
Date: 4/30/2021 | 11:29 AM CDT

Approved:

DocuSigned by:
Chad Coauette
7E42B8F817A64CC...
By: _____
Chad Coauette
Title: Executive Director/CEO
Date: 4/30/2021 | 11:30 AM CDT

RFP 031121 - Grounds Maintenance Equipment, Attachments, and Accessories with Related Services

Vendor Details

Company Name: Deere & Company
Address: 2000 John Deere Run
Cary, NC 27513
Contact: Andrew Roman
Email: GovContractSupport@JohnDeere.com
Phone: 800-358-5010 2285
Fax: 309-749-2313
HST#: 362382580

Submission Details

Created On: Wednesday February 03, 2021 15:51:18
Submitted On: Wednesday March 10, 2021 08:15:55
Submitted By: Andrew Roman
Email: GovContractSupport@JohnDeere.com
Transaction #: 15a28f33-864b-4511-9a93-ee50d039fe70
Submitter's IP Address: 165.225.9.87

Specifications

Table 1: Proposer Identity & Authorized Representatives

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

Line Item	Question	Response *
1	Proposer Legal Name (and applicable d/b/a, if any):	Deere & Company
2	Proposer Address:	2000 John Deere Run Cary, NC 27513
3	Proposer website address:	www.johndeere.com
4	Proposer's Authorized Representative (name, title, address, email address & phone) (The representative must have authority to sign the "Proposer's Assurance of Compliance" on behalf of the Proposer and, in the event of award, will be expected to execute the resulting contract):	Andrew Roman - Contract Administrator 2000 John Deere Run, Cary, NC 27513 GovContractSupport@JohnDeere.com 800-358-5010 Ext. 2285
5	Proposer's primary contact for this proposal (name, title, address, email address & phone):	Andrew Roman - Contract Administrator 2000 John Deere Run, Cary, NC 27513 GovContractSupport@JohnDeere.com 800-358-5010 Ext. 2285
6	Proposer's other contacts for this proposal, if any (name, title, address, email address & phone):	Bethany Schneider 10789 South Ridgeview Road, Olathe, KS 66061 SchneiderBethanyM@JohnDeere.com 515-802-4941

Table 2: Company Information and Financial Strength

Line Item	Question	Response *
7	Provide a brief history of your company, including your company's core values, business philosophy, and industry longevity related to the requested equipment, products or services.	Deere & Company, founded in 1837 (collectively known as John Deere), began as a simple one-man blacksmith shop. Today it has grown into a corporation that does business around the world and employs over 56,000 people worldwide. The company is guided by the same core values established by its founder: integrity, quality, commitment and innovation. John Deere is the world's leading provider of advanced products and services for agriculture, construction and lawn & turf. John Deere also provides financial services worldwide and manufactures and markets engines used in heavy equipment. Deere & Company is a global company with offices and factories throughout the US and overseas in countries such as China, India, Poland, Russia and Germany just to name a few. John Deere has been involved with the manufacturing of tractors since 1918 and manufacturing of lawn equipment since 1963.
8	What are your company's expectations in the event of an award?	John Deere will be able to offer a wide array of products that fall within the scope of this RFP that will meet and exceed the needs of all Sourcwell members.
9	Demonstrate your financial strength and stability with meaningful data. This could include such items as financial statements, SEC filings, credit and bond ratings, letters of credit, and detailed reference letters. Upload supporting documents (as applicable) in the document upload section of your response.	Please see Deere & Company's 2020 Annual Report that has been uploaded as part of our proposal.
10	What is your US market share for the solutions that you are proposing?	John Deere considers its market share data to be proprietary information.
11	What is your Canadian market share for the solutions that you are proposing?	John Deere considers its market share data to be proprietary information.
12	Has your business ever petitioned for bankruptcy protection? If so, explain in detail.	No.
13	How is your organization best described: is it a manufacturer, a distributor/dealer/reseller, or a service provider? Answer whichever question (either a) or b) just below) best applies to your organization. a) If your company is best described as a distributor/dealer/reseller (or similar entity), provide your written authorization to act as a distributor/dealer/reseller for the manufacturer of the products proposed in this RFP. If applicable, is your dealer network independent or company owned? b) If your company is best described as a manufacturer or service provider, describe your relationship with your sales and service force and with your dealer network in delivering the products and services proposed in this RFP. Are these individuals your employees, or the employees of a third party?	John Deere is a manufacturer. b. John Deere has a nationwide dealer network. The dealer network are independently owned and operated businesses. John Deere partners with these independently owned John Deere dealers that will deliver and service the products being offered in the RFP.
14	If applicable, provide a detailed explanation outlining the licenses and certifications that are both required to be held, and actually held, by your organization (including third parties and subcontractors that you use) in pursuit of the business contemplated by this RFP.	To the best of our knowledge, Deere & Company maintains all licenses and certifications necessary to conduct its business (e.g. its sale of grounds maintenance equipment) in the United States.
15	Provide all "Suspension or Debarment" information that has applied to your organization during the past ten years.	Not applicable.

Table 3: Industry Recognition & Marketplace Success

Line Item	Question	Response *
16	Describe any relevant industry awards or recognition that your company has received in the past five years	<p>2020 World's Most Ethical Companies - Ethisphere Institute Most Innovative Product Engineering Designs - AE50 Awards Best Global Brands - Interbrand Best CES Sustainability Award - GadgetMatch Best Place to Work - Glassdoor</p> <p>2019 World's Most Ethical Companies - Ethisphere Institute 50 Sustainability & Climate Leader - Bloomberg Best Workplaces for Innovators - Fast Company Top Employer - Top Employers Institute Americas Most JUST Companies - JUST 100</p> <p>2018 Best Global Brand - Interbrand World's Most Ethical Companies - Ethisphere Institute Top 10 Innovative Company - American Innovation Index Corporate Partner of the Year - National Society of Black Engineers</p> <p>2017 World's Most Admired Companies - Fortune Magazine # 50 50 Best Places to Work in the US - Indeed.com US Chamber of Commerce Foundation Citizens Award Company of the Year - Society of Hispanic Professional Engineers</p> <p>2016 2016 Good Design Award - Good Design is one of the oldest, prestigious and most recognized program for design excellence worldwide.</p>
17	What percentage of your sales are to the governmental sector in the past three years	Due to proprietary information, we would prefer not to provide the sales volume history of government agencies. We can assure you that we are a partner who is fully aligned with governmental customer purchase requirements. With a dedicated governmental sales department that works solely with public agencies and our dealer network, we continue to increase our sales volume in this key segment.
18	What percentage of your sales are to the education sector in the past three years	Due to proprietary information, we would prefer not to provide the sales volume history of education agencies. We can assure you that we are a partner who is fully aligned with educational customer purchase requirements. With a dedicated governmental sales department that works solely with public agencies and our dealer network, we continue to increase our sales volume in this key segment.
19	List any state, provincial, or cooperative purchasing contracts that you hold. What is the annual sales volume for each of these contracts over the past three years?	<p>John Deere currently holds over 115 government contracts consisting of federal, state, county and cooperative contracts. The state, county and cooperative sales volumes are combined.</p> <p>The sales volumes over the past three years are as follows: 2020 - \$320.0M 2019 - \$326.3M 2018 - \$305.5M</p>
20	List any GSA contracts or Standing Offers and Supply Arrangements (SOSA) that you hold. What is the annual sales volume for each of these contracts over the past three years?	<p>John Deere currently holds the following GSA Contracts: Ag Tractor Contract #GS-30F-0007T UV Contract #GS-07F-9670S L&G Contract #GS-06F-0083S</p> <p>The total sales volume for the GSA contracts over the past three years are as follows: 2020 - \$15.2M 2019 - \$21.0M 2018 - \$15.3M</p>

Table 4: References/Testimonials

Line Item 21. Supply reference information from three customers who are eligible to be Sourcewell participating entities.

Entity Name *	Contact Name *	Phone Number *	
Broward County Public Schools	Edgar Lugo	754-321-0508	*
Loudoun County Virginia	Gerald Landayan	703-771-5956	*
Osceola County Florida	Paul Callaway	407-742-0932	*
State of Indiana - Sourcewell Participating Addendum	Stephanie Nelson	317-234-0963	
State of Arkansas - Sourcewell Participating Addendum	John Leverett	501-683-2222	

Table 5: Top Five Government or Education Customers

Line Item 22. Provide a list of your top five government, education, or non-profit customers (entity name is optional), including entity type, the state or province the entity is located in, scope of the project(s), size of transaction(s), and dollar volumes from the past three years.

Entity Name	Entity Type *	State / Province *	Scope of Work *	Size of Transactions *	Dollar Volume Past Three Years *	
Coop - Buyboard Grounds Maintenance Contract	Government	Texas - TX	Complete Price Page Contract for all John Deere product categories.	Varies	FY20 = 13.2M FY19 = 11.5M FY18 = 10.4M	*
MI - Ag, Grounds and Roadside Equipment Contract	Government	Michigan - MI	Complete Price Page Contract for all John Deere product categories.	Varies	FY20 = 5.4M FY19 = 8.1M FY18 = 8.6M	*
OH - Ag Machinery, Mowers & Tractors Contract	Government	Ohio - OH	Complete Price Page Contract for all John Deere product categories.	Varies	FY20 = 10.3M FY19 = 12.8M FY18 = 20.7M	*
OK - Agriculture, Trees & Brush Maintenance Equipment Contract	Government	Oklahoma - OK	John Deere Ag Tractors and Related Equipment.	Varies	FY20 = 8.0M FY19 = 11.5M FY18 = 10.3M	*
PA - Ag and Grounds Keeping Power Equipment Contract	Government	Pennsylvania - PA	Complete Price Page Contract for all John Deere product categories.	Varies	FY20 = 9.1M FY19 = 9.2M FY18 = 9.8M	*

Table 6: Ability to Sell and Deliver Service

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

Line Item	Question	Response *

23	Sales force.	John Deere has dedicated governmental sales department, based out of Cary, NC, that focuses 100% of their time on the sales and processing of agricultural and turf equipment to governmental and other public agencies. We have a total of 5 Government Account Managers, one of which is dedicated strictly to federal sales. The 4 remaining Government Account Managers are ultimately responsible for state governmental sales in their respective geographies, dedicating 100% of their time to growing the John Deere governmental sales business. The government account managers develop relationships and understand the equipment needs of federal purchasing agents, state purchasing agents and state fleet administrators, i.e. Department of Transportation, Department of Natural Resources. The government account managers also work with John Deere dealers to provide training and a greater understanding of the selling process. The John Deere dealer is ultimately responsible for delivering and supporting the equipment. In relation to the potential Sourcewell Grounds Maintenance Equipment Contract, the government account managers would promote the contract to state purchasing agents and state fleet administrators, who either do not have their own state purchasing contract or have product gaps in their contracts.	*
24	Dealer network or other distribution methods.	John Deere has a nationwide independent dealer network offering best-in-class parts, service, and support. We know the government customer and make everything easy, from the initial purchase to service and support. Our dealer network, with over 1,700 locations nationwide, would be responsible for delivering and servicing the equipment sold to end users using this contract. John Deere dealers offer a combination of after-hours service (varies by dealer) and online support (online parts ordering system), which gives end-users the service needed to avoid costly downtime. The John Deere parts ordering system is available for all dealers and gives them access to over 800,000 unique parts which are ready to ship overnight, if needed. Most dealers also offer some form of mobile maintenance service, which provides on-site service. Dealer technicians are factory-trained on the service and support of the products offered in this RFP.	*
25	Service force.	John Deere has a nationwide independent dealer network offering best-in-class parts, service, and support. We know the government customer and make everything easy, from the initial purchase to service and support. Our dealer network, with over 1,700 locations nationwide, would be responsible for delivering and servicing the equipment sold to end users using this contract. John Deere dealers offer a combination of after-hours service (varies by dealer) and online support (online parts ordering system), which gives end-users the service needed to avoid costly downtime. The John Deere parts ordering system is available for all dealers and gives them access to over 800,000 unique parts which are ready to ship overnight, if needed. Most dealers also offer some form of mobile maintenance service, which provides on-site service. Dealer technicians are factory-trained on the service and support of the products offered in this RFP.	*
26	Describe in detail the process and procedure of your customer service program, if applicable. Include your response-time capabilities and commitments, as well as any incentives that help your providers meet your stated service goals or promises.	<p>The support of the equipment ultimately takes place through the John Deere dealer network. While customer service inevitably varies within the dealer network, the consistent training that is offered by John Deere Company to dealer technicians and parts personnel helps provide each agency with a similar customer experience. Should there be a need for equipment service, it will be the Sourcewell member's responsibility to contact the delivering dealer for service. The member can also work with other dealers if necessary, as warranty and service work can be performed by any authorized John Deere dealer. In the event of service issues that cannot be solved by the John Deere dealer, the dealer works with John Deere Company's dealer technical assistance center for elevated support.</p> <p>As far as the John Deere Government Sales Department, we have an entire department of approximately 30 people dedicated to government sales. This includes an Order Management Team, that within an average of 7 days of submission, audits and processes every PO to verify contract pricing and verify the items quoted are eligible for the contract. Contract Administrators in the department ensure contract compliance is maintained.</p>	*
27	Describe your ability and willingness to provide your products and services to Sourcewell participating entities in the United States.	<p>John Deere will serve Sourcewell member agencies in the United States. The nationwide John Deere dealer network is able to provide products and services throughout the United States.</p> <p>Equipment Delivery Time After Receipt of Order (ARO) is as follows:</p> <ol style="list-style-type: none"> 1. Lawn & Garden - 30 to 60 days after receipt of order. 2. Commercial - 60 to 90 days after receipt of order. 	*
28	Describe your ability and willingness to provide your products and services to Sourcewell participating entities in Canada.	John Deere will serve Sourcewell member agencies in Canada. The Canadian John Deere dealer network is able to provide products and services throughout Canada.	*
29	Identify any geographic areas of the United States or Canada that you will NOT be fully serving through the proposed contract.	John Deere will serve the entire United States, including Alaska and Hawaii and Canada.	*

30	Identify any Sourcewell participating entity sectors (i.e., government, education, not-for-profit) that you will NOT be fully serving through the proposed contract. Explain in detail. For example, does your company have only a regional presence, or do other cooperative purchasing contracts limit your ability to promote another contract?	John Deere will serve all Sourcewell Member sectors.	*
31	Define any specific contract requirements or restrictions that would apply to our participating entities in Hawaii and Alaska and in US Territories.	John Deere will only ship to Alaska and Hawaii. For deliveries to Alaska or Hawaii, factory freight to the delivering dealer will be paid by the Sourcewell member. The equipment will be FOB origin. Factory freight is known at the time of quoting and will be included on the quote to the Sourcewell member. For all other deliveries within the continental US, the equipment will be FOB destination (the Sourcewell member will NOT be charged factory freight to the delivering dealer).	*

Table 7: Marketing Plan

Line Item	Question	Response *	
32	Describe your marketing strategy for promoting this contract opportunity. Upload representative samples of your marketing materials (if applicable) in the document upload section of your response.	<p>John Deere currently uses several forms of marketing to target the governmental and public customer segment:</p> <ol style="list-style-type: none"> 1. We have created a website where we prominently advertise the cooperative contracts we currently hold. 2. Each year, the company produces a purchasing guide for government equipment. This purchasing guide, available in both print and electronic Flash Drive format, is used by the John Deere dealer network to promote the products. 3. John Deere provides templates online for dealers to create their own mailings to promote products to governmental and public agencies. 4. John Deere also prints detailed marketing brochures for the products being offered in this RFP. This literature is made available to dealers and includes features and benefits and equipment specifications. <p>A sample of marketing materials have been uploaded for review and include: Government Municipal Lease Literature, Government Sales Folder Packet and Government Sport Turf Banner.</p>	*
33	Describe your use of technology and digital data (e.g., social media, metadata usage) to enhance marketing effectiveness.	JohnDeere.com provides detailed product information for the products being offered in this RFP. Customers are able to view information on product features, specifications, and accessories. Utilizing JohnDeere.com, Sourcewell members would be able to "build-their-own" product. Customers choose the product category and subsequent product options to configure their desired piece of equipment. Manufacturer's Suggested Retail List Price is shown. The website will not show the Sourcewell contract discount, but if the Sourcewell member knows the discount on the particular product category, they will be able to determine their purchase price.	*
34	In your view, what is Sourcewell's role in promoting contracts arising out of this RFP? How will you integrate a Sourcewell-awarded contract into your sales process?	Sourcewell will play a key role in working with and supporting the John Deere Government Account Managers, by helping the Account Managers promote the Sourcewell contract and recognize key opportunities in states that show a willingness to adopt Sourcewell. Conference calls and/or webinars with the John Deere Government Account Managers will be a valuable tool. Because the Account Managers have a strong relationship with the John Deere dealers, the account managers will help the dealers understand the contract and market it in their particular areas. The account managers will help the John Deere dealers understand the steps necessary to sign up new Sourcewell members as well. Furthermore, in certain geographies, webinars could be used to help John Deere dealers understand the Sourcewell contract. These opportunities would typically be initiated by John Deere and considered on an individual basis depending on the needs of a particular region.	*
35	Are your products or services available through an e-procurement ordering process? If so, describe your e-procurement system and how governmental and educational customers have used it.	We currently use E-procurement systems in North Carolina and Virginia (eVA) because we are contractually required to do so. The system does provide the state a constant record of sales activity, however, administratively, E-procurement is not a seamless process for us. When it comes to John Deere equipment, there are thousands of equipment configurations. Because Deere's price pages are in pdf format, we cannot just simply upload the pricing into the E-procurement systems. We have to manually construct base machines by model and enter them individually. Doing it this way means the agency is not getting the complete picture of what we have available. They're only getting a "sample". For the most part, agencies still feel most comfortable with working directly with the dealer to ensure they're getting equipment that will best suit their needs.	*

Table 8: Value-Added Attributes

Line Item	Question	Response *
36	Describe any product, equipment, maintenance, or operator training programs that you offer to Sourcwell participating entities. Include details, such as whether training is standard or optional, who provides training, and any costs that apply.	The John Deere dealer is ultimately responsible for delivering and supporting the equipment. However, any Sourcwell member will be encouraged to call the John Deere governmental sales direct toll-free number (800-358-5010, option 2) for assistance with locating their nearest dealer. John Deere does offer distance-learning classes on the operation and adjustment of equipment for certain products. To date, this has primarily been for larger equipment, targeted at farm customers. Many John Deere dealers offer local training, which is at the discretion of the dealer.
37	Describe any technological advances that your proposed products or services offer.	<p>Fastback™ PRO Rear-Discharge Mower Deck for the gas and diesel Z900 Ztrak Mowers.</p> <ol style="list-style-type: none"> 1. Available in a 60- or 72-inch cutting widths, 2. The rear-discharge mower deck increases productivity and improves operator comfort without sacrificing cut quality. 3. The rear-discharge design, the chance of damage from objects being thrown from the mower deck is decreased. 4. The unique design also helps minimize the amount of debris blown onto the operator. 5. Allows operators to mow closely around fixed objects with either side of the deck. <p>Compact Tractor Quik-Knect™ System Awarded with 2020 AE50 Award</p> <ol style="list-style-type: none"> 1. Quik-Knect System Named One of This Year's Most Innovative Products in the Food and Agriculture Industry. 2. Quik-Knect prevents twisting or forcing to line-up the splines when attaching rear implements. 3. Developed to help increase operator ease and enhance productivity. 4. Operators slide the tractor and implement connectors together until they click into place. <p>Commercial Walk Behind Mowers Recognized with 2020 AE50 Award</p> <ol style="list-style-type: none"> 1. AE50 awards highlight the most innovative designs in product engineering. 2. The recoil start M Series and electric start R Series Walk Behind Mowers have been a gamechanger for the commercial mowing industry. 3. Redesigned machines directly address the primary customer needs of productivity, operator comfort, weight distribution, and frame clearance.
38	Describe any "green" initiatives that relate to your company or to your products or services, and include a list of the certifying agency for each.	John Deere has created a Product Sustainability goal where we offer machines and technology solutions that are not only more productive and efficient but also minimize the impact on the environment. Some Product Sustainability Goals include: <ol style="list-style-type: none"> 1. Reduce environment impact including CO2 emissions on 90% of new products. 2. Increase the use of sustainable materials by growing remanufactured and rebuild sales by 30%. 3. Increasing recyclable, renewable and recycled content.
39	Identify any third-party issued eco-labels, ratings or certifications that your company has received for the equipment or products included in your Proposal related to energy efficiency or conservation, life-cycle design (cradle-to-cradle), or other green/sustainability factors.	Sustainability is foundational to the John Deere strategy. We are committed to reducing the environmental impact on 90% of new products to include carbon emission reductions and invest \$4 Million dollars per day in research and development. Further we have received the following awards. <ol style="list-style-type: none"> 1. Best of CES Sustainability Award (GadgetMatch) 2. 50 Sustainability & Climate Leader (Bloomberg) 3. World's Most Ethical Companies (Ethisphere)
40	Describe any Women or Minority Business Entity (WMBE), Small Business Entity (SBE), or veteran owned business certifications that your company or hub partners have obtained. Upload documentation of certification (as applicable) in the document upload section of your response.	John Deere continues to proactively engage small and diverse businesses to support the economic growth of communities. Benefits of a thriving Supplier Diversity Program include: <ol style="list-style-type: none"> 1. Generates economic opportunities for disadvantaged communities. 2. Promotes supply base competition and creates risk mitigation options. 3. Unlocks innovation and diversity of thought.
41	What unique attributes does your company, your products, or your services offer to Sourcwell participating entities? What makes your proposed solutions unique in your industry as it applies to Sourcwell participating entities?	John Deere's founder was best known for his work with the first commercially successful plow. And so it is today that we are perhaps best known for our quality agricultural equipment. We also take the lead worldwide in construction and forestry equipment. We're a major force in grounds maintenance and commercial landscape equipment. Also, John Deere Financial is one of the largest equipment finance companies.

Table 9: Warranty

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

Line Item	Question	Response *	
42	Do your warranties cover all products, parts, and labor?	See paragraph A of the attached warranty statement.	*
43	Do your warranties impose usage restrictions or other limitations that adversely affect coverage?	Per the attached warranty statement paragraph B, the warranty term (time period and usage limits) varies by product.	*
44	Do your warranties cover the expense of technicians' travel time and mileage to perform warranty repairs?	Per the attached warranty statement paragraph A, the purchaser will be responsible for any service call and/or transportation of equipment to and from the authorized dealer's place of business (except where prohibited by law), for any premium charged for overtime labor requested by the purchaser and for any service and/or maintenance not directly related to any defect covered under these warranties.	*
45	Are there any geographic regions of the United States or Canada (as applicable) for which you cannot provide a certified technician to perform warranty repairs? How will Sourcewell participating entities in these regions be provided service for warranty repair?	The John Deere dealer network is able to service equipment throughout the United States and Canada.	*
46	Will you cover warranty service for items made by other manufacturers that are part of your proposal, or are these warranties issues typically passed on to the original equipment manufacturer?	John Deere is only submitting equipment manufactured by John Deere.	*
47	What are your proposed exchange and return programs and policies?	John Deere exchanges and returns will not be permitted.	*
48	Describe any service contract options for the items included in your proposal.	John Deere is not including service contract options with our proposal.	*

Table 10: Payment Terms and Financing Options

Line Item	Question	Response *	
49	What are your payment terms (e.g., net 10, net 30)?	John Deere's payment terms are Net 30.	*
50	Do you provide leasing or financing options, especially those options that schools and governmental entities may need to use in order to make certain acquisitions?	John Deere offers financing and leasing options through John Deere Financial. The John Deere Municipal Lease Purchase Plan is a special low- rate financing plan that is designed to provide flexibility of leasing while building equity toward ownership of the John Deere equipment. Any state or local government body or their political subdivisions may be eligible for the John Deere Municipal Lease Purchase Plan, subject to approval and if the agencies rules and guidelines allow. John Deere Financial also offers other leasing and financing options for governmental, educational, and non- profit entities, subject to approval.	*
51	Briefly describe your proposed order process. Include enough detail to support your ability to report quarterly sales to Sourcewell as described in the Contract template. For example, indicate whether your dealer network is included in your response and whether each dealer (or some other entity) will process the Sourcewell participating entities' purchase orders.	The order process will follow a Business-to-Government order process. Our dealer network will be quoting equipment, accepting purchase orders, delivering and servicing the equipment. The Sourcewell Member or John Deere dealer will submit a purchase order to John Deere Government Sales for processing, noting the Sourcewell contract number on the PO and the Member's preferred delivering dealer. John Deere will invoice the member upon delivery of the product. The equipment will be delivered by the designated dealer.	*
52	Do you accept the P-card procurement and payment process? If so, is there any additional cost to Sourcewell participating entities for using this process?	No.	*

Table 11: Pricing and Delivery

Provide detailed pricing information in the questions that follow below. Keep in mind that reasonable price and product adjustments can be made during the term of an awarded Contract as described in the RFP, the template Contract, and the Sourcewell Price and Product Change Request Form.

Line Item	Question	Response *
53	Describe your pricing model (e.g., line-item discounts or product-category discounts). Provide detailed pricing data (including standard or list pricing and the Sourcewell discounted price) on all of the items that you want Sourcewell to consider as part of your RFP response. If applicable, provide a SKU for each item in your proposal. Upload your pricing materials (if applicable) in the document upload section of your response.	John Deere is offering product-category discounts. See uploaded Price Schedule and Price Pages.pdf.
54	Quantify the pricing discount represented by the pricing proposal in this response. For example, if the pricing in your response represents a percentage discount from MSRP or list, state the percentage or percentage range.	The percentage discount range is 4% to 24% off Current MSRP.
55	Describe any quantity or volume discounts or rebate programs that you offer.	John Deere offers a Multiple Unit Discount (MUD) based on the following schedule: 3-4 units – 1% 5-6 units – 2% 7-8 units – 3% 9 units or more – 4% For sales of three or more like self-propelled equipment sold to one customer on the same purchase order qualifies for an additional discount. Implements and attachments sold with and for self-propelled ride-on machines are also eligible for multi-unit discounts, but do not count towards the total number of ride-on units, which determines the multi-unit discount percentage. Frontier Equipment is excluded from the Multiple Unit Discount.
56	Propose a method of facilitating “sourced” products or related services, which may be referred to as “open market” items or “nonstandard options”. For example, you may supply such items “at cost” or “at cost plus a percentage,” or you may supply a quote for each such request.	John Deere can offer “Sourced Goods” to Sourcewell Members. What Sourcewell calls “Sourced Goods” John Deere calls non-contract items and allied items. We define non-contract as John Deere items that are not on contract (like parts and catalog items that say “See Parts” or “See Catalog” in our price pages). Allied equipment is defined as non-John Deere equipment (ex. Tiger mower). Non-contract and allied items would be sold as “open market” and the price of the item would be negotiated between the John Deere dealer and the Sourcewell Member. The non-contract/allied item would appear on the purchase order (PO) with the contract item but would be listed as “non-contract”.
57	Identify any element of the total cost of acquisition that is NOT included in the pricing submitted with your response. This includes all additional charges associated with a purchase that are not directly identified as freight or shipping charges. For example, list costs for items like pre-delivery inspection, installation, set up, mandatory training, or initial inspection. Identify any parties that impose such costs and their relationship to the Proposer.	For deliveries to Alaska, Hawaii, factory freight to the delivering dealer will be paid by the Sourcewell member. Factory freight is known at the time of quoting and will be included on the quote to the Sourcewell member. The dealer may charge \$4.00 per loaded mile to deliver equipment from the dealership to the agency's location. The charge must appear on the quote or purchase order.
58	If freight, delivery, or shipping is an additional cost to the Sourcewell participating entity, describe in detail the complete freight, shipping, and delivery program.	For deliveries to Alaska, Hawaii, factory freight to the delivering dealer will be paid by the Sourcewell member. Factory freight is known at the time of quoting and will be included on the quote to the Sourcewell member. The dealer may charge \$4.00 per loaded mile to deliver equipment from the dealership to the agency's location. The charge must appear on the quote or purchase order.
59	Specifically describe freight, shipping, and delivery terms or programs available for Alaska, Hawaii, Canada, or any offshore delivery.	For deliveries to Alaska, Hawaii, factory freight to the delivering dealer will be paid by the Sourcewell member. Factory freight is known at the time of quoting and will be included on the quote to the Sourcewell member.
60	Describe any unique distribution and/or delivery methods or options offered in your proposal.	None.

Table 12: Pricing Offered

Line Item	The Pricing Offered in this Proposal is: *	Comments
61	b. the same as the Proposer typically offers to GPOs, cooperative procurement organizations, or state purchasing departments.	

Table 13: Audit and Administrative Fee

Line Item	Question	Response *
62	Specifically describe any self-audit process or program that you plan to employ to verify compliance with your proposed Contract with Sourcewell. This process includes ensuring that Sourcewell participating entities obtain the proper pricing, that the Vendor reports all sales under the Contract each quarter, and that the Vendor remits the proper administrative fee to Sourcewell.	The Sourcewell member will receive their equipment quote directly from the John Deere dealer. The dealer is able to create the quote by utilizing the contract information (discounts, contract guidelines, eligible equipment, etc.) that we have posted on our website as well as a quoting tool that we've made available to them. The member will submit their purchase order (PO), with contract number noted, to the dealer. John Deere will be listed as the vendor on the PO and the dealer, who created the quote, will be the delivering dealer. The dealer will then upload the quote and the PO to Deere's online order management system. Our Order Management Team will then retrieve the quote and the PO and audit them based on the contract guidelines. If an issue is discovered with PO and/or quote, the Order Management Team will then contact the dealer and work with the dealer and the member to get the issue resolved.
63	Identify a proposed administrative fee that you will pay to Sourcewell for facilitating, managing, and promoting the Sourcewell Contract in the event that you are awarded a Contract. This fee is typically calculated as a percentage of Vendor's sales under the Contract or as a per-unit fee; it is not a line-item addition to the Member's cost of goods. (See the RFP and template Contract for additional details.)	John Deere will pay a 1% administrative fee.

Table 14A: Depth and Breadth of Offered Equipment Products and Services

Line Item	Question	Response *
64	Provide a detailed description of the equipment, products, and services that you are offering in your proposal.	<p>John Deere will offer its complete product offering that fall within the scope of this RFP. Description of the products John Deere will offer include:</p> <p>Residential Zero-Turn Radius Mowers & Equipment Lawn Tractors & Equipment Garden Tractors & Equipment Equipment for Lawn & Garden Tractors Commercial Walk-Behind Mowers & Equipment Commercial Zero-Turn Radius Mowers & Equipment Commercial Front Mowers & Equipment Commercial Wide Area Mowers & Equipment Compact Utility Tractors & Equipment Equipment for Commercial Mowing Products Equipment for Compact Utility Tractors Mid-Size Utility Vehicles & Equipment Full-Size Utility Vehicles & Equipment Traditional Utility Vehicles & Equipment HPX Utility Vehicles & Equipment Implements for Utility Vehicles TerrainCut Mowers & Equipment Special Application Vehicles & Equipment Aercore & Equipment Debris Maintenance & Equipment Frontier Implements and Attachments</p> <p>Our independent dealer network will provide aftermarket services upon request.</p> <p>Equipment Delivery Time After Receipt of Order (ARO) is as follows: 1. Lawn & Garden - 30 to 60 days after receipt of order. 2. Commercial - 60 to 90 days after receipt of order.</p>
65	Within this RFP category there may be subcategories of solutions. List subcategory titles that best describe your products and services.	<p>List of subcategory products John Deere will offer within this RFP include:</p> <p>Material Handling Attachments (Loaders, Backhoes, Mower Decks, Rotary Tillers, Snow Blowers) Frontier Attachments (Cotton, Cutting/Mowing, Hay & Forage, Landscape, Livestock, Material Handling, Planting & Seeding, Snow, Sprayers, Tillage)</p>

Table 14B: Depth and Breadth of Offered Equipment Products and Services

Indicate below if the listed types or classes of equipment, products, and services are offered within your proposal. Provide additional comments in the text box provided, as necessary.

Line Item	Category or Type	Offered *	Comments
66	Lawn and garden equipment, tools, attachments, and accessories	<input checked="" type="radio"/> Yes <input type="radio"/> No	See uploaded Price Schedule and Price Pages.pdf.
67	Irrigation systems, equipment, parts, and related installation and maintenance services	<input type="radio"/> Yes <input checked="" type="radio"/> No	No Bid
68	Beach and waterfront maintenance equipment and accessories	<input type="radio"/> Yes <input checked="" type="radio"/> No	No Bid
69	Accessories, parts, and services related to the solutions described above, including maintenance or repair, and warranty programs	<input type="radio"/> Yes <input checked="" type="radio"/> No	John Deere is not providing parts, service or warranty programs as part of its RFP response. However, Sourcewell members will be able to purchase parts and other service programs directly from the John Deere dealers.

Table 15: Industry Specific Questions

Line Item	Question	Response *
70	If you are awarded a contract, provide a few examples of internal metrics that will be tracked to measure whether you are having success with the contract.	John Deere looks forward to annual business reviews with Sourcewell account managers. During these reviews, we discuss plans and volume goals and normally include percentage sales increase. Our metrics & goals for 2021 and beyond includes this discussion.
71	Describe the serviceability of the products included in your proposal (parts availability, warranty and technical support, etc.).	John Deere has a nationwide independent dealer network offering best-in-class parts, service, and support. Our dealer network, with over 1,700 locations nationwide, would be responsible for delivering and servicing the equipment sold to end users using this contract. John Deere dealers offer a combination of after-hours service (varies by dealer) and online support (online parts ordering system), which gives end-users the service needed to avoid costly downtime. The John Deere parts ordering system is available for all dealers and gives them access to over 800,000 unique parts which are ready to ship overnight, if needed. Most dealers also offer some form of mobile maintenance service, which provides on-site service. Dealer technicians are factory-trained on the service and support of the products offered in this RFP.
72	Describe advancements reflected in the equipment or products offered in your proposal, such as safety, longevity or life cycle cost measures.	John Deere relies heavily on applicable safety standards as published by the International Standards Organization (ISO), the American National Standards Institute (ANSI), the American Society of Agricultural and Biological Engineers (ASABE), European Committee for Standardization (CEN), and other organizations. Our goal is to meet or surpass the intent of these standards. As part of our design process, we ensure safety information appears in pre-delivery instructions, operator's manuals, technical manuals, and other service publications. In addition, safety instructions in the form of safety signs are affixed to the product to appropriately warn an operator of potential hazards. We also provide training resources such as videos, posters, brochures, and guides.

Exceptions to Terms, Conditions, or Specifications Form

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

Proposer's Affidavit

PROPOSER AFFIDAVIT AND ASSURANCE OF COMPLIANCE

I certify that I am the authorized representative of the Proposer submitting the foregoing Proposal with the legal authority to bind the Proposer to this Affidavit and Assurance of Compliance:

1. The Proposer is submitting this Proposal under its full and complete legal name, and the Proposer legally exists in good standing in the jurisdiction of its residence.
2. The Proposer warrants that the information provided in this Proposal is true, correct, and reliable for purposes of evaluation for contract award.
3. The Proposer, including any person assisting with the creation of this Proposal, has arrived at this Proposal independently and the Proposal has been created without colluding with any other person, company, or parties that have or will submit a proposal under this solicitation; and the Proposal has in all respects been created fairly without any fraud or dishonesty. The Proposer has not directly or indirectly entered into any agreement or arrangement with any person or business in an effort to influence any part of this solicitation or operations of a resulting contract; and the Proposer has not taken any action in restraint of free trade or competitiveness in connection with this solicitation. Additionally, if Proposer has worked with a consultant on the Proposal, the consultant (an individual or a company) has not assisted any other entity that has submitted or will submit a proposal for this solicitation.
4. To the best of its knowledge and belief, and except as otherwise disclosed in the Proposal, there are no relevant facts or circumstances which could give rise to an organizational conflict of interest. An organizational conflict of interest exists when a vendor has an unfair competitive advantage or the vendor's objectivity in performing the contract is, or might be, impaired.
5. The contents of the Proposal have not been communicated by the Proposer or its employees or agents to any person not an employee or legally authorized agent of the Proposer and will not be communicated to any such persons prior to Due Date of this solicitation.
6. If awarded a contract, the Proposer will provide to Sourcewell Participating Entities the equipment, products, and services in accordance with the terms, conditions, and scope of a resulting contract.
7. The Proposer possesses, or will possess before delivering any equipment, products, or services, all applicable licenses or certifications necessary to deliver such equipment, products, or services under any resulting contract.
8. The Proposer agrees to deliver equipment, products, and services through valid contracts, purchase orders, or means that are acceptable to Sourcewell Members. Unless otherwise agreed to, the Proposer must provide only new and first-quality products and related services to Sourcewell Members under an awarded Contract.
9. The Proposer will comply with all applicable provisions of federal, state, and local laws, regulations, rules, and orders.
10. The Proposer understands that Sourcewell will reject RFP proposals that are marked "confidential" (or "nonpublic," etc.), either substantially or in their entirety. Under Minnesota Statutes Section 13.591, subdivision 4, all proposals are considered nonpublic data until the evaluation is complete and a Contract is awarded. At that point, proposals become public data. Minnesota Statutes Section 13.37 permits only certain narrowly defined data to be considered a "trade secret," and thus nonpublic data under Minnesota's Data Practices Act.
11. Proposer its employees, agents, and subcontractors are not:
 - a. Included on the "Specially Designated Nationals and Blocked Persons" list maintained by the Office of Foreign Assets Control of the United States Department of the Treasury found at: <https://www.treasury.gov/ofac/downloads/sdnlist.pdf>;
 - b. Included on the government-wide exclusions lists in the United States System for Award Management found at: <https://sam.gov/SAM/>; or

- c. Presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from programs operated by the State of Minnesota; the United States federal government or the Canadian government, as applicable; or any Participating Entity. Vendor certifies and warrants that neither it nor its principals have been convicted of a criminal offense related to the subject matter of this solicitation.

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

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

Yes No

The Bidder acknowledges and agrees that the addendum/addenda below form part of the Bid Document.

Check the box in the column "I have reviewed this addendum" below to acknowledge each of the addenda.

File Name	I have reviewed the below addendum and attachments (if applicable)	Pages
Addendum_11_Grounds_Maintenance_Equipment_RFP_031121 Thu March 4 2021 06:08 PM	<input checked="" type="checkbox"/>	2
Addendum_10_Grounds_Maintenance_Equipment_RFP_031121 Thu February 25 2021 01:00 PM	<input checked="" type="checkbox"/>	1
Addendum_9_Grounds_Maintenance_Equipment_RFP_031121 Tue February 23 2021 10:33 AM	<input checked="" type="checkbox"/>	1
Addendum_8_Grounds_Maintenance_Equipment_RFP_031121 Mon February 22 2021 10:21 AM	<input checked="" type="checkbox"/>	2
Addendum_7_Grounds_Maintenance_Equipment_RFP_031121_CDR_Suggests Wed February 17 2021 09:01 AM	<input checked="" type="checkbox"/>	1
Addendum_6_Grounds_Maintenance_Equipment_RFP_031121 Tue February 16 2021 11:03 AM	<input checked="" type="checkbox"/>	1
Addendum_5_Grounds_Maintenance_Equipment_RFP_031121 Fri February 12 2021 03:14 PM	<input checked="" type="checkbox"/>	1
Addendum_4_Grounds_Maintenance_Equipment_RFP_031121 Tue February 2 2021 02:12 PM	<input checked="" type="checkbox"/>	1
Addendum_3_Grounds_Maintenance_Equipment_RFP_031121 Thu January 21 2021 03:47 PM	<input checked="" type="checkbox"/>	2
Addendum_2_Grounds_Maintenance_Equipment_RFP_031121 Wed January 20 2021 02:02 PM	<input checked="" type="checkbox"/>	1
Addendum_1_Grounds_Maintenance_Equipment_RFP_031121 Tue January 19 2021 03:36 PM	<input checked="" type="checkbox"/>	1

**AMENDMENT
TO
CONTRACT #031121-DAC**

THIS AMENDMENT is effective upon the date of the last signature below by and between **Sourcewell** and **Deere & Company** (Vendor).

Sourcewell awarded a contract to Vendor to provide Grounds Maintenance Equipment, Attachments, and Accessories with Related Services, to Sourcewell and its Participating Entities, effective April 30, 2021, through April 30, 2025, (Original Agreement).

The parties wish to amend the Contract to add:

Upon a Dealer's acceptance of this Contract's Terms and Conditions, Supplier authorizes Dealers to sell directly to Participating Entities; this includes accepting Purchase Orders and Invoicing Participating Entities. In the event a Dealer does not accept this Contract's Terms and Conditions, Supplier may sell directly to Participating Entities.

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

Sourcewell

DocuSigned by:
Jeremy Schwartz
By: _____
C0FD2A139D06489...
Jeremy Schwartz

Title: Director of Operations & Procurement/CPO

Date: 7/12/2022 | 9:09 PM CDT

Deere & Company

DocuSigned by:
Andrew Roman
By: _____
E2D8D7D6435C47C...
Andrew Roman

Title: Contract Administrator

Date: 7/12/2022 | 11:17 AM CDT

Approved:

DocuSigned by:
Chad Coauette
By: _____
7E42B8F817A64CC...
Chad Coauette, Executive Director/CEO

Date: 7/12/2022 | 9:10 PM CDT

TRACY CITY COUNCIL

RESOLUTION NO. _____

AUTHORIZING THE PURCHASE OF EQUIPMENT IN THE AMOUNT OF \$242,000 THROUGH SOURCEWELL COOPERATIVE PURCHASING AGREEMENTS TO MAINTAIN AND OPERATE LEGACY FIELDS

WHEREAS, Sourcewell is a State of Minnesota local government agency and service cooperative that offers cooperative procurement solutions to education and government agencies nationally through competitively bid and awarded contracts; and

WHEREAS, The City of Tracy is an established customer with Sourcewell; and

WHEREAS, The City of Tracy is authorized to make purchases using the Sourcewell cooperative purchasing agreements pursuant to Tracy Municipal Code, section 2.20.220; and

WHEREAS, At the April 18, 2023, regular City Council meeting, the City Council adopted Resolution 2023-067, approving one-time funding in the amount of \$600,000 from Measure V (Fund 107) for the purchase of equipment to maintain and operate Legacy Fields; and

WHEREAS, The construction of Legacy Fields, Phase 1E, is expected to be complete in the Summer 2023. By procuring the necessary equipment, including, but not limited to, vehicles, tractors, and other machinery (as further defined in the table below, "Equipment"), to maintain Legacy Fields, the City will be taking a proactive approach to ensuring City staff has the resources needed to preserve the integrity of the facility, as utilization is expected to increase facility wide, and ensure that Legacy Fields is maintained as a premiere sports venue; and

WHEREAS, The estimated cost for the Equipment is \$242,000 and will provide several benefits to the City's Parks Maintenance Division; and

WHEREAS, the table below shows the vendors, their purchasing agreement number through Sourcewell, the anticipated cost, and a brief description of each piece of Equipment:

Vendor	Purchasing Agreement	Equipment	Price	Description
DNF, Inc.	#040319-KBA	Kubota Tractor M7060	\$52,000	Utility tractor to operate mower and implements.
DNF, Inc.	#031121-KBA	Kubota RTV-X1120	\$39,000	Utility vehicle for efficient maintenance operations.
Saba Holding Company, LLC	#032119-VCE	Volvo Tractor L20HS	\$102,000	Small loader to load and move bulk and palletized materials.
Turf Star, Inc.	#031121-TTC	Toro 5040 Sandpro	\$35,000	Infield grooming machine for ballfields.
Belkorp Agriculture Inc.	#031121-DAC	John Deere Z930M	\$14,000	Small trim mower for efficient turf maintenance.

NOW, THEREFORE, be it resolved as follows:

RESOLVED: That the above recitals are true and correct; and be it,

FURTHER RESOLVED: That City Council of the City of Tracy hereby authorizes the purchase of equipment in the amount of \$242,000 through the execution of requisite Sourcewell cooperative agreements, after review and approval of such agreements by the City Attorney's office, and to take any and all actions that may be necessary or advisable, in the City Manager's discretion, to consummate the purchase of such equipment and to effectuate the purposes of this Resolution; and be it,

FURTHER RESOLVED: That this resolution takes effect immediately upon its adoption.

The foregoing Resolution 2023-_____ was adopted by the Tracy City Council on June 6, 2023, by the following vote:

AYES: COUNCIL MEMBERS:
NOES: COUNCIL MEMBERS:
ABSENT: COUNCIL MEMBERS:
ABSTENTION: COUNCIL MEMBERS:

NANCY D. YOUNG
Mayor of the City of Tracy, California

ATTEST: _____
ADRIANNE RICHARDSON
City Clerk and Clerk of the Council of the
City of Tracy, California

Agenda Item 1.D

RECOMMENDATION

Staff recommends that the City Council adopt a resolution 1) approving a Professional Services Agreement with Faster, LLC for a total not to exceed the amount of \$295,600 for a term of five years to convert the City of Tracy's current fleet asset software to web-based software and determining that it is in the best interest of the City to dispense procurement requirements for the Agreement pursuant to Tracy Municipal Code Section 2.20.140 (b)(6) and 2) authorize the City Manager to make any minor amendments and contract extensions upon recommendation from the Operations & Utilities Director.

EXECUTIVE SUMMARY

Staff recommends that the City Council adopt a resolution approving a Professional Services Agreement with Faster, Inc. to convert the City's current Fleet asset software from a local server-based system that uses an Access database platform to a web-based program. The upgrade will allow for better reporting for budget analysis and projections, and easier management of the City's fleet.

BACKGROUND AND LEGISLATIVE HISTORY

The City started using Faster's software program in 2007 to track the cost associated with all City vehicles and equipment. Faster is a nationwide company that has been in existence for 40 years with over 380 customers. In 2007, the program was at the top of its league. It helped the much smaller fleet inventory at that time capture cost and inventory. However, the City has not invested in upgrading the system until now. The Access database it was created on is obsolete and no longer supported by Faster. To date, only five customers are still on this antiquated system. All other users have upgraded their systems for better performance and data sharing across multiple user platforms.

Currently all reports are custom-made by staff or Faster using Crystal reporting. This process is complicated and time-consuming. The reports take significant staff time to convert for review and analysis to present information on fleet performance and recommendations.

The current system configuration is limited to only six users without paying additional fees for more profiles. As the City grows, additional users will be needed, both for mechanics and administrative staff. The program is also not mobile now since it is server based. Mechanics working in the field must call the shop to gather vehicle or equipment information which slows productivity and consumes additional staff time from Fleet and the Department for the vehicles/equipment in use.

ANALYSIS

Efficient management of these vehicles and equipment is critical in ensuring smooth operations, reducing costs, and improving fleet performance. The use of reliable fleet asset software is

essential in enhancing these aspects, and the City is currently seeking to upgrade the current software solution to a more efficient and effective solution to allow for better analysis, reporting and decision-making for management of the City Fleet, and to provide unlimited users and remote accessibility to data as needed.

City staff requests that pursuant to Tracy Municipal Code Section 2.20.140(b)(6), the City Council find that it is in the best interest of the City to waive the Request for Proposal process for this agreement. Faster has been a satisfactory partner in service to the City and the Fleet Division wants to continue that relationship but with an upgraded system. Staying with the same vendor will ensure that data is transferred seamlessly and none of the almost two decades of work history is lost for the 494 pieces of inventory.

The upgraded program will provide long-term cost savings by: 1) Allowing for better tracking of warranty repair work and indicating when warranties are applicable to cover work orders, 2) A web-based program will reduce the overhead for IT regarding server-related issues and the cost to replace it, 3) Unlimited profiles can be created, making the system expandable as the City grows, and 4) Mobility allows mechanic real-time access to information regarding vehicles that may be broken down in the field.

Faster's customers have reported seeing a return on investment in as little as nine months. This was realized by the warranty identification feature, vehicle information availability, mechanic efficiency, and lower IT cost.

The program will allow cost and expense categories and spending tracking. This means that Fleet will be tracking in more detail the cost for each vehicle. The new and more accessible reporting system can generate better future projections on replacements and annual budgets required to ensure proper maintenance.

The internal customers that Fleet supports can also now have access to the program with real-time dashboards. They can see the status of their department's assets and work closely with Fleet regarding replacements. This will improve communication and reduce downtime for the City.

FISCAL IMPACT

Sufficient funding exists in the FY2022-23 operating budget to cover the initial payment of the contract with Faster, Inc. Future annual payments will be programmed into each fiscal year's annual operating budget.

STRATEGIC PLAN

Upgrading of the Fleet asset software meets Councils Strategic Priority of *Governance – Goal #4 for Enhancing Community Engagement through Technology.*

ACTION REQUESTED OF THE CITY COUNCIL

Staff recommends that the City Council adopt a resolution 1) approving a Professional Services Agreement with Faster, LLC for a total not to exceed the amount of \$295,600 for a term of five years to convert the City of Tracy's current fleet asset software to web-based software and

determining that it is in the best interest of the City to dispense procurement requirements for the Agreement pursuant to Tracy Municipal Code Section 2.20.140(b)(6) and 2) authorize the City Manager to make any minor amendments and contract extensions upon recommendation from the Operations & Utilities Director.

Prepared by: David Murphy, Assistant Director of Utilities

Reviewed By: James A. Jackson, Director of Operations & Utilities
Sara Cowell, Director of Finance
Bijal Patel, City Attorney
Karin Schnaider, Assistant City Manager

Approved By: Midori Lichtwardt, Interim City Manager

ATTACHMENTS:

Attachment A – Contract with Faster, LLC
Attachment B – Whitepages from Faster

GENERAL AGREEMENT

TT FASTER LLC, dba *FASTER* Asset Solutions, hereinafter referred to as "*FASTER*," and the City of Tracy hereinafter referred to as "Customer," agree to the following terms and conditions as detailed below and in the attached Schedules A-E (collectively, the "Agreement"), which are as follow:

- Schedule A: Statement of Work
- Schedule B: Software Upgrades & Support Agreement
- Schedule C: Software License Agreement
- Schedule D: Cloud Service Level Agreement (SLA)
- Schedule E: Pricing & Payment Terms

1. *FASTER* Web and Custom Deliverables:

- a. This Agreement may have custom deliverables, which are distinct and separate from *FASTER* Web. Custom deliverables, if any, will be listed in the Pricing & Payment Terms, attached as Schedule E. There are also several add-on products to *FASTER* Web that may be identified in Schedule E and licensed separately.

Whatever add-ons, custom deliverables and converted data are listed in Schedule E as work product will be deployed together through a "Soft Go-Live" instance. If there is additional work product that is to be delivered separately (after the initial Go-Live) that will be specifically listed in Schedule E. The Soft Go-Live instance is tested in the *FASTER* datacenter and then deployed to Customer's single environment that serves as Customer's test environment during the implementation and will become the production environment upon Go-Live. This permits Customer to perform whatever tests it deems necessary in the later environment to which it will have access. Customer having one environment through the life of the implementation that will be promoted to the production environment is a critical aspect of quality control that is a distinctly important part of the *FASTER* Web implementation process.

- b. Integrations & Business Intelligence Work Approvals & Testing:

All solutions, processes, and custom deliverables will be documented in the Statement of Work, which will be confirmed by both parties at the time of project kickoff.

- Post project kickoff change orders will be documented in writing and signed by both parties to confirm agreement.

Data Conversion Testing:

If data conversion services are included in Schedule E, the following will apply:

- i. *FASTER* will perform data validation testing.
- ii. *FASTER* will ensure the accuracy of the data *FASTER* loads into Customer's *FASTER* Web database against the data provided by Customer.
- iii. *FASTER* will confirm Customer's converted data meets the business rules of *FASTER* Web.

- iv. Once *FASTER* has completed data validation testing internally, *FASTER* will provide Customer a Soft Go-Live copy of the database that contains the data *FASTER* loaded.
- v. Customer may, at its discretion, perform any due diligence it deems necessary to validate this data.
- vi. *FASTER* will provide data validation test cases for Customer to use free of charge.
- vii. Any data defects Customer finds and reports during its Soft Go Live Data Conversion Testing that are the result of *FASTER*'s work will be corrected by *FASTER* at no charge to Customer.

2. Taxes

Prices and fees are exclusive of all federal, state, municipal, or other government, excise, sales, use, occupational, or like taxes now in force or enacted in the future and, therefore, prices are subject to an increase equal in amount to any tax *FASTER* may be required to collect, or pay, upon the sale or delivery of items purchased or licensed. If a certificate of exemption, or similar document, is available to exempt the sale from sales or use tax liability, Customer will provide *FASTER* with a copy of such certificate or document.

3. Proprietary Rights of *FASTER*

- a. Nature of Rights and Title: Customer recognizes that all computer programs, system documentation, and other materials supplied by *FASTER* to Customer are subject to the proprietary rights of *FASTER*. Customer agrees that the programs, documentation, and all information or data supplied by *FASTER*, in machine-readable form are trade secrets of *FASTER*, are very valuable to *FASTER*, and that their use and disclosure must be controlled.

Title: *FASTER* retains title to and all intellectual property rights to all programs, documentation, information or data furnished by *FASTER*. Customer retains rights to the asset data related to its property, which is housed within the MSSQL database. Other aspects of that MSSQL database, such as database structure and database objects remain the proprietary property of *FASTER*.

Customer shall keep each and every item to which *FASTER* retains title free and clear of all claims, liens and encumbrances except those of *FASTER*. Any act of Customer, voluntary or involuntary, purporting to create a claim, lien, or encumbrance on such an item shall be void.

- b. Restrictions on Customer Use: The computer programs and other items supplied by *FASTER* hereunder are for the sole use of Customer and Customer's employees/agents.
 - i. Competitive Uses: Customer agrees that it will not directly or indirectly lease, license, sell, offer, negotiate, or contract to provide any software similar to that supplied hereunder to any third party. This clause, however, will not prohibit Customer from acquiring, for its own use, software from third parties. Customer agrees that it will not:

1. Copy or duplicate, or permit anyone else to copy or duplicate, any physical or electronic version of the programs, databases, documentation, or information furnished by *FASTER* (other than for internal backup purposes).
 2. Create or attempt to create, or permit others to create or attempt to create, by reverse engineering or object program or otherwise, the source programs, or any part thereof, from the object program or from other information made available under this Agreement (whether oral, written, tangible, or intangible). Customer may copy for its own use documentation and any other materials provided by *FASTER*.
 3. Modify or permit others to modify the system's database structure. Any such modifications will void *FASTER's* warranties and *FASTER's* obligation to provide Software Upgrades and Support pursuant to Schedule B.
- ii. Demonstrations. Due to the proprietary nature of *FASTER* Web, Customer agrees not to demonstrate or show *FASTER* Web to any competitors, or consultants that work with competitors, of *FASTER*.

c. Transfer/Expansion of Rights

Customer's rights to use the programs, documentation, and other materials supplied by *FASTER* under this Agreement shall not be assigned, licensed, or transferred to a successor, affiliate or any other person, firm, corporation, or organization voluntarily, by operation of law, or in any other manner without the prior written consent of *FASTER*, which shall not be unreasonably withheld.

d. Equitable Relief

If Customer attempts to use, copy, license, or convey the items supplied by *FASTER* hereunder in a manner contrary to the terms of this Agreement or in competition with *FASTER* or in derogation of *FASTER's* proprietary rights, whether these rights are explicitly herein stated, determined by law, or otherwise, *FASTER* may, in addition to other remedies available to it, seek equitable relief enjoining such action.

e. Binding Effect & Definitions

Customer agrees that this Agreement binds the named Customer and each of its employees, agents, representatives, and persons associated with it. This Agreement further binds each affiliated organization and any person, firm, corporation, or other organization with which Customer may enter a joint venture or other cooperative enterprise. The term employee means individual on whose behalf Customer withholds income taxes or makes contributions under the federal insurance contributions act or similar statutes in other nations.

5. Exclusion of Incidental, Consequential and Certain Other Damages

Neither *FASTER* nor its suppliers shall be liable for any special, incidental, indirect, punitive or consequential damages arising out of the use of or inability to use the *FASTER* software or its associated support services, or the provision of or failure to provide support services under this Agreement.

6. Limitation of Liability

Customer agrees that *FASTER's* liability to Customer or any third party due to negligent professional acts, errors or omissions or breach of contract by *FASTER* will be limited to an aggregate of *FASTER's* total fees.

7. Confidential Information

"Confidential Information" means any software provided by *FASTER* to Customer under this Agreement, the logon identifiers and passwords provided to Customer and its authorized users, materials marked confidential by Customer or *FASTER* and any other information conveyed under this Agreement in writing or orally that is designated confidential or by the circumstances in which it is provided reasonably would be considered confidential. Each party acknowledges and agrees that: (a) the Confidential Information constitutes trade secrets of the party owning such Confidential Information; (b) it will use Confidential Information of the other party solely in accordance with the provisions of this Agreement; and (c) it will not disclose, or permit to be disclosed, the Confidential Information of the other party to any third party without the disclosing party's prior written consent. Each party will take all reasonable precautions necessary to safeguard the confidentiality of the other party's Confidential Information including, at a minimum, those precautions taken by a party to protect its own Confidential Information of a similar nature, which will in no event be less than a reasonable degree of care. Confidential Information will not include information that is: (a) publicly available through no fault of the receiving party; (b) already in the other party's possession and not subject to a confidentiality obligation; (c) obtained by the other party from any source without breach of any obligation of confidentiality; or (d) independently developed by the other party without reference to the disclosing party's Confidential Information. Either party may disclose such Confidential Information as is required to be disclosed by order of a court or other governmental entity, provided reasonable notice is given to the party owning such Confidential Information so that such party may challenge the disclosure or obtain a protective order or other equitable relief. The obligations in this section as to Confidential Information shall continue for a period of five years following termination of this Agreement, including all renewal terms.

8. Term and Termination

The initial term of this Agreement shall be for five years from the Effective Date. After expiration of the initial term, Annual Software and Support (as outlined in Schedule B) shall automatically renew for successive one-year periods unless either party provides written notice of non-renewal at least 60 days prior to commencement of the applicable renewal term. The costs for Annual Software and Support in this Agreement will increase annually by the Consumer Price Index for the United States as published by the Bureau of Labor Statistics of the United States Department of Labor (capped at no more than 6% annually), or, if specified, by the amount identified in the pricing quotation. The parties will work in good faith to allow for each party to unwind this relationship if termination occurs.

a. Termination by *FASTER*

FASTER shall have the right, upon notice to Customer, to terminate this Agreement if: (a) Customer fails to pay *FASTER* any amount due hereunder and such failure to pay is not cured within 30 days following *FASTER's* notice to Customer of such breach; (b) Customer is in material breach of this Agreement, provided such breach is not cured by Customer within

30 days following *FASTER's* notice to Customer of such breach; or (c) Customer (i) terminates or suspends its business activities; (ii) makes an assignment for the benefit of creditors, or becomes subject to direct control of a trustee, receiver or similar authority; or (iii) becomes subject to any bankruptcy or insolvency proceeding under federal or state statutes.

b. Termination by Customer

Customer will have the right, upon notice to *FASTER*, to terminate this Agreement if (a) *FASTER* is in material breach of this Agreement and *FASTER* fails to remedy such material breach within 30 days of its receipt of such notice; or (b) *FASTER* (i) terminates or suspends its business activities; (ii) makes an assignment for the benefit of creditors, or becomes subject to direct control of a trustee, receiver or similar authority; or (iii) becomes subject to any bankruptcy or insolvency proceeding under federal or state statutes.

c. Early Termination

Customer recognizes that pricing consideration is given for multi-year term agreements. In the event that Customer elects to cancel the Agreement without cause prior to the completion of the initial term, Customer agrees to pay 85% of the unbilled portion of the Agreement for the remaining term.

9. General

a. Agreement Modifications

This Agreement can be modified only by a written agreement duly executed by persons authorized to sign agreements on behalf of Customer and of *FASTER*. Any variance from the terms and conditions of this Agreement in any order or other written notification from Customer will be of no effect unless agreed to in writing by *FASTER*.

b. Entire Agreement

This Agreement constitutes the entire agreement among the parties, and any prior understanding or representation of any kind preceding the date of this Agreement shall not be binding on any party except to the extent incorporated in this Agreement.

c. No Other Warranties outside of this Agreement

EXCEPT FOR THE EXPRESS WARRANTIES STATED IN THIS AGREEMENT, *FASTER* DISCLAIMS ALL WARRANTIES WITH REGARD TO THE *FASTER* PRODUCT SOLD HEREUNDER, INCLUDING ALL IMPLIED WARRANTIES OF MARKETABILITY AND FITNESS AND ALL OBLIGATIONS OR LIABILITIES ON THE PART OF *FASTER* FOR DAMAGES INCLUDING, BUT NOT LIMITED TO, CONSEQUENTIAL DAMAGES ARISING OUT OF, OR IN CONNECTION WITH, THE USE OR PERFORMANCE OF THE SYSTEM.

d. Severability

If any provision or provisions of this Agreement shall be held to be invalid, illegal, or non-enforceable, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

e. Force Majeure

Neither party shall be liable in damages or have the right to terminate this Agreement for any delay or default in performing hereunder if the delay or default is caused by conditions beyond its control including, but not limited to, Acts of God, government restrictions, wars, insurrections, pandemics or any other causes beyond the reasonable control of the party whose performance is affected.

f. Limitation Period (3 years)

No action, regardless of form, arising out of this Agreement may be brought by either party more than three (3) years after the cause of action has arisen, or, in the case of non-payment, more than three (3) years from the date of the last payment.

g. Asset Count

FASTER reserves the right to periodically and reasonably confirm Customer's Standard Active Asset and Non-Standard Active Asset counts. Customer will reasonably cooperate with *FASTER* in the asset count confirmation process. Should those counts exceed the number of active assets licensed by Customer, *FASTER* reserves the right to bill Customer for those excess assets at the applicable additional asset rate noted in Customer's Statement of Work (SOW), Pricing & Payment Terms.

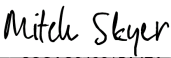
h. Public Agencies

With *FASTER*'s approval, this Agreement may be extended for use by other municipalities and government agencies of any state. Any such usage by other municipalities and government agencies must be in accord with the ordinance, charter, and/or rules and regulations of the respective political entity. Special discount(s) provided to Customer will not necessarily apply to other customers. Customer does not accept any responsibility or involvement in the purchase orders or contracts issued by other public agencies.

i. Governing Law

This Agreement will be governed by the laws of the State of California. Customer acknowledges that it has read this Agreement, understands it, and agrees to be bound by its terms and conditions. Further, Customer agrees that it is the complete and exclusive statement of the agreement between the parties, which supersedes all proposals or prior agreements, oral or written, and all other communications between the parties relating to the subject matter of this Agreement.

AGREED TO:

Customer: City of Tracy	TT FASTER LLC DBA <i>FASTER</i> Asset Solutions
By: _____ Nancy D. Young	DocuSigned by:  By: _____ 2CCAC946615A47A... Mitch Skyer
Title: Mayor	Title: <u>President</u>
Date: _____	Date: <u>4/25/2023 10:22 AM PDT</u>

Schedule A: Statement of Work

1. SERVICES

- a. Orders for Services.
 - i. *FASTER* will provide and make the Services available to Customer in accordance with the terms and conditions of this Agreement and any applicable written Quote signed by all parties, which becomes an Order.
 - ii. In the event of a conflict between the terms of this Agreement and the terms of an Order, the terms of this Agreement will govern to the extent of the conflict unless the Order expressly states that it is intended to modify the conflicting terms of this Agreement, in which case the terms of the Order will govern to the extent of the conflict.
- b. Professional Services.
 - i. If specified in an Order, *FASTER* will provide Professional Services to Customer in accordance with this Agreement and the applicable Order.
 1. Data Extraction Support Services – optional add on service to support Customer with data extraction, mapping, and database population from existing database to *FASTER* Web MSSQL staging database.
 - ii. *FASTER* will own any improvements, enhancements, configurations, or other derivative works to the Cloud Services made by *FASTER* in connection with the Professional Services.
- c. Training Services.
 - i. *FASTER* shall provide training services via live, instructor led web-based internet sessions, live in person sessions, and via collateral materials for self-directed customer training. All training options shall include the instructional materials provided.
 - ii. Training may include some or all of the following training; supervisory and administrative functions, technicians, train the trainer, operators, and other identified customer representatives.
 - iii. All quotes for training options and/or combinations will be delivered in writing and only executed with Customer's authorized signature. Onsite training is recommended at key intervals based on customer need and/or deployment complexity. *FASTER* will provide quotes for onsite training as requested and/or as recommended at *FASTER*'s then-current rates (unless specified in an Order. otherwise) plus travel expenses, which include airfare, ground transportation, parking, lodging, per diem, and administrative expenses.
- d. Implementation/Configuration Services.
 - i. *FASTER* shall provide Customer with account setup information within fourteen (14) days of the effective date of Order.
 - ii. To permit *FASTER* to perform historical data import, Customer shall provide *FASTER* with any requested configuration information and a copy of the Customer *FASTER* Win database and/or other external database as applicable. This typically is provided within twenty (20) business days of the applicable Order's effective date, or at a date mutually agreed upon within the project plan.
- e. Custom Work

- i. This Agreement may have custom work product, which is distinct and separate from the *FASTER* Web services and software. Custom work, if any, will be listed in Schedule E, or within a subsequent order document.
- ii. There are also several software products that are licensed separately. Therefore, if the product is not specifically listed in Schedule E, no license rights are conveyed.

2. PROJECT MANAGEMENT.

a. Project Managers.

- i. Each party shall, throughout the Term, maintain within its organization a project manager to serve as such party's primary point of contact for day-to-day communications, consultation, and decision-making regarding the Services.
- ii. Each such project manager shall be responsible for providing all day-to-day consents and approvals on behalf of such party under this Agreement.
- iii. Customer's project manager will assist with scheduling and coordinating training sessions and other requests Customer may have for the Services.
- iv. Each party shall ensure its project manager has the requisite organizational authority, skill, experience, and other qualifications to perform in such capacity.

b. Delays in Performance.

- i. *FASTER* shall not be deemed in breach of its obligations under this Agreement or otherwise liable if *FASTER*'s performance of its obligations under this Agreement is prevented or delayed by the unavailability of Customer's data, to include, but not be limited to, an existing *FASTER* Win database or other existing database.
- ii. Additionally, *FASTER* will not be considered in breach of its obligations due to Customer delays with respect to configuration decisions, training scheduling, assigned project task completion, differences in the descriptions of the fleet as provided by Customer, or any other act or omission of Customer, its project manager, or any other of its agents, subcontractors, consultants or employees.
- iii. *FASTER*'s obligation to perform will be extended by the same number of days as Customer's contingent action is delayed plus additional coordination time that results from these delays.
- iv. *FASTER* will always work to minimize delays and partner with the Customer to address solutions if and when these situations occur.

3. *FASTER* Web Application

- a. One instance of the *FASTER* Web application with one database is included.
- b. Unlimited user access (named accounts) is included.
- c. *FASTER* Fleet Management Dashboard includes 8 Key Performance Indicator (KPI) Charts, as Module landing page charts.
- d. MODULES
 - i. Assets
 - ii. Inventory
 - iii. Maintenance
 - iv. Fuel
 - v. Accounting
 - vi. Vendors
 - vii. Reports
- e. Technician Workstation
- f. Customer Portal

4. SELECTED (OPTIONAL) SOFTWARE COMPONENTS

- a. Selected software add-on components as indicated in the Order.
 - b. Selected components are not included in the standard *FASTER* Web Application and are priced separately for initial and ongoing recurring fees.
5. Application Programming Interface (API) (OPTIONS)
- a. Communication protocol that allows communication between *FASTER* Web and specifically identified application. Includes all required definitions and protocols to communicate with external application as identified. Includes updates to the API if required due to definition or protocol changes.
 - i. Integrations Web Service API to retrieve, create, update, and delete API data is included with any purchased API. The Integrations Web Service returns setting values from the integration console and captures the execution history by status.
 - ii. Health Web Service API included with any purchased API option. Confirms user authentication and communication success, and provides diagnostics information for troubleshooting communication activity.
 - b. Maintenance Repair API
 - i. Retrieve work order and direct charge repair information from *FASTER* Web
 - c. Asset Alerts API
 - i. Retrieving and creating alerts from telematics vendor for assets in *FASTER* Web once per hour.
 - ii. Create one or more alerts for an asset or a collection of alerts for an asset in *FASTER* Web.
 - d. Asset Locations Web Service API
 - i. Create GPS location record for an Asset in *FASTER* Web from an external automated vehicle location/GPS vendor.
 - ii. One or more new location records are created once per hour per asset.
 - e. Inventory Orders and Invoices API
 - i. Import invoices into *FASTER* Web based on received date
 - ii. Import orders and line items by status and date
 - iii. Import orders and line items by Vendor Name, Vendor Code, and Purchase Order Number
 - iv. Create orders and order line items (optional parameter)
 - v. Deletes orders and order line items.
 - f. Inventory Item Request Web Service API
 - i. Retrieve item requests and create item request messages.
 - ii. Item requests include Storeroom, Begin and/or End Date and Offset
 - iii. Item Request Messages for technician include Item Request Identifier (unique), Message Subject, Message Body
 - g. Asset Meter Readings Web Service API
 - i. Create meter readings for each asset in *FASTER* Web daily per asset from external vendor data feed.
 - h. Purchase Orders Web Service API
 - i. Import one or more Purchase Orders that match the given Vendor Names, Vendor Codes and Purchase Order Numbers.
 - ii. Create one or more purchase orders and budget line items for purchase orders.
 - i. Process Billing Automation Web Service API
 - i. Auto create date specific billing statement in *FASTER* Web
 - j. Asset Birth Certificate Web Service API

- i. Retrieves and updates Assets in *FASTER Web*.
 - ii. Parameters include current Asset Status, date, VinSerial, License, Asset Number, and Organization.
- 6. Integrations (OPTIONS)
 - a. Asset Alerts Import
 - i. Import telematics alerts such as, but not limited to, Diagnostic Trouble Codes (DTC), fault codes, inspection comments from external vendors.
 - b. Asset Locations Import
 - i. Latitude and longitude GPS data points imported from Automated Vehicle Locator system and displayed on *FASTER Web's* map
 - ii. Fixed location and ignition status at time of import to be used to track parked vehicle locations.
 - iii. Requires vendor provided flat file that contains all required data or *FASTER Web* can fetch data via an APIs using SOAP-based web services or RESTful-based APIs
 - c. Asset Meter Readings Import
 - i. Import cumulative asset meter readings available from vendor into *FASTER Web*.
 - ii. Supported meter types that may be imported include Miles, Hours, PTO, Engine Idle Hours, etc.
 - iii. *FASTER Web* can fetch meter data from external vendor APIs using SOAP-based web services or RESTful-based APIs. Flat files with conforming data structure can be imported as well.
 - d. Single Vendor Fuel Import
 - i. Import fuel usage data by asset from a Fuel System Vendor (FSV).
 - ii. Live production export flat files including the complete disbursement transaction data from Fuel System Vendor are required for import.
 - e. Fuel Dispenser Integration
 - i. Allows *FASTER Web* users to track the individual fuel site and/or dispenser source.
 - ii. Allows configuration to track Inventory Items so fuel imports deplete quantity from inventory.
 - f. VIN Decoder
 - i. Scan or manually enter a VIN into *FASTER Web* Create Asset and Select Asset processes.
 - ii. VIN decoded by the National Highway and Transportation Safety Administration (NHTSA).
 - iii. Automatically creates Table Look Up values, such as Make, if the value provided by NHTSA is not in *FASTER Web*.
 - iv. Decoded VINS trigger import of the following fields and pre-populate in *FASTER Web* "Create New Asset" function.
 - 1. Vehicle Make, Vehicle Model, Year, Drivetrain, Engine
 - v. Decoded NHTSA values not already in the system will automatically be added to the appropriate field list in Setup when saving the asset.
 - vi. NHTSA values are checked to confirm active status in *FASTER Web*.
- 7. Modules (OPTIONS)
 - a. Barcoding Add On
 - i. Software to scan and print 2D or Symbiology – Code 128 barcodes
 - b. Alert Filtering and Mapping Add On

- i. Automatically create pending repairs or service items
 - ii. Automatically send text or email custom notifications.
 - iii. Assign custom descriptions to alerts from vendor provided XML file
 - iv. Optional alert description reference mapping to SAE (Society of Automotive Engineers) codes with SAE subscription.
 - c. Dashboard Add On
 - i. Separate module with user definable views and settings
 - ii. 12 additional KPI (Key Performance Indicators) Charts
 - d. *FASTER* Web Inventory Import Utility (IIU)
 - i. Interface that enables the issuance of parts and credits to *FASTER* Web work orders.
 - ii. Supports import of Inventory (parts) data from parts or fluid vendor.
 - iii. IIU is incorporated directly in *FASTER* Web Integrations Module
 - iv. Configuration is done within the *FASTER* Web Integrations Module, results are imported directly into the module.
 - v. Scheduling frequency of import as often as every five minutes.
 - vi. Data is retrieved via an external vendor provided comma separated value (CSV) flat file from a designated file location or SFTP site.
 - e. Web-Based MotorPool Module
 - i. Software package to manage Asset Sharing, Asset Rentals and Asset Reservations for both attended and unattended motor pools
 - ii. Unlimited user access (named accounts)
 - iii. Workflow processes to manage customer and end user interaction, rate structures, multiple motor pool locations, and consolidated billing.
 - f. Key Box Integration
 - i. Required to integrate keybox hardware with *FASTER* MotorPool module. Includes keyfob tracking, dispatch and reservations without requiring an onsite attendant.
- 8. Exports (OPTIONS)
 - a. Asset Alert Results Export
 - i. Utility to export alerts from *FASTER* Web by status fixed or cleared status.
 - ii. Fixed Alert exports include Alert Status, Alert Code, Alert Description, Asset Number, VIN/Serial, Maintenance Shop, Maintenance Shop Description, Work Order, Repair Description, Technician Name, Date/Time Completed
 - iii. Cleared Alert exports include Alert Status (Cleared), Asset Number, VIN/Serial, Alert Code, Alert Description, Date/Time Cleared
 - b. Asset Birth Certificate Export
 - i. Utility to provide initial and ongoing data for new and updated assets related to: asset identification, acquire/dispose, engines, fuel types, and meters for consumption by external solutions.
- 9. Data Services (OPTIONS)
 - a. Data Extraction Mapping Tools
 - i. Option 1: Pre-designed MS Excel data mapping template
 - ii. Option 2: MSSQL Staging Database provided for mapping and populating existing data for migration
 - b. Level 1 Data Conversion and Testing

- i. Data conversion from existing database to *FASTER* Web database. Includes Asset/Equipment Birth Certificates, Parts Birth Certificates, Vendor Birth Certificates, Employees/Users Records.
 - ii. Data Validation testing conducted to confirm data conversion integrity.
 - c. Level 2 Data Conversion and Testing
 - i. Data conversion from existing database to *FASTER* Web database. Includes Fuel Transaction Details and Work Order Transaction Details
 - ii. Data Validation testing conducted to confirm data conversion integrity.
 - d. Level 3 Data Conversion and Testing
 - i. Data conversion from existing database to *FASTER* Web database. Includes Inventory Orders/Receipt Transaction Detail, Chart of Accounts
 - ii. Functional stability testing conducted to ensure no data conflicts with *FASTER* Web table structure.
 - iii. Data Validation testing conducted to confirm data conversion integrity.
- 10. Implementation/Pre Go-Live Training Modules – training modules are continually enhanced and updated, examples of these modules are found below.
 - a. Maintenance Management Overview
 - b. System Configuration for *FASTER* Web system settings
 - c. Training Plan and Schedule for specific system users and job functions.
 - d. Live System Management Webinars: Assets, Inventory, Maintenance, Vendors, Reports, and Dashboards.
- 11. Go Live Training
 - a. Typically delivered on site during the first week *FASTER* Web is deployed and fully implemented.
 - b. Full system review followed by comprehensive sessions covering Setup of Users and Permissions; Inventory; Maintenance, Creating Work Orders; Fuel; Accounting; Vendors; Reports; and Technician Workstation.
- 12. Post Go-Live Training (OPTIONS)
 - a. Users are invited to attend scheduled *FASTER* Q&A topic focused sessions to get questions answered, learn best practices, and sharpen their *FASTER* Web skills. These are available for no additional charge for 12 months after Go-Live.
 - b. Add on programmed training packages are available at scheduled intervals (i.e., quarterly, semi-annually, and annually) after Go-Live. These packages include review and reinforcement, advanced specialty training, and new employee introductory training modules. Training packages are conducted both remotely and in person as required.
 - c. New manager training program modules are available to introduce Customer new hire management to the *FASTER* Web solution and provide understanding of the tools, capabilities and reporting analytics to replacement management personnel.

Schedule B: Software Upgrades & Support Agreement

1. Software Upgrades & Support will consist of: (i). Upgrades to the *FASTER* Web software and custom deliverables listed in any Statement of Work; (ii). Correction of defects to keep the software in conformance with the applicable user documentation; and (iii). Support listed in Section 4.
2. Software Upgrades:
 - a. Software upgrades are regularly scheduled and implemented by *FASTER* to all customers with current Software Upgrades & Support Agreements (i.e., it cannot have expired). After the initial term, Software Upgrades & Support will automatically renew unless Customer cancels per the termination provisions identified herein. Software Upgrades & Support provides the following upgrade benefits:
 - i. Upgrades to *FASTER* Web: Each new version release is included under this Agreement.
 - ii. Upgrades to Add-on Products and Customizations: All Add-on Products and customizations will be upgraded to function with new versions of *FASTER* Web.
3. Software Defects: Software Upgrades & Support covers issues or problems that are the result of verifiable, replicable errors (*FASTER* will use all reasonable means to verify and replicate) in the software ("Verifiable *FASTER* Defect"). An error will be a Verifiable *FASTER* Defect only if it constitutes a material failure by the software to function in accordance with the applicable software documentation. This documentation encompasses *FASTER* Web, and, if custom deliverables are included in Schedule E, the associated detailed Requirements Document.
4. *FASTER* Software Support Coverage and Policies

Overview

FASTER Support Services are set forth in this Software Upgrades & Support Agreement. During the term of this Agreement, *FASTER* will provide the following support services if the Licensed Software does not operate substantially in accordance with the documentation. Support will be handled via phone, email, and the internet when *FASTER* support personnel are not at Customer's site. The infrastructure for this plan is a request tracking system used to facilitate the process of tracking and resolving customer needs and issues. Every service request is logged into the system and is accessible by *FASTER* support representatives.

- Full-service support hours are weekdays from 7:30 AM – 6:00 PM Eastern Time, except for holidays.
- On call support personnel are available 24/7/365 to handle Urgent and High severity issues outside of standard business hours.
- All support cases are entered in the *FASTER* tracking system, assigned a case number, and documented via email with a response and case number sent to Customer.

Assignment of Service Request Severity

When Customer has opened a service request and reaches customer support, the *FASTER* associate will assess the severity of the request based on Customer's description of the issue.

Table 1 below describes the definitions used in identifying and assigning a severity level to Customer's reported issue for the *FASTER* Web cloud-based solution.

Severity Level	Criteria
Urgent	<ul style="list-style-type: none"> Customer's production system is down due to an issue with a <i>FASTER</i> product. <i>FASTER</i> product is unusable resulting in total disruption of work or other critical business impact. No workaround is available
High	<ul style="list-style-type: none"> Major feature/function failure Operations are severely restricted A workaround is available
Medium	<ul style="list-style-type: none"> Minor feature/function failure Product does not operate as designed, minor impact on usage, acceptable workaround deployed
Low	<ul style="list-style-type: none"> Minor issue Documentation, general information, enhancement request, etc.

Response and Resolution Targets

FASTER Support response and resolution targets are described below:

Response: When *FASTER* Customer Support receives a support request, a support engineer will provide feedback to Customer that the request has been logged and assigned to the appropriate resource. The support team will work as efficiently as possible with Customer to ensure **a clear understanding of the issue, and, where applicable, attempt to reproduce or identify from the system log the issue.**

FASTER offers the option to submit support requests in three ways: via our web portal, direct email to support@fasterasset.com, or via our phone support line.

Severity Level	Target Response	Target Resolution	Solution (1 or more of the following)
Urgent	1 Business Hour	Within 4 hours from actual response	<ul style="list-style-type: none"> Satisfactory workaround is provided Product patch is provided Fix incorporated into future release Fix or workaround incorporated into Solution Library
High	4 Business Hours	Within 36 hours from actual response	<ul style="list-style-type: none"> Satisfactory workaround is provided Product patch is provided Fix incorporated into future release

			<ul style="list-style-type: none"> Fix or workaround incorporated into Solution Library
Medium	1 Business Day	Within 5 Business Days	<ul style="list-style-type: none"> Answer to question is provided Satisfactory workaround is provided Fix or workaround incorporated into Solution Library Fix incorporated into future release
Low	1 Business Day	Within 10 Business Days	<ul style="list-style-type: none"> Answer to question is provided through FAQ, Knowledge Base, or through trained customer subject matter experts (SME) Fix or workaround incorporated into Solution Library

Assignment of Service Request Status

When a customer contacts *FASTER* Customer Support and requests help to resolve a question or an issue, a service request is opened. The following table describes the possible status that may be assigned to a service request.

Status	Criteria
Open/In-Process	A service request has just been submitted. It may be assigned to an individual or a queue. <i>FASTER</i> has responded to Customer regarding receipt of the service request and is actively pursuing a resolution.
Waiting on Customer	<i>FASTER</i> is not actively working on the resolution of the service request. Generally, this is due to information pending from the submitter of the service request to be able to clearly understand, have the ability to reproduce or identify from the system log the issue at hand. However, service requests may be put on hold for other reasons as well.
Active	<i>FASTER</i> has identified the issue and is actively working on a resolution, but the issue requires additional activities, such as, but not limited to, development, integration, third-party discussions, and additional Customer department interaction. <i>FASTER</i> will regularly provide status updates and expected resolution timelines to the customer.
Closed	<p>Closed status reflects that:</p> <ul style="list-style-type: none"> Customer and <i>FASTER</i> agree that a satisfactory resolution has been provided, or Customer understands that there is not a solution to the issue at hand, and the issue is not a result of a product defect, or <i>FASTER</i> has made multiple attempts to contact Customer that opened the log and Customer has not responded. <p>Electronic service requests (Web, e-mail) may be closed when <i>FASTER</i> Professional Services has provided an electronic reply with a high degree of confidence that the reply will resolve the issue or answer the question.</p>

Networking, hardware and installed software at the site are the sole responsibility of Customer and are not covered in Support Services. Customer misuse or unauthorized use of Licensed Software or Mobile Modules also is not covered in Support Services.

5. Training is provided as requested by Customer. Options for training include initial “Go-Live Training,” remote, web-based training, regional training sessions, progressive system administrator training, and onsite, in person training. Each option will be quoted, in writing, for Customer’s review. Once accepted, the account management team will coordinate scheduling at the earliest mutually acceptable date.
6. Customer’s Responsibilities:
 - a. Customer’s representative(s) must be qualified and authorized to communicate all necessary information.
 - b. Customer accepts sole responsibility for any compatibility problems between the *FASTER* Web software and any other application software or non-current software programs not maintained or supported by *FASTER*.
 - c. Provide all relevant information and supporting details necessary to clarify support issue(s).

Term:

A lapse in Software Upgrades & Support is defined as non-payment for 60-days. Customers who enter delinquent status may be subject to suspension of some or all services, including, but not limited to support, product updates, or access to cloud-based services. Removal of delinquent status will be at *FASTER*’s discretion and may require a penalty payment and/or increase in recurring service costs.

A customer may, at any time, license other *FASTER* software that will also have a Software Upgrades & Support fee. There will be an additional Software Upgrades & Support fee due at the time of licensing the additional software based on the associated licensing fee. Recurring service fees may be pro-rated to reflect term agreement pricing as is applicable.

Schedule C: Software License Agreement

1) Scope of License

a) Grant:

Subject to and conditioned on Customer's compliance with the terms and conditions of this Agreement, *FASTER* grants Customer a personal, non-exclusive, non-transferable, non-sublicensable, limited license for its Authorized Users to use the Licensed Software on behalf of Customer solely during the subscription term set out in Schedule E: Pricing & Payments Terms (including all orders and/or addenda accepted following execution of this Agreement, which shall be incorporated automatically into Schedule E at the time of acceptance) and for Customer's internal business purposes in accordance with the Documentation. Under the foregoing license, Customer may either (a) install and/or host the Licensed Software on *FASTER*'s hosting provider's hardware, as agreed by the Parties in Schedule E; (b) install and/or host the Licensed Software on Customer's, or its designated contractor's, hardware and in the number of copies of the Licensed Software permitted in Schedule E (or other licensing metric set forth therein, as applicable); or (c) any combination of the foregoing (a) and (b).

- b) Limitations. Customer shall not, and shall require its Authorized Users not to, directly or indirectly: (a) use (including make any copies of) the Licensed Software or Documentation beyond the scope of the license granted; (b) provide any other person or entity, including any subcontractor, independent contractor, affiliate or service provider of Customer, with access to or use of the Licensed Software or Documentation; (c) modify, translate, adapt or otherwise create derivative works or improvements, whether or not patentable, of the Licensed Software or Documentation or any part thereof; (d) combine the Licensed Software or any part thereof with, or incorporate the Licensed Software or any part thereof in, any other programs other than as contemplated by Schedule E or by the Documentation; (e) reverse engineer, disassemble, decompile, decode or otherwise attempt to derive or gain access to the source code of the Licensed Software or any part thereof; (f) remove, delete, alter or obscure any trademarks or any copyright, trademark, patent or other intellectual property or proprietary rights notices provided on or with the Licensed Software or Documentation, including any copy thereof; (g) copy the Licensed Software or Documentation, in whole or in part, other than as permitted by this Agreement; (h) rent, lease, lend, sell, sublicense, assign, distribute, publish, transfer or otherwise make available the Licensed Software, or any features or functionality of the Licensed Software, to any third party for any reason, whether or not over a network or on a hosted basis, including in connection with the internet or any web hosting, wide area network (WAN), virtual private network (VPN), virtualization, time-sharing, service bureau, software as a service, cloud or other technology or service; (i) use the Licensed Software or Documentation in violation of any Law, regulation or rule; or (j) use the Licensed Software or Documentation for purposes of competitive analysis of the Licensed Software, the development of a competing software product or service or any other purpose that is to *FASTER*'s commercial disadvantage.

2) SaaS Services.

- a) Access.** Subject to and conditioned on Customer's compliance with the terms and conditions of this Agreement, *FASTER* will provide Customer's Authorized Users a personal, non-exclusive, and non-transferable right to access and use the Licensed Software on behalf of Customer solely during the subscription term set out in Schedule E and for Customer's internal business purposes in accordance with the Documentation. *FASTER* shall host the Licensed Software on *FASTER*'s hardware, during the Access Term, as agreed by the Parties in this Agreement.
- b) Acknowledgment.** Customer acknowledges and agrees that this Agreement and the rights provided pursuant to this Section 2 is a services agreement and *FASTER* will not be delivering copies of the Licensed Software to Customer or its Authorized Users as part of the SaaS Services.
- c) Proprietary Rights.** Customer acknowledges and agrees that the Licensed Software and any necessary software used in connection with the services provided under this Agreement contain proprietary and confidential information that is protected by applicable intellectual property and other laws. Customer further acknowledges and agrees that the content or information presented to the Customer through the services provided pursuant to this Agreement may be protected by copyrights, trademarks, service marks, patents or other proprietary rights and laws. Except where expressly provided otherwise by *FASTER*, nothing in this Agreement or Documentation shall be construed to confer any license to any of *FASTER*'s intellectual property rights, including, but not limited to, the Licensed Software, whether by estoppel, implication, or otherwise.
- d) Limitations.** Customer shall not, and shall require its Authorized Users not to, directly or indirectly: (a) use (including make any copies of) the Licensed Software or Documentation beyond the scope of the access and use granted; (b) provide any other person or entity, including any subcontractor, independent contractor, affiliate or service provider of Customer, with access to or use of the Licensed Software or Documentation; (c) modify, translate, adapt or otherwise create derivative works or improvements, whether or not patentable, of the Licensed Software or Documentation or any part thereof; (d) combine the Licensed Software or any part thereof with, or incorporate the Licensed Software or any part thereof in, any other programs other than as contemplated by Schedule E and the Documentation; (e) reverse engineer, disassemble, decompile, decode or otherwise attempt to derive or gain access to the source code of the Licensed Software or any part thereof; (f) remove, delete, alter or obscure any trademarks or any copyright, trademark, patent or other intellectual property or proprietary rights notices provided on or with the Licensed Software or Documentation, including any copy thereof; (g) copy the Licensed Software or Documentation, in whole or in part; (h) rent, lease, lend, sell, license, assign, distribute, publish, transfer or otherwise make available the Licensed Software, or any features or functionality of the Licensed Software, to any third party for any reason, whether on a network or on a hosted basis, including in connection with the internet or any web hosting, wide area network (WAN), virtual private network (VPN), virtualization, time-

sharing, service bureau, software as a service, cloud or other technology or service; (i) use the Licensed Software or Documentation in violation of any Law, regulation or rule; or (j) use the Licensed Software or Documentation for purposes of competitive analysis of the Licensed Software, the development of a competing software product or service or any other purpose that is to *FASTER's* commercial disadvantage.

3) The term of this license or subscription will, unless written notice of termination is given at least 60 days prior to the end of the then-current term, automatically renew at the end of each term for a subsequent term equal in duration to the original term.

4) Environment:

Customer understands that it may use the Licensed Software in a single environment. In this Agreement, an "environment" is defined as a single installation (instance) of the Licensed Software and one *FASTER* Web database.

- a) *SINGLE FASTER TEST/PRODUCTION ENVIRONMENT*: In order to minimize costs, as well as control quality and reduce risk, there will only be one environment through the implementation process. This environment, upon installation and during implementation will be the test environment on which all tasks (system overview, configuration, testing, training, etc.) will be performed. Upon loading a final Go-Live database, this test environment will then be promoted to become the production environment.
- b) *OTHER TEST OR DEVELOPMENT ENVIRONMENT/S*: Customer may request a separate test or development environment for other purposes (e.g., during the implementation or after Go-Live) with the additional license and annual support fees outlined in Schedule E.

5) Software Modifications:

Customer may not modify the Licensed Software, including, but not limited to, reverse engineering of any component of the Licensed Software in order to perform any such modifications. Should Customer violate this provision, all warranties associated with the Licensed Software are null and void.

Schedule D: Cloud Service Level Agreement (SLA)

1. Administration:

FASTER will issue to Customer's designated "Administrator" an individual logon identifier and password ("Administrator's Logon") for purposes of Customer administering the *FASTER* Web software. Using the Administrator's Logon, the Administrator shall assign each remaining Authorized User a unique logon identifier and password and assign and manage the business rules/permissions that control each such Authorized User's access to the *FASTER* Web software. Customer shall use commercially reasonable efforts to ensure that each Authorized User will: (a) use a logon identifier to access all areas of the system and not allow the system to be accessed without a logon identifier; (b) not disclose his/her logon identifier to any person or entity; (c) not permit any other person or entity to use his/her logon identifier and (d) use the *FASTER* Web software solely in accordance with the terms and conditions of this Agreement.

2. Database Backups

An incremental backup of the database to a local drive will occur hourly. And a full backup will occur nightly. Both the hourly and nightly full backups will be stored offsite.

3. Database Rights and Access:

3.1 Data Rights: Customer maintains full rights to its data contained in the database upon termination of this Agreement.

3.2 Access to Database: Unless Customer purchases the optional "Database Access," Customer will not have access to the database or database server (e.g., to run queries directly against the database). However, Customer will have access to download a copy of the database backup file on a regular basis. In addition, through the user interface of *FASTER* Web, Customer will have access to the business intelligence built into *FASTER* Web to search data, run reports and view data in dashboards.

4. Cloud Service Level Agreement:

4.1 Availability: *FASTER* shall maintain a datacenter adequate to make *FASTER* software available to Customer twenty-four (24) hour per day, seven (7) days per week (excluding scheduled maintenance) with service availability of not less than 99.9% (the "Service Level Commitment") calculated as specified below.

4.1.1 Formula. The *FASTER* software will, subject to the exceptions listed below, be available for a percentage of each calendar month at least equal to the Service Level Commitment. The availability of the *FASTER* software for a given month will be calculated according to the following formula (referred to herein as the "Availability"):

Where: Total minutes in the month = TMM

Total minutes in the month the Service is unavailable = TMU

And: $((TMM - TMU) \times 100) / TMM = \text{Availability}$

4.1.2 For purposes of this calculation, the *FASTER* software will be deemed to be unavailable if application functions do not successfully complete. Further, the *FASTER* software will not be deemed Unavailable for any downtime or outages excluded from such calculation by reason of the exceptions set forth in Sections 4.1.3 and 4.1.4 below. *FASTER*'s records and data will be the sole basis for all SLA calculations and determinations.

4.1.3 Exceptions: (a). Maintenance performed at Customer's request outside of the normally scheduled maintenance will not be considered an outage. (b). The *FASTER* Web software will not be considered Unavailable for any outage that results from maintenance performed by *FASTER* of which Customer is notified 48 hours in advance and to which Customer does not reasonably object. (c). Downtime resulting from errors or issues created by Customer will not be included in the Unavailable total. (d). Should Customer opt to purchase access to the database, *FASTER* is not accountable for disruptions caused by Customer's actions related to database access.

4.1.4 The *FASTER* network extends to, includes and terminates at the datacenter located router that provides the outside interface of each of *FASTER*'s WAN connections to its backbone providers (referred to herein as the "*FASTER* Network"). The *FASTER* Web software will not be considered Unavailable for any outage unavailability due to (a) Customer's information content or application programming, acts or omissions of Customer or its agents, (b) failures of Internet backbone itself and the third-party network by which Customer connects to the Internet backbone or any other network unavailability outside of the *FASTER* Network; (c) delays or failures due to circumstances beyond *FASTER*'s reasonable control that could not be avoided by its exercise of due care; or (d) any other outage or downtime outside the *FASTER* Network.

4.2 Remedies: Subject to the exceptions provided for in this SLA, Customer will have the rights set forth below.

4.2.1 If the total Availability (as calculated in Section 4.1 above) for a given month is (a) below the Service Level Commitment and greater than or equal to 99.5%, Customer will receive three (3) Service Credits; (b) below 99.5% and greater than or equal to 99.0%, Customer will receive ten (10) Service Credits; and (c) below 99.0%, Customer will receive fifteen (15) Service Credits. Notwithstanding the foregoing and in lieu of the preceding Service Credits, any continuous outage of more than twenty-four (24) hours shall automatically result in a total of one month's value of Service Credits. If Service Level Commitment is not met for a second time in a thirty (30)-day period, then Customer shall be entitled to receive at Customer's election, either (i) another month's value of Service Credits, or (ii) the right to terminate this Cloud Service Level Agreement.

4.2.2 For purposes of this SLA, a Service Credit will be deemed to be an amount equal to 1/30th of the monthly fee for the cloud services to Customer (herein referred to as "Service Credit"). Service Credits will be recognized for billing purposes in the month following the month giving rise to such Service Credits. All Service Credits will be calculated assuming a 30-day month. Except as provided above in Section 4.2.1 of this SLA, Customer's right to receive Service Credits will be Customer's exclusive remedy for *FASTER*'s failure to satisfy the Service Level Commitment.

4.2.3 Remedies will not accrue (i.e., no Service Credits will be issued and an outage will not be considered unavailability for purposes of this SLA) if Customer is in breach of its payment obligations either when the outage occurs or when the credit would otherwise be issued.

4.3. Performance: Customer understands that performance of the *FASTER* Web software is dependent on multiple factors, including, but not limited to, internet access speed, onsite network capabilities, user demand load, and hardware performance.

SCHEDULE E: PRICING AND PAYMENT TERMS**Payment Schedule****Migrating Customer**

MILESTONE	PAYMENT
Upon Purchase Confirmation	30% One Time Fees
Project Kickoff	20% One Time Fees
<i>FASTER</i> Web Delivery	30% One Time Fees and 100% of 1st Year Recurring Fees
Data Delivery and Go-Live	20% One Time Fees

Software as a Service Quote

MILESTONE	PAYMENT
Upon Purchase Confirmation	75% of one-time fees, including, but not limited to, Training and Data Conversion.
<i>FASTER</i> Web Delivery (Access to Database)	100% of 1st Year Recurring Fees
Data Delivery and Go-Live	25% of one-time fees, including, but not limited to, Training and Data Conversion.



SOLUTION PROPOSAL

FLEET MANAGEMENT SOFTWARE

FASTER

Jim Thompson

City of Tracy

Quote #: 1415 v3

Quote Date: Nov 30, 2022

Quote Expires: Jan 28, 2023



FASTER Asset Solutions Quote and Proposal



Jim Thompson
Fleet Supervisor
City of Tracy

FASTER Asset Solutions is pleased to submit our proposal, City of Tracy, CA FASTER Web 2023 Budgetary. FASTER has been in business since 1982 and provides FMIS systems to cities, counties, states, universities, airports, transit, public utilities, and private companies. FASTER is the largest provider of fleet management information systems (FMIS) to municipal governments in North America. We also believe FASTER is a superior choice because of the following key strategic differences in our company.

The Most Experienced Staff in the Industry:

Seventy percent of FASTER's technical staff have been with us for more than 10 years. Reference checks will also reveal that no other vendor offers the level of professional technical support staff and responsiveness as FASTER. This results in a better implementation experience along with superior ongoing support, which ultimately results in better system utilization and ROI.

FASTER Invests in the Long-Term:

No other systems provider offers better systems longevity or a more advanced and stable system. For nearly 40 years now we have continuously improved our system through three generations of technology. FASTER Web is our latest release and includes the ability to deploy as a cloud-based or on-premises system and integrate easily with other software through API technology.

We are Product and Service Focused:

Likely the most important distinction of our company is that FASTER is product and service focused. Our strategy to continually reinvest in our products, solutions, and staff, allows us to build a reputation with our customers and partners to have industry leading software and the most responsive and knowledgeable support team in the asset management space.

Thank you for the opportunity to earn your business. If there is any additional information we can provide, or questions we can answer, please don't hesitate to let us know.

Sincerely,

FASTER Asset Solutions

FASTERasset.com | [LinkedIn](#) | [Facebook](#)



Sales@fasterasset.com
757.623.1700

Adam Tolbert

adam.t@fasterasset.com



Quote

FASTER Asset Solutions
760 Lynnhaven Pkwy, Suite 203
Virginia Beach, VA 23452
United States

T: 4023055850

Quote #	1415 v3
Date	Nov 30, 2022
Expires	Jan 28, 2023
Contact	Adam Tolbert

Prepared for City of Tracy
Jim Thompson
520 Tracy Blvd
Tracy, CA 95376
United States

T: (209) 831-6371
E: james.thompson@cityoftracy.org

[ACCEPT QUOTE](#)

City of Tracy, CA FASTER Web 2023 Budgetary

One-Time Fees

Category	Item	Qty	Price	Total
LICENSE	FASTER WEB CORE LICENSE FEE	494	\$100.00	\$49,400.00 \$44,460.00
	FASTER WEB Core license fee per standard asset. Standard assets are those originally valued at \$5,000 or greater and active). <ul style="list-style-type: none"> This includes one instance of the FASTER Web Application with one database. Unlimited user access (named accounts) included. 10% Item Discount (\$4,940.00) FASTER (Code: 001)			
SETUP / INTERFACE	Database Management & Setup Migrating Customer	1	\$2,000.00	\$2,000.00
	Establishment of one FASTER Web instance with a single Database. This setup includes the FASTER Web test environment that will be used during the entire implementation, all database configuration, testing, backup configuration, and validation. Includes 24x7x365 cloud database access. This same environment will be promoted to be the production environment at the time of Go-Live. <ul style="list-style-type: none"> Backups: Hourly database backups will be conducted to ensure consistent and recoverable backups of the database to restore from in the event of an emergency. Database Backups will be limited to 14 days of recoverability. Backups will also be sent daily to a secure, offsite location FASTER Asset (Code: 620)			

One-Time Subtotal \$51,400.00

Discount (\$4,940.00)

Annual Fees



- Standard agreement for recurring pricing model is 60 months.
- Cancellation of service prior to term expiration will result in an early termination fee equal to 85% of the recurring fees for the remaining term period.
- Hourly database backups (secure, offsite location) will be conducted to ensure consistent and recoverable backups of the database to restore from in the event of an emergency.
- Complete database recovery backups are available for 14 (fourteen) days.
- Recurring fees may be increased after the initial term is completed.
- PAYMENT TERMS: 30% at Purchase Confirmation/30% at Installation of Software/20% at System Overview/20% at Delivery of Converted Data, Go Live, 100% of Annual Upgrade, Support and Hosting at Installation of *FASTER* Web. Any months remaining on *FASTER* Win support will be deducted from the first year fee.

Legacy Data Preparation and Cleanup

FASTER Asset Solutions always recommends that customers confirm that all legacy system data is current, accurate, and in good order. Data maintained in good order from previous systems will not typically require any corrections and can be imported effectively and efficiently into the *FASTER* Web product without issue. In the event that there are legacy data issues that require correction by the customer, *FASTER* Web consultants will support those efforts for our customers by providing guidance and advice.

**FASTER Asset Solutions**

760 Lynnhaven Pkwy, Suite 203
Virginia Beach, VA 23452
United States

T: 4023055850

Prepared for City of Tracy
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Quote #	1415 v3
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ACCEPT QUOTE

City of Tracy, CA FASTER Web 2023 Budgetary

One-Time Fees

Category	Item	Qty	Price	Total
LICENSE	FASTER WEB CORE LICENSE FEE	494	\$100.00	\$49,400.00 \$44,460.00
	FASTER WEB Core license fee per standard asset. Standard assets are those originally valued at \$5,000 or greater and active). <ul style="list-style-type: none"> This includes one instance of the FASTER Web Application with one database. Unlimited user access (named accounts) included. 10% Item Discount (\$4,940.00) FASTER (Code: 001)			
SETUP / INTERFACE	Database Management & Setup Migrating Customer	1	\$2,000.00	\$2,000.00
	Establishment of one FASTER Web instance with a single Database. This setup includes the FASTER Web test environment that will be used during the entire implementation, all database configuration, testing, backup configuration, and validation. Includes 24x7x365 cloud database access. This same environment will be promoted to be the production environment at the time of Go-Live. <ul style="list-style-type: none"> Backups: Hourly database backups will be conducted to ensure consistent and recoverable backups of the database to restore from in the event of an emergency. Database Backups will be limited to 14 days of recoverability. Backups will also be sent daily to a secure, offsite location FASTER Asset (Code: 620)			

One-Time Subtotal \$51,400.00

Discount (\$4,940.00)

Annual Fees



Category	Item	Qty	Price	Total
SUPPORT and MAINTENANCE	FASTER WEB CORE ANNUAL SUPPORT & MAINTENANCE FASTER WEB Core annual support and maintenance fee per standard asset. FASTER (Code: 001A)	494	\$20.00	\$9,880.00
SUPPORT and MAINTENANCE	Database Annual Support and Maintenance Annual fee for support, maintenance, software upgrades, firmware/database management, data storage, and report management. <ul style="list-style-type: none"> Backups: Hourly database backups will be conducted to ensure consistent and recoverable backups of the database to restore from in the event of an emergency. Database Backups will be limited to 14 days of recoverability. Backups will also be sent daily to a secure, offsite location Includes 24x7x365 cloud database access. FASTER (Code: DBMSANN)	1	\$9,000.00	\$9,000.00

* Annual Support and Maintenance Fees billing schedules are outlined in the terms and conditions.

Annual Support And
Maintenance Subtotal **\$18,880.00**

FASTER Web Interface Add-On Solutions

One-Time Fees

Category	Item	Qty	Price	Total
SETUP / INTERFACE	Fuel Import - Single Vendor Single Vendor Fuel Import This is a single vendor fuel import for a new FASTER Web customer. The import includes 1 (one) of the following options: <ol style="list-style-type: none"> Import a new fuel vendor fuel transaction file. Import a new fuel file from your existing vendor. FASTER will conduct complete configuration and testing of the fuel file layout and export files (flat files) from the fuel system. Site & Dispenser optional add on is available, if required, to the single vendor fuel import FASTER (Code: 300)	1	\$5,150.00	\$5,150.00
SETUP / INTERFACE	Single Vendor Site and Dispenser Add On This is an optional add-on to the Fuel Import (FI) to enable you to track the specific fuel site and/or fuel dispenser. This optional add on allows configuration to track Inventory Items so fuel imports deplete quantity from inventory. 100% Item Discount (\$2,575.00) Faster Asset (Code: 303)	1	\$2,575.00	\$2,575.00 \$0.00



Category	Item	Qty	Price	Total
SETUP / INTERFACE	<p>Dashboard</p> <p>The Faster Dashboard provides easy access to an at-a-glance overview of key performance indicators and data for your organization. The FASTER Dashboard is designed to give fleets a way to monitor performance, communicate, and make quick decisions about their operations. It comes with 20 Key Performance Indicators (KPIs) charts within the Dashboard Add-on, which includes the 8 module landing charts available within FASTER Web which can also be accessed via the Dashboard for one convenient high level overview.</p> <p>100% Item Discount (\$10,300.00)</p> <p>FASTER (Code: 207nc)</p>	1	\$10,300.00	\$10,300.00 \$0.00
SETUP / INTERFACE	<p>Barcoding Add-On Setup</p> <p>The FASTER Barcoding Add-on provides the ability to scan and print labels on customer provided hardware. This module allows for ease of data entry as well as inventory control.</p> <ul style="list-style-type: none"> • Beneficial add on for use with in-house numbering system. OEM labels may be used effectively as well. • Simplifies inventory and intake processes for inventory items and storerooms. • Quickly scan incoming inventory with 2D or Symbology – Code 128 barcodes. • Reduces data errors that occur with any manual data entry process. • Print barcode labels for items, including labels for a range of items simultaneously. <p>FASTER (Code: 208)</p>	1	\$6,180.00	\$6,180.00

One-Time Subtotal \$24,205.00

Discount (\$12,875.00)

Annual Fees

Category	Item	Qty	Price	Total
SUPPORT and MAINTENANCE	<p>Fuel Import Single Vendor Support and Maintenance</p> <p>Annual support and maintenance for fuel import</p> <p>FASTER (Code: 300ann)</p>	1	\$1,030.00	\$1,030.00
SUPPORT and MAINTENANCE	<p>Single Vendor Site and Dispenser Support and Maintenance</p> <p>Annual support and maintenance for site and dispenser</p> <p>FASTER (Code: 303ann)</p>	1	\$515.00	\$515.00
SUPPORT and MAINTENANCE	<p>Dashboard Annual Support and Maintenance</p> <p>FASTER (Code: 207ncann)</p>	1	\$2,060.00	\$2,060.00



Category	Item	Qty	Price	Total
SUPPORT and MAINTENANCE	Barcoding Add-On Annual Support & Maintenance Annual recurring support and maintenance for barcode module FASTER (Code: 208ANN)	1	\$1,236.00	\$1,236.00

* Annual Support and Maintenance Fees billing schedules are outlined in the terms and conditions.

Annual Support And
Maintenance Subtotal **\$4,841.00**

FASTER Web Data Services

One-Time Fees

Category	Item	Qty	Price	Total
Service / Data	Migration Data Conversion The Migration Data Conversion Product is used for migrating data from FASTER Win to FASTER Web. <ul style="list-style-type: none"> Data Migration for FASTER Win Add-Ons are quoted individually and require an individual requirements scope Data Migration for FASTER Win Customizations are quoted individually and require an individual requirements scope Faster Asset (Code: 408) Base Price	1	\$20,000.00	\$20,000.00
			One-Time Subtotal	\$20,000.00

FASTER Web Training

One-Time Fees

Category	Item	Qty	Price	Total
Training / Go Live	System Overview Meetings (SOM) System overview meetings take place via live, remote web-based sessions. Either one or two overview meetings are conducted depending on the number of participants and availability. Faster Asset (Code: 511a)	1	\$3,300.00	\$3,300.00
Training / Go Live	Configuration Training Configuration Training takes place via live, remote, web-based sessions. Up to three sessions are scheduled based on number of participants, customer availability, and if account coding configuration training is required. Faster Asset (Code: 511b)	1	\$3,300.00	\$3,300.00



Category	Item	Qty	Price	Total
Training / Go Live	System Training/Go Live On Site Training - Go Live Hands-on instructor led training at a single location for up to 20 attendees. Additional training sessions and instructors may be added at any time, if needed, up to 4 (four) weeks prior to go live date. FASTER (Code: 512)	1	\$0.00	\$0.00
Training / Go Live	Accounting & Vendor Module Go Live Training Class 1.5 Hour live training session with in person on site trainer FASTER (Code: 512e)	1	\$825.00	\$825.00
Training / Go Live	Asset Module Go Live Training Class 4 Hour live training session with in person on site trainer FASTER (Code: 512a)	1	\$2,200.00	\$2,200.00
Training / Go Live	Fuel Module Go Live Training Class 1 Hour live training session with in person on site trainer FASTER (Code: 512d)	1	\$550.00	\$550.00
Training / Go Live	Inventory Module Go Live Training Class 4 Hour live training session with in person on site trainer FASTER (Code: 512c)	1	\$2,200.00	\$2,200.00
Training / Go Live	Maintenance Module Go Live Training Class 4 Hour live training session with in person on site trainer FASTER (Code: 512b)	1	\$2,200.00	\$2,200.00
Training / Go Live	Technician Module Go Live Training Class 2.5 Hour live training session with in person on site trainer FASTER (Code: 512f)	1	\$687.50	\$687.50 [†]
Training / Go Live	Technician Module Go Live Training Class II 2.5 Hour live training session with in person on site trainer. This is the second technician module class offered during the Go Live period for on site training. FASTER (Code: 512f2)	1	\$687.50	\$687.50 [†]
Training	Go-Live Week System Training - Additional Trainer(s) Trainers are available on site for approximately 8 hours per day for the go live week. If additional trainers are needed due to shift work, exceeding maximum class size, or other customer driven training requirements. Costs are per additional FASTER trainer per week. All costs include travel, lodging, and per diem. No additional costs are included. FASTER (Code: 512g)	1	\$2,750.00	\$2,750.00



Category	Item	Qty	Price	Total
Training	<input type="checkbox"/> Remote Training Sessions <i>Optional</i> This instructor led remote video session includes three, 4-hour blocks of follow-up, additional or review training. Session options include any module or question and answer session with key users. <ul style="list-style-type: none"> Participants have the option to interact with the software in training mode during the remote session. Training is conducted via web conference software provided by FASTER. FASTER (Code: 515)	1	\$1,150.00	\$0.00
				Not Selected

One-Time Subtotal \$18,700.00

Summary

[†] Non-taxable item

Please contact us if you have any questions.

One-Time Subtotal \$114,305.00

Discount (\$17,815.00)

Total One-Time \$96,490.00 USD

Total Annual Support And Maintenance \$23,721.00 USD

ACCEPT QUOTE

Cost Breakdown

Category	One-Time Fees	Annual Fees
SETUP / INTERFACE	\$26,205.00	—
SUPPORT and MAINTENANCE	—	\$23,721.00
Service / Data	\$20,000.00	—
Training / Go Live	\$15,950.00	—
Training	\$2,750.00	—
LICENSE	\$49,400.00	—
Discount	(\$17,815.00)	—
Total	\$96,490.00 USD	\$23,721.00 USD





- Standard agreement for recurring pricing model is 60 months.
- Cancellation of service prior to term expiration will result in an early termination fee equal to 85% of the recurring fees for the remaining term period.
- Hourly database backups (secure, offsite location) will be conducted to ensure consistent and recoverable backups of the database to restore from in the event of an emergency.
- Complete database recovery backups are available for 14 (fourteen) days.
- Recurring fees may be increased after the initial term is completed.
- PAYMENT TERMS: 30% at Purchase Confirmation/30% at Installation of Software/20% at System Overview/20% at Delivery of Converted Data, Go Live, 100% of Annual Upgrade, Support and Hosting at Installation of *FASTER* Web. Any months remaining on *FASTER* Win support will be deducted from the first year fee.

Legacy Data Preparation and Cleanup

FASTER Asset Solutions always recommends that customers confirm that all legacy system data is current, accurate, and in good order. Data maintained in good order from previous systems will not typically require any corrections and can be imported effectively and efficiently into the *FASTER* Web product without issue. In the event that there are legacy data issues that require correction by the customer, *FASTER* Web consultants will support those efforts for our customers by providing guidance and advice.

FASTER Web

WHITE PAPER MIGRATION BENEFITS & ROI

Migrating from *FASTER* Win to *FASTER* Web

FASTER ASSET SOLUTIONS

For more information visit our customer website:

[Request More Information](#)



SAVINGS DERIVED FROM BETTER WARRANTY & INVENTORY RETURN TRACKING

SOME CUSTOMERS VOICE THAT SAVINGS DERIVED FROM WARRANTY AND CORE RETURN TRACKING ALONE WILL PROVIDE PAYBACK ON THE COST TO MIGRATE

- *FASTER* Web has enhanced asset warranty tracking over *FASTER* Win on equipment, manufacturer, and component warranty, from initial repair through claim reimbursement.
- In *FASTER* Web you can search and identify missed and potential warranty repairs in the warranty claims section of the “Asset” module.
- *FASTER* Web flags and identifies warranty repairs during the Work Order creation process.
- *FASTER* Web has a complete Inventory Returns process for Cores and Warranty returns that allows for the tracking of returns that generate vendor credits.

“Much of this information has come from customers who found it advantageous to migrate.”

OPTIMIZE TECHNICIAN PRODUCTIVITY & PARTS REQUEST INTEGRATIONS

- The *FASTER* Web Technician Workstation (TWS) permits Technicians to electronically request parts. Technicians no longer have to make multiple trips to the parts room to request and check on inventory items.
- And in response, the storeroom personnel can electronically notify the technicians when their inventory item has arrived and is ready for pick up.

-
- *FASTER* Web has increased functionality concerning technician time tracking and productivity. It tracks time and tasks at a more granular level which permits far better management over-sight of cost and permits far more accurate allocation of cost.
 - In Technician Workstation (TWS), once a technician logs in, the technician is automatically logged onto an indirect repair – “Waiting on Job Assignment”.
 - *FASTER* Win is more limited in that technicians direct and indirect repair statuses can have time gaps because portions of the process is manually controlled.
 - *FASTER* Win does not employ touch-screen technology. Whereas, *FASTER* Web’s TWS provides touch-screen design that makes technicians more efficient and makes training new technicians far easier.
 - Technicians can be more productive and thorough with preventative maintenance due to added flexibility for Registration Renewals and Inspections.

OPTIMIZE PARTS STAFF PRODUCTIVITY AND ACCURACY

This same parts requests process noted above in TWS translates into the Storeroom Personnel being more productive since Part Issue data entry is greatly reduced through automation. This process will also add:

- Increased Data accuracy
- Decrease inventory discrepancies
- Decrease the Work Order review process since corrections and adjustments by supervisors will be reduced

INVENTORY MANAGEMENT

- Greater cost & expense category and spending tracking
- Ability to securely use P-Cards (purchase-cards) with full accountability
- Added new payables management and invoice reconciliation.
- *FASTER* Web has expanded vendor returns tracking capabilities over *FASTER* Win.

UNLIMITED USERS

There is no financial impact when adding users. *FASTER* Web comes with unlimited user licenses. You have the flexibility of increasing customer and department access to *FASTER* Web as needed, as opposed to *FASTER* Win which has a financial impact when adding users.

- This allows the organization to provide performance measure metrics and customer service information to management and customer departments with no additional license costs.
- Total Cost of Ownership is reduced as you empower your staff and customers, both inside and outside of Fleet Operations with access to *FASTER* Web. They are then able to utilize the powerful efficiency and business intelligence (dashboards, reporting capabilities, and customer portal).

FASTER WEB IS INHERENTLY MOBILE

Since *FASTER* Win is a client/server product there are limitations with mobility. However, since *FASTER* Web is a true Web or browser-based product, it can be accessed and utilized on any device with a compatible browser. This includes tablets and other handheld devices.

- Allows your staff and users with any connected wireless device, to go out to a job site, or parking lot and do everything they do with a desk top computer:
 - Create and schedule work orders for field technicians
 - Remotely search repair history and make notes
 - Conduct inventory counts
 - Take pictures and enter the pictures into *FASTER*
 - Perform asset inventory site inspections

BUSINESS INTELLIGENCE / REPORTING

- You no longer need to purchase, install, and maintain Business Objects -Crystal Reports, nor its expensive upgrades, in order to customize or modify *FASTER* Reports.
- *FASTER* Web uses SQL Reporting Services as the backbone to its standard reports. SQL Reporting Services comes free with your SQL Database license.

-
- Powerful, comprehensive Dynamic Advanced Search capabilities for searching/querying with fast onscreen viewing, formatting and exporting of data.
 - With dynamic reporting you can:
 - Change parameters
 - Sort
 - Filter

(This will reduce the need for custom reports.)
 - You can export search and report data to:
 - Excel
 - Word
 - PDF
 - In-product ability to modify or create custom reports, create reports on the fly, and save hours of work
 - You can deploy reports for customer departments and management to create greater visibility and access
 - There are multiple dashboards to quickly view your operation's Key Performance Indicators (KPIs)
 - Dashboard views are unlimited and user definable
 - The dashboards can be configured so that certain users can see real-time information that is pertinent to their job duties, including management and customer departments.

IT COST SAVINGS WITH CLIENT MACHINES

- Your IT department will have no expense related to needing to install anything on a client machine for upgrades of *FASTER* Web.
 - *FASTER* Win requires an install to every client machine for each user whenever there are upgrades.
- Since *FASTER* Web is a browser-based solution, you do not need to make expensive purchases of robust client machines for your users. All your users need to access *FASTER* Web is a compatible browser.

-
- Since *FASTER* Web is inherently mobile and browser-based, your staff may need less client hardware. For example, a user may only need a notebook rather than a workstation and a mobile device out in the field to access *FASTER* Web.

LOWER COST IT ADMINISTRATION

- *FASTER* provides secure cloud hosting services which can eliminate or reduce IT overhead costs.
- Lower cost of ownership for on-premises deployments. Administering an upgrade of *FASTER* Web is less expensive and time consuming for IT professionals due to it being a Web-based application and to its technology being much newer.

FASTER WEB SECURITY IS ROLE-BASED (*FASTER* WIN IS NOT)

- System security and data integrity will be greatly improved.
- Individual application permissions are much more granular.
- Integrates with AD and ADFS.
- Easier overall system administration. It will be much easier to cross-train new and existing staff since the role-based security will permit only as much of the system and its features to be viewed based on a person's work duties (or roles).

*“Each customer is unique. However, it is likely that payback for the investment in migrating to *FASTER* Web can be realized in 9 to 18 months. This is based on increased Equipment and Warranty recovery; increased vehicle availability; increased technician efficiency; lower cost of IT maintenance and administration.”*

TRACY CITY COUNCIL

RESOLUTION NO. _____

STAFF RECOMMENDS THAT THE CITY COUNCIL ADOPT A RESOLUTION 1) APPROVING A PROFESSIONAL SERVICES AGREEMENT WITH FASTER, LLC FOR A TOTAL NOT TO EXCEED THE AMOUNT OF \$295,600 FOR A TERM OF FIVE YEARS TO CONVERT THE CITY OF TRACY'S CURRENT FLEET ASSET SOFTWARE TO WEB-BASED SOFTWARE AND DETERMINING THAT IT IS IN THE BEST INTEREST OF THE CITY TO DISPENSE PROCUREMENT REQUIREMENTS FOR THE AGREEMENT PURSUANT TO TRACY MUNICIPAL CODE SECTION 2.20.140 (B)(6) AND 2) AUTHORIZE THE CITY MANAGER TO MAKE ANY MINOR AMENDMENTS AND CONTRACT EXTENSIONS UPON RECOMMENDATION FROM THE OPERATIONS & UTILITIES DIRECTOR

WHEREAS, the City of Tracy started using Faster, LLC's software program in 2007 to track the costs associated with all City vehicles and equipment; and

WHEREAS, the access database created is obsolete and no longer supported by Faster; and

WHEREAS, Faster has been an exceptional service provider, and the Fleet Division wants to continue that relationship with an upgraded system; and

WHEREAS, staying with the same vendor will ensure that data is transferred seamlessly and none of the almost two decades of work history is lost for the 494 pieces of inventory; and

WHEREAS, the program will allow for enhanced cost and expense categories and spending tracking, and the City will be tracking in more detail the cost for each vehicle; and

WHEREAS, the new and more accessible reporting system can generate modernized trend analyses and projections on replacements and annual budgets required to ensure proper maintenance; and

WHEREAS, the internal customers that Fleet supports can also now have access to the program with real-time dashboards allowing them to monitor the status of their department's assets and work closely with Fleet regarding replacements, which will improve communication and reduce downtime for the City; now therefore be it

RESOLVED: That the City Council of the City of Tracy hereby approves 1) approving a Professional Services Agreement with Faster, LLC for a total not to exceed the amount of \$295,600 for a term of five years to convert the City of Tracy's current fleet asset software to web-based software and determining that it is in the best interest of the City to dispense procurement requirements for the Agreement pursuant to Tracy Municipal Code Section 2.20.140 (b)(6) and

2) authorize the City Manager to make any minor amendments and contract extensions upon recommendation from the Operations & Utilities Director.

* * * * *

The foregoing Resolution 2023-_____ was adopted by the Tracy City Council on June 6, 2023, by the following vote:

AYES:	COUNCIL MEMBERS:
NOES:	COUNCIL MEMBERS:
ABSENT:	COUNCIL MEMBERS:
ABSTENTION:	COUNCIL MEMBERS:

NANCY D. YOUNG
Mayor of the City of Tracy, California

ATTEST: _____
ADRIANNE RICHARDSON
City Clerk and Clerk of the Council of the
City of Tracy, California

Agenda Item 1.E

RECOMMENDATION

Staff recommends that the City Council adopt a resolution authorizing the purchase of a replacement crack seal machine from Crafc0, Inc. through Sourcewell cooperative purchasing agreement #080521 for the amount of \$101,590.

EXECUTIVE SUMMARY

Staff recommends that the City Council approve the purchase of a replacement crack seal machine ("Replacement Machine") for use by the City's Streets Division of Operations at the cost of \$101,590 utilizing Sourcewell's cooperative purchasing agreement #080521. The current crack seal machine, which was acquired in 2012, is experiencing multiple issues that requires frequent repairs with hard-to-acquire or no longer manufactured parts. The repairs are causing significant delays in operations. This new machine is essential to ensure the timely and cost-effective maintenance of City roads.

BACKGROUND AND LEGISLATIVE HISTORY

The Streets Division of Operations is responsible for maintaining the City's roads and ensuring their safety for all users on three basic levels of maintenance: crack-sealing, slurry-sealing / sealcoating, and pothole repairs. These three levels of maintenance, when appropriately applied, can extend the life of a newly resurfaced street / road up to 10 years. One essential piece of equipment required for this task is a crack seal machine. The crack-sealing machine is one of two maintenance methods used to fill cracks and prevent water from seeping into the pavement. The City acquired the current machine in 2012 and it is experiencing various issues, including frequent breakdowns, and many of the parts for repairs needed are no longer being manufactured.

ANALYSIS

The Replacement Machine will cost \$101,590. This price includes training for City staff on how to operate and maintain the Replacement Machine. The acquisition of this new machine will provide several benefits to the Streets Division, including:

1. Improved efficiency: The Replacement Machine is larger and can hold more material. This will allow staff to complete larger sections of roadway in a short amount of time.
2. Lower maintenance costs: The Replacement Machine is designed to require less maintenance, saving the City money on repairs and downtime.
3. Turn Around Time: The Replacement Machine is currently available for purchase and can be delivered in a short amount of time, not impacting maintenance that generally occurs during the warmer months.
4. Improve Roadway Life: Various studies have found that crack sealing maintenance programs

can extend the life expectancy of roadways anywhere from three to eight years.¹

FISCAL IMPACT

The purchase of the Replacement Machine, if approved, would be funded by the General Fund (fd 101) and Gas Tax (fd 247). Sufficient funds exist within the FY 2022-23 operating budget for such an expenditure.

STRATEGIC PLAN

This agenda item is a maintenance item unrelated to any of the City Council's Strategic Plans.

ACTION REQUESTED OF THE CITY COUNCIL

Staff recommends that the City Council adopt a resolution authorizing the purchase of the Replacement Machine from Crafc0, Inc. through Sourcewell cooperative purchasing agreement #080521 for the amount of \$101,590.

Prepared by: David Murphy, Assistant Director of Operations

Reviewed by: James A. Jackson, Director of Operations & Utilities
Sara Cowell, Director of Finance
Karin Schnaider, Assistant City Manager
Bijal Patel, City Attorney

Approved by: Midori Lichtwardt, Interim City Manager

Attachments:

Attachment A – Sourcewell Solicitation Number: RFP #080521

¹ <https://journals.sagepub.com/doi/full/10.1177/0361198120902703>



Solicitation Number: RFP #080521

CONTRACT

This Contract is between Sourcewell, 202 12th Street Northeast, P.O. Box 219, Staples, MN 56479 (Sourcewell) and Crafc0 Inc., 6165 W. Detroit St., Chandler, AZ 85226 (Supplier).

Sourcewell is a State of Minnesota local government unit and service cooperative created under the laws of the State of Minnesota (Minnesota Statutes Section 123A.21) that offers cooperative procurement solutions to government entities. Participation is open to eligible federal, state/province, and municipal governmental entities, higher education, K-12 education, nonprofit, tribal government, and other public entities located in the United States and Canada. Sourcewell issued a public solicitation for Roadway Maintenance Equipment from which Supplier was awarded a contract.

Supplier desires to contract with Sourcewell to provide equipment, products, or services to Sourcewell and the entities that access Sourcewell's cooperative purchasing contracts (Participating Entities).

1. TERM OF CONTRACT

- A. **EFFECTIVE DATE.** This Contract is effective upon the date of the final signature below.
- B. **EXPIRATION DATE AND EXTENSION.** This Contract expires October 11, 2025, unless it is cancelled sooner pursuant to Article 22. This Contract may be extended one additional year upon the request of Sourcewell and written agreement by Supplier.
- C. **SURVIVAL OF TERMS.** Notwithstanding any expiration or termination of this Contract, all payment obligations incurred prior to expiration or termination will survive, as will the following: Articles 11 through 14 survive the expiration or cancellation of this Contract. All other rights will cease upon expiration or termination of this Contract.

2. EQUIPMENT, PRODUCTS, OR SERVICES

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

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

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

B. **WARRANTY.** Supplier warrants that all Equipment, Products, and Services furnished are free from liens and encumbrances, and are free from defects in design, materials, and workmanship. In addition, Supplier warrants the Equipment, Products, and Services are suitable for and will perform in accordance with the ordinary use for which they are intended. Supplier's dealers and distributors must agree to assist the Participating Entity in reaching a resolution in any dispute over warranty terms with the manufacturer. Any manufacturer's warranty that extends beyond the expiration of the Supplier's warranty will be passed on to the Participating Entity.

C. **DEALERS, DISTRIBUTORS, AND/OR RESELLERS.** Upon Contract execution and throughout the Contract term, Supplier must provide to Sourcewell a current means to validate or authenticate Supplier's authorized dealers, distributors, or resellers relative to the Equipment, Products, and Services offered under this Contract, which will be incorporated into this Contract by reference. It is the Supplier's responsibility to ensure Sourcewell receives the most current information.

3. PRICING

All Equipment, Products, or Services under this Contract will be priced at or below the price stated in Supplier's Proposal.

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

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

A. **SHIPPING AND SHIPPING COSTS.** All delivered Equipment and Products must be properly packaged. Damaged Equipment and Products may be rejected. If the damage is not readily apparent at the time of delivery, Supplier must permit the Equipment and Products to be returned within a reasonable time at no cost to Sourcewell or its Participating Entities. Participating Entities reserve the right to inspect the Equipment and Products at a reasonable

time after delivery where circumstances or conditions prevent effective inspection of the Equipment and Products at the time of delivery. In the event of the delivery of nonconforming Equipment and Products, the Participating Entity will notify the Supplier as soon as possible and the Supplier will replace nonconforming Equipment and Products with conforming Equipment and Products that are acceptable to the Participating Entity.

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

Sourcwell may declare the Supplier in breach of this Contract if the Supplier intentionally delivers substandard or inferior Equipment or Products.

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

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

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

4. PRODUCT AND PRICING CHANGE REQUESTS

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

- Identify the applicable Sourcwell contract number;
- Clearly specify the requested change;
- Provide sufficient detail to justify the requested change;
- Individually list all Equipment, Products, or Services affected by the requested change, along with the requested change (e.g., addition, deletion, price change); and

- Include a complete restatement of pricing documentation in Microsoft Excel with the effective date of the modified pricing, or product addition or deletion. The new pricing restatement must include all Equipment, Products, and Services offered, even for those items where pricing remains unchanged.

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

5. PARTICIPATION, CONTRACT ACCESS, AND PARTICIPATING ENTITY REQUIREMENTS

A. PARTICIPATION. Sourcewell's cooperative contracts are available and open to public and nonprofit entities across the United States and Canada; such as federal, state/province, municipal, K-12 and higher education, tribal government, and other public entities.

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

Supplier is responsible for familiarizing its sales and service forces with Sourcewell contract use eligibility requirements and documentation and will encourage potential participating entities to join Sourcewell. Sourcewell reserves the right to add and remove Participating Entities to its roster during the term of this Contract.

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

6. PARTICIPATING ENTITY USE AND PURCHASING

A. ORDERS AND PAYMENT. To access the contracted Equipment, Products, or Services under this Contract, a Participating Entity must clearly indicate to Supplier that it intends to access this Contract; however, order flow and procedure will be developed jointly between Sourcewell and Supplier. Typically, a Participating Entity will issue an order directly to Supplier or its authorized subsidiary, distributor, dealer, or reseller. If a Participating Entity issues a purchase order, it may use its own forms, but the purchase order should clearly note the applicable Sourcewell contract number. All Participating Entity orders under this Contract must be issued prior to expiration or cancellation of this Contract; however, Supplier performance, Participating Entity

payment obligations, and any applicable warranty periods or other Supplier or Participating Entity obligations may extend beyond the term of this Contract.

Supplier's acceptable forms of payment are included in its attached Proposal. Participating Entities will be solely responsible for payment and Sourcewell will have no liability for any unpaid invoice of any Participating Entity.

B. **ADDITIONAL TERMS AND CONDITIONS/PARTICIPATING ADDENDUM.** Additional terms and conditions to a purchase order, or other required transaction documentation, may be negotiated between a Participating Entity and Supplier, such as job or industry-specific requirements, legal requirements (e.g., affirmative action or immigration status requirements), or specific local policy requirements. Some Participating Entities may require the use of a Participating Addendum; the terms of which will be negotiated directly between the Participating Entity and the Supplier. Any negotiated additional terms and conditions must never be less favorable to the Participating Entity than what is contained in this Contract.

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

D. **TERMINATION OF ORDERS.** Participating Entities may terminate an order, in whole or in part, immediately upon notice to Supplier in the event of any of the following events:

1. The Participating Entity fails to receive funding or appropriation from its governing body at levels sufficient to pay for the equipment, products, or services to be purchased; or
2. Federal, state, or provincial laws or regulations prohibit the purchase or change the Participating Entity's requirements.

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

7. CUSTOMER SERVICE

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

- Maintenance and management of this Contract;
- Timely response to all Sourcewell and Participating Entity inquiries; and

- Business reviews to Sourcwell and Participating Entities, if applicable.

B. BUSINESS REVIEWS. Supplier must perform a minimum of one business review with Sourcwell per contract year. The business review will cover sales to Participating Entities, pricing and contract terms, administrative fees, sales data reports, supply issues, customer issues, and any other necessary information.

8. REPORT ON CONTRACT SALES ACTIVITY AND ADMINISTRATIVE FEE PAYMENT

A. CONTRACT SALES ACTIVITY REPORT. Each calendar quarter, Supplier must provide a contract sales activity report (Report) to the Sourcwell Supplier Development Administrator assigned to this Contract. Reports are due no later than 45 days after the end of each calendar quarter. A Report must be provided regardless of the number or amount of sales during that quarter (i.e., if there are no sales, Supplier must submit a report indicating no sales were made).

The Report must contain the following fields:

- Participating Entity Name (e.g., City of Staples Highway Department);
- Participating Entity Physical Street Address;
- Participating Entity City;
- Participating Entity State/Province;
- Participating Entity Zip/Postal Code;
- Participating Entity Contact Name;
- Participating Entity Contact Email Address;
- Participating Entity Contact Telephone Number;
- Sourcwell Assigned Entity/Participating Entity Number;
- Item Purchased Description;
- Item Purchased Price;
- Sourcwell Administrative Fee Applied; and
- Date Purchase was invoiced/sale was recognized as revenue by Supplier.

B. ADMINISTRATIVE FEE. In consideration for the support and services provided by Sourcwell, the Supplier will pay an administrative fee to Sourcwell on all Equipment, Products, and Services provided to Participating Entities. The Administrative Fee must be included in, and not added to, the pricing. Supplier may not charge Participating Entities more than the contracted price to offset the Administrative Fee.

The Supplier will submit payment to Sourcwell for the percentage of administrative fee stated in the Proposal multiplied by the total sales of all Equipment, Products, and Services purchased by Participating Entities under this Contract during each calendar quarter. Payments should note the Supplier's name and Sourcwell-assigned contract number in the memo; and must be

mailed to the address above "Attn: Accounts Receivable" or remitted electronically to Sourcewell's banking institution per Sourcewell's Finance department instructions. Payments must be received no later than 45 calendar days after the end of each calendar quarter.

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

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

9. AUTHORIZED REPRESENTATIVE

Sourcewell's Authorized Representative is its Chief Procurement Officer.

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

10. AUDIT, ASSIGNMENT, AMENDMENTS, WAIVER, AND CONTRACT COMPLETE

A. **AUDIT.** Pursuant to Minnesota Statutes Section 16C.05, subdivision 5, the books, records, documents, and accounting procedures and practices relevant to this Agreement are subject to examination by Sourcewell or the Minnesota State Auditor for a minimum of six years from the end of this Contract. This clause extends to Participating Entities as it relates to business conducted by that Participating Entity under this Contract.

B. **ASSIGNMENT.** Neither party may assign or otherwise transfer its rights or obligations under this Contract without the prior written consent of the other party and a fully executed assignment agreement. Such consent will not be unreasonably withheld. Any prohibited assignment will be invalid.

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

D. **WAIVER.** Failure by either party to take action or assert any right under this Contract will not be deemed a waiver of such right in the event of the continuation or repetition of the circumstances giving rise to such right. Any such waiver must be in writing and signed by the parties.

E. **CONTRACT COMPLETE.** This Contract represents the complete agreement between the parties. No other understanding regarding this Contract, whether written or oral, may be used to bind either party. For any conflict between the attached Proposal and the terms set out in Articles 1-22 of this Contract, the terms of Articles 1-22 will govern.

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

11. INDEMNITY AND HOLD HARMLESS

Supplier must indemnify, defend, save, and hold Sourcewell and its Participating Entities, including their agents and employees, harmless from any claims or causes of action, including attorneys' fees incurred by Sourcewell or its Participating Entities, arising out of any act or omission in the performance of this Contract by the Supplier or its agents or employees; this indemnification includes injury or death to person(s) or property alleged to have been caused by some defect in the Equipment, Products, or Services under this Contract to the extent the Equipment, Product, or Service has been used according to its specifications. Sourcewell's responsibility will be governed by the State of Minnesota's Tort Liability Act (Minnesota Statutes Chapter 466) and other applicable law.

12. GOVERNMENT DATA PRACTICES

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

13. INTELLECTUAL PROPERTY, PUBLICITY, MARKETING, AND ENDORSEMENT

A. INTELLECTUAL PROPERTY

1. *Grant of License.* During the term of this Contract:
 - a. Sourcewell grants to Supplier a royalty-free, worldwide, non-exclusive right and license to use the trademark(s) provided to Supplier by Sourcewell in advertising and promotional materials for the purpose of marketing Sourcewell's relationship with Supplier.
 - b. Supplier grants to Sourcewell a royalty-free, worldwide, non-exclusive right and license to use Supplier's trademarks in advertising and promotional materials for the purpose of marketing Supplier's relationship with Sourcewell.
2. *Limited Right of Sublicense.* The right and license granted herein includes a limited right of each party to grant sublicenses to their respective subsidiaries, distributors, dealers, resellers, marketing representatives, and agents (collectively "Permitted Sublicensees") in

advertising and promotional materials for the purpose of marketing the Parties' relationship to Participating Entities. Any sublicense granted will be subject to the terms and conditions of this Article. Each party will be responsible for any breach of this Article by any of their respective sublicensees.

3. Use; Quality Control.

a. Neither party may alter the other party's trademarks from the form provided and must comply with removal requests as to specific uses of its trademarks or logos.

b. Each party agrees to use, and to cause its Permitted Sublicensees to use, the other party's trademarks only in good faith and in a dignified manner consistent with such party's use of the trademarks. Upon written notice to the breaching party, the breaching party has 30 days of the date of the written notice to cure the breach or the license will be terminated.

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

5. Termination. Upon the termination of this Contract for any reason, each party, including Permitted Sublicensees, will have 30 days to remove all Trademarks from signage, websites, and the like bearing the other party's name or logo (excepting Sourcewell's pre-printed catalog of suppliers which may be used until the next printing). Supplier must return all marketing and promotional materials, including signage, provided by Sourcewell, or dispose of it according to Sourcewell's written directions.

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

C. **MARKETING.** Any direct advertising, marketing, or offers with Participating Entities must be approved by Sourcewell. Send all approval requests to the Sourcewell Supplier Development Administrator assigned to this Contract.

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

14. GOVERNING LAW, JURISDICTION, AND VENUE

The substantive and procedural laws of the State of Minnesota will govern this Contract. Venue for all legal proceedings arising out of this Contract, or its breach, must be in the appropriate state court in Todd County, Minnesota or federal court in Fergus Falls, Minnesota.

15. FORCE MAJEURE

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

16. SEVERABILITY

If any provision of this Contract is found by a court of competent jurisdiction to be illegal, unenforceable, or void then both parties will be relieved from all obligations arising from that provision. If the remainder of this Contract is capable of being performed, it will not be affected by such determination or finding and must be fully performed.

17. PERFORMANCE, DEFAULT, AND REMEDIES

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

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

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

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

The party claiming default must provide written notice of the default, with 30 calendar days to cure the default. Time allowed for cure will not diminish or eliminate any liability for liquidated or other damages. If the default remains after the opportunity for cure, the non-defaulting party may:

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

18. INSURANCE

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

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

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

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

Minimum limits:

\$500,000 each accident for bodily injury by accident

\$500,000 policy limit for bodily injury by disease

\$500,000 each employee for bodily injury by disease

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

Minimum Limits:

\$1,000,000 each occurrence Bodily Injury and Property Damage

\$1,000,000 Personal and Advertising Injury

\$2,000,000 aggregate for Products-Completed operations

\$2,000,000 general aggregate

3. *Commercial Automobile Liability Insurance.* During the term of this Contract, Supplier will maintain insurance covering all owned, hired, and non-owned automobiles in limits of liability not less than indicated below. The coverage must be subject to terms

no less broad than ISO Business Auto Coverage Form CA 0001 (2010 edition or newer), or equivalent.

Minimum Limits:

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

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

Minimum Limits:

\$2,000,000

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

Minimum limits:

\$2,000,000 per occurrence

\$2,000,000 annual aggregate

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

B. CERTIFICATES OF INSURANCE. Prior to commencing under this Contract, Supplier must furnish to Sourcewell a certificate of insurance, as evidence of the insurance required under this Contract. Prior to expiration of the policy(ies), renewal certificates must be mailed to Sourcewell, 202 12th Street Northeast, P.O. Box 219, Staples, MN 56479 or sent to the Sourcewell Supplier Development Administrator assigned to this Contract. The certificates must be signed by a person authorized by the insurer(s) to bind coverage on their behalf.

Failure to request certificates of insurance by Sourcewell, or failure of Supplier to provide certificates of insurance, in no way limits or relieves Supplier of its duties and responsibilities in this Contract.

C. ADDITIONAL INSURED ENDORSEMENT AND PRIMARY AND NON-CONTRIBUTORY INSURANCE CLAUSE. Supplier agrees to list Sourcewell and its Participating Entities, including their officers, agents, and employees, as an additional insured under the Supplier's commercial general liability insurance policy with respect to liability arising out of activities, "operations," or "work" performed by or on behalf of Supplier, and products and completed operations of Supplier. The policy provision(s) or endorsement(s) must further provide that coverage is

primary and not excess over or contributory with any other valid, applicable, and collectible insurance or self-insurance in force for the additional insureds.

D. **WAIVER OF SUBROGATION.** Supplier waives and must require (by endorsement or otherwise) all its insurers to waive subrogation rights against Sourcewell and other additional insureds for losses paid under the insurance policies required by this Contract or other insurance applicable to the Supplier or its subcontractors. The waiver must apply to all deductibles and/or self-insured retentions applicable to the required or any other insurance maintained by the Supplier or its subcontractors. Where permitted by law, Supplier must require similar written express waivers of subrogation and insurance clauses from each of its subcontractors.

E. **UMBRELLA/EXCESS LIABILITY/SELF-INSURED RETENTION.** The limits required by this Contract can be met by either providing a primary policy or in combination with umbrella/excess liability policy(ies), or self-insured retention.

19. COMPLIANCE

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

B. **LICENSES.** Supplier must maintain a valid and current status on all required federal, state/provincial, and local licenses, bonds, and permits required for the operation of the business that the Supplier conducts with Sourcewell and Participating Entities.

20. BANKRUPTCY, DEBARMENT, OR SUSPENSION CERTIFICATION

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

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

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

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

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

B. **DAVIS-BACON ACT, AS AMENDED (40 U.S.C. § 3141-3148).** When required by federal program legislation, all prime construction contracts in excess of \$2,000 awarded by non-federal entities must include a provision for compliance with the Davis-Bacon Act (40 U.S.C. § 3141-3144, and 3146-3148) as supplemented by Department of Labor regulations (29 C.F.R. § 5, “Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction”). In accordance with the statute, contractors must be required to pay wages to laborers and mechanics at a rate not less than the prevailing wages specified in a wage determination made by the Secretary of Labor. In addition, contractors must be required to pay wages not less than once a week. The non-federal entity must place a copy of the current prevailing wage determination issued by the Department of Labor in each solicitation. The decision to award a contract or subcontract must be conditioned upon the acceptance of the wage determination. The non-federal entity must report all suspected or reported violations to the federal awarding agency. The contracts must also include a provision for compliance with the Copeland “Anti-Kickback” Act (40 U.S.C. § 3145), as supplemented by Department of Labor regulations (29 C.F.R. § 3, “Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States”). The Act provides that each contractor or subrecipient must be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he or she is otherwise entitled. The non-federal entity must report all suspected or reported violations to the federal awarding agency. Supplier must be in compliance with all applicable Davis-Bacon Act provisions.

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

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

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

F. DEBARMENT AND SUSPENSION (EXECUTIVE ORDERS 12549 AND 12689). A contract award (see 2 C.F.R. § 180.220) must not be made to parties listed on the government wide exclusions in the System for Award Management (SAM), in accordance with the OMB guidelines at 2 C.F.R. §180 that implement Executive Orders 12549 (3 C.F.R. § 1986 Comp., p. 189) and 12689 (3 C.F.R. § 1989 Comp., p. 235), “Debarment and Suspension.” SAM Exclusions contains the names

of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order 12549. Supplier certifies that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation by any federal department or agency.

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

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

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

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

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

L. PROCUREMENT OF RECOVERED MATERIALS (2 C.F.R. § 200.322). A non-federal entity that is a state agency or agency of a political subdivision of a state and its contractors must comply with Section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation

and Recovery Act. The requirements of Section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 C.F.R. § 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds \$10,000 or the value of the quantity acquired during the preceding fiscal year exceeded \$10,000; procuring solid waste management services in a manner that maximizes energy and resource recovery; and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.

M. FEDERAL SEAL(S), LOGOS, AND FLAGS. The Supplier not use the seal(s), logos, crests, or reproductions of flags or likenesses of Federal agency officials without specific pre-approval.

N. NO OBLIGATION BY FEDERAL GOVERNMENT. The U.S. federal government is not a party to this Contract or any purchase by an Participating Entity and is not subject to any obligations or liabilities to the Participating Entity, Supplier, or any other party pertaining to any matter resulting from the Contract or any purchase by an authorized user.

O. PROGRAM FRAUD AND FALSE OR FRAUDULENT STATEMENTS OR RELATED ACTS. The Contractor acknowledges that 31 U.S.C. 38 (Administrative Remedies for False Claims and Statements) applies to the Supplier's actions pertaining to this Contract or any purchase by a Participating Entity.

P. FEDERAL DEBT. The Supplier certifies that it is non-delinquent in its repayment of any federal debt. Examples of relevant debt include delinquent payroll and other taxes, audit disallowance, and benefit overpayments.

Q. CONFLICTS OF INTEREST. The Supplier must notify the U.S. Office of General Services, Sourcewell, and Participating Entity as soon as possible if this Contract or any aspect related to the anticipated work under this Contract raises an actual or potential conflict of interest (as described in 2 C.F.R. Part 200). The Supplier must explain the actual or potential conflict in writing in sufficient detail so that the U.S. Office of General Services, Sourcewell, and Participating Entity are able to assess the actual or potential conflict; and provide any additional information as necessary or requested.

R. U.S. EXECUTIVE ORDER 13224. The Supplier, and its subcontractors, must comply with U.S. Executive Order 13224 and U.S. Laws that prohibit transactions with and provision of resources and support to individuals and organizations associated with terrorism.

S. PROHIBITION ON CERTAIN TELECOMMUNICATIONS AND VIDEO SURVEILLANCE SERVICES OR EQUIPMENT. To the extent applicable, Supplier certifies that during the term of this Contract it will comply with applicable requirements of 2 C.F.R. § 200.216.

T. DOMESTIC PREFERENCES FOR PROCUREMENTS. To the extent applicable, Supplier certifies that during the term of this Contract will comply with applicable requirements of 2 C.F.R. § 200.322.

22. CANCELLATION

Sourcwell or Supplier may cancel this Contract at any time, with or without cause, upon 60 days' written notice to the other party. However, Sourcwell may cancel this Contract immediately upon discovery of a material defect in any certification made in Supplier's Proposal. Cancellation of this Contract does not relieve either party of financial, product, or service obligations incurred or accrued prior to cancellation.

Sourcwell

DocuSigned by:
Jeremy Schwartz
By: C0FD2A139D06489...
Jeremy Schwartz
Title: Chief Procurement Officer
Date: 10/5/2021 | 8:30 PM CDT

Crafco Inc.

DocuSigned by:
Tom Kelly
By: 8F822047DF4445B...
N. Thomas Kelly
Title: Vice President Sales and Marketing
Date: 10/5/2021 | 1:20 PM PDT

Approved:

DocuSigned by:
Chad Coquette
By: 7E42B8F817A64CC...
Chad Coquette
Title: Executive Director/CEO
Date: 10/5/2021 | 8:46 PM CDT

RFP 080521 - Roadway Maintenance Equipment

Vendor Details

Company Name: Crafcoc Inc.
Does your company conduct business under any other name? If yes, please state: AZ
Address: 6165 W Detroit St
Chandler, AZ 85226
Contact: Bryan Darling
Email: bryan.darling@crafcoc.com
Phone: 602-276-0406 8041
Fax: 480-961-0513
HST#: 860324978

Submission Details

Created On: Thursday June 17, 2021 12:41:38
Submitted On: Monday August 02, 2021 12:48:32
Submitted By: Angie Hoaglin
Email: angie.hoaglin@crafcoc.com
Transaction #: 9c568ab1-33ec-42ae-be15-9e64d1fa6b81
Submitter's IP Address: 174.77.66.50

Specifications

Table 1: Proposer Identity & Authorized Representatives

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

Line Item	Question	Response *
1	Proposer Legal Name (one legal entity only): (In the event of award, will execute the resulting contract as "Supplier")	Crafco, Inc.
2	Identify all subsidiary entities of the Proposer whose equipment, products, or services are included in the Proposal.	Crafco is an authorized distributor for the KM International and Graco products we are offering on this proposal. While Crafco is affiliated with these companies, they are not subsidiaries of Crafco.
3	Identify all applicable assumed names or DBA names of the Proposer or Proposer's subsidiaries in Line 1 or Line 2 above.	N/A
4	Proposer Physical Address:	6165 W. Detroit St. Chandler, AZ 85226
5	Proposer website address (or addresses):	www.crafco.com www.graco.com www.kminternational.com
6	Proposer's Authorized Representative (name, title, address, email address & phone) (The representative must have authority to sign the "Proposer's Assurance of Compliance" on behalf of the Proposer and, in the event of award, will be expected to execute the resulting contract):	N. Thomas Kelly, Vice President Sales and Marketing, 6165 W. Detroit St. Chandler, AZ 85226, tom.kelly@crafco.com, 602-276-0406
7	Proposer's primary contact for this proposal (name, title, address, email address & phone):	Bryan Darling, Regional Manager, 6165 W. Detroit St. Chandler, AZ 85226, bryan.darling@crafco.com, 602-276-0406
8	Proposer's other contacts for this proposal, if any (name, title, address, email address & phone):	Angie Hoaglin, Sales & Contract Administrator, 6165 W. Detroit St. Chandler, AZ 85226, angie.hoaglin@crafco.com, 602-276-0406

Table 2: Company Information and Financial Strength

Line Item	Question	Response *
9	Provide a brief history of your company, including your company's core values, business philosophy, and industry longevity related to the requested equipment, products or services.	<p>Since 1976, Crafc0, Inc. has supplied the pavement preservation industry with quality products including roadway maintenance equipment and pavement preservation materials. Crafc0 is the only manufacturer in the pavement preservation industry that manufactures equipment and materials to provide a total pavement preservation solution. This gives Crafc0 a better understanding of how the melters and crack sealants should work together and apply the product in the most efficient way possible. This provides the agencies that best possible equipment and materials for their needs.</p> <p>VISION STATEMENT: To be the global leader in preservation and modified asphalt science through a relentless pursuit of exceptional relationships, unsurpassed quality, innovation, and exceeding expectations.</p> <p>MISSION STATEMENT: We produce, promote, and supply specialized preservation products to the pavement, roofing and waterproofing industries.</p> <p>VALUES: EMPOWERED SERVICE- Together, we are committed to delivering unparalleled service. We do what's right, provide solutions and foster stronger relationships with our team and customers.</p> <p>SELFLESS LEADERSHIP- We lead with compassion and put those around us before ourselves. We don't say we're the experts; we demonstrate it through technical expertise, category innovation and genuine care for what we do.</p> <p>PURPOSEFUL GROWTH- Employee growth and company growth go hand in hand. We build our legacy together to ensure future success.</p> <p>RESPECTFUL RELATIONSHIPS- Together we foster a culture of respect, acceptance and diversity of ideas and of people. Our differences make us stronger, and we are united by our shared values.</p>
10	What are your company's expectations in the event of an award?	In the event of an award, Crafc0 expects 60-70 units with 1,000,000-1,500,000 pounds of material each year. Per our current Sourcewell contract we have sold 169 units and 1,856,070 pounds of material. Looking to grow by 25%.
11	Demonstrate your financial strength and stability with meaningful data. This could include such items as financial statements, SEC filings, credit and bond ratings, letters of credit, and detailed reference letters. Upload supporting documents (as applicable) in the document upload section of your response.	Attached.
12	What is your US market share for the solutions that you are proposing?	70%
13	What is your Canadian market share for the solutions that you are proposing?	30-40%
14	Has your business ever petitioned for bankruptcy protection? If so, explain in detail.	No
15	How is your organization best described: is it a manufacturer, a distributor/dealer/reseller, or a service provider? Answer whichever question (either a) or b) just below) best applies to your organization. a) If your company is best described as a distributor/dealer/reseller (or similar entity), provide your written authorization to act as a distributor/dealer/reseller for the manufacturer of the products proposed in this RFP. If applicable, is your dealer network independent or company owned? b) If your company is best described as a manufacturer or service provider, describe your relationship with your sales and service force and with your dealer network in delivering the products and services proposed in this RFP. Are these individuals your employees, or the employees of a third party?	<p>Crafc0 is an authorized distributor for the KM and Graco products we are offering on this proposal. Company owned Supply Centers strategically located throughout the US to provide service and support for the products we are offering.</p> <p>Crafc0 covers 50 States with 24 independent Distributors and 18 Crafc0 owned Service Centers. Crafc0 has 4 Regional Managers that manage 29 Territory Sales Mangers across the United States. Our International Department has 1 Territory Manager for Canada and 4 independent Distributors with one Crafc0 warehouse. Crafc0 works with all of their Distributors to provide warranty and general service and repair facilities across the US and Canada.</p>
16	If applicable, provide a detailed explanation outlining the licenses and certifications that are both required to be held, and actually held, by your organization (including third parties and subcontractors that you use) in pursuit of the business contemplated by this RFP.	Crafc0 holds numerous business licenses and resell licenses for all States and local agencies across the United States and Canada where we manufacturer and distribute directly to customers. We also require our Distribution to provide the appropriate licensing in all jurisdictions in which they are conducting business.
17	Provide all "Suspension or Debarment" information that has applied to your organization during the past ten years.	N/A

Table 3: Industry Recognition & Marketplace Success

Line Item	Question	Response *
18	Describe any relevant industry awards or recognition that your company has received in the past five years	Roads & Bridges' Contractor's Choice Award (7 years in a row) for best equipment in the industry. Top 5 for all advertisers and #1 in the Industry in AdStudy conducted by Signet Research Inc. Maintenance Superintendent Association (MSA) has awarded one of Crafcro Regional Managers in 2018 with the Stellar Vendor award and in 2020 this award was given to one of Crafcro's Territory Managers.
19	What percentage of your sales are to the governmental sector in the past three years	55%
20	What percentage of your sales are to the education sector in the past three years	Less than 1%
21	List any state, provincial, or cooperative purchasing contracts that you hold. What is the annual sales volume for each of these contracts over the past three years?	Sourcwell \$10,883,750.17 BUYBOARD \$627,790.94 HGAC: \$251,156.46
22	List any GSA contracts or Standing Offers and Supply Arrangements (SOSA) that you hold. What is the annual sales volume for each of these contracts over the past three years?	N/A

Table 4: References/Testimonials

Line Item 23. Supply reference information from three customers who are eligible to be Sourcwell participating entities.

Entity Name *	Contact Name *	Phone Number *
Deschutes County, OR	Randy McCulley	541-322-7125
City of Tempe, AZ	Adam Padilla	480-350-8707
NYSDOT	Lou Cardinale	845-647-5614
Lee County, AL	Patrick Harvill	334-737-7011

Table 5: Top Five Government or Education Customers

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

Entity Name	Entity Type *	State / Province *	Scope of Work *	Size of Transactions *	Dollar Volume Past Three Years *
DELDOT	Government	Delaware - DE	Sealant & Equipment	Equipment (3) Sealant (585,000 Lbs.)	\$473,554.32
SDDOT	Government	South Dakota - SD	Equipment	Equipment (5)	\$312,157.04
City of Roseville	Government	California - CA	Sealant & Equipment	Equipment (3) Sealant (84,000 Lbs.)	\$233,852.77
City of Barstow	Government	California - CA	Sealant & Equipment	Equipment (1) Sealant (126,000 Lbs.)	\$195,992.42
City of Buckeye	Government	Arizona - AZ	Equipment	Equipment (2)	\$187,707.22

Table 6: Ability to Sell and Deliver Service

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

Line Item	Question	Response *
25	Sales force.	30 Territory Managers in the US (Crafcro employees) AL 1 - AK 1 - AZ 3 - AR 1 - CA 4 - CO 1 - CT 2 - DE 1 - FL 1 - GA 1 - HI 1 - ID 1 - IL 2 - IN 2 - IA 1 - KS 1 - KY 1 - LA 1 - ME 2 - MD 1 - MA 2 - MI 1 - MN 1 - MS 1 - MO 2 - MT 1 - NE 1 - NV 1 - NH 2 - NJ 1 - NM 1 - NY 1 - NC 1 - ND 1 - OH 1 - OK 1 - OR 1 - PA 2 - RI 2 - SC 1 - SD 1 - TN 2 - TX 4 - UT 1 - VT 2 - VA 1 - WA 2 - WV 1 - WI 1 - WY 1 1 Territory Manager in Canada (Crafcro employee)
26	Dealer network or other distribution methods.	21 US Distributors with single State locations average of 2-4 salespeople 3 US Distributors with 2-7 multiple State locations and 5-8 salespeople 4 Canada Distributors single locations average of 2-4 salespeople

27	Service force.	<p>CRAFCO SUPPLY CENTERS Anderson, CA 4 Direct Employees Bridgeton, MO 2 Direct Employees Edmond, OK 6 Direct Employees Evansville, IN 5 Direct Employees Farmer's Branch, TX 3 Direct Employees Fontana, CA 3 Direct Employees Lee's Summit, MO 3 Direct Employees Millbury, MA 4 Direct Employees Nashville, TN 5 Direct Employees Nassau, NY 5 Direct Employees Newtown, CT 2 Direct Employees Portland, ME 1 Direct Employee Portland, OR 3 Direct Employees Sacramento, CA 3 Direct Employees San Antonio, TX 5 Direct Employees Tulsa, OK 2 Direct Employees Wichita, KS 3 Direct Employees</p> <p>MANUFACTURING/SERVICE CENTERS 8 PLANTS Allentown, PA 6 Service Center employees (does not include all manufacturing staff) Cheyenne, WY 2 Service Center employees (does not include all manufacturing staff) DeKalb, IL 2 Service Center employees (does not include all manufacturing staff) Chandler, AZ (2) Two strategically located service Centers with 2 Service Center employees (does not include all manufacturing staff) Halls, TN 2 Service Center employees (does not include all manufacturing staff) Naples, TX 2 Service Center employees (does not include all manufacturing staff) Youngstown, OH 2 Service Center employees (does not include all manufacturing staff)</p>
28	Describe the ordering process. If orders will be handled by distributors, dealers or others, explain the respective roles of the Proposer and others.	<p>DIRECT SALES: Once contacted by the Agency interested on purchasing off of the Sourcewell contract, the Territory Manager in the area will work with the Agency on which piece of equipment or material fits their needs and requirements. They will fill out the Worksheet with all information priced out along with an internal quote. This must be approved by Angie Hoaglin, the Contract Administrator for CrafcO. The Territory Manager will submit the worksheet to the Agency for review. Once approved, the PO will need to be made out to CrafcO, Inc. along with the approved worksheet and sent to Angie Hoaglin at angie.hoaglin@crafcO.com. Once the notice to proceed is given, Angie will notify Customer Service and the specific plant by sending a copy of the worksheet, CrafcO quote and PO. Once equipment is received, the Territory Manager will be responsible for making the final delivery to the Agency and conducting the start-up training and safety training. CrafcO will invoice the Agency. Once paid, CrafcO will pay the Sourcewell fee.</p> <p>DISTRIBUTORS: It will be their responsibility to fill out the worksheet with equipment, options, materials, delivery, taxes etc. The worksheet will be sent to Angie Hoaglin, the Contract Administrator for CrafcO to be checked, approved and returned with a quote for reference when placing an order. Distributor will submit worksheet to the Agency for approval and Purchase Order. Once the notice to proceed is given, Angie will notify Customer Service and the specific plant by sending a copy of the worksheet, CrafcO quote and PO. Once equipment is received, the Distributor will be responsible for making the final delivery to the Agency and conducting the start-up training and safety training. Once paid, CrafcO will pay the Sourcewell fee. CrafcO will ship and invoice the Distributor. Distributor is responsible for invoicing the customer.</p>
29	Describe in detail the process and procedure of your customer service program, if applicable. Include your response-time capabilities and commitments, as well as any incentives that help your providers meet your stated service goals or promises.	<p>Once an inquiry has been made, our direct sales staff is able to respond to the customer's request within a day of the inquiry from the customer. All sales force is well versed in the CrafcO/Graco/ KM International product lines. Our sales staff can handle demos for new customer inquiries to help Agencies determine the type of machine that best suits their needs. CrafcO works closely with its Distributors when involved in the sale of the equipment to make sure that all the customers' needs are met, from the delivery, new equipment start-up training and warranty service after the sale.</p>
30	Describe your ability and willingness to provide your products and services to Sourcewell participating entities in the United States.	<p>CrafcO is willing and able to provide equipment, materials and service within all 50 states. 7 sealant manufacturing plants strategically placed across the Country minimize freight cost to the end users. One equipment manufacturing plant in Chandler, Arizona that use a very coordinated shipping plan to move equipment across the country at the most competitive cost possible. CrafcO has 24 US Distributors with 30 Territory Managers.</p>
31	Describe your ability and willingness to provide your products and services to Sourcewell participating entities in Canada.	<p>CrafcO has one of its oldest Distributors based in Canada with 45 years selling and servicing the Canadian market. CrafcO currently has 4 Distributors and 1 Territory Manager in Canada. We would like to extend all products and services. All sales of products into Canada are based on US Price List in US Dollars. Payment will be made in USD or current (date of invoice) equivalent Canadian dollars. We also work with Canoe, which represents all the Canadian Provinces. With our current Sourcewell contract we are working with Canadian Armed Forces in Goose Bay.</p>
32	Identify any geographic areas of the United States or Canada that you will NOT be fully serving through the proposed contract.	N/A
33	Identify any Sourcewell participating entity sectors (i.e., government, education, not-for-profit) that you will NOT be fully serving through the proposed contract. Explain in detail. For example, does your company have only a regional presence, or do other cooperative purchasing contracts limit your ability to promote another contract?	N/A
34	Define any specific contract requirements or restrictions that would apply to our participating entities in Hawaii and Alaska and in US Territories.	N/A

Table 7: Marketing Plan

Line Item	Question	Response *
35	Describe your marketing strategy for promoting this contract opportunity. Upload representative samples of your marketing materials (if applicable) in the document upload section of your response.	Crafco will provide awareness to the marketplace by including Sourcewell in our marketing and advertising. For example: include Sourcewell in literature used by sales representatives when talking with customers every day, include Sourcewell at tradeshows, conducted regionally (102 shows last 3 years) and nationally (18 shows last 3 years) reaching thousands of people every year, include Sourcewell on www.crafco.com website reaching 9,500 people a month and on outbound email advertising which reaches 40,000 people a month. Once awarded, the Sourcewell awarded logo will be added within all of these.
36	Describe your use of technology and digital data (e.g., social media, metadata usage) to enhance marketing effectiveness.	Crafco's social media posts focus on our products, financing, promotions and Supply Centers. We also share customers posts that feature Crafco products to help maintain engagement. Facebook has 1,570 followers (+22% over last 18 months) LinkedIn has 1,761 followers (+63% over last 18 months) YouTube has 228 followers (+93% over last 18 months) Over the last year, Crafco has developed and posted Troubleshooting videos to help end users with quick field repairs and service. Launched Instagram July 2021 Crafco runs multiple print ads in a variety of industry publications as well as 1000's digital ads with our email marketing campaigns per year.
37	In your view, what is Sourcewell's role in promoting contracts arising out of this RFP? How will you integrate a Sourcewell-awarded contract into your sales process?	After Crafco's initial launch of its contract in 2017, extensive training for our sales team was developed to utilize the Sourcewell contract and how to work with Agencies in providing best equipment and sealant solutions. This training is ongoing with webinars and Crafco University in house training. This training is also extended to our Distributor network and their sales team. Sourcewell's role is being accessible to members and non-members looking for information on how to use the contract as well as legal questions regarding purchasing equipment and material from the contract.
38	Are your products or services available through an e-procurement ordering process? If so, describe your e-procurement system and how governmental and educational customers have used it.	No, Crafco does not utilize an e-procurement processing system.

Table 8: Value-Added Attributes

Line Item	Question	Response *
39	Describe any product, equipment, maintenance, or operator training programs that you offer to Sourcewell participating entities. Include details, such as whether training is standard or optional, who provides training, and any costs that apply.	Operational and safety training is standard with each delivery of machine. This is completed either by the Distributor or direct sales representative in that area at no cost to the customer. Each new Crafcoc unit delivered to the end user includes up to 8 hours of on-site training and safe operation techniques for the equipment. Periodic training is available at the end user request. Crafcoc provides ongoing equipment training seminars as well as web-based training and troubleshooting.
40	Describe any technological advances that your proposed products or services offer.	With over 45 years of manufacturing experience, Crafcoc has been the leader in the pavement preservation equipment with advancements in safety controls with our on-demand pump system that stops the flow of sealant if the application wand is dropped, keeping the operator from getting burned from sealant splashing from the wand. The Pump Lockout system was also developed to keep the operator from trying to pump sealant before it is heated to the proper temperature and causing premature wear on the pump. New engine operation controls are being used to operate and monitor the entire unit and override operator errors. This control panel also allows the engine to run at a lower speed while heating up, once the melter is ready to start pumping, the engine speeds up to produce more power. This makes the Crafcoc melters much more fuel efficient. Crafcoc's engineering and designs make our crack sealing and patching equipment the safest in the marketplace.
41	Describe any "green" initiatives that relate to your company or to your products or services, and include a list of the certifying agency for each.	Crafcoc utilizes Tier 4 engines which meet Emission Standards. Crafcoc developed the Crack-Vac filter system for cleaning the cracks and joints in asphalt and concrete roadways and parking lots. This system contains particle matter down to ten microns (PM-10) which complies with the strict air quality standards in effect today. Crafcoc also developed the Dust Control Router which eliminates occupational exposure to respirable crystalline silica and reduces dust by 96% when routing cracks and joint for sealant application. Many Crafcoc sealants are blended with recycled ground tire rubber, as a company, Crafcoc utilizes approximately 10 million pounds of recycled tire rubber a year. Crafcoc's sealant Box packaging contains recycled cardboard and is 100% recyclable. Over the past several years Crafcoc has patented 2 different boxless packages for sealant that eliminates cardboard boxes and is environmentally friendly with all waste eliminated.
42	Identify any third-party issued eco-labels, ratings or certifications that your company has received for the equipment or products included in your Proposal related to energy efficiency or conservation, life-cycle design (cradle-to-cradle), or other green/sustainability factors.	N/A
43	Describe any Women or Minority Business Entity (WMBE), Small Business Entity (SBE), or veteran owned business certifications that your company or hub partners have obtained. Upload documentation of certification (as applicable) in the document upload section of your response.	N/A
44	What unique attributes does your company, your products, or your services offer to Sourcewell participating entities? What makes your proposed solutions unique in your industry as it applies to Sourcewell participating entities?	Crafcoc has been in business since 1976 serving the Pavement Preservation Industry. Crafcoc has engineers that are members of the ASTM committees that work on sealant specifications for the Country. Crafcoc is also involved with several sealant test decks across the Country: National Transportation Product Evaluation Program, National Center for Asphalt Technology and the MNROADS testing facility in Minnesota. This involvement assures that Crafcoc sealants are designed and manufactured to the highest quality and deliver the best performance possible for the Agency's needs. Each of the sealant manufacturing plants for Crafcoc have testing labs. Every manufacturing lot of material is tested and is certified that the sealants meet the specification it was manufactured to before it is shipped to the end user. This guarantees the products quality. The Crafcoc equipment plant has a very extensive AQ, QC program, that includes the run up of all pieces of equipment to assure all operational aspects of the equipment. All pieces of equipment are inspected and signed off by the QC Manager before shipment. All KM and Graco equipment will be received either at a Crafcoc facility or Distributor and will be run up to make sure the equipment is in good working order and ready to be delivered to the Agency. Crafcoc is the only manufacturer of equipment and materials to provide a total pavement preservation solution. This gives Crafcoc a better understanding of how the melters should work and apply the product in the most efficient way possible.

Table 9A: Warranty

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

Line Item	Question	Response *	
45	Do your warranties cover all products, parts, and labor?	Warranty covers products and parts. Detailed warranty information specific to each product offered can be found in the attached documents.	*
46	Do your warranties impose usage restrictions or other limitations that adversely affect coverage?	N/A	*
47	Do your warranties cover the expense of technicians' travel time and mileage to perform warranty repairs?	Warranty does not cover travel expense.	*
48	Are there any geographic regions of the United States or Canada (as applicable) for which you cannot provide a certified technician to perform warranty repairs? How will Sourcewell participating entities in these regions be provided service for warranty repair?	All geographic regions are covered.	*
49	Will you cover warranty service for items made by other manufacturers that are part of your proposal, or are these warranties issues typically passed on to the original equipment manufacturer?	Warranties will be passed on to the original equipment manufacturer.	*
50	What are your proposed exchange and return programs and policies?	Crafco will only accept the return of products that have been authorized in writing in advance, and proof of purchase is required. Not all purchases are returnable. This is a Return Policy for non-warranty claims. Refer to the product data sheet for information about warranty and claims for warranty reimbursement.	*
51	Describe any service contract options for the items included in your proposal.	N/A We do not offer service contracts.	*

Table 9B: Performance Standards or Guarantees

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

Line Item	Question	Response *	
52	Describe any performance standards or guarantees that apply to your services	Crafco warrants that all Crafco products meet applicable ASTM, AASHTO, Federal or State specifications at time of shipment.	*
53	Describe any service standards or guarantees that apply to your services (policies, metrics, KPIs, etc.)	All Crafco Service Centers and distributors work on a first come, first service basis for equipment service. Exceptions are made when an emergency occurs. Crafco is committed to customer satisfaction. We have a policy of addressing any customer issues within 1 business day.	*

Table 10: Payment Terms and Financing Options

Line Item	Question	Response *	
54	Describe your payment terms and accepted payment methods?	Net 30 Days – Credit Card and Wire Transfer.	*
55	Describe any leasing or financing options available for use by educational or governmental entities.	Sourcewell awarded NCL, and other agency preferred financing.	*
56	Describe any standard transaction documents that you propose to use in connection with an awarded contract (order forms, terms and conditions, service level agreements, etc.). Upload a sample of each (as applicable) in the document upload section of your response.	Per our current Sourcewell Contract, attached in the Standard Transactions section is the worksheet and quote which will be used if awarded this Sourcewell Contract.	*
57	Do you accept the P-card procurement and payment process? If so, is there any additional cost to Sourcewell participating entities for using this process?	Crafco accepts P-Card procurement and payment process at no additional cost.	*

Table 11: Pricing and Delivery

Provide detailed pricing information in the questions that follow below. Keep in mind that reasonable price and product adjustments can be made during the term of an awarded Contract as described in the RFP, the template Contract, and the Sourcwell Price and Product Change Request Form.

Line Item	Question	Response *
58	Describe your pricing model (e.g., line-item discounts or product-category discounts). Provide detailed pricing data (including standard or list pricing and the Sourcwell discounted price) on all of the items that you want Sourcwell to consider as part of your RFP response. If applicable, provide a SKU for each item in your proposal. Upload your pricing materials (if applicable) in the document upload section of your response.	Product Category Discount. Pricing lists are attached with related discounts noted.
59	Quantify the pricing discount represented by the pricing proposal in this response. For example, if the pricing in your response represents a percentage discount from MSRP or list, state the percentage or percentage range.	Crafco Equipment and Options: 5-20% off list. Crafco Materials: 20% off list. KM International: 10-18% off list. Graco: 15% off list.
60	Describe any quantity or volume discounts or rebate programs that you offer.	N/A. Not typically offered as most agencies have various specs they want to meet, making it difficult to offer volume or quantity discounts.
61	Propose a method of facilitating "sourced" products or related services, which may be referred to as "open market" items or "nonstandard options". For example, you may supply such items "at cost" or "at cost plus a percentage," or you may supply a quote for each such request.	When requested for Non-Standard options; these items are sourced through our supply vendor at best price possible.
62	Identify any element of the total cost of acquisition that is NOT included in the pricing submitted with your response. This includes all additional charges associated with a purchase that are not directly identified as freight or shipping charges. For example, list costs for items like pre-delivery inspection, installation, set up, mandatory training, or initial inspection. Identify any parties that impose such costs and their relationship to the Proposer.	N/A
63	If freight, delivery, or shipping is an additional cost to the Sourcwell participating entity, describe in detail the complete freight, shipping, and delivery program.	Freight is an additional charge. Equipment/Sealant may be combined with other equipment/material going to the closest Crafco facility or Distributor. Actual charges are divided between equipment/material. Crafco works closely with our freight company to get the best rate possible.
64	Specifically describe freight, shipping, and delivery terms or programs available for Alaska, Hawaii, Canada, or any offshore delivery.	Freight is an additional charge. Equipment/Sealant may be combined with other equipment/material going to the closest Crafco facility or Distributor. Actual charges are divided between equipment/material. Crafco works closely with our freight company to get the best rate possible.
65	Describe any unique distribution and/or delivery methods or options offered in your proposal.	Crafco always works closely with our freight company to get the best delivery methods possible.

Table 12: Pricing Offered

Line Item	The Pricing Offered in this Proposal is: *	Comments
66	c. better than the Proposer typically offers to GPOs, cooperative procurement organizations, or state purchasing departments.	

Table 13: Audit and Administrative Fee

Line Item	Question	Response *
67	Specifically describe any self-audit process or program that you plan to employ to verify compliance with your proposed Contract with Sourcwell. This process includes ensuring that Sourcwell participating entities obtain the proper pricing, that the Vendor reports all sales under the Contract each quarter, and that the Vendor remits the proper administrative fee to Sourcwell. Provide sufficient detail to support your ability to report quarterly sales to Sourcwell as described in the Contract template.	Either the direct Territory Manager or Distributor will complete the Sourcwell Worksheet, it will be sent to Crafco corporate office Angie Hoaglin, Contract Administrator, she will verify all pricing is correct, sign worksheet then the approved worksheet is ready to submit to Agency. Once PO is received, we enter in our Quarterly Log where we add all information from PO including fees to be paid to Sourcwell.
68	If you are awarded a contract, provide a few examples of internal metrics that will be tracked to measure whether you are having success with the contract.	Crafco will keep a log of all PO's received from the Sourcwell contract that totals all sales from date of award. This information is tracked monthly and reviewed by Senior Management members at Crafco.
69	Identify a proposed administrative fee that you will pay to Sourcwell for facilitating, managing, and promoting the Sourcwell Contract in the event that you are awarded a Contract. This fee is typically calculated as a percentage of Vendor's sales under the Contract or as a per-unit fee; it is not a line-item addition to the Member's cost of goods. (See the RFP and template Contract for additional details.)	2% based on total sales.

Table 14A: Depth and Breadth of Offered Equipment Products and Services

Line Item	Question	Response *
70	Provide a detailed description of the equipment, products, and services that you are offering in your proposal.	Roadway maintenance equipment including Pothole Patchers, Seal Coaters, Crack Sealers and Mastic/Adhesive Melters, Sealants and Mastics, Pavement Marking Application Machines and Sani-Sprayers, Asphalt Recyclers and Reclaimers.
71	Within this RFP category there may be subcategories of solutions. List subcategory titles that best describe your products and services.	N/A

Table 14B: Depth and Breadth of Offered Equipment Products and Services

Indicate below if the listed types or classes of equipment, products, and services are offered within your proposal. Provide additional comments in the text box provided, as necessary.

Line Item	Category or Type	Offered *	Comments
72	Asphalt recycles and reclaimers	<input checked="" type="radio"/> Yes <input type="radio"/> No	KM International
73	Patchers, seal coaters, crack sealers, and mastic and adhesive melters	<input checked="" type="radio"/> Yes <input type="radio"/> No	Also Crafcoc Crack Sealants, Mastic and Patching Products.
74	Chip spreaders, asphalt brooms, and pavement grinding or grooving equipment	<input type="radio"/> Yes <input checked="" type="radio"/> No	N/A
75	Pavement marking application and removal equipment	<input checked="" type="radio"/> Yes <input type="radio"/> No	Graco.
76	Other	<input checked="" type="radio"/> Yes <input type="radio"/> No	Sani-Sprayers.

Table 15: Exceptions to Terms, Conditions, or Specifications Form

Line Item 77. NOTICE: To identify any exception, or to request any modification, to the Sourcwell template Contract terms, conditions, or specifications, a Proposer must submit the exception or requested modification on the **Exceptions to Terms, Conditions, or Specifications Form** immediately below. The contract section, the specific text addressed by the exception or requested modification, and the proposed modification must be identified in detail. Proposer's exceptions and proposed modifications are subject to review and approval of Sourcwell and will not automatically be included in the contract.

Contract Section	Term, Condition, or Specification	Exception or Proposed Modification

Documents

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

1. Documents in PDF format are preferred. Documents in Word, Excel, or compatible formats may also be provided.
2. Documents should NOT have a security password, as Sourcwell may not be able to open the file. It is your sole responsibility to ensure that the uploaded document(s) are not either defective, corrupted or blank and that the documents can be opened and viewed by Sourcwell.
3. Sourcwell may reject any response where any document(s) cannot be opened and viewed by Sourcwell.
4. If you need to upload more than one (1) document for a single item, you should combine the documents into one zipped file. If the zipped file contains more than one (1) document, ensure each document is named, in relation to the submission format item responding to. For example, if responding to the Marketing Plan category save the document as "Marketing Plan."
 - [Pricing](#) - Pricing.pdf - Thursday July 29, 2021 10:08:55
 - [Financial Strength and Stability](#) - Crafcoc 6-30-20.pdf - Thursday July 08, 2021 11:00:31
 - [Marketing Plan/Samples](#) - Marketing Materials.pdf - Thursday July 08, 2021 12:16:12
 - WMBE/MBE/SBE or Related Certificates (optional)
 - [Warranty Information](#) - Warranty Information.pdf - Wednesday July 28, 2021 08:39:40
 - [Standard Transaction Document Samples](#) - Transaction Documents.pdf - Wednesday July 28, 2021 08:43:07
 - Upload Additional Document (optional)

Addenda, Terms and Conditions

PROPOSER AFFIDAVIT AND ASSURANCE OF COMPLIANCE

I certify that I am the authorized representative of the Proposer submitting the foregoing Proposal with the legal authority to bind the Proposer to this Affidavit and Assurance of Compliance:

1. The Proposer is submitting this Proposal under its full and complete legal name, and the Proposer legally exists in good standing in the jurisdiction of its residence.
2. The Proposer warrants that the information provided in this Proposal is true, correct, and reliable for purposes of evaluation for contract award.
3. The Proposer, including any person assisting with the creation of this Proposal, has arrived at this Proposal independently and the Proposal has been created without colluding with any other person, company, or parties that have or will submit a proposal under this solicitation; and the Proposal has in all respects been created fairly without any fraud or dishonesty. The Proposer has not directly or indirectly entered into any agreement or arrangement with any person or business in an effort to influence any part of this solicitation or operations of a resulting contract; and the Proposer has not taken any action in restraint of free trade or competitiveness in connection with this solicitation. Additionally, if Proposer has worked with a consultant on the Proposal, the consultant (an individual or a company) has not assisted any other entity that has submitted or will submit a proposal for this solicitation.
4. To the best of its knowledge and belief, and except as otherwise disclosed in the Proposal, there are no relevant facts or circumstances which could give rise to an organizational conflict of interest. An organizational conflict of interest exists when a vendor has an unfair competitive advantage or the vendor's objectivity in performing the contract is, or might be, impaired.
5. The contents of the Proposal have not been communicated by the Proposer or its employees or agents to any person not an employee or legally authorized agent of the Proposer and will not be communicated to any such persons prior to Due Date of this solicitation.
6. If awarded a contract, the Proposer will provide to Sourcewell Participating Entities the equipment, products, and services in accordance with the terms, conditions, and scope of a resulting contract.
7. The Proposer possesses, or will possess before delivering any equipment, products, or services, all applicable licenses or certifications necessary to deliver such equipment, products, or services under any resulting contract.
8. The Proposer agrees to deliver equipment, products, and services through valid contracts, purchase orders, or means that are acceptable to Sourcewell Members. Unless otherwise agreed to, the Proposer must provide only new and first-quality products and related services to Sourcewell Members under an awarded Contract.
9. The Proposer will comply with all applicable provisions of federal, state, and local laws, regulations, rules, and orders.
10. The Proposer understands that Sourcewell will reject RFP proposals that are marked "confidential" (or "nonpublic," etc.), either substantially or in their entirety. Under Minnesota Statutes Section 13.591, subdivision 4, all proposals are considered nonpublic data until the evaluation is complete and a Contract is awarded. At that point, proposals become public data. Minnesota Statutes Section 13.37 permits only certain narrowly defined data to be considered a "trade secret," and thus nonpublic data under Minnesota's Data Practices Act.
11. Proposer its employees, agents, and subcontractors are not:
 1. Included on the "Specially Designated Nationals and Blocked Persons" list maintained by the Office of Foreign Assets Control of the United States Department of the Treasury found at: <https://www.treasury.gov/ofac/downloads/sdnlist.pdf>;
 2. Included on the government-wide exclusions lists in the United States System for Award Management found at: <https://sam.gov/SAM/>; or
 3. Presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from programs operated by the State of Minnesota; the United States federal government or the Canadian government, as applicable; or any Participating Entity. Vendor certifies and warrants that neither it nor its principals have been convicted of a criminal offense related to the subject matter of this solicitation.

By checking this box I acknowledge that I am bound by the terms of the Proposer's Affidavit, have the legal authority to submit this Proposal on behalf of the Proposer, and that this electronic acknowledgment has the same legal effect, validity, and enforceability as if I had hand signed the Proposal. This signature will not be denied such legal effect, validity, or enforceability solely because an electronic signature or electronic record was used in its formation. - N.Thomas Kelly, Vice President Sales and Marketing, Crafcoc, Inc.

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

Yes No

The Bidder acknowledges and agrees that the addendum/addenda below form part of the Bid Document.

Check the box in the column "I have reviewed this addendum" below to acknowledge each of the addenda.

File Name	I have reviewed the below addendum and attachments (if applicable)	Pages
Addendum_4_Roadway_Maint_Equipt_RFP_080521 Wed July 28 2021 06:54 PM	<input checked="" type="checkbox"/>	2
Addendum_3_Roadway_Maint_Equipt_RFP_080521 Mon July 26 2021 04:56 PM	<input checked="" type="checkbox"/>	2
Addendum_2_Roadway_Maint_Equipt_RFP_080521 Fri July 16 2021 12:55 PM	<input checked="" type="checkbox"/>	1
Addendum_1_Roadway_Maint_Equipt_RFP_080521_Draft Thu June 24 2021 04:18 PM	<input checked="" type="checkbox"/>	1

CITY ATTORNEY'S OFFICE

TRACY CITY COUNCIL

RESOLUTION NO. _____

AUTHORIZING THE PURCHASE OF A REPLACEMENT CRACK SEAL MACHINE FROM CRAFTCO, INC. THROUGH SOURCEWELL COOPERATIVE PURCHASING AGREEMENT #080521 FOR THE AMOUNT OF \$101,590

WHEREAS, the City of Tracy's Streets Division of Operations is responsible for maintaining the roads and infrastructure within the City for the safety and convenience of its residents and visitors; and

WHEREAS, one of the essential tools required for this task is the crack seal machine, which is used to fill cracks and prevent water from seeping into the pavement; and

WHEREAS, in 2012, the City acquired its current crack seal machine. This crack seal machine is experiencing various issues, including frequent breakdowns that require expensive repairs and the need for replacement parts that are no longer being manufactured or are hard to acquire; and

WHEREAS, the City seeks to replace its current crack seal machine by purchasing a new one (the "Replacement Machine") from Craftco, Inc. through Sourcewell cooperative purchasing agreement #080521. The City is authorized to make purchases using the Sourcewell cooperative purchasing agreements pursuant to Tracy Municipal Code, section 2.20.220; and

WHEREAS, the purchase of the Replacement Machine will provide several benefits to the Streets Division of Operations, including, but not limited to, improved efficiency and lower maintenance costs, thereby saving the City money on repairs; and

WHEREAS, using a Sourcewell contract, the Replacement Machine will cost \$101,590; and

WHEREAS, the City intends to set aside contingency amount for this purchase in the amount of \$9,447; and

WHEREAS, the acquisition of the Replacement Machine will be funded from the Streets Division's existing budget.

NOW, THEREFORE, be it resolved as follows:

RESOLVED: That the above recitals are true and correct; and be it,

FURTHER RESOLVED: That City Council of the City of Tracy hereby authorizes the purchase of a Replacement Crack Seal Machine through a Sourcewell Cooperative Purchasing Agreement, in the form approved by the City Attorney's office and to take any and all actions that may be necessary or advisable, in their discretion, to effectuate the purposes of this Resolution; and be it,

FURTHER RESOLVED: That this resolution takes effect immediately upon its adoption.

* * * * *

The foregoing Resolution 2023-_____ was adopted by the Tracy City Council on June 6, 2023, by the following vote:

AYES:	COUNCIL MEMBERS:
NOES:	COUNCIL MEMBERS:
ABSENT:	COUNCIL MEMBERS:
ABSTENTION:	COUNCIL MEMBERS:

NANCY D. YOUNG
Mayor of the City of Tracy, California

ATTEST: _____
ADRIANNE RICHARDSON
City Clerk and Clerk of the Council of the
City of Tracy, California

Agenda Item 1.F

RECOMMENDATION

Staff recommends that City Council adopt a resolution awarding a construction contract to Tracy Grading & Paving, Inc., of Tracy, California, for the Bessie Avenue Reconstruction Project – CIP 73192, 74166, and 75164, with a not-to-exceed project budget of \$5,464,884.

EXECUTIVE SUMMARY

This item is to consider the award of a construction contract to Tracy Grading & Paving, Inc., for the Bessie Avenue Reconstruction Project (Project). The Project includes pavement rehabilitation, street light installation, sewer, storm drain and water line replacements, ADA upgrades to sidewalks and curb ramps, enhanced crosswalk striping, and class III bike route signage & striping along Bessie Avenue between Grant Line Road and Lowell Avenue. The Project will also include class III bike route signage & striping along Bessie Avenue between Lowell Avenue and 11th Street.

BACKGROUND AND LEGISLATIVE HISTORY

The reconstruction of Bessie Avenue, between Grant Line Road and 11th Street, along with related drainage, sewer, water, and ADA improvements was designed in 2009. However, due to high construction costs and insufficient funding, the scope of work was split into two phases: Phase 1 extended from 11th Street to Lowell Avenue, and Phase 2 extended from Lowell Avenue to Grant Line Road. Phase 1 was awarded for construction in September 2009 and accepted as complete on April 5, 2011.

During the March 22, 2022, Special City Council Meeting, Engineering staff recommended Capital Improvement Project (CIP) priorities to Council for FY 22/23. City Council then directed Finance staff to pre-fund the estimated project cost of the Phase 2 and \$3.5 million of General Fund was allocated to CIP 73192 to bridge the funding gap to cover all required improvements.

The re-design of the Project, which included completed plans, specifications, and a cost estimate, was performed by BKF Engineers, pursuant to the Master Professional Services Agreement between the City and FCGA Architecture.

The project was advertised for competitive bids on April 21, 2023, and April 28, 2023.

Bids were received and publicly opened in City Hall Conference Room 203 and via Teleconference at 2:00 p.m. on Tuesday, May 23, 2023, with the following results:

<u>Contractor</u>	<u>Base Bid</u>
McFadden Construction, Inc.	\$5,369,477.95
Tracy Grading & Paving, Inc.	\$4,734,682.00

Staff's subsequent bid analysis indicates that the lowest monetary bid is responsive to the bid advertisement and the bidder, Tracy Grading & Paving, Inc., of Tracy, California, is responsible. The bidder has the appropriate contractor's license, active standing with the State of California, and has completed similar projects for the City.

ANALYSIS

The total estimated cost of this Project, if awarded to the lowest bidder, Tracy Grading & Paving, Inc., is as follows:

Construction Bid	\$4,734,682
Construction Management (5%)	\$236,734
Design Support During Construction	\$20,000
Contingency @ 10%	\$473,468
Total Project Cost	\$5,464,884

Tracy Municipal Code Section 2.20.090(b) authorizes the City Manager, or his designee, to approve change orders up to the contingency amount approved by Council. City staff recommends the contingency amount for this project to be \$473,468, which is 10% of the construction contract cost.

FISCAL IMPACT

The estimated Project cost is \$5,464,884 and will be funded by CIPs 73192, 74166, and 75164 with General Funds and American Rescue Plan Act (ARPA) Funds. The available funding breakdown is as shown below:

CIP 73192 (General Fund)	\$3,223,950
CIP 74166 (ARPA Fund)	\$1,804,676
CIP 75164 (ARPA Fund)	\$1,657,094
Total Available Budget	\$6,685,720

PUBLIC OUTREACH / INTEREST

No public outreach was required for this Project.

COORDINATION

The City's Engineering Division coordinated with Operations and Utilities Department, Parks & Recreation Department, and South San Joaquin County Fire Authority (SSJCFA).

CEQA DETERMINATION

The Project is categorically exempt, per the following CEQA Guidelines Sections:

1. § 15301. Existing Facilities Class I category, which consists of the operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of existing or former use, and

2. § 15302. Replacement or Reconstruction Class II category, which consists of replacement or reconstruction of existing structures and facilities where the new structure will be located on the same site as the structure replaced and will have substantially the same purpose and capacity as the structure replaced.

STRATEGIC PLAN

This agenda item supports the City of Tracy's Quality of Life Strategic Priority, and specifically implements the following goal:

Goal 1: Advance green and roadway infrastructure project that improve connectivity, including bike lanes.

ACTION REQUESTED OF THE CITY COUNCIL

That City Council, by resolution, award a construction contract to Tracy Grading & Paving, Inc., of Tracy, California, for the Bessie Avenue Reconstruction Project – CIP 73192, 74166, and 75164, with a not-to-exceed project budget of \$5,464,884.

Prepared by: Anju Pillai, PE, Senior Civil Engineer

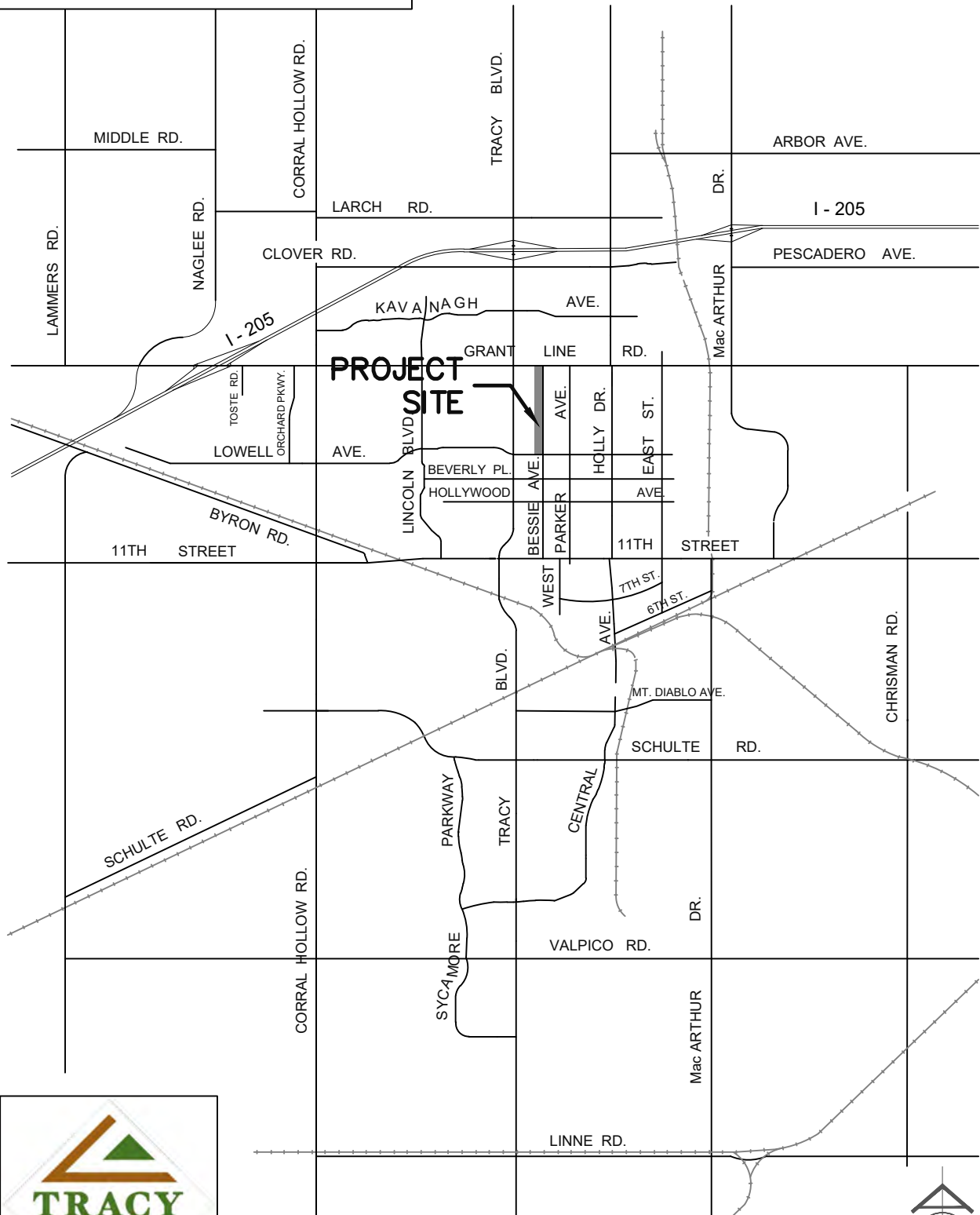
Reviewed by: Koosun Kim, PE, City Engineer
Jaylen French, Development Services Director
Sara Cowell, Finance Director
Bijal M. Patel, City Attorney
Karin Schnaider, Assistant City Manager

Approved by: Midori Lichtwardt, Interim City Manager

ATTACHMENTS

Attachment A – Location Map

CITY OF TRACY



BESSIE AVE RECONSTRUCTION PROJECT
CIP 73192, 74166, 75164
LOCATION MAP



NOT TO SCALE

TRACY CITY COUNCIL

RESOLUTION 2023-_____

AWARDING A CONSTRUCTION CONTRACT TO TRACY GRADING & PAVING, INC., OF TRACY, CALIFORNIA, FOR THE BESSIE AVENUE RECONSTRUCTION PROJECT, WITH A NOT-TO-EXCEED PROJECT BUDGET OF \$5,464,884

WHEREAS, the reconstruction of Bessie Avenue between Grant Line Road and 11th Street, along with drainage, sewer, water, and ADA improvements was designed in 2009 (the "Project"); and

WHEREAS, due to high construction costs and insufficient funding, the scope of work for the Project was split into two phases: Phase 1 extended from 11th Street to Lowell Avenue ("Phase 1"), and Phase 2 extended from Lowell Avenue to Grant Line Road (CIP 73192, 74166, and 75164) ("Phase 2"); and

WHEREAS, Phase 1 was awarded for construction in September 2009 and accepted as complete on April 5, 2011; and

WHEREAS, during the March 22, 2022, Special City Council Meeting, City Engineering staff presented recommended Capital Improvement Project ("CIP") priorities to Council for Fiscal Year 22/23; and

WHEREAS, City Council directed City Finance staff to pre-fund the estimated project cost for Phase 2 and allocated \$3.5 million of General Fund to CIP 73192 to bridge the funding gap to cover all required improvements relating to Phase 2; and

WHEREAS, the re-design of Phase 2, which included completed plans, specifications, and a cost estimate, was completed by BKF Engineers, under the Master Professional Services Agreement with FCGA Architecture; and

WHEREAS, this Phase 2 includes pavement rehabilitation, street light installation, sewer, storm drain and water line replacements, ADA upgrades to sidewalks and curb ramps, enhanced crosswalk striping, and class III bike route signage & striping along Bessie Avenue between Grant Line Road and Lowell Avenue, and also includes class III bike route signage & striping along Bessie Avenue between Lowell Avenue and 11th Street; and

WHEREAS, Phase 2 was advertised for competitive bids on April 21, 2023, and April 28, 2023, and bids were received and publicly opened in City Hall Conference Room 203 and via Teleconference at 2:00 p.m. on Tuesday, May 23, 2023; and

WHEREAS, Tracy Grading & Paving, Inc., of Tracy, California was the lowest bidder; and

WHEREAS, the City’s bid analysis indicates their bid is “responsive” and the bidder is “responsible;” and

WHEREAS, Tracy Municipal Code Section 2.20.090(b) authorizes the City Manager to approve change orders up to the contingency amount approved by City Council; and

WHEREAS, the City seeks to establish a contingency amount for Phase 2 equal to \$473,468; and

WHEREAS, the total estimated cost for Phase 2, if Tracy Grading & Paving, Inc. is awarded the contract, is as follows:

Construction Bid	\$ 4,734,682
Construction Management (5%)	\$ 236,734
Design Support During Construction	\$ 20,000
Contingency @ 10%	\$ 473,468
Total Project Cost	\$ 5,464,884; and

WHEREAS, Phase 2 will be funded by approved CIP 73192, 74166 and 75164 with General Funds and ARPA (American Rescue Plan Act) Funds; and

WHEREAS, the Project is categorically exempt per the CEQA Guidelines Sections § 15301. Existing Facilities and § 15302. Replacement or Reconstruction; now therefore be it

RESOLVED: That the above recitals are true and correct; and be it

FURTHER RESOLVED: That the City Council of the City of Tracy hereby awards a construction contract to Tracy Grading & Paving., Inc. of Tracy, California, for Phase 2 of the Project (the Bessie Avenue Reconstruction Project CIP 73192, 74166, 75164), with a not-to-exceed project budget of \$5,464,884; and be it

FURTHER RESOLVED: That City Council hereby authorizes and directs the City Manager or their designee (the “Designated Officers”), for and on behalf of the City of Tracy, to execute, in consultation with the City Attorney’s office, any agreements or documents, and to take any and all actions that may be necessary or advisable, in their discretion, to enter into the Construction Contract and to effectuate the purposes of this Resolution; and be it

FURTHER RESOLVED: That the City Manager, or his designee, is authorized to approve change orders up to the contingency amount of \$473,468, if needed; and be it

FURTHER RESOLVED: That this resolution takes effect immediately upon its adoption.

* * * * *

The foregoing Resolution 2023-_____ was adopted by the City Council on the 6th of June 2023 by the following vote:

AYES:	COUNCIL MEMBERS:
NOES:	COUNCIL MEMBERS:
ABSENT:	COUNCIL MEMBERS:
ABSTENTION:	COUNCIL MEMBERS:

NANCY D. YOUNG
Mayor of the City of Tracy, California

ATTEST: _____
ADRIANNE RICHARDSON
City Clerk and Clerk of the Council of the
City of Tracy, California

Agenda Item 1.G

RECOMMENDATION

Staff recommends that the City Council adopt the following:

1) Resolution initiating proceedings for the annual levy of assessments and approving the preliminary Engineer's Report for the Tracy Consolidated Landscape Maintenance District pursuant to the provisions of the Landscape and Lighting Act of 1972 for Fiscal Year 2023/2024; and

2) Subject to approval of Item 1, Resolution declaring the City of Tracy's intention to levy annual assessments for the Tracy Consolidated Landscape Maintenance District for Fiscal Year 2023/2024 and setting a public hearing on June 20, 2023, at 7 p.m. to consider the same in accordance with the Landscape and Lighting Act of 1972.

EXECUTIVE SUMMARY

Annually, the City Council is required to review and consider for approval the Tracy Consolidated Landscape Maintenance District (District) Engineer's Report for the new Fiscal Year. The approval process consists of two steps: 1) initiating proceedings for the levy of assessments and approving the preliminary District's Engineer's Report; and 2) scheduling a Public Hearing (proposed for June 20, 2023 at 7 p.m.) where the City Council would be asked to approve the final Engineer's Report and to authorize the levying and collection of special assessments needed to maintain the landscaping and related appurtenances in all forty-one (41) Zones in the District for Fiscal Year 2023/2024.

For Fiscal Year 2023/2024, the General Fund anticipates providing approximately \$730,000 in the form of a Capital Improvement Project (CIP) for arterial landscaping and tree maintenance as these improvements are generally viewed as a general benefit. In addition, the Storm Drain fund is expected to contribute \$20,000 to cover a portion of the expenses associated with canal-way/bike path landscaping. All other revenues are levied through Zone assessments and/or Zone reserves.

The preliminary Engineer's Report for Fiscal Year 2023/2024 provides the following breakdown: Fifteen (15) Zones are projected to increase their respective reserve budget to support future asset replacements; Seven (7) Zones are projected to not be assessed as maintenance is performed by another entity (i.e. HOA) or their respective reserve budget has ample funds to cover any maintenance needs plus future asset replacements; Thirteen (13) Zones are projected to have higher expenditures than revenues as enhancements are projected to occur to improve the overall aesthetics; One (1) Zone is projected to eliminate its deficit and begin to establish a reserve budget for asset replacements; Two (2) Zones are expected to reduce their existing deficit; and Three (3) Zones are projected to maintain their existing deficit.

BACKGROUND AND LEGISLATIVE HISTORY

Prior to Fiscal year 2003-2004, the City managed three (3) landscape maintenance districts. Each of these districts were formed with specific areas of improvement. Collectively, there was thirty (30) different Zones, each Zone included specific improvements that were installed as a condition of approval, and the Zone improvements were maintained for the benefit of those properties.

In Fiscal Year 2003-2004, the City consolidated the three (3) districts into a single district pursuant to Section 22605 (d) of the Landscape and Lighting Act of 1972 and established the Tracy Consolidated Landscape Maintenance District. As part of the consolidation, the improvements associated with the various Zones were evaluated and it was determined that, in some areas, the special benefit to properties could be more refined by expanding the existing thirty (30) Zones to thirty-seven (37) Zones. Since the consolidation, several annexations have taken place and there are now forty-one (41) Zones in the District.

The City utilizes the equivalent dwelling unit (EDU) method of apportionment. This method is widely seen as the most appropriate and equitable assessment methodology for districts governed by the Landscape and Lighting Act of 1972. An EDU is a land use classification and uses a single-family home site as the basic unit of assessment. Every other land use is converted to EDU's based on an assessment formula that equates the property's specific development status, type of development, and size of the property, as compared to a single-family home site.

ANALYSIS

At the time of the creation (formation) of each Zone, a maximum allowable assessment was established. The maximum assessment was based on the maintenance cost projected to cover the landscaping and related services and amenities within each Zone. It is recognized that the cost of maintaining the improvements increases each year due to inflation. Therefore, as an attempt to offset inflationary increases that affect service costs to the Zone, assessments include a formula for increasing the maximum assessment rates for each future Fiscal Year. The annual inflationary rate increase allows the maximum rates to be adjusted by three percent (3%) or the percentage of the Consumer Price Index for All Urban Consumers (CPI-U) for the San Francisco-Oakland-San Jose Area Region, whichever is less.

These moderate annual inflationary increases have not been adequate to keep up with the cost of maintaining the improvements and related services within each Zone. For example, over the last six years, with the exception of 2020 (which was impacted by Covid-19), the CPI-U has been greater than three percent (3%). It is anticipated that this year is going to be no different and the CPI-U will outpace the allowable annual assessment increase. As a result, some Zones have accumulated a structural deficit while others have been dependent on their respective reserves to balance the operating budget for regular routine maintenance. Having to absorb this delta has resulted in a financial burden for several Zones.

Twenty-seven (27) of the forty-one (41) Zones (66%) have reached their maximum assessment rates and either are or will be experiencing a budget shortfall. Pursuant to Article XIII D of the California Constitution (commonly known as Proposition 218), property owners shall approve any assessments that exceeds the adjusted maximum assessment. Prop 218 provides limited opportunities to increase revenue. There are two methods to increase revenue beyond the adjusted maximum assessment: 1) the General Fund may contribute funds to Zones to ensure a balanced budget; and 2) Initiate special ballot proceedings pursuant to Prop 218.

For Fiscal Year 2023/2024, the General Fund anticipates providing approximately \$730,000 in the form of a capital improvement project for arterial landscaping and tree maintenance as these improvements are generally viewed as a general benefit. These funds will support a consistent level of maintenance for arterial roadways that the public benefits from for ease of transportation and connectivity throughout the community. Without the General Fund contribution for arterial

maintenance, several Zones would need to rely on their reserves, require a service level reduction, and/or incur or increase their deficit to balance the Zones operating budget. In addition, the Storm Drain fund is expected to contribute \$20,000 to cover a portion of the expenses associated with canal-way/bike path landscaping.

The last special ballot proceeding for re-assessment to levy fees beyond the annual inflationary rate was done in Zones 17 of Fiscal Year 2007-2008. This year, staff will be developing a District landing page to provide stakeholders with valuable information pertaining to their Zone. In addition, staff will be implementing strategies for Zones to undertake to explore the overall interest of property owners to initiate a special balloting procedure for re-assessment.

Pursuant to Prop 218, the maximum assessment rates allowed for Fiscal Year 2023/2024 is recommended to be adjusted by three percent (3%) over the prior year's maximum assessment rates. While it is necessary to keep up with inflation and adjust maximum assessments, it is important to note that the amount to be levied will only be based on the estimated cost of maintenance.

Based upon the estimated costs to maintain the long and short-term landscaping and improvements, staff recommends approval of the assigned assessment rates found in Part II ("Estimate of Costs") of the Engineer's Report for Fiscal Year 2023/2024. The report reflects the following:

- Fifteen (15)¹ Zones are projected to increase their respective reserve budget to support future asset replacements.
- Seven (7)² Zones are projected to not be assessed as maintenance is performed by another entity (i.e., HOA) or their respective reserve budget has ample funds to cover any maintenance needs.
- Thirteen (13)³ are projected to have higher expenditures than revenues as enhancements are expected to occur to improve the overall aesthetics.
- One (1)⁴ Zone is projected to eliminate its deficit and begin to establish a reserve budget for future asset replacement.
- Two (2)⁵ Zones are expected to reduce their existing deficit.
- Three (3)⁶ Zones are projected to maintain their existing deficit.

FISCAL IMPACT

The District has forty-one (41) Zones; therefore, each Zone should be viewed as an independent budget. Revenue for operations, maintenance, and capital replacement in each Zone is from assessments, storm drain, general fund, and reserves. Below is a breakdown by Zone:

Zone	Revenue	Expense	5	\$0	\$227	10	\$283,746	\$222,652	12	\$123,953	\$116,465
1	\$51,664	\$38,411	6	\$4,685	\$4,143				13	\$139,889	\$146,008
2	\$16,951	\$20,668	7	\$291,810	\$275,551				14	\$68,313	\$68,672
3	\$513,845	\$487,964	8	\$55,618	\$56,038	Zone	Revenue	Expense	15	\$266,114	\$313,168
4	\$8,726	\$3,530	9	\$765,732	\$590,029	11	\$2,655	\$1,803	16	\$56,447	\$69,978

¹ Zones: 1, 3, 4, 6, 7, 10, 12, 14, 20, 23, 27, 30, 35, 41, and 43

² Zones: 5, 25, 31, 32, 33, 36, and 37

³ Zones: 2, 13, 15, 16, 17, 18, 19, 21, 22, 24, 26, 28 and 42

⁴ Zone: 34

⁵ Zones: 9 and 11

⁶ Zones: 8, 29, and 40

17	\$371,220	\$521,169	22	\$40,908	\$43,713	30	\$63,176	\$59,828	35	\$91,341	\$87,634
18	\$155,979	\$171,801	23	\$70,723	\$65,209				36	\$0	\$0
19	\$184,461	\$198,449	24	\$108,144	\$267,821				37	\$0	\$0
20	\$37,047	\$30,906	25	\$0	\$0	Zone	Revenue	Expense	40	\$6,470	\$6,516
			26	\$277,258	\$306,764	31	\$0	\$0	41	\$2,245	\$1,245
			27	\$16,965	\$14,583	32	\$0	\$0	42	\$22,478	\$23,062
Zone	Revenue	Expense	28	\$99,394	\$157,025	33	\$5,309	\$32,341	43	\$10,960	\$10,904
21	\$70,809	\$93,315	29	\$95,455	\$96,302	34	\$29,768	\$23,440			

PUBLIC OUTREACH / INTEREST

N/A

COORDINATION

The Parks and Recreation Department coordinated with Finance and Utilities & Operations (Urban Forestry Division).

CEQA DETERMINATION

This is an operational item to levy assessments and CEQA does not apply.

STRATEGIC PLAN

This agenda item is consistent with the City Council's adopted Quality of Life strategies.

ACTION REQUESTED OF THE CITY COUNCIL

Staff recommends that the City Council adopt the following:

- 1) Resolution initiating proceedings for the annual levy of assessments and approving the preliminary Engineer's Report for the Tracy Consolidated Landscape Maintenance District pursuant to the provisions of the Landscape and Lighting Act of 1972 for Fiscal Year 2023/2024; and
- 2) Subject to approval of Item 1, Resolution declaring the City of Tracy's intention to levy annual assessments for the Tracy Consolidated Landscape Maintenance District for Fiscal Year 2023/2024 and setting a public hearing on June 20, 2023, at 7 p.m. to consider the same in accordance with the Landscape and Lighting Act of 1972.

Prepared by: Nilo Velazquez, Management Analyst II

Reviewed by: Brian MacDonald, Director of Parks and Recreation
 Sara Cowell, Director of Finance
 Bijal Patel, City Attorney
 Karin Schnaider, Assistant City Manager

Approved by: Midori Lichtwardt, Interim City Manager

Attachments:

Attachment A: FY 23/24 Preliminary Engineer's Report



CITY OF
TRACY CALIFORNIA
Think Inside the Triangle™

CITY OF TRACY

PRELIMINARY ENGINEER'S REPORT

FISCAL YEAR 2023-24

**CONSOLIDATED LANDSCAPE MAINTENANCE
DISTRICT**

June 2023



Harris & Associates

Prepared by

Harris & Associates

1401 Willow Pass Road, Suite 500

Concord, CA 94520

www.weareharris.com



**ENGINEER'S REPORT FOR
FISCAL YEAR 2022-23
CONSOLIDATED LANDSCAPE MAINTENANCE DISTRICT
City of Tracy
State of California**

APPROVED BY THE CITY COUNCIL FOR THE CONSOLIDATED LANDSCAPE MAINTENANCE DISTRICT OF THE CITY OF TRACY, STATE OF CALIFORNIA ON THE _____ DAY OF _____.

ADRIANNE RICHARDSON
CITY CLERK
CITY OF TRACY



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Appendices

Appendix A – Improvement Areas by Zone

Appendix B – Consolidated Landscape Maintenance Map

Appendix C – Assessment Roll

INTRODUCTION

The City of Tracy (the "City"), is the second most populated city in San Joaquin County. The City population is approximately 95,000. Tracy is located inside a geographic triangle formed by Interstate 205 on the north side, Interstate 5 to the east, and Interstate 580 to the southwest; this has given rise to Tracy's motto, now recorded on the City's website: "Think Inside the Triangle".

Prior to Fiscal Year 2003-04, the City levied and managed three individual landscape maintenance districts identified as:

- Tracy Landscape and Lighting Assessment District 8501 formed in 1985;
- Tracy Landscape and Lighting Assessment District 8801 formed in 1988; and,
- Tracy Landscape and Lighting Assessment District 9802 formed in 1998.

Each of these original districts was formed with various Zones, and with specific areas of improvement. The parcels receiving benefit from those improvements have been assessed the costs of maintaining those improvements. At that time, the three original districts included thirty (30) different Zones. Each Zone included specific improvements that were installed as a condition of approval and the Zone improvements were maintained for the benefit of those properties.

In Fiscal Year 2003-04 the City consolidated the three existing districts into a single district pursuant to Section 22605 (d) of the 1972 Act and established the Tracy Consolidated Landscape Maintenance District. As part of the consolidation, the improvements associated with various Zones were closely evaluated and it was determined that in some areas, the special benefits to properties could be more refined by expanding the existing thirty (30) Zones to thirty-seven (37) Zones.

Several annexations have taken place over the subsequent years and there are now 41 Zones within the District. Each annexation was made pursuant to the 1972 Act and the substantive and procedural requirements of the Proposition 218.

As required by the Landscaping and Lighting Act of 1972, this Engineer's Report describes the improvements to be constructed, operated, maintained and serviced by the District, provides an estimated budget for the District, and lists the proposed assessments to be levied upon each assessable lot or parcel within the District. Following the approval of the preliminary report, either as submitted or as modified, the City Council will hold a Public Hearing to provide an opportunity for any interested person to be heard. All property owners must be noticed in accordance with Section 22626 of the Streets and Highways Code prior to the Public Hearing. At the conclusion of the Public Hearing, the City Council may adopt a resolution confirming the levy of assessments as originally proposed or as modified.

Following the adoption of this resolution, the final assessor's roll will be prepared and filed with the County Tax Collector's office to be included on the FY 2023-24 tax roll.

IMPACTS OF PROPOSITION 218

On November 5, 1996 California voters approved Proposition 218 entitled "Right to Vote on Taxes Act" which added Article XIID to the California Constitution. While its title refers only to taxes, Proposition 218 establishes new procedural requirements for the formation and administration of assessment districts. Proposition 218 also requires that with certain specified exceptions, which are described below, all existing assessment districts must be ratified by the property owners within the District using the new procedures.

Some of these exceptions include:

- 1) Any assessment imposed exclusively to finance the capital cost or maintenance and operation expenses for streets.
- 2) Any assessments levied pursuant to a petition signed by the persons owning all of the parcels subject to the assessment at the time the assessment was initially imposed.

However, even if assessments are initially exempt from Proposition 218, if the assessments are increased in the future, the City will need to comply with the provisions of Proposition 218 for that portion of the increased assessment unless the increase in assessment was anticipated in the assessment formula (e.g., CPI increase).

Proposition 218 does not define this term "streets", however, following the passage of Proposition 218 based on conversations with other public agency officials, attorneys, assessment engineers and Senate Bill 919, we determined that "streets" include all public improvements located within the street right-of-way. This would include median and parkway landscaping, traffic signals, safety lighting and street lighting.

It was also determined that if assessments were imposed as a condition of development and property owners agreed to the imposition of assessments and subsequently signed a development agreement confirming so, then this would suffice for the requirement of signing a petition.

The more difficult question arose in those situations where the levy of assessments was imposed as a condition of approval for land development or subdivision where the property owner did not enter into a development agreement. In those cases, if the landscape, park, or street light facilities and the resulting assessment were a condition of the land development or subdivisions approval and the property owner acquiesces to the levy of assessment, it is reasoned that this was a functional equivalent of giving express consent or signing a petition requesting the imposition of the assessment. Even the Howard Jarvis Taxpayers' Association seems to tacitly support this conclusion in its "Statement of Drafters' Intent". When discussing the exemption for existing assessments imposed pursuant to a petition, the taxpayers' association said:

"This provision exempts most land secured financing arrangements used by developers."

Clearly acceptance of a condition of approval of a development or subdivision which requires that imposition of assessments is a common form of land secured financing used by developers to fund street lighting or landscape maintenance.



STATEMENT OF ASSESSMENT ENGINEER

Statement of Assessment Engineer

AGENCY: CITY OF TRACY

PROJECT: CONSOLIDATED LANDSCAPE MAINTENANCE DISTRICT

TO: THE CITY COUNCIL
CITY OF TRACY
STATE OF CALIFORNIA

ENGINEER'S REPORT FOR FISCAL YEAR 2023-24

The preparation of this Annual Engineer's Report ("Report") is in conformance with the obligation of the City Council for the Consolidated Landscape Maintenance District of the City of Tracy to provide landscape maintenance services upon each lot or parcel of land in the district in proportion to the estimated benefit to be received by each such lot or parcel of land for Fiscal Year 2023-24.

Pursuant to the Landscaping and Lighting Act of 1972 (Part 2 Division 15 of the Streets and Highways Code of the State of California, commencing with Section 22500) ("Act"), Article XIIIID, Section 4(a) of the State of California Constitution, and in accordance with the City of Tracy's Resolution being adopted by the City Council for the Consolidated Landscape Maintenance District on the 6th day of June, this Report has been ordered for:

CONSOLIDATED LANDSCAPE MAINTENANCE DISTRICT

(Hereinafter referred to as the "District"),

I, Alison Bouley, authorized representative of the District, the duly appointed Assessment Engineer submit the following Report which consists of the following six (6) parts and Appendices:

PART I

Plans and Specifications: Plans and specifications for the improvements are as set forth on the lists thereof, attached hereto, and are on file in the Office of the City Clerk and are incorporated herein by reference.

PART II

Estimate of Cost: An estimate of the costs of the proposed improvements, including incidental costs and expenses in connection therewith, is as set forth on the lists thereof, attached hereto, and are on file in the Office of the City Clerk and incorporated herein by reference.

PART III

Quantification of Benefit: The quantification of benefit identifies, separates and quantifies the general and special benefits received by each parcel in the District, for the services received and the improvements provided.

PART IV

Method of Assessment: The method of assessment indicates the proposed levy of the net amount of the costs and expenses of the improvements to be levied upon the parcels of land within the District, in proportion to the estimated benefits to be received by such parcels.

PART V

Assessment Diagram: The diagram of the district and zone boundaries showing the exterior boundaries of the Assessment District and all Zones, and the lines and dimensions of each lot or parcel of land within the Assessment District. The lines and dimensions of each lot or parcel within the Assessment District are those lines and dimensions shown on the maps of the Assessor of the County of San Joaquin for the fiscal year to which this Report applies. The Assessor's maps and records are incorporated by reference herein and made part of this Report. Appendix A describes the Improvement Areas of the District by Zone. Appendix B provides the Consolidated Landscape Maintenance District Map.

PART VI

Assessment Roll: An assessment of the estimated cost of the improvements on each benefiting lot or parcel of land within the District. The proposed Assessment Roll using the Fiscal Year 2023-24 assessment rates are included in this Report as Appendix C.

Appendices

Appendix A – Improvement Areas by Zone

Appendix B – Consolidated Landscape Maintenance District Map

Appendix C – Assessment Roll

In conclusion, it is my opinion that the costs and expenses of the District have been assessed to the lots and parcels within the boundaries of the District in proportion to the estimated benefits to be received by each lot or parcel from the services provided.

DATED this ____ day of _____, 2023

 **Harris & Associates**



Alison Bouley, P.E., Assessment Engineer
R.C.E. No. C61383
Engineer of Work



PART I – PLANS AND SPECIFICATIONS

DESCRIPTION OF IMPROVEMENTS FOR THE CITY OF TRACY CONSOLIDATED LANDSCAPE MAINTENANCE DISTRICT FISCAL YEAR 2023-24

The District assessments provide for the continued maintenance, servicing, administration and operation of specific landscaped areas and associated appurtenances for each of the forty-one (41) Zones in the District. It has been determined that the assessed parcels within each Zone receive special benefits from various landscape improvements that may include, but are not limited to: ground cover, turf, shrubs, trees, irrigation systems, drainage and electrical systems, masonry walls or other fencing, entryway monuments or other ornamental structures, recreational equipment, hardscapes and any associated appurtenances within medians, parkways, dedicated easements, channel-ways, parks or open space areas within each Zone. Services provided include the necessary operations, administration, and maintenance required to keep the improvements in a healthy, vigorous, and satisfactory condition or are necessary or convenient for the maintenance of the improvements. The continued maintenance of these improvements shall be budgeted and reviewed each fiscal year and fully or partially funded through the annual assessments. A listing of the improvement areas for each Zone is shown in Appendix A.

All assessable parcels identified as being within each Zone share in both the cost and the benefits of the improvements. The costs and expenses associated with the improvements in each Zone are equitably spread among all benefitting parcels within that Zone and only parcels that receive special benefit from the improvements are assessed in proportion to benefit received. The funds collected from the assessments are dispersed and used for the services and operations provided within the District. Properties receive the following special benefits from the District landscape improvements:

- Enhanced desirability of properties through association with the improvements and the aesthetic value of green space within the area.
- Improved aesthetic appeal of properties providing a positive representation of the area.
- Enhanced adaptation of the urban environment within the natural environment from adequate green space and landscaping.
- Environmental enhancement through improved erosion resistance, dust and debris control and reduced noise and air pollution.
- Reduced vandalism and criminal activity resulting from well-maintained surroundings and amenities.
- The special enhancements of the properties that results from the above benefits.

The proposed budgets and maintenance costs for various Zones may include the following long-term cyclical maintenance programs:

1. Tree Maintenance Programs (Arterial, Parkway Street and Park Tree Maintenance);
2. Streetscape Revitalization and Rehabilitation Program and;
3. Park Rehabilitation and Renovation Program.

The total amount to provide these programs in each Zone where these services apply is greater than can be conveniently raised from a single annual assessment and the estimated costs of these programs for each Zone shall be raised and collected in installments as part of the annual assessments. The individual Budget pages for each Zone detail the amounts collected and/or expended each year.

The City developed these programs to fund periodic and programmed maintenance, renovation, rehabilitation, replacement and revitalization of District improvements. The City has carefully reviewed each of the associated program costs and the corresponding collection of funds has been proportionately spread to each parcel based on special benefits received from the services to be rendered within their Zone over an extended period.

Tree Maintenance Program

The Tree Maintenance program may include both routine and emergency maintenance for the District trees, whether those trees are along streets or within parks. In the Zones assessed for this program, the following may apply:

1. Parkway street-tree maintenance, targets the trees associated with individual properties within the District installed by the City or developer that are located in the public right-of-way or City easement which the District is responsible for maintaining. This program addresses two specific maintenance issues:
 - Regular trimming and pruning of the street-trees. This program is designed to trim and prune all street-trees within the applicable Zones on a five to seven year rotation or as needed to ensure the health and growth of the trees.
 - Removal and replacement of the street-trees. The program provides for the removal and replacement of damaged or diseased trees as needed, or removal of trees whose growth has, or will potentially cause damage to existing structures such as underground utilities or sidewalks. This program may also include the replacement or repair of surrounding City improvements as needed.
2. Arterial-tree maintenance, targets the trees associated with the parkways and medians on the arterial streets adjacent to or surrounding the Zones. Similar to the parkway street-tree program, this program addresses two specific maintenance issues:
 - Regular trimming and pruning of the arterial-trees, which includes trimming and pruning of the arterial-trees as needed to ensure the health and growth of the trees.
 - Removal and replacement of the arterial-trees, including the removal or replacement of damaged or diseased trees as needed, or removal of trees whose growth has or will potentially cause damage to existing landscape improvements, sidewalks or curbs. This program may include replacement or repair of surrounding City improvements as needed.
3. Park-tree maintenance, targets the trees within the various Parks of the District/Zones. Similar to the parkway and arterial street-tree program, this program addresses two specific maintenance issues:
 - Regular trimming and pruning of the Park-trees, which includes trimming and pruning of the trees as needed to ensure the health and growth of the trees.

- Removal and replacement of the Park-trees, including the removal or replacement of damaged or diseased trees, or removal of trees whose growth has or will potentially cause damage to existing landscape improvements, sidewalks or curbs. This program may include the replacement or repair of surrounding City improvements as needed.

Assessments for the tree maintenance program shall be collected from only those parcels and Zones identified as receiving special benefit from each of the specific services provided. Each parcel within the District that benefits from the various tree maintenance services is assessed on an annual installment basis to meet its proportional share of the cost and expenses associated with the tree maintenance, which is planned every five to seven years, depending upon Zone funding availability.

Streetscape Revitalization and Rehabilitation Program

The Streetscape Revitalization and Rehabilitation program includes, but is not limited to the following and may include routine or emergency maintenance.

1. Removal or replacement of existing dead/dying plant materials within the medians and parkway-landscaped areas.
2. Removal of existing plant materials and replacement with new plant material or non-plant materials within the medians and parkway-landscaped areas.
3. Upgrades or renovation to the irrigation or drainage systems, electrical systems or water meters, hardscape improvements associated with the landscaping such as confirmed City sound walls, walking paths, soil and stamped concrete.

Assessments for the streetscape program shall be collected from only those parcels and Zones identified as receiving special benefit from parkway and median landscaped areas. Each parcel within the District that benefits from the streetscape revitalization and rehabilitation services is assessed on an annual installment basis to meet its proportional share of the cost and expenses associated with the program, which is planned every ten years. This program is designed to ensure the long-term maintenance of all streetscape landscaping within the District.

Park Rehabilitation and Renovation Program

There are specific costs associated the annual and regular maintenance of park improvements and facilities which are included in the annual maintenance expenses of those Zones that benefit from the parks associated with that Zone. However, the cost of periodically repairing, replacing, and upgrading the landscaping and facilities within these parks cannot be reasonably collected in a single annual assessment. Therefore, the City has established a long-term park rehabilitation and renovation program that includes the design repair and reconstruction of parks within the District.

The program anticipates revitalization design in the 13th year of a park's life, with the revitalization occurring in the 15th year. Each parcel within the District that benefits from the park rehabilitation and renovation services is assessed on an annual installment basis to meet its proportional share of the cost and expenses associated with the program. However, with current inflation rates, the majority of Zones are unable to keep up with the accelerating maintenance costs.

The costs of providing for the annual and regular maintenance of the landscape improvements as well as the long-term maintenance programs for the District have been identified as a special benefit to properties within the District. Although the location of the improvements may be visible to properties outside the District or to the public at large, the improvements have been installed and are maintained for the benefit of properties within the District. As such, there is no quantifiable general benefit from the improvements to persons or properties outside the District. The portion of the costs associated with the maintenance of the Channel-ways and the landscaped areas on Eleventh Street, generally between Lammers Road and the Railroad Tracks east of Corral Hollow Road, benefit both properties within the adjacent Zones as well as properties that are not within the District and it has been determined that the City will contribute funds to the District for the maintenance of these areas.

The assessments and Method of Assessment described in this Report utilize commonly accepted assessment engineering practices and have been established pursuant to the 1972 Act and the provisions of Proposition 218. The assessment amount for each Zone is based only on the services and improvements associated with that Zone. All assessments are apportioned based upon the special benefit received by the properties within each Zone and are over and above any general benefit conferred on the public at large. Any new or increased assessments will be subject to the substantive and procedural requirements of Proposition 218. Property owner ballot proceedings are not required if the proposed annual assessment rate is less than or equal to the maximum assessment rate previously approved for each of the Zones.

In any given fiscal year, if the assessment revenue will not allow for full maintenance service in a particular Zone, City staff will determine the scope of work to be performed, and any necessary reductions in the scope of work will likely include, but not be limited to, the reduction or elimination of the long-term renovation and rehabilitation programs and some or all of the following:

Turf Areas

- Reduced frequency of mowing and edging turf areas. Full scope includes mowing and edging turf areas regularly.
- No fertilization. Full scope includes fertilization multiple times a year. Limited/elimination of weed control.
- Limited/elimination of aeration.

Ground Cover/Shrub Areas

- Limited/elimination of emergent weed control. No fertilization.
- Limited/elimination of mowing or removal of dead plants and leaves.
- Limited/elimination of vine trimming.

General Landscaping

- Limited/elimination of removal of tree stakes and ties. Limited/elimination of trash pick-up in landscaping areas.
- Limited/elimination of weed and litter control for gutters, curbs, parking lots and walkways and adjacent to contract areas.
- Administration and operations of the landscaping Zones.

The proposed assessments described in this Report are based on the estimated costs associated with the regular annual maintenance, operation and servicing of landscape improvements within each Zone. The total cost of these improvements are proportionately spread to only the properties within each respective Zone based on a method of apportionment that reflects the direct and proportional special benefits to each property. In addition to the regular annual maintenance of the landscape improvements, various Zone budgets include the collection of funds associated with specific long-term maintenance and rehabilitation programs identified as: Tree Maintenance Programs; Streetscape Revitalization and Rehabilitation Program; and Park Rehabilitation and Renovation Program. The funds collected for these programs are proportionally collected from only those Zones for which these programs are provided.

The word “parcel”, for the purposes of this Report, refers to an individual property assigned its own Assessment Parcel Number by the San Joaquin County Assessor’s Office. The San Joaquin County Auditor/Controller uses Assessment Parcel Numbers and specific Fund Numbers to identify, on the tax roll, properties assessed for special district benefit assessments.

PART II – ESTIMATE OF COSTS

The estimated costs of maintenance and servicing the improvements for the District as described in Part B, Plans and Specifications, for each Zone are summarized in the Zone budget tables on pages 13-53. A summary table of consolidated costs for all 41 Zones in the District is provided on page 54 of this Report.

The following is a description of the budget items including maintenance, replacement, power costs for supplying electrical energy for the illumination of the decorative lights, irrigation systems, City administrative and personnel services for the annual administration, San Joaquin County costs related to placing assessments onto the tax roll, and any Reserve collections.

Description of Budget Items

Personnel – 5100

- Field & Supervisory Personnel. The cost associated to City staff for providing non-scheduled repairs, graffiti removal, operations and maintenance of the improvements, etc. within the Zones.

Contracted Services – 5200

- Contracted Maintenance Contracts. Includes all regularly scheduled labor, material, e.g. fertilizer, insecticides, etc., and equipment required to properly maintain and ensure the satisfactory condition of all landscaping, irrigation and drainage systems, and appurtenant facilities.
- Utilities. The cost of water, sewer, and electrical utilities necessary to maintain improvements within the Zones.
- County Collection Fee. The cost to the Consolidated District for the County to collect the assessments on the property tax bills. Cost is the lesser of \$3.00 per parcel or 1% of the total amount placed onto the tax roll.
- LMD Administration. The costs of contracting with professionals to provide services specific to the levy administration, including preparation of the Engineer's Report, resolutions, and levy submittal to the County. These fees can also include any additional administrative, legal, or engineering services specific to the District such as the cost to prepare and mail notices of the public meeting and hearing.

Materials – 5300

- Supplies. Includes supplies to maintain or repair irrigation system, playgrounds, plant material, etc.

Capital Project – 5600

- Capital Improvement Projects. These costs include the long-term replacement costs of improvements that cannot be paid for during a single fiscal year. Funds are collected over several years to pay for replacement costs.

Overhead – 5900

- Business expense not chargeable to a particular part of the District (ex: insurance, etc.)

Internal Service - 5400

Indirect Costs. Incidental costs and expenses of the City associated with the operation and administration of the District and the cost of maintenance, services and incidentals not included above. (ex. vehicle or building maintenance)

Long-Term Cyclical Maintenance. Includes the following and will be reflected in the 5200 or 5300 category for the year the funds will be expensed.

- Streetscape Revitalization & Rehabilitation. This represents the zone's annual installment for participation in the Streetscape Revitalization and Rehabilitation program.
- Arterial Street Tree Maintenance. This represents the zone's annual installment for participation in the Arterial Street Tree Maintenance program.
- Street Tree Maintenance. This represents the zone's annual installment for participation in the Street Tree Maintenance program.
- Park Tree Maintenance. This represents the zone's annual installment for participation in the Tree Maintenance program, specific to Parks.
- Park Rehabilitation & Renovation. This represents the zone's annual installment for participation in the Park Rehabilitation and Renovation program.

Zone Reserve Adjustments. Each Zone has its own Reserve Fund and monies are used from the Reserve Funds to reduce assessment amounts to individual parcels or to contribute to the Zone Reserve Funds, whether Operating Reserves or Capital Reserves.

County Collection Fee. The cost to the Consolidated District for the County to collect the assessments on the property tax bills. Cost is the lesser of \$3.00 per parcel or 1% of the total amount placed onto the tax roll.

G. F. – Capital Improvement Projects. These costs include the long-term replacement costs of improvements that cannot be paid for during a single fiscal year. Funds are collected over several years to pay for those replacement costs. This also includes the City's contribution to the Zones for any general benefit that the improvements within the Zones may have impact on other properties or the public at large.

Zone Reserve Adjustments. Each Zone has its own Reserve Fund and monies are used from the Reserve Funds to reduce assessment amounts to individual parcels or to contribute to the Zone Reserve Funds, whether Operating Reserves or Capital Reserves.

Drainage Fund Support. Represents the City's contribution to the Zones for any channel way that the improvements within the Zones may have impact on other properties or the public at large.

Balance to Levy. This is the total amount to be levied and collected through assessments for the current fiscal year. It represents the sum of Total Expenses and Other Revenues subtracting the General Fund Support and the Drainage Fund Support.

Variance. A variance may be seen between the Levy per EDU and the Maximum Levy per EDU. The variance occurs because the Special Assessments required to meet expenses for the current fiscal year are below the maximum level. The Maximum Levy per EDU is based upon the total expenses for all improvements both existing and those planned for the future.

Total Parcels Levied. The total number of parcels within the Zones that will receive the special benefits during the current fiscal year.

Total EDUs. The total Equivalent Dwelling Units within the Zones applied to the parcels described above.

Proposed Levy per EDU. This amount represents the rate being applied to each parcel's individual EDU. The Levy per EDU is the result of dividing the "Special Assessment to Levy" by the Total EDUs of the Zones for the fiscal year. This rate is rounded to the nearest even pennies.

Maximum Levy per EDU. This is the rate per EDU approved by property owners within the Zone, in accordance with Proposition 218, adjusted for inflation as described in the Method of Apportionment. This rate is rounded to the nearest penny.

Budget Tables

Budget tables for each zone and a summary table for the District are presented on the following pages. The following footnotes apply to all the Budgets:

1. Direct Costs for 2024-25 are equal to the current year's proposed amount plus 3% escalation to account for inflation. This is shown as an estimate only.
2. Administration Costs for 2024-25 are equal to the current year's proposed amount plus 3% escalation to account for inflation, except for the County Collection Fee, which is equal to the lesser of \$3 per parcel or 1% of the levy amount.
3. Levy Adjustments for 2024-25 are equal to the current year's proposed amount plus 3% escalation to account for inflation, except for the Zone Reserve Adjustments, which equals the amount necessary to maintain the assessment rate that is at or below the maximum allowable assessment rate for that year.
4. The Maximum Assessment Rate for 2024-25 is equal to the current year's Maximum Assessment Rate, plus 3% escalation for inflation. The actual escalation rate is detailed on page 59 of this Report, Assessment Range Formula.
5. The Beginning Fund Balances shown on each Budget page includes both the Operating and Cyclical Reserve amounts, and are projections of the April 2023 year-to-date estimates.

City of Tracy Consolidated Landscape Maintenance District Proposed Budget for Fiscal Year 2023-24		
Zone 1		
	Proposed Budget FY 2023-24	Forecasted Budget FY 2024-25
DIRECT COSTS ¹		
Personnel - 5100	\$2,226	\$2,293
Contracted Services - 5200	\$29,897	\$30,794
Materials - 5300	\$242	\$249
Capital Projects - 5600	<u>\$0</u>	<u>\$0</u>
TOTAL DIRECT	\$32,365	\$33,336
ADMINISTRATION COSTS ²		
Overhead - 5900	\$570	\$587
Internal Services - 5400	\$5,047	\$5,198
County Collection Fee	<u>\$429</u>	<u>\$442</u>
TOTAL ADMINISTRATION	\$6,046	\$6,227
LEVY ADJUSTMENTS ³		
TOTAL DIRECT AND ADMIN COSTS	\$38,411	\$39,563
GF - Capital Improvement Projects	(\$8,273)	\$0
Zone Reserves Adjustment	\$13,253	\$5,113
General Fund - 101	\$0	\$0
Storm Drain Fund - 101	<u>(\$522)</u>	<u>(\$522)</u>
TOTAL ADJUSTMENTS	\$4,458	\$4,592
Balance to Levy	\$42,869	\$44,155
Total Revenue at Maximum Rate	\$42,869	\$44,155
Variance above/(below) Maximum Revenue	\$0	\$0
DISTRICT STATISTICS		
Total Parcels	294	294
Total Parcels Levied	294	294
Total EDUs	617.00	617.00
Total EDUs Levied	617.00	617.00
Proposed Levy per EDU	\$69.48	\$71.56
Max Levy per EDU ⁴	\$69.48	\$71.56
FUND BALANCE INFORMATION		
Reserve Fund		
Beginning Fund Balance Fiscal Year 2022/23	\$88,740	\$101,993
Reserve Fund Adjustment	<u>\$13,253</u>	<u>\$5,113</u>
Projected Reserve Fund Balance Fiscal Year 2023/24	\$101,993	\$107,106



City of Tracy Consolidated Landscape Maintenance District Proposed Budget for Fiscal Year 2023-24		
Zone 2		
	Proposed Budget FY 2023-24	Forecasted Budget FY 2024-25
DIRECT COSTS ¹		
Personnel - 5100	\$2,226	\$2,293
Contracted Services - 5200	\$15,280	\$15,738
Materials - 5300	\$242	\$249
Capital Projects - 5600	<u>\$0</u>	<u>\$0</u>
TOTAL DIRECT	\$17,748	\$18,280
ADMINISTRATION COSTS ²		
Overhead - 5900	\$570	\$587
Internal Services - 5400	\$2,220	\$2,287
County Collection Fee	<u>\$130</u>	<u>\$134</u>
TOTAL ADMINISTRATION	\$2,920	\$3,007
LEVY ADJUSTMENTS ³		
TOTAL DIRECT AND ADMIN COSTS	\$20,668	\$21,288
GF - Capital Improvement Projects	(\$3,988)	\$0
Zone Reserves Adjustment	(\$3,717)	(\$7,936)
General Fund - 101	\$0	\$0
Storm Drain Fund - 101	<u>\$0</u>	<u>\$0</u>
TOTAL ADJUSTMENTS	(\$7,705)	(\$7,936)
Balance to Levy	\$12,963	\$13,351
Total Revenue at Maximum Rate	\$12,963	\$13,351
Variance above/(below) Maximum Revenue	(\$0)	\$0
DISTRICT STATISTICS		
Total Parcels	125	125
Total Parcels Levied	125	125
Total EDUs	125.00	125.00
Total EDUs Levied	125.00	125.00
Proposed Levy per EDU	\$103.70	\$106.81
Max Levy per EDU ⁴	\$103.70	\$106.81
FUND BALANCE INFORMATION		
Reserve Fund		
Beginning Fund Balance Fiscal Year 2022/23	\$18,248	\$14,531
Reserve Fund Adjustment	<u>(\$3,717)</u>	<u>(\$7,936)</u>
Projected Reserve Fund Balance Fiscal Year 2023/24	\$14,531	\$6,595

City of Tracy Consolidated Landscape Maintenance District Proposed Budget for Fiscal Year 2023-24		
Zone 3		
	Proposed Budget FY 2023-24	Forecasted Budget FY 2024-25
DIRECT COSTS ¹		
Personnel - 5100	\$111,280	\$114,618
Contracted Services - 5200	\$181,477	\$186,921
Materials - 5300	\$12,081	\$12,443
Capital Projects - 5600	<u>\$0</u>	<u>\$0</u>
TOTAL DIRECT	\$304,838	\$313,983
ADMINISTRATION COSTS ²		
Overhead - 5900	\$28,480	\$29,334
Internal Services - 5400	\$150,210	\$154,716
County Collection Fee	<u>\$4,436</u>	<u>\$4,569</u>
TOTAL ADMINISTRATION	\$183,126	\$188,620
LEVY ADJUSTMENTS ³		
TOTAL DIRECT AND ADMIN COSTS	\$487,964	\$502,603
GF - Capital Improvement Projects	(\$68,758)	\$0
Zone Reserves Adjustment	\$25,881.23	(\$44,184)
General Fund - 101	\$0	\$0
Storm Drain Fund - 101	<u>(\$1,453)</u>	<u>(\$1,453)</u>
TOTAL ADJUSTMENTS	(\$44,330)	(\$45,637)
Balance to Levy	\$443,634	\$456,966
Total Revenue at Maximum Rate	\$443,656	\$456,966
Variance above/(below) Maximum Revenue	(\$23)	\$0
DISTRICT STATISTICS		
Total Parcels	2,293	2,293
Total Parcels Levied	2,293	2,293
Total EDUs	2,878.87	2,878.87
Total EDUs Levied	2,878.87	2,878.87
Proposed Levy per EDU	\$154.10	\$158.73
Max Levy per EDU ⁴	\$154.11	\$158.73
FUND BALANCE INFORMATION		
Reserve Fund		
Beginning Fund Balance Fiscal Year 2022/23	\$277,297	\$303,178
Reserve Fund Adjustment	<u>25,881</u>	<u>(44,184)</u>
Projected Reserve Fund Balance Fiscal Year 2023/24	\$303,178	\$258,994



City of Tracy Consolidated Landscape Maintenance District Proposed Budget for Fiscal Year 2023-24		
Zone 4		
	Proposed Budget FY 2023-24	Forecasted Budget FY 2024-25
DIRECT COSTS ¹		
Personnel - 5100	\$1,669	\$1,719
Contracted Services - 5200	\$530	\$546
Materials - 5300	\$181	\$186
Capital Projects - 5600	<u>\$0</u>	<u>\$0</u>
TOTAL DIRECT	\$2,380	\$2,451
ADMINISTRATION COSTS ²		
Overhead - 5900	\$427	\$440
Internal Services - 5400	\$637	\$656
County Collection Fee	<u>\$86</u>	<u>\$89</u>
TOTAL ADMINISTRATION	\$1,150	\$1,185
LEVY ADJUSTMENTS ³		
TOTAL DIRECT AND ADMIN COSTS	\$3,530	\$3,636
GF - Capital Improvement Projects	(\$86)	\$0
Zone Reserves Adjustment	\$5,196	\$5,263
General Fund - 101	\$0	\$0
Storm Drain Fund - 101	<u>\$0</u>	<u>\$0</u>
TOTAL ADJUSTMENTS	\$5,110	\$5,263
Balance to Levy	\$8,640	\$8,899
Total Revenue at Maximum Rate	\$22,192	\$22,857
Variance above/(below) Maximum Revenue	(\$13,552)	(\$13,958)
DISTRICT STATISTICS		
Total Parcels	144	144
Total Parcels Levied	144	144
Total EDUs	144.00	144.00
Total EDUs Levied	144.00	144.00
Proposed Levy per EDU	\$60.00	\$61.80
Max Levy per EDU ⁴	\$154.11	\$158.73
FUND BALANCE INFORMATION		
Reserve Fund		
Beginning Fund Balance Fiscal Year 2022/23	\$7,431	\$12,627
Reserve Fund Adjustment	<u>\$5,196</u>	<u>\$5,263</u>
Projected Reserve Fund Balance Fiscal Year 2023/24	\$12,627	\$17,889

City of Tracy Consolidated Landscape Maintenance District Proposed Budget for Fiscal Year 2023-24		
Zone 5		
	Proposed Budget FY 2023-24	Forecasted Budget FY 2024-25
DIRECT COSTS ¹		
Personnel - 5100	\$0	\$0
Contracted Services - 5200	\$227	\$234
Materials - 5300	\$0	\$0
Capital Projects - 5600	<u>\$0</u>	<u>\$0</u>
TOTAL DIRECT	\$227	\$234
ADMINISTRATION COSTS ²		
Overhead - 5900	\$0	\$0
Internal Services - 5400	\$0	\$0
County Collection Fee	<u>\$0</u>	<u>\$0</u>
TOTAL ADMINISTRATION	\$0	\$0
LEVY ADJUSTMENTS ³		
TOTAL DIRECT AND ADMIN COSTS	\$227	\$234
GF - Capital Improvement Projects	\$0	\$0
Zone Reserves Adjustment	(\$227)	(\$234)
General Fund - 101	\$0	\$0
Storm Drain Fund - 101	<u>\$0</u>	<u>\$0</u>
TOTAL ADJUSTMENTS	(\$227)	(\$234)
Balance to Levy	\$0	\$0
Total Revenue at Maximum Rate	\$10,633	\$10,952
Variance above/(below) Maximum Revenue	(\$10,633)	(\$10,952)
DISTRICT STATISTICS		
Total Parcels	69	69
Total Parcels Levied	69	69
Total EDUs	69.00	69.00
Total EDUs Levied	69.00	69.00
Proposed Levy per EDU	\$0.00	\$0.00
Max Levy per EDU ⁴	\$154.11	\$158.73
FUND BALANCE INFORMATION		
Reserve Fund		
Beginning Fund Balance Fiscal Year 2022/23	\$21,688	\$21,461
Reserve Fund Adjustment	<u>(\$227)</u>	<u>(\$234)</u>
Projected Reserve Fund Balance Fiscal Year 2023/24	\$21,461	\$21,227



City of Tracy Consolidated Landscape Maintenance District Proposed Budget for Fiscal Year 2023-24		
Zone 6		
	Proposed Budget FY 2023-24	Forecasted Budget FY 2024-25
DIRECT COSTS ¹		
Personnel - 5100	\$0	\$0
Contracted Services - 5200	\$3,815	\$3,929
Materials - 5300	\$0	\$0
Capital Projects - 5600	<u>\$0</u>	<u>\$0</u>
TOTAL DIRECT	\$3,815	\$3,929
ADMINISTRATION COSTS ²		
Overhead - 5900	\$0	\$0
Internal Services - 5400	\$328	\$338
County Collection Fee	<u>\$0</u>	<u>\$0</u>
TOTAL ADMINISTRATION	\$328	\$338
LEVY ADJUSTMENTS ³		
TOTAL DIRECT AND ADMIN COSTS	\$4,143	\$4,267
GF - Capital Improvement Projects	(\$200)	\$0
Zone Reserves Adjustment	\$542	(\$4,267)
General Fund - 101	\$0	\$0
Storm Drain Fund - 101	<u>\$0</u>	<u>\$0</u>
TOTAL ADJUSTMENTS	\$342	(\$4,267)
Balance to Levy	\$4,485	\$0
Total Revenue at Maximum Rate	\$6,912	\$7,119
Variance above/(below) Maximum Revenue	(\$2,427)	(\$7,119)
DISTRICT STATISTICS		
Total Parcels	2	2
Total Parcels Levied	2	2
Total EDUs	44.85	44.85
Total EDUs Levied	44.85	44.85
Proposed Levy per EDU	\$100.00	\$103.00
Max Levy per EDU ⁴	\$154.11	\$158.73
FUND BALANCE INFORMATION		
Reserve Fund		
Beginning Fund Balance Fiscal Year 2022/23	\$12,611	\$13,153
Reserve Fund Adjustment	<u>\$542</u>	<u>(\$4,267)</u>
Projected Reserve Fund Balance Fiscal Year 2023/24	\$13,153	\$8,886

City of Tracy Consolidated Landscape Maintenance District Proposed Budget for Fiscal Year 2023-24		
Zone 7		
	Proposed Budget FY 2023-24	Forecasted Budget FY 2024-25
DIRECT COSTS ¹		
Personnel - 5100	\$61,204	\$63,040
Contracted Services - 5200	\$120,014	\$123,614
Materials - 5300	\$6,645	\$6,844
Capital Projects - 5600	<u>\$0</u>	<u>\$0</u>
TOTAL DIRECT	\$187,863	\$193,499
ADMINISTRATION COSTS ²		
Overhead - 5900	\$15,664	\$16,134
Internal Services - 5400	\$69,581	\$71,668
County Collection Fee	<u>\$2,443</u>	<u>\$2,517</u>
TOTAL ADMINISTRATION	\$87,688	\$90,319
LEVY ADJUSTMENTS ³		
TOTAL DIRECT AND ADMIN COSTS	\$275,551	\$283,818
GF - Capital Improvement Projects	(\$45,663)	\$0
Zone Reserves Adjustment	\$22,478	(\$30,325)
General Fund - 101	\$0	\$0
Storm Drain Fund - 101	<u>(\$1,807)</u>	<u>(\$1,807)</u>
TOTAL ADJUSTMENTS	(\$24,992)	(\$32,132)
Balance to Levy	\$244,340	\$251,686
Total Revenue at Maximum Rate	\$244,355	\$251,686
Variance above/(below) Maximum Revenue	(\$15)	\$0
DISTRICT STATISTICS		
Total Parcels	1,171	1,171
Total Parcels Levied	1,171	1,171
Total EDUs	1,272.34	1,272.34
Total EDUs Levied	1,272.34	1,272.34
Proposed Levy per EDU	\$192.04	\$197.80
Max Levy per EDU ⁴	\$192.05	\$197.81
FUND BALANCE INFORMATION		
Reserve Fund		
Beginning Fund Balance Fiscal Year 2022/23	\$139,885	\$162,363
Reserve Fund Adjustment	<u>\$22,478</u>	<u>(\$30,325)</u>
Projected Reserve Fund Balance Fiscal Year 2023/24	\$162,363	\$132,038

City of Tracy Consolidated Landscape Maintenance District Proposed Budget for Fiscal Year 2023-24		
Zone 8		
	Proposed Budget FY 2023-24	Forecasted Budget FY 2024-25
DIRECT COSTS ¹		
Personnel - 5100	\$6,120	\$6,304
Contracted Services - 5200	\$31,012	\$31,942
Materials - 5300	\$664	\$684
Capital Projects - 5600	<u>\$0</u>	<u>\$0</u>
TOTAL DIRECT	\$37,796	\$38,930
ADMINISTRATION COSTS ²		
Overhead - 5900	\$1,566	\$1,613
Internal Services - 5400	\$16,255	\$16,743
County Collection Fee	<u>\$421</u>	<u>\$433</u>
TOTAL ADMINISTRATION	\$18,242	\$18,789
LEVY ADJUSTMENTS ³		
TOTAL DIRECT AND ADMIN COSTS	\$56,038	\$57,719
GF - Capital Improvement Projects	(\$11,477)	\$0
Zone Reserves Adjustment	(\$51,721)	(\$12,315)
General Fund - 101	\$0	\$0
Storm Drain Fund - 101	<u>(\$2,084)</u>	<u>(\$2,084)</u>
TOTAL ADJUSTMENTS	(\$65,282)	(\$14,398)
Balance to Levy	\$42,057	\$43,321
Total Revenue at Maximum Rate	\$42,059	\$43,321
Variance above/(below) Maximum Revenue	(\$3)	\$0
DISTRICT STATISTICS		
Total Parcels	219	219
Total Parcels Levied	219	219
Total EDUs	219.00	219.00
Total EDUs Levied	219.00	219.00
Proposed Levy per EDU	\$192.04	\$197.80
Max Levy per EDU ⁴	\$192.05	\$197.81
FUND BALANCE INFORMATION		
Reserve Fund		
Beginning Fund Balance Fiscal Year 2022/23	(\$181,900)	(\$233,621)
Reserve Fund Adjustment	<u>(\$51,721)</u>	<u>(\$12,315)</u>
Projected Reserve Fund Balance Fiscal Year 2023/24	(\$233,621)	(\$245,936)

City of Tracy Consolidated Landscape Maintenance District Proposed Budget for Fiscal Year 2023-24		
Zone 9		
	Proposed Budget FY 2023-24	Forecasted Budget FY 2024-25
DIRECT COSTS ¹		
Personnel - 5100	\$77,896	\$80,233
Contracted Services - 5200	\$301,361	\$310,402
Materials - 5300	\$8,457	\$8,711
Capital Projects - 5600	<u>\$0</u>	<u>\$0</u>
TOTAL DIRECT	\$387,714	\$399,345
ADMINISTRATION COSTS ²		
Overhead - 5900	\$19,936	\$20,534
Internal Services - 5400	\$178,169	\$183,514
County Collection Fee	<u>\$4,210</u>	<u>\$4,336</u>
TOTAL ADMINISTRATION	\$202,315	\$208,384
LEVY ADJUSTMENTS ³		
TOTAL DIRECT AND ADMIN COSTS	\$590,029	\$607,730
GF - Capital Improvement Projects	(\$340,916)	\$0
Zone Reserves Adjustment	\$183,621	(\$170,249)
General Fund - 101	\$0	\$0
Storm Drain Fund - 101	<u>(\$3,817)</u>	<u>(\$3,817)</u>
TOTAL ADJUSTMENTS	(\$161,112)	(\$174,066)
Balance to Levy	\$420,999	\$433,664
Total Revenue at Maximum Rate	\$421,033	\$433,664
Variance above/(below) Maximum Revenue	(\$34)	\$0
DISTRICT STATISTICS		
Total Parcels	2,369	2,369
Total Parcels Levied	2,369	2,369
Total EDUs	2,444.82	2,444.82
Total EDUs Levied	2,444.82	2,444.82
Proposed Levy per EDU	\$172.20	\$177.37
Max Levy per EDU ⁴	\$172.21	\$177.38
FUND BALANCE INFORMATION		
Reserve Fund		
Beginning Fund Balance Fiscal Year 2022/23	(\$400,758)	(\$217,137)
Reserve Fund Adjustment	<u>\$183,621</u>	<u>(\$170,249)</u>
Projected Reserve Fund Balance Fiscal Year 2023/24	(\$217,137)	(\$387,386)

City of Tracy Consolidated Landscape Maintenance District Proposed Budget for Fiscal Year 2023-24		
Zone 10		
	Proposed Budget FY 2023-24	Forecasted Budget FY 2024-25
DIRECT COSTS ¹		
Personnel - 5100	\$52,858	\$54,444
Contracted Services - 5200	\$113,049	\$116,440
Materials - 5300	\$5,739	\$5,911
Capital Projects - 5600	<u>\$0</u>	<u>\$0</u>
TOTAL DIRECT	\$171,646	\$176,795
ADMINISTRATION COSTS ²		
Overhead - 5900	\$13,528	\$13,934
Internal Services - 5400	\$35,229	\$36,286
County Collection Fee	<u>\$2,249</u>	<u>\$2,316</u>
TOTAL ADMINISTRATION	\$51,006	\$52,536
LEVY ADJUSTMENTS ³		
TOTAL DIRECT AND ADMIN COSTS	\$222,652	\$229,331
GF - Capital Improvement Projects	(\$50,935)	\$0
Zone Reserves Adjustment	\$68,638	\$10,220
General Fund - 101	\$0	\$0
Storm Drain Fund - 101	<u>(\$7,927)</u>	<u>(7,927)</u>
TOTAL ADJUSTMENTS	\$9,776	\$2,293
Balance to Levy	\$224,872	\$231,624
Total Revenue at Maximum Rate	\$224,878	\$231,624
Variance above/(below) Maximum Revenue	(\$6)	\$0
DISTRICT STATISTICS		
Total Parcels	317	317
Total Parcels Levied	317	317
Total EDUs	2,193.45	2,193.45
Total EDUs Levied	2,193.45	2,193.45
Proposed Levy per EDU	\$102.52	\$105.60
Max Levy per EDU ⁴	\$102.52	\$105.60
FUND BALANCE INFORMATION		
Reserve Fund		
Beginning Fund Balance Fiscal Year 2022/23	\$92,007	\$160,645
Reserve Fund Adjustment	<u>\$68,638</u>	<u>\$10,220</u>
Projected Reserve Fund Balance Fiscal Year 2023/24	\$160,645	\$170,865

City of Tracy Consolidated Landscape Maintenance District Proposed Budget for Fiscal Year 2023-24		
Zone 11		
	Proposed Budget FY 2023-24	Forecasted Budget FY 2024-25
DIRECT COSTS ¹		
Personnel - 5100	\$556	\$573
Contracted Services - 5200	\$923	\$951
Materials - 5300	\$60	\$62
Capital Projects - 5600	<u>\$0</u>	<u>\$0</u>
TOTAL DIRECT	\$1,539	\$1,585
ADMINISTRATION COSTS ²		
Overhead - 5900	\$142	\$146
Internal Services - 5400	\$103	\$106
County Collection Fee	<u>\$19</u>	<u>\$19</u>
TOTAL ADMINISTRATION	\$264	\$272
LEVY ADJUSTMENTS ³		
TOTAL DIRECT AND ADMIN COSTS	\$1,803	\$1,857
GF - Capital Improvement Projects	(\$794)	\$0
Zone Reserves Adjustment	\$852	\$60
General Fund - 101	\$0	\$0
Storm Drain Fund - 101	<u>\$0</u>	<u>\$0</u>
TOTAL ADJUSTMENTS	\$58	\$60
Balance to Levy	\$1,861	\$1,917
Total Revenue at Maximum Rate	\$1,861	\$1,917
Variance above/(below) Maximum Revenue	(\$0)	\$0
DISTRICT STATISTICS		
Total Parcels	1	1
Total Parcels Levied	1	1
Total EDUs	18.15	18.15
Total EDUs Levied	18.15	18.15
Proposed Levy per EDU	\$102.52	\$105.60
Max Levy per EDU ⁴	\$102.52	\$105.60
FUND BALANCE INFORMATION		
Reserve Fund		
Beginning Fund Balance Fiscal Year 2022/23	(\$1,481)	(\$629)
Reserve Fund Adjustment	<u>\$852</u>	<u>\$60</u>
Projected Reserve Fund Balance Fiscal Year 2023/24	(\$629)	(\$569)

City of Tracy Consolidated Landscape Maintenance District Proposed Budget for Fiscal Year 2023-24		
Zone 12		
	Proposed Budget FY 2023-24	Forecasted Budget FY 2024-25
DIRECT COSTS ¹		
Personnel - 5100	\$30,602	\$31,520
Contracted Services - 5200	\$45,327	\$46,687
Materials - 5300	\$3,322	\$3,422
Capital Projects - 5600	<u>\$0</u>	<u>\$0</u>
TOTAL DIRECT	\$79,251	\$81,629
ADMINISTRATION COSTS ²		
Overhead - 5900	\$7,832	\$8,067
Internal Services - 5400	\$28,379	\$29,230
County Collection Fee	<u>\$1,003</u>	<u>\$1,033</u>
TOTAL ADMINISTRATION	\$37,214	\$38,331
LEVY ADJUSTMENTS ³		
TOTAL DIRECT AND ADMIN COSTS	\$116,465	\$119,959
GF - Capital Improvement Projects	(\$23,626)	\$0
Zone Reserves Adjustment	\$10,599	(\$16,623)
Special Tax Support	\$0	\$0
General Fund - 101	\$0	\$0
Storm Drain Fund - 101	<u>\$0</u>	<u>\$0</u>
TOTAL ADJUSTMENTS	(\$13,027)	(\$16,623)
Balance to Levy	\$100,327	\$103,337
Total Revenue at Maximum Rate	\$147,142	\$151,556
Variance above/(below) Maximum Revenue	(\$46,815)	(\$48,220)
DISTRICT STATISTICS		
Total Parcels	103	103
Total Parcels Levied	103	103
Total EDUs	1,003.27	1,003.27
Total EDUs Levied	1,003.27	1,003.27
Proposed Levy per EDU	\$100.00	\$103.00
Max Levy per EDU ⁴	\$146.66	\$151.06
FUND BALANCE INFORMATION		
Reserve Fund		
Beginning Fund Balance Fiscal Year 2022/23	\$211,997	\$222,596
Reserve Fund Adjustment	<u>\$10,599</u>	<u>(\$16,623)</u>
Projected Reserve Fund Balance Fiscal Year 2023/24	\$222,596	\$205,973

City of Tracy		
Consolidated Landscape Maintenance District		
Proposed Budget for Fiscal Year 2023-24		
Zone 13		
	Proposed Budget FY 2023-24	Forecasted Budget FY 2024-25
DIRECT COSTS ¹		
Personnel - 5100	\$52,858	\$54,444
Contracted Services - 5200	\$36,883	\$37,989
Materials - 5300	\$7,739	\$7,971
Capital Projects - 5600	<u>\$0</u>	<u>\$0</u>
TOTAL DIRECT	\$97,480	\$100,404
ADMINISTRATION COSTS ²		
Overhead - 5900	\$13,528	\$13,934
Internal Services - 5400	\$33,626	\$34,635
County Collection Fee	<u>\$1,374</u>	<u>\$1,415</u>
TOTAL ADMINISTRATION	\$48,528	\$49,983
LEVY ADJUSTMENTS ³		
TOTAL DIRECT AND ADMIN COSTS	\$146,008	\$150,388
GF - Capital Improvement Projects	(\$2,534)	\$0
Zone Reserves Adjustment	(\$747)	(\$8,909)
General Fund - 101	\$0	\$0
Storm Drain Fund - 101	<u>\$0</u>	<u>\$0</u>
TOTAL ADJUSTMENTS	(\$3,281)	(\$8,909)
Balance to Levy	\$137,355	\$141,478
Total Revenue at Maximum Rate	\$137,358	\$141,478
Variance above/(below) Maximum Revenue	(\$3)	\$0
DISTRICT STATISTICS		
Total Parcels	418	418
Total Parcels Levied	418	418
Total EDUs	418.00	418.00
Total EDUs Levied	418.00	418.00
Proposed Levy per EDU	\$328.60	\$338.47
Max Levy per EDU ⁴	\$328.61	\$338.47
FUND BALANCE INFORMATION		
Reserve Fund		
Beginning Fund Balance Fiscal Year 2022/23	\$495,808	\$495,061
Reserve Fund Adjustment	<u>(\$747)</u>	<u>(\$8,909)</u>
Projected Reserve Fund Balance Fiscal Year 2023/24	\$495,061	\$486,152



City of Tracy Consolidated Landscape Maintenance District Proposed Budget for Fiscal Year 2023-24		
Zone 14		
	Proposed Budget FY 2023-24	Forecasted Budget FY 2024-25
DIRECT COSTS ¹		
Personnel - 5100	\$20,587	\$21,205
Contracted Services - 5200	\$15,829	\$16,304
Materials - 5300	\$2,235	\$2,302
Capital Projects - 5600	<u>\$0</u>	<u>\$0</u>
TOTAL DIRECT	\$38,651	\$39,811
ADMINISTRATION COSTS ²		
Overhead - 5900	\$5,269	\$5,427
Internal Services - 5400	\$24,083	\$24,805
County Collection Fee	<u>\$669</u>	<u>\$689</u>
TOTAL ADMINISTRATION	\$30,021	\$30,921
LEVY ADJUSTMENTS ³		
TOTAL DIRECT AND ADMIN COSTS	\$68,672	\$70,732
GF - Capital Improvement Projects	(\$1,429)	\$0
Zone Reserves Adjustment	(\$359)	(\$1,840)
General Fund - 101	\$0	\$0
Storm Drain Fund - 101	<u>\$0</u>	<u>\$0</u>
TOTAL ADJUSTMENTS	(\$1,788)	(\$1,840)
Balance to Levy	\$66,884	\$68,892
Total Revenue at Maximum Rate	\$66,885	\$68,892
Variance above/(below) Maximum Revenue	(\$1)	\$0
DISTRICT STATISTICS		
Total Parcels	369	369
Total Parcels Levied	369	369
Total EDUs	371.00	371.00
Total EDUs Levied	371.00	371.00
Proposed Levy per EDU	\$180.28	\$185.69
Max Levy per EDU ⁴	\$180.28	\$185.69
FUND BALANCE INFORMATION		
Reserve Fund		
Beginning Fund Balance Fiscal Year 2022/23	\$32,563	\$32,204
Reserve Fund Adjustment	<u>(\$359)</u>	<u>(\$1,840)</u>
Projected Reserve Fund Balance Fiscal Year 2023/24	\$32,204	\$30,364

City of Tracy Consolidated Landscape Maintenance District Proposed Budget for Fiscal Year 2023-24		
Zone 15		
	Proposed Budget FY 2023-24	Forecasted Budget FY 2024-25
DIRECT COSTS ¹		
Personnel - 5100	\$55,640	\$57,309
Contracted Services - 5200	\$103,965	\$107,084
Materials - 5300	\$31,041	\$31,972
Capital Projects - 5600	<u>\$0</u>	<u>\$0</u>
TOTAL DIRECT	\$190,646	\$196,365
ADMINISTRATION COSTS ²		
Overhead - 5900	\$14,240	\$14,667
Internal Services - 5400	\$105,739	\$108,911
County Collection Fee	<u>\$2,543</u>	<u>\$2,619</u>
TOTAL ADMINISTRATION	\$122,522	\$126,198
LEVY ADJUSTMENTS ³		
TOTAL DIRECT AND ADMIN COSTS	\$313,168	\$322,563
GF - Capital Improvement Projects	(\$11,797)	\$0
Zone Reserves Adjustment	(\$47,054)	(\$60,612)
General Fund - 101	\$0	\$0
Storm Drain Fund - 101	<u>\$0</u>	<u>\$0</u>
TOTAL ADJUSTMENTS	(\$58,851)	(\$60,612)
Balance to Levy	\$254,317	\$261,952
Total Revenue at Maximum Rate	\$254,322	\$261,952
Variance above/(below) Maximum Revenue	(\$5)	\$0
DISTRICT STATISTICS		
Total Parcels	1,209	1,209
Total Parcels Levied	1,209	1,209
Total EDUs	1,410.68	1,410.68
Total EDUs Levied	1,410.68	1,410.68
Proposed Levy per EDU	\$180.28	\$185.69
Max Levy per EDU ⁴	\$180.28	\$185.69
FUND BALANCE INFORMATION		
Reserve Fund		
Beginning Fund Balance Fiscal Year 2022/23	\$76,263	\$29,209
Reserve Fund Adjustment	<u>(\$47,054)</u>	<u>(\$60,612)</u>
Projected Reserve Fund Balance Fiscal Year 2023/24	\$29,209	(\$31,402)

City of Tracy Consolidated Landscape Maintenance District Proposed Budget for Fiscal Year 2023-24		
Zone 16		
	Proposed Budget FY 2023-24	Forecasted Budget FY 2024-25
DIRECT COSTS ¹		
Personnel - 5100	\$13,910	\$14,327
Contracted Services - 5200	\$32,517	\$33,493
Materials - 5300	\$3,510	\$3,615
Capital Projects - 5600	<u>\$0</u>	<u>\$0</u>
TOTAL DIRECT	\$49,937	\$51,435
ADMINISTRATION COSTS ²		
Overhead - 5900	\$3,560	\$3,667
Internal Services - 5400	\$15,922	\$16,400
County Collection Fee	<u>\$559</u>	<u>\$576</u>
TOTAL ADMINISTRATION	\$20,041	\$20,642
LEVY ADJUSTMENTS ³		
TOTAL DIRECT AND ADMIN COSTS	\$69,978	\$72,077
GF - Capital Improvement Projects	(\$560)	\$0
Zone Reserves Adjustment	(\$13,531)	(\$14,513)
General Fund - 101	\$0	\$0
Storm Drain Fund - 101	<u>\$0</u>	<u>\$0</u>
TOTAL ADJUSTMENTS	(\$14,091)	(\$14,513)
Balance to Levy	\$55,887	\$57,564
Total Revenue at Maximum Rate	\$55,888	\$57,564
Variance above/(below) Maximum Revenue	(\$1)	\$0
DISTRICT STATISTICS		
Total Parcels	310	310
Total Parcels Levied	310	310
Total EDUs	310.00	310.00
Total EDUs Levied	310.00	310.00
Proposed Levy per EDU	\$180.28	\$185.69
Max Levy per EDU ⁴	\$180.28	\$185.69
FUND BALANCE INFORMATION		
Reserve Fund		
Beginning Fund Balance Fiscal Year 2022/23	\$125,801	\$112,270
Reserve Fund Adjustment	<u>(\$13,531)</u>	<u>(\$14,513)</u>
Projected Reserve Fund Balance Fiscal Year 2023/24	\$112,270	\$97,757

City of Tracy Consolidated Landscape Maintenance District Proposed Budget for Fiscal Year 2023-24		
Zone 17		
	Proposed Budget FY 2023-24	Forecasted Budget FY 2024-25
DIRECT COSTS ¹		
Personnel - 5100	\$222,559	\$229,236
Contracted Services - 5200	\$107,784	\$111,018
Materials - 5300	\$43,162	\$44,457
Capital Projects - 5600	<u>\$0</u>	<u>\$0</u>
TOTAL DIRECT	\$373,505	\$384,710
ADMINISTRATION COSTS ²		
Overhead - 5900	\$56,959	\$58,668
Internal Services - 5400	\$87,498	\$90,123
County Collection Fee	<u>\$3,207</u>	<u>\$3,303</u>
TOTAL ADMINISTRATION	\$147,664	\$152,094
LEVY ADJUSTMENTS ³		
TOTAL DIRECT AND ADMIN COSTS	\$521,169	\$536,804
GF - Capital Improvement Projects	(\$50,500)	\$0
Zone Reserves Adjustment	(\$149,950)	(\$206,462)
General Fund - 101	\$0	\$0
Storm Drain Fund - 101	<u>\$0</u>	<u>\$0</u>
TOTAL ADJUSTMENTS	(\$200,450)	(\$206,462)
Balance to Levy	\$320,720	\$330,342
Total Revenue at Maximum Rate	\$320,721	\$330,342
Variance above/(below) Maximum Revenue	(\$1)	\$0
DISTRICT STATISTICS		
Total Parcels	1,129	1,129
Total Parcels Levied	1,129	1,129
Total EDUs	1,542.96	1,542.96
Total EDUs Levied	1,542.96	1,542.96
Proposed Levy per EDU	\$207.86	\$214.10
Max Levy per EDU ⁴	\$207.86	\$214.10
FUND BALANCE INFORMATION		
Reserve Fund		
Beginning Fund Balance Fiscal Year 2022/23	\$1,059,493	\$859,043
Reserve Fund Adjustment	<u>(\$200,450)</u>	<u>(\$206,462)</u>
Projected Reserve Fund Balance Fiscal Year 2023/24	\$859,043	\$652,581

City of Tracy Consolidated Landscape Maintenance District Proposed Budget for Fiscal Year 2023-24		
Zone 18		
	Proposed Budget FY 2023-24	Forecasted Budget FY 2024-25
DIRECT COSTS ¹		
Personnel - 5100	\$33,384	\$34,386
Contracted Services - 5200	\$86,557	\$89,154
Materials - 5300	\$23,624	\$24,333
Capital Projects - 5600	<u>\$0</u>	<u>\$0</u>
TOTAL DIRECT	\$143,565	\$147,872
ADMINISTRATION COSTS ²		
Overhead - 5900	\$8,544	\$8,800
Internal Services - 5400	\$18,437	\$18,990
County Collection Fee	<u>\$1,255</u>	<u>\$1,293</u>
TOTAL ADMINISTRATION	\$28,236	\$29,083
LEVY ADJUSTMENTS ³		
TOTAL DIRECT AND ADMIN COSTS	\$171,801	\$176,955
GF - Capital Improvement Projects	(\$30,487)	\$0
Zone Reserves Adjustment	(\$15,822)	(\$47,691)
General Fund - 101	\$0	\$0
Storm Drain Fund - 101	<u>\$0</u>	<u>\$0</u>
TOTAL ADJUSTMENTS	(\$46,309)	(\$47,691)
Balance to Levy	\$125,492	\$129,264
Total Revenue at Maximum Rate	\$125,500	\$129,264
Variance above/(below) Maximum Revenue	(\$8)	\$0
DISTRICT STATISTICS		
Total Parcels	968	968
Total Parcels Levied	968	968
Total EDUs	977.65	977.65
Total EDUs Levied	977.65	977.65
Proposed Levy per EDU	\$128.36	\$132.21
Max Levy per EDU ⁴	\$128.37	\$132.22
FUND BALANCE INFORMATION		
Reserve Fund		
Beginning Fund Balance Fiscal Year 2022/23	\$238,146	\$222,324
Reserve Fund Adjustment	<u>(\$15,822)</u>	<u>(\$47,691)</u>
Projected Reserve Fund Balance Fiscal Year 2023/24	\$222,324	\$174,633

City of Tracy		
Consolidated Landscape Maintenance District		
Proposed Budget for Fiscal Year 2023-24		
Zone 19		
	Proposed Budget FY 2023-24	Forecasted Budget FY 2024-25
DIRECT COSTS ¹		
Personnel - 5100	\$44,512	\$45,847
Contracted Services - 5200	\$81,117	\$83,551
Materials - 5300	\$14,832	\$15,277
Capital Projects - 5600	<u>\$0</u>	<u>\$0</u>
TOTAL DIRECT	\$140,461	\$144,675
ADMINISTRATION COSTS ²		
Overhead - 5900	\$11,392	\$11,734
Internal Services - 5400	\$44,844	\$46,189
County Collection Fee	<u>\$1,752</u>	<u>\$1,805</u>
TOTAL ADMINISTRATION	\$57,988	\$59,728
LEVY ADJUSTMENTS ³		
TOTAL DIRECT AND ADMIN COSTS	\$198,449	\$204,402
GF - Capital Improvement Projects	(\$9,260)	\$0
Zone Reserves Adjustment	(\$13,988)	(\$23,938)
General Fund - 101	\$0	\$0
Storm Drain Fund - 101	<u>\$0</u>	<u>\$0</u>
TOTAL ADJUSTMENTS	(\$23,248)	(\$23,938)
Balance to Levy	\$175,201	\$180,464
Total Revenue at Maximum Rate	\$175,208	\$180,464
Variance above/(below) Maximum Revenue	(\$7)	\$0
DISTRICT STATISTICS		
Total Parcels	507	507
Total Parcels Levied	507	507
Total EDUs	743.51	743.51
Total EDUs Levied	743.51	743.51
Proposed Levy per EDU	\$235.64	\$242.72
Max Levy per EDU ⁴	\$235.65	\$242.72
FUND BALANCE INFORMATION		
Reserve Fund		
Beginning Fund Balance Fiscal Year 2022/23	\$649,747	\$635,759
Reserve Fund Adjustment	<u>(\$13,988)</u>	<u>(\$23,938)</u>
Projected Reserve Fund Balance Fiscal Year 2023/24	\$635,759	\$611,821



City of Tracy		
Consolidated Landscape Maintenance District		
Proposed Budget for Fiscal Year 2023-24		
Zone 20		
	Proposed Budget FY 2023-24	Forecasted Budget FY 2024-25
DIRECT COSTS ¹		
Personnel - 5100	\$5,564	\$5,731
Contracted Services - 5200	\$16,071	\$16,553
Materials - 5300	\$604	\$622
Capital Projects - 5600	<u>\$0</u>	<u>\$0</u>
TOTAL DIRECT	\$22,239	\$22,906
ADMINISTRATION COSTS ²		
Overhead - 5900	\$1,424	\$1,467
Internal Services - 5400	\$6,894	\$7,101
County Collection Fee	<u>\$349</u>	<u>\$360</u>
TOTAL ADMINISTRATION	\$8,667	\$8,927
LEVY ADJUSTMENTS ³		
TOTAL DIRECT AND ADMIN COSTS	\$30,906	\$31,833
GF - Capital Improvement Projects	(\$2,135)	\$0
Zone Reserves Adjustment	\$6,141	\$4,709
General Fund - 101	\$0	\$0
Storm Drain Fund - 101	<u>\$0</u>	<u>\$0</u>
TOTAL ADJUSTMENTS	\$4,006	\$4,709
Balance to Levy	\$34,912	\$35,959
Total Revenue at Maximum Rate	\$41,135	\$42,369
Variance above/(below) Maximum Revenue	(\$6,223)	(\$6,410)
DISTRICT STATISTICS		
Total Parcels	168	168
Total Parcels Levied	168	168
Total EDUs	174.56	174.56
Total EDUs Levied	174.56	174.56
Proposed Levy per EDU	\$200.00	\$206.00
Max Levy per EDU ⁴	\$235.65	\$242.72
FUND BALANCE INFORMATION		
Reserve Fund		
Beginning Fund Balance Fiscal Year 2022/23	\$144,751	\$150,892
Reserve Fund Adjustment	<u>\$6,141</u>	<u>\$4,709</u>
Projected Reserve Fund Balance Fiscal Year 2023/24	\$150,892	\$155,601



City of Tracy Consolidated Landscape Maintenance District Proposed Budget for Fiscal Year 2023-24		
Zone 21		
	Proposed Budget FY 2023-24	Forecasted Budget FY 2024-25
DIRECT COSTS ¹		
Personnel - 5100	\$5,564	\$5,731
Contracted Services - 5200	\$54,806	\$56,450
Materials - 5300	\$604	\$622
Capital Projects - 5600	<u>\$0</u>	<u>\$0</u>
TOTAL DIRECT	\$60,974	\$62,803
ADMINISTRATION COSTS ²		
Overhead - 5900	\$1,424	\$1,467
Internal Services - 5400	\$30,218	\$31,125
County Collection Fee	<u>\$699</u>	<u>\$720</u>
TOTAL ADMINISTRATION	\$32,341	\$33,312
LEVY ADJUSTMENTS ³		
TOTAL DIRECT AND ADMIN COSTS	\$93,315	\$96,115
GF - Capital Improvement Projects	(\$860)	\$0
Zone Reserves Adjustment	(\$22,506)	(\$24,067)
General Fund - 101	\$0	\$0
Storm Drain Fund - 101	<u>\$0</u>	<u>\$0</u>
TOTAL ADJUSTMENTS	(\$23,366)	(\$24,067)
Balance to Levy	\$69,949	\$72,048
Total Revenue at Maximum Rate	\$69,950	\$72,048
Variance above/(below) Maximum Revenue	(\$1)	\$0
DISTRICT STATISTICS		
Total Parcels	388	388
Total Parcels Levied	388	388
Total EDUs	388.00	388.00
Total EDUs Levied	388.00	388.00
Proposed Levy per EDU	\$180.28	\$185.69
Max Levy per EDU ⁴	\$180.28	\$185.69
FUND BALANCE INFORMATION		
Reserve Fund		
Beginning Fund Balance Fiscal Year 2022/23	\$61,750	\$39,244
Reserve Fund Adjustment	<u>(\$22,506)</u>	<u>(\$24,067)</u>
Projected Reserve Fund Balance Fiscal Year 2023/24	\$39,244	\$15,178

City of Tracy Consolidated Landscape Maintenance District Proposed Budget for Fiscal Year 2023-24		
Zone 22		
	Proposed Budget FY 2023-24	Forecasted Budget FY 2024-25
DIRECT COSTS ¹		
Personnel - 5100	\$15,023	\$15,474
Contracted Services - 5200	\$16,605	\$17,103
Materials - 5300	\$1,631	\$1,680
Capital Projects - 5600	<u>\$0</u>	<u>\$0</u>
TOTAL DIRECT	\$33,259	\$34,257
ADMINISTRATION COSTS ²		
Overhead - 5900	\$3,845	\$3,960
Internal Services - 5400	\$6,223	\$6,410
County Collection Fee	<u>\$386</u>	<u>\$397</u>
TOTAL ADMINISTRATION	\$10,454	\$10,767
LEVY ADJUSTMENTS ³		
TOTAL DIRECT AND ADMIN COSTS	\$43,713	\$45,024
GF - Capital Improvement Projects	(\$2,328)	\$0
Zone Reserves Adjustment	(\$2,805)	(\$5,286)
General Fund - 101	\$0	\$0
Storm Drain Fund - 101	<u>\$0</u>	<u>\$0</u>
TOTAL ADJUSTMENTS	(\$5,133)	(\$5,286)
Balance to Levy	\$38,580	\$39,738
Total Revenue at Maximum Rate	\$38,581	\$39,738
Variance above/(below) Maximum Revenue	(\$1)	\$0
DISTRICT STATISTICS		
Total Parcels	214	214
Total Parcels Levied	214	214
Total EDUs	214.00	214.00
Total EDUs Levied	214.00	214.00
Proposed Levy per EDU	\$180.28	\$185.69
Max Levy per EDU ⁴	\$180.28	\$185.69
FUND BALANCE INFORMATION		
Reserve Fund		
Beginning Fund Balance Fiscal Year 2022/23	\$77,560	\$74,755
Reserve Fund Adjustment	<u>(\$2,805)</u>	<u>(\$5,286)</u>
Projected Reserve Fund Balance Fiscal Year 2023/24	\$74,755	\$69,469



City of Tracy		
Consolidated Landscape Maintenance District		
Proposed Budget for Fiscal Year 2023-24		
Zone 23		
	Proposed Budget FY 2023-24	Forecasted Budget FY 2024-25
DIRECT COSTS ¹		
Personnel - 5100	\$15,023	\$15,474
Contracted Services - 5200	\$30,143	\$31,047
Materials - 5300	\$6,631	\$6,830
Capital Projects - 5600	<u>\$0</u>	<u>\$0</u>
TOTAL DIRECT	\$51,797	\$53,351
ADMINISTRATION COSTS ²		
Overhead - 5900	\$3,845	\$3,960
Internal Services - 5400	\$8,913	\$9,180
County Collection Fee	<u>\$654</u>	<u>\$674</u>
TOTAL ADMINISTRATION	\$13,412	\$13,815
LEVY ADJUSTMENTS ³		
TOTAL DIRECT AND ADMIN COSTS	\$65,209	\$67,166
GF - Capital Improvement Projects	(\$5,281)	\$0
Zone Reserves Adjustment	\$5,514	\$240
General Fund - 101	\$0	\$0
Storm Drain Fund - 101	<u>\$0</u>	<u>\$0</u>
TOTAL ADJUSTMENTS	\$233	\$240
Balance to Levy	\$65,442	\$67,406
Total Revenue at Maximum Rate	\$65,443	\$67,406
Variance above/(below) Maximum Revenue	(\$1)	\$0
DISTRICT STATISTICS		
Total Parcels	363	363
Total Parcels Levied	363	363
Total EDUs	363.00	363.00
Total EDUs Levied	363.00	363.00
Proposed Levy per EDU	\$180.28	\$185.69
Max Levy per EDU ⁴	\$180.28	\$185.69
FUND BALANCE INFORMATION		
Reserve Fund		
Beginning Fund Balance Fiscal Year 2022/23	\$143,356	\$148,870
Reserve Fund Adjustment	<u>\$5,514</u>	<u>\$240</u>
Projected Reserve Fund Balance Fiscal Year 2023/24	\$148,870	\$149,111

City of Tracy Consolidated Landscape Maintenance District Proposed Budget for Fiscal Year 2023-24		
Zone 24		
	Proposed Budget FY 2023-24	Forecasted Budget FY 2024-25
DIRECT COSTS ¹		
Personnel - 5100	\$89,024	\$91,695
Contracted Services - 5200	\$55,314	\$56,973
Materials - 5300	\$59,665	\$61,455
Capital Projects - 5600	<u>\$0</u>	<u>\$0</u>
TOTAL DIRECT	\$204,003	\$210,123
ADMINISTRATION COSTS ²		
Overhead - 5900	\$22,784	\$23,468
Internal Services - 5400	\$39,953	\$41,152
County Collection Fee	<u>\$1,081</u>	<u>\$1,114</u>
TOTAL ADMINISTRATION	\$63,818	\$65,733
LEVY ADJUSTMENTS ³		
TOTAL DIRECT AND ADMIN COSTS	\$267,821	\$275,856
GF - Capital Improvement Projects	\$0	\$0
Zone Reserves Adjustment	(\$159,677)	(\$164,462)
General Fund - 101	\$0	\$0
Storm Drain Fund - 101	<u>\$0</u>	<u>\$0</u>
TOTAL ADJUSTMENTS	(\$159,677)	(\$164,462)
Balance to Levy	\$108,144	\$111,394
Total Revenue at Maximum Rate	\$108,149	\$111,393
Variance above/(below) Maximum Revenue	(\$5)	\$1
DISTRICT STATISTICS		
Total Parcels	600	600
Total Parcels Levied	600	600
Total EDUs	600.00	600.00
Total EDUs Levied	600.00	600.00
Proposed Levy per EDU	\$180.24	\$185.66
Max Levy per EDU ⁴	\$180.25	\$185.66
FUND BALANCE INFORMATION		
Reserve Fund		
Beginning Fund Balance Fiscal Year 2022/23	\$364,512	\$204,835
Reserve Fund Adjustment	<u>(\$159,677)</u>	<u>(\$164,462)</u>
Projected Reserve Fund Balance Fiscal Year 2023/24	\$204,835	\$40,373

City of Tracy Consolidated Landscape Maintenance District Proposed Budget for Fiscal Year 2023-24		
Zone 25		
	Proposed Budget FY 2023-24	Forecasted Budget FY 2024-25
DIRECT COSTS ¹		
Personnel - 5100	\$0	\$0
Contracted Services - 5200	\$0	\$0
Materials - 5300	\$0	\$0
Capital Projects - 5600	<u>\$0</u>	<u>\$0</u>
TOTAL DIRECT	\$0	\$0
ADMINISTRATION COSTS ²		
Overhead - 5900	\$0	\$0
Internal Services - 5400	\$0	\$0
County Collection Fee	<u>\$0</u>	<u>\$0</u>
TOTAL ADMINISTRATION	\$0	\$0
LEVY ADJUSTMENTS ³		
TOTAL DIRECT AND ADMIN COSTS	\$0	\$0
GF - Capital Improvement Projects	\$0	\$0
Zone Reserves Adjustment	\$0	\$0
General Fund - 101	\$0	\$0
Storm Drain Fund - 101	<u>\$0</u>	<u>\$0</u>
TOTAL ADJUSTMENTS	\$0	\$0
Balance to Levy	\$0	\$0
Total Revenue at Maximum Rate	\$0	\$0
Variance above/(below) Maximum Revenue	\$0	\$0
DISTRICT STATISTICS		
Total Parcels	438	438
Total Parcels Levied	0	0
Total EDUs	438.00	438.00
Total EDUs Levied	0.00	0.00
Proposed Levy per EDU	\$0.00	\$0.00
Max Levy per EDU ⁴	\$0.00	\$0.00
FUND BALANCE INFORMATION		
Reserve Fund		
Beginning Fund Balance Fiscal Year 2022/23	\$0	\$0
Reserve Fund Adjustment	<u>\$0</u>	<u>\$0</u>
Projected Reserve Fund Balance Fiscal Year 2023/24	\$0	\$0

City of Tracy Consolidated Landscape Maintenance District Proposed Budget for Fiscal Year 2023-24		
Zone 26		
	Proposed Budget FY 2023-24	Forecasted Budget FY 2024-25
DIRECT COSTS ¹		
Personnel - 5100	\$55,640	\$57,309
Contracted Services - 5200	\$137,540	\$141,666
Materials - 5300	\$26,041	\$26,822
Capital Projects - 5600	<u>\$0</u>	<u>\$0</u>
TOTAL DIRECT	\$219,221	\$225,798
ADMINISTRATION COSTS ²		
Overhead - 5900	\$14,240	\$14,667
Internal Services - 5400	\$70,681	\$72,801
County Collection Fee	<u>\$2,622</u>	<u>\$2,700</u>
TOTAL ADMINISTRATION	\$87,543	\$90,169
LEVY ADJUSTMENTS ³		
TOTAL DIRECT AND ADMIN COSTS	\$306,764	\$315,967
GF - Capital Improvement Projects	(\$12,708)	\$0
Zone Reserves Adjustment	(\$29,505)	(\$43,468)
General Fund - 101	\$0	\$0
Storm Drain Fund - 101	<u>(\$2,390)</u>	<u>(\$2,462)</u>
TOTAL ADJUSTMENTS	(\$44,604)	(\$45,930)
Balance to Levy	\$262,160	\$270,036
Total Revenue at Maximum Rate	\$262,171	\$270,036
Variance above/(below) Maximum Revenue	(\$11)	\$0
DISTRICT STATISTICS		
Total Parcels	1,130	1,130
Total Parcels Levied	1,130	1,130
Total EDUs	1,130.00	1,130.00
Total EDUs Levied	1,130.00	1,130.00
Proposed Levy per EDU	\$232.00	\$238.97
Max Levy per EDU ⁴	\$232.01	\$238.97
FUND BALANCE INFORMATION		
Reserve Fund		
Beginning Fund Balance Fiscal Year 2022/23	\$378,569	\$349,064
Reserve Fund Adjustment	<u>(\$29,505)</u>	<u>(\$43,468)</u>
Projected Reserve Fund Balance Fiscal Year 2023/24	\$349,064	\$305,596

City of Tracy		
Consolidated Landscape Maintenance District		
Proposed Budget for Fiscal Year 2023-24		
Zone 27		
	Proposed Budget FY 2023-24	Forecasted Budget FY 2024-25
DIRECT COSTS ¹		
Personnel - 5100	\$0	\$0
Contracted Services - 5200	\$9,102	\$9,375
Materials - 5300	\$2,000	\$2,060
Capital Projects - 5600	<u>\$0</u>	<u>\$0</u>
TOTAL DIRECT	\$11,102	\$11,435
ADMINISTRATION COSTS ²		
Overhead - 5900	\$0	\$0
Internal Services - 5400	\$3,316	\$3,415
County Collection Fee	<u>\$165</u>	<u>\$170</u>
TOTAL ADMINISTRATION	\$3,481	\$3,585
LEVY ADJUSTMENTS ³		
TOTAL DIRECT AND ADMIN COSTS	\$14,583	\$15,020
GF - Capital Improvement Projects	(\$500)	\$0
Zone Reserves Adjustment	\$2,382	\$1,939
General Fund - 101	\$0	\$0
Storm Drain Fund - 101	<u>\$0</u>	<u>\$0</u>
TOTAL ADJUSTMENTS	\$1,882	\$1,939
Balance to Levy	\$16,465	\$16,959
Total Revenue at Maximum Rate	\$98,947	\$101,915
Variance above/(below) Maximum Revenue	(\$82,482)	(\$84,956)
DISTRICT STATISTICS		
Total Parcels	116	116
Total Parcels Levied	116	116
Total EDUs	548.84	548.84
Total EDUs Levied	548.84	548.84
Proposed Levy per EDU	\$30.00	\$30.90
Max Levy per EDU ⁴	\$180.28	\$185.69
FUND BALANCE INFORMATION		
Reserve Fund		
Beginning Fund Balance Fiscal Year 2022/23	\$71,536	\$73,918
Reserve Fund Adjustment	<u>\$2,382</u>	<u>\$1,939</u>
Projected Reserve Fund Balance Fiscal Year 2023/24	\$73,918	\$75,857

City of Tracy Consolidated Landscape Maintenance District Proposed Budget for Fiscal Year 2023-24		
Zone 28		
	Proposed Budget FY 2023-24	Forecasted Budget FY 2024-25
DIRECT COSTS ¹		
Personnel - 5100	\$50,076	\$51,578
Contracted Services - 5200	\$50,186	\$51,692
Materials - 5300	\$25,436	\$26,199
Capital Projects - 5600	<u>\$0</u>	<u>\$0</u>
TOTAL DIRECT	\$125,698	\$129,469
ADMINISTRATION COSTS ²		
Overhead - 5900	\$12,816	\$13,200
Internal Services - 5400	\$17,519	\$18,045
County Collection Fee	<u>\$992</u>	<u>\$1,021</u>
TOTAL ADMINISTRATION	\$31,327	\$32,266
LEVY ADJUSTMENTS ³		
TOTAL DIRECT AND ADMIN COSTS	\$157,025	\$161,735
GF - Capital Improvement Projects	(\$240)	\$0
Zone Reserves Adjustment	(\$57,631)	(\$59,605)
General Fund - 101	\$0	\$0
Storm Drain Fund - 101	<u>\$0</u>	<u>\$0</u>
TOTAL ADJUSTMENTS	(\$57,871)	(\$59,605)
Balance to Levy	\$99,154	\$102,130
Total Revenue at Maximum Rate	\$99,156	\$102,130
Variance above/(below) Maximum Revenue	(\$2)	\$0
DISTRICT STATISTICS		
Total Parcels	550	550
Total Parcels Levied	550	550
Total EDUs	550.00	550.00
Total EDUs Levied	550.00	550.00
Proposed Levy per EDU	\$180.28	\$185.69
Max Levy per EDU ⁴	\$180.28	\$185.69
FUND BALANCE INFORMATION		
Reserve Fund		
Beginning Fund Balance Fiscal Year 2022/23	\$389,091	\$331,460
Reserve Fund Adjustment	<u>(\$57,631)</u>	<u>(\$59,605)</u>
Projected Reserve Fund Balance Fiscal Year 2023/24	\$331,460	\$271,856

City of Tracy Consolidated Landscape Maintenance District Proposed Budget for Fiscal Year 2023-24		
Zone 29		
	Proposed Budget FY 2023-24	Forecasted Budget FY 2024-25
DIRECT COSTS ¹		
Personnel - 5100	\$16,692	\$17,193
Contracted Services - 5200	\$48,451	\$49,905
Materials - 5300	\$1,812	\$1,866
Capital Projects - 5600	<u>\$0</u>	<u>\$0</u>
TOTAL DIRECT	\$66,955	\$68,964
ADMINISTRATION COSTS ²		
Overhead - 5900	\$4,272	\$4,400
Internal Services - 5400	\$24,228	\$24,955
County Collection Fee	<u>\$847</u>	<u>\$873</u>
TOTAL ADMINISTRATION	\$29,347	\$30,228
LEVY ADJUSTMENTS ³		
TOTAL DIRECT AND ADMIN COSTS	\$96,302	\$99,191
GF - Capital Improvement Projects	(\$10,718)	\$0
Zone Reserves Adjustment	(\$847)	(\$11,909)
General Fund - 101	\$0	\$0
Storm Drain Fund - 101	<u>\$0</u>	<u>\$0</u>
TOTAL ADJUSTMENTS	(\$11,565)	(\$11,909)
Balance to Levy	\$84,737	\$87,283
Total Revenue at Maximum Rate	\$84,740	\$87,283
Variance above/(below) Maximum Revenue	(\$4)	\$0
DISTRICT STATISTICS		
Total Parcels	496	496
Total Parcels Levied	496	496
Total EDUs	496.00	496.00
Total EDUs Levied	496.00	496.00
Proposed Levy per EDU	\$170.84	\$175.97
Max Levy per EDU ⁴	\$170.85	\$175.97
FUND BALANCE INFORMATION		
Reserve Fund		
Beginning Fund Balance Fiscal Year 2022/23	(\$8,772)	(\$9,619)
Reserve Fund Adjustment	<u>(\$847)</u>	<u>(\$11,909)</u>
Projected Reserve Fund Balance Fiscal Year 2023/24	(\$9,619)	(\$21,528)



City of Tracy Consolidated Landscape Maintenance District Proposed Budget for Fiscal Year 2023-24		
Zone 30		
	Proposed Budget FY 2023-24	Forecasted Budget FY 2024-25
DIRECT COSTS ¹		
Personnel - 5100	\$11,128	\$11,462
Contracted Services - 5200	\$24,575	\$25,312
Materials - 5300	\$6,208	\$6,394
Capital Projects - 5600	<u>\$0</u>	<u>\$0</u>
TOTAL DIRECT	\$41,911	\$43,168
ADMINISTRATION COSTS ²		
Overhead - 5900	\$2,848	\$2,933
Internal Services - 5400	\$14,482	\$14,916
County Collection Fee	<u>\$587</u>	<u>\$605</u>
TOTAL ADMINISTRATION	\$17,917	\$18,455
LEVY ADJUSTMENTS ³		
TOTAL DIRECT AND ADMIN COSTS	\$59,828	\$61,623
GF - Capital Improvement Projects	(\$4,449)	\$0
Zone Reserves Adjustment	\$3,348	(\$1,132)
General Fund - 101	\$0	\$0
Storm Drain Fund - 101	<u>\$0</u>	<u>\$0</u>
TOTAL ADJUSTMENTS	(\$1,101)	(\$1,132)
Balance to Levy	\$58,727	\$60,492
Total Revenue at Maximum Rate	\$58,730	\$60,492
Variance above/(below) Maximum Revenue	(\$2)	\$0
DISTRICT STATISTICS		
Total Parcels	166	166
Total Parcels Levied	166	166
Total EDUs	166.00	166.00
Total EDUs Levied	166.00	166.00
Proposed Levy per EDU	\$353.78	\$364.40
Max Levy per EDU ⁴	\$353.79	\$364.41
FUND BALANCE INFORMATION		
Reserve Fund		
Beginning Fund Balance Fiscal Year 2022/23	\$229,251	\$232,599
Reserve Fund Adjustment	<u>\$3,348</u>	<u>(\$1,132)</u>
Projected Reserve Fund Balance Fiscal Year 2023/24	\$232,599	\$231,468

City of Tracy Consolidated Landscape Maintenance District Proposed Budget for Fiscal Year 2023-24		
Zone 31		
	Proposed Budget FY 2023-24	Forecasted Budget FY 2024-25
DIRECT COSTS ¹		
Personnel - 5100	\$0	\$0
Contracted Services - 5200	\$0	\$0
Materials - 5300	\$0	\$0
Capital Projects - 5600	<u>\$0</u>	<u>\$0</u>
TOTAL DIRECT	\$0	\$0
ADMINISTRATION COSTS ²		
Overhead - 5900	\$0	\$0
Internal Services - 5400	\$0	\$0
County Collection Fee	<u>\$0</u>	<u>\$0</u>
TOTAL ADMINISTRATION	\$0	\$0
LEVY ADJUSTMENTS ³		
TOTAL DIRECT AND ADMIN COSTS	\$0	\$0
GF - Capital Improvement Projects	\$0	\$0
Zone Reserves Adjustment	\$0	\$0
General Fund - 101	\$0	\$0
Storm Drain Fund - 101	<u>\$0</u>	<u>\$0</u>
TOTAL ADJUSTMENTS	\$0	\$0
Balance to Levy	\$0	\$0
Total Revenue at Maximum Rate	\$6,632	\$6,831
Variance above/(below) Maximum Revenue	(\$6,632)	(\$6,831)
DISTRICT STATISTICS		
Total Parcels	1	1
Total Parcels Levied	0	0
Total EDUs	27.75	27.75
Total EDUs Levied	0.00	0.00
Proposed Levy per EDU	\$0.00	\$0.00
Max Levy per EDU ⁴	\$238.98	\$246.15
FUND BALANCE INFORMATION		
Reserve Fund		
Beginning Fund Balance Fiscal Year 2022/23	\$606	\$606
Reserve Fund Adjustment	<u>\$0</u>	<u>\$0</u>
Projected Reserve Fund Balance Fiscal Year 2023/24	\$606	\$606

City of Tracy Consolidated Landscape Maintenance District Proposed Budget for Fiscal Year 2023-24		
Zone 32		
	Proposed Budget FY 2023-24	Forecasted Budget FY 2024-25
DIRECT COSTS ¹		
Personnel - 5100	\$0	\$0
Contracted Services - 5200	\$0	\$0
Materials - 5300	\$0	\$0
Capital Projects - 5600	<u>\$0</u>	<u>\$0</u>
TOTAL DIRECT	\$0	\$0
ADMINISTRATION COSTS ²		
Overhead - 5900	\$0	\$0
Internal Services - 5400	\$0	\$0
County Collection Fee	<u>\$0</u>	<u>\$0</u>
TOTAL ADMINISTRATION	\$0	\$0
LEVY ADJUSTMENTS ³		
TOTAL DIRECT AND ADMIN COSTS	\$0	\$0
GF - Capital Improvement Projects	\$0	\$0
Zone Reserves Adjustment	\$0	\$0
General Fund - 101	\$0	\$0
Storm Drain Fund - 101	<u>\$0</u>	<u>\$0</u>
TOTAL ADJUSTMENTS	\$0	\$0
Balance to Levy	\$0	\$0
Total Revenue at Maximum Rate	\$43,582	\$44,889
Variance above/(below) Maximum Revenue	(\$43,582)	(\$44,889)
DISTRICT STATISTICS		
Total Parcels	2	2
Total Parcels Levied	0	0
Total EDUs	222.68	222.68
Total EDUs Levied	0.00	0.00
Proposed Levy per EDU	\$0.00	\$0.00
Max Levy per EDU ⁴	\$195.72	\$201.59
FUND BALANCE INFORMATION		
Reserve Fund		
Beginning Fund Balance Fiscal Year 2022/23	\$0	\$0
Reserve Fund Adjustment	<u>\$0</u>	<u>\$0</u>
Projected Reserve Fund Balance Fiscal Year 2023/24	\$0	\$0

City of Tracy Consolidated Landscape Maintenance District Proposed Budget for Fiscal Year 2023-24		
Zone 33		
	Proposed Budget FY 2023-24	Forecasted Budget FY 2024-25
DIRECT COSTS ¹		
Personnel - 5100	\$11,128	\$11,462
Contracted Services - 5200	\$7,347	\$7,567
Materials - 5300	\$1,208	\$1,244
Capital Projects - 5600	<u>\$0</u>	<u>\$0</u>
TOTAL DIRECT	\$19,683	\$20,273
ADMINISTRATION COSTS ²		
Overhead - 5900	\$2,848	\$2,933
Internal Services - 5400	\$9,810	\$10,104
County Collection Fee	<u>\$0</u>	<u>\$0</u>
TOTAL ADMINISTRATION	\$12,658	\$13,038
LEVY ADJUSTMENTS ³		
TOTAL DIRECT AND ADMIN COSTS	\$32,341	\$33,311
GF - Capital Improvement Projects	(\$5,309)	\$0
Zone Reserves Adjustment	(\$27,032)	(\$33,311)
General Fund - 101	\$0	\$0
Storm Drain Fund - 101	<u>\$0</u>	<u>\$0</u>
TOTAL ADJUSTMENTS	(\$32,341)	(\$33,311)
Balance to Levy	\$0	\$0
Total Revenue at Maximum Rate	\$645,644	\$665,013
Variance above/(below) Maximum Revenue	(\$645,644)	(\$665,013)
DISTRICT STATISTICS		
Total Parcels	35	35
Total Parcels Levied	33	33
Total EDUs	2,715.41	2,715.41
Total EDUs Levied	2,715.41	2,715.41
Proposed Levy per EDU	\$0.00	\$0.00
Max Levy per EDU ⁴	\$237.77	\$244.90
FUND BALANCE INFORMATION		
Reserve Fund		
Beginning Fund Balance Fiscal Year 2022/23	\$532,063	\$505,031
Reserve Fund Adjustment	<u>(\$27,032)</u>	<u>(\$33,311)</u>
Projected Reserve Fund Balance Fiscal Year 2023/24	\$505,031	\$471,720

City of Tracy Consolidated Landscape Maintenance District Proposed Budget for Fiscal Year 2023-24		
Zone 34		
	Proposed Budget FY 2023-24	Forecasted Budget FY 2024-25
DIRECT COSTS ¹		
Personnel - 5100	\$5,564	\$5,731
Contracted Services - 5200	\$13,209	\$13,605
Materials - 5300	\$604	\$622
Capital Projects - 5600	<u>\$0</u>	<u>\$0</u>
TOTAL DIRECT	\$19,377	\$19,958
ADMINISTRATION COSTS ²		
Overhead - 5900	\$1,424	\$1,467
Internal Services - 5400	\$2,411	\$2,483
County Collection Fee	<u>\$228</u>	<u>\$235</u>
TOTAL ADMINISTRATION	\$4,063	\$4,185
LEVY ADJUSTMENTS ³		
TOTAL DIRECT AND ADMIN COSTS	\$23,440	\$24,143
GF - Capital Improvement Projects	(\$6,947)	\$0
Zone Reserves Adjustment	\$6,328	(\$637)
General Fund - 101	\$0	\$0
Storm Drain Fund - 101	<u>\$0</u>	<u>\$0</u>
TOTAL ADJUSTMENTS	(\$619)	(\$637)
Balance to Levy	\$22,821	\$23,507
Total Revenue at Maximum Rate	\$22,822	\$23,507
Variance above/(below) Maximum Revenue	(\$1)	\$0
DISTRICT STATISTICS		
Total Parcels	9	9
Total Parcels Levied	9	9
Total EDUs	84.10	84.10
Total EDUs Levied	84.10	84.10
Proposed Levy per EDU	\$271.36	\$279.50
Max Levy per EDU ⁴	\$271.37	\$279.51
FUND BALANCE INFORMATION		
Reserve Fund		
Beginning Fund Balance Fiscal Year 2022/23	(\$2,531)	\$3,797
Reserve Fund Adjustment	<u>\$6,328</u>	<u>(\$637)</u>
Projected Reserve Fund Balance Fiscal Year 2023/24	\$3,797	\$3,160



City of Tracy		
Consolidated Landscape Maintenance District		
Proposed Budget for Fiscal Year 2023-24		
Zone 35		
	Proposed Budget FY 2023-24	Forecasted Budget FY 2024-25
DIRECT COSTS ¹		
Personnel - 5100	\$27,820	\$28,655
Contracted Services - 5200	\$16,912	\$17,419
Materials - 5300	\$13,020	\$13,411
Capital Projects - 5600	<u>\$0</u>	<u>\$0</u>
TOTAL DIRECT	\$57,752	\$59,485
ADMINISTRATION COSTS ²		
Overhead - 5900	\$7,120	\$7,334
Internal Services - 5400	\$21,906	\$22,563
County Collection Fee	<u>\$856</u>	<u>\$882</u>
TOTAL ADMINISTRATION	\$29,882	\$30,779
LEVY ADJUSTMENTS ³		
TOTAL DIRECT AND ADMIN COSTS	\$87,634	\$90,263
GF - Capital Improvement Projects	(\$5,714)	\$0
Zone Reserves Adjustment	\$3,707	(\$2,067)
General Fund - 101	\$0	\$0
Storm Drain Fund - 101	<u>\$0</u>	<u>\$0</u>
TOTAL ADJUSTMENTS	(\$2,007)	(\$2,067)
Balance to Levy	\$85,627	\$88,196
Total Revenue at Maximum Rate	\$85,627	\$88,196
Variance above/(below) Maximum Revenue	\$0	\$0
DISTRICT STATISTICS		
Total Parcels	190	190
Total Parcels Levied	190	190
Total EDUs	313.08	313.08
Total EDUs Levied	313.08	313.08
Proposed Levy per EDU	\$273.50	\$281.70
Max Levy per EDU ⁴	\$273.50	\$281.70
FUND BALANCE INFORMATION		
Reserve Fund		
Beginning Fund Balance Fiscal Year 2022/23	\$39,703	\$43,410
Reserve Fund Adjustment	<u>\$3,707</u>	<u>(\$2,067)</u>
Projected Reserve Fund Balance Fiscal Year 2023/24	\$43,410	\$41,343



City of Tracy		
Consolidated Landscape Maintenance District		
Proposed Budget for Fiscal Year 2023-24		
Zone 36		
	Proposed Budget FY 2023-24	Forecasted Budget FY 2024-25
DIRECT COSTS ¹		
Personnel - 5100	\$0	\$0
Contracted Services - 5200	\$0	\$0
Materials - 5300	\$0	\$0
Capital Projects - 5600	<u>\$0</u>	<u>\$0</u>
TOTAL DIRECT	\$0	\$0
ADMINISTRATION COSTS ²		
Overhead - 5900	\$0	\$0
Internal Services - 5400	\$0	\$0
County Collection Fee	<u>\$0</u>	<u>\$0</u>
TOTAL ADMINISTRATION	\$0	\$0
LEVY ADJUSTMENTS ³		
TOTAL DIRECT AND ADMIN COSTS	\$0	\$0
GF - Capital Improvement Projects	\$0	\$0
Zone Reserves Adjustment	\$0	\$0
General Fund - 101	\$0	\$0
Storm Drain Fund - 101	<u>\$0</u>	<u>\$0</u>
TOTAL ADJUSTMENTS	\$0	\$0
Balance to Levy	\$0	\$0
Total Revenue at Maximum Rate	\$7,382	\$7,603
Variance above/(below) Maximum Revenue	(\$7,382)	(\$7,603)
DISTRICT STATISTICS		
Total Parcels	1	1
Total Parcels Levied	0	0
Total EDUs	72.00	72.00
Total EDUs Levied	0.00	0.00
Proposed Levy per EDU	\$0.00	\$0.00
Max Levy per EDU ⁴	\$102.52	\$105.60
FUND BALANCE INFORMATION		
Reserve Fund		
Beginning Fund Balance Fiscal Year 2022/23	\$2,184	\$2,184
Reserve Fund Adjustment	<u>\$0</u>	<u>\$0</u>
Projected Reserve Fund Balance Fiscal Year 2023/24	\$2,184	\$2,184



City of Tracy Consolidated Landscape Maintenance District Proposed Budget for Fiscal Year 2023-24		
Zone 37		
	Proposed Budget FY 2023-24	Forecasted Budget FY 2024-25
DIRECT COSTS ¹		
Personnel - 5100	\$0	\$0
Contracted Services - 5200	\$0	\$0
Materials - 5300	\$0	\$0
Capital Projects - 5600	<u>\$0</u>	<u>\$0</u>
TOTAL DIRECT	\$0	\$0
ADMINISTRATION COSTS ²		
Overhead - 5900	\$0	\$0
Internal Services - 5400	\$0	\$0
County Collection Fee	<u>\$0</u>	<u>\$0</u>
TOTAL ADMINISTRATION	\$0	\$0
LEVY ADJUSTMENTS ³		
TOTAL DIRECT AND ADMIN COSTS	\$0	\$0
GF - Capital Improvement Projects	\$0	\$0
Zone Reserves Adjustment	\$0	\$0
General Fund - 101	\$0	\$0
Storm Drain Fund - 101	<u>\$0</u>	<u>\$0</u>
TOTAL ADJUSTMENTS	\$0	\$0
Balance to Levy	\$0	\$0
Total Revenue at Maximum Rate	\$7,792	\$8,025
Variance above/(below) Maximum Revenue	(\$7,792)	(\$8,025)
DISTRICT STATISTICS		
Total Parcels	10	10
Total Parcels Levied	0	0
Total EDUs	76.00	76.00
Total EDUs Levied	0.00	0.00
Proposed Levy per EDU	\$0.00	\$0.00
Max Levy per EDU ⁴	\$102.52	\$105.60
FUND BALANCE INFORMATION		
Reserve Fund		
Beginning Fund Balance Fiscal Year 2022/23	\$4,812	\$4,812
Reserve Fund Adjustment	<u>\$0</u>	<u>\$0</u>
Projected Reserve Fund Balance Fiscal Year 2023/24	\$4,812	\$4,812



City of Tracy		
Consolidated Landscape Maintenance District		
Proposed Budget for Fiscal Year 2023-24		
Zone 40		
	Proposed Budget FY 2023-24	Forecasted Budget FY 2024-25
DIRECT COSTS ¹		
Personnel - 5100	\$1,669	\$1,719
Contracted Services - 5200	\$2,532	\$2,608
Materials - 5300	\$181	\$186
Capital Projects - 5600	<u>\$0</u>	<u>\$0</u>
TOTAL DIRECT	\$4,382	\$4,513
ADMINISTRATION COSTS ²		
Overhead - 5900	\$427	\$440
Internal Services - 5400	\$1,660	\$1,710
County Collection Fee	<u>\$47</u>	<u>\$49</u>
TOTAL ADMINISTRATION	\$2,134	\$2,198
LEVY ADJUSTMENTS ³		
TOTAL DIRECT AND ADMIN COSTS	\$6,516	\$6,712
GF - Capital Improvement Projects	(\$1,760)	\$0
Zone Reserves Adjustment	(\$46)	(\$1,860)
General Fund - 101	\$0	\$0
Storm Drain Fund - 101	<u>\$0</u>	<u>\$0</u>
TOTAL ADJUSTMENTS	(\$1,806)	(\$1,860)
Balance to Levy	\$4,710	\$4,851
Total Revenue at Maximum Rate	\$4,710	\$4,851
Variance above/(below) Maximum Revenue	(\$0)	\$0
DISTRICT STATISTICS		
Total Parcels	1	1
Total Parcels Levied	1	1
Total EDUs	9.00	9.00
Total EDUs Levied	9.00	9.00
Proposed Levy per EDU	\$523.32	\$539.02
Max Levy per EDU ⁴	\$523.32	\$539.02
FUND BALANCE INFORMATION		
Reserve Fund		
Beginning Fund Balance Fiscal Year 2022/23	(\$23,668)	(\$23,714)
Reserve Fund Adjustment	<u>(\$46)</u>	<u>(\$1,860)</u>
Projected Reserve Fund Balance Fiscal Year 2023/24	(\$23,714)	(\$25,575)



City of Tracy Consolidated Landscape Maintenance District Proposed Budget for Fiscal Year 2023-24		
Zone 41		
	Proposed Budget FY 2023-24	Forecasted Budget FY 2024-25
DIRECT COSTS ¹		
Personnel - 5100	\$111	\$114
Contracted Services - 5200	\$1,054	\$1,086
Materials - 5300	\$12	\$12
Capital Projects - 5600	<u>\$0</u>	<u>\$0</u>
TOTAL DIRECT	\$1,177	\$1,212
ADMINISTRATION COSTS ²		
Overhead - 5900	\$28	\$29
Internal Services - 5400	\$21	\$22
County Collection Fee	<u>\$19</u>	<u>\$19</u>
TOTAL ADMINISTRATION	\$68	\$70
LEVY ADJUSTMENTS ³		
TOTAL DIRECT AND ADMIN COSTS	\$1,245	\$1,282
GF - Capital Improvement Projects	(\$373)	\$0
Zone Reserves Adjustment	\$1,000	\$647
General Fund - 101	\$0	\$0
Storm Drain Fund - 101	<u>\$0</u>	<u>\$0</u>
TOTAL ADJUSTMENTS	\$627	\$647
Balance to Levy	\$1,872	\$1,929
Total Revenue at Maximum Rate	\$1,872	\$1,929
Variance above/(below) Maximum Revenue	(\$0)	\$0
DISTRICT STATISTICS		
Total Parcels	1	1
Total Parcels Levied	1	1
Total EDUs	4.15	4.15
Total EDUs Levied	4.15	4.15
Proposed Levy per EDU	\$451.20	\$464.75
Max Levy per EDU ⁴	\$451.20	\$464.74
FUND BALANCE INFORMATION		
Reserve Fund		
Beginning Fund Balance Fiscal Year 2022/23	\$8,612	\$9,612
Reserve Fund Adjustment	<u>\$1,000</u>	<u>\$647</u>
Projected Reserve Fund Balance Fiscal Year 2023/24	\$9,612	\$10,258

City of Tracy Consolidated Landscape Maintenance District Proposed Budget for Fiscal Year 2023-24		
Zone 42		
	Proposed Budget FY 2023-24	Forecasted Budget FY 2024-25
DIRECT COSTS ¹		
Personnel - 5100	\$8,346	\$8,596
Contracted Services - 5200	\$5,552	\$5,719
Materials - 5300	\$2,906	\$2,993
Capital Projects - 5600	<u>\$0</u>	<u>\$0</u>
TOTAL DIRECT	\$16,804	\$17,308
ADMINISTRATION COSTS ²		
Overhead - 5900	\$2,136	\$2,200
Internal Services - 5400	\$3,924	\$4,042
County Collection Fee	<u>\$198</u>	<u>\$204</u>
TOTAL ADMINISTRATION	\$6,258	\$6,446
LEVY ADJUSTMENTS ³		
TOTAL DIRECT AND ADMIN COSTS	\$23,062	\$23,754
GF - Capital Improvement Projects	(\$2,633)	\$0
Zone Reserves Adjustment	(\$584)	(\$3,314)
General Fund - 101	\$0	\$0
Storm Drain Fund - 101	<u>\$0</u>	<u>\$0</u>
TOTAL ADJUSTMENTS	(\$3,217)	(\$3,314)
Balance to Levy	\$19,845	\$20,440
Total Revenue at Maximum Rate	\$30,401	\$31,313
Variance above/(below) Maximum Revenue	(\$10,556)	(\$10,873)
DISTRICT STATISTICS		
Total Parcels	2	2
Total Parcels Levied	2	2
Total EDUs	441.00	441.00
Total EDUs Levied	441.00	441.00
Proposed Levy per EDU	\$45.00	\$46.35
Max Levy per EDU ⁴	\$68.94	\$71.01
FUND BALANCE INFORMATION		
Reserve Fund		
Beginning Fund Balance Fiscal Year 2022/23	\$56,491	\$55,907
Reserve Fund Adjustment	<u>(\$584)</u>	<u>(\$3,314)</u>
Projected Reserve Fund Balance Fiscal Year 2023/24	\$55,907	\$52,593

City of Tracy Consolidated Landscape Maintenance District Proposed Budget for Fiscal Year 2023-24		
Zone 43		
	Proposed Budget FY 2023-24	Forecasted Budget FY 2024-25
DIRECT COSTS ¹		
Personnel - 5100	\$4,229	\$4,356
Contracted Services - 5200	\$4,244	\$4,371
Materials - 5300	\$459	\$473
Capital Projects - 5600	<u>\$0</u>	<u>\$0</u>
TOTAL DIRECT	\$8,932	\$9,200
ADMINISTRATION COSTS ²		
Overhead - 5900	\$1,082	\$1,114
Internal Services - 5400	\$785	\$809
County Collection Fee	<u>\$105</u>	<u>\$108</u>
TOTAL ADMINISTRATION	\$1,972	\$2,031
LEVY ADJUSTMENTS ³		
TOTAL DIRECT AND ADMIN COSTS	\$10,904	\$11,231
GF - Capital Improvement Projects	(\$460)	\$0
Zone Reserves Adjustment	\$56	(\$416)
General Fund - 101	\$0	\$0
Storm Drain Fund - 101	<u>\$0</u>	<u>\$0</u>
TOTAL ADJUSTMENTS	(\$404)	(\$416)
Balance to Levy	\$10,500	\$10,815
Total Revenue at Maximum Rate	\$24,100	\$24,823
Variance above/(below) Maximum Revenue	(\$13,600)	(\$14,008)
DISTRICT STATISTICS		
Total Parcels	105	105
Total Parcels Levied	105	105
Total EDUs	105.00	105.00
Total EDUs Levied	105.00	105.00
Proposed Levy per EDU	\$100.00	\$103.00
Max Levy per EDU ⁴	\$229.52	\$236.41
FUND BALANCE INFORMATION		
Reserve Fund		
Beginning Fund Balance Fiscal Year 2022/23	\$38,939	\$38,995
Reserve Fund Adjustment	<u>\$56</u>	<u>(\$416)</u>
Projected Reserve Fund Balance Fiscal Year 2023/24	\$38,995	\$38,579

PART III – QUANTIFICATION OF BENEFIT

The Act allows cities to establish benefit zones for the purpose of providing certain public improvements which provide a special benefit to the parcels. This includes the construction, maintenance, and servicing of street lights, traffic signals, and landscaping facilities. Section 22573 of the Act requires that maintenance assessments be levied according to benefit rather than according to the assessed value of property. This section states:

“ The net amount to be assessed upon lands within an assessment district may be apportioned by any formula or method which fairly distributes the net amount among all assessable lots or parcels in proportion to the estimated benefits to be received by each such lot or parcel from the improvements.

— Streets and Highways Code Section 22573

Section 22574 of the Act permits the designation of zones of benefit within any individual assessment district if “by reason of variations in the nature, location, and extent of the improvements, the various areas will receive different degrees of benefit from the improvements.”

In addition, Proposition 218, the “Right to Vote on Taxes Act,” which was approved on the November 1996 Statewide ballot and added Article XIID to the California Constitution, requires that a parcel’s assessment not exceed the reasonable cost of the proportional special benefit conferred on that parcel. Proposition 218 provides that only special benefits are assessable and the City must separate the general benefits from the special benefits. In addition, Proposition 218 also requires that publicly owned property which benefits from the improvements be assessed, unless there is clear and definite evidence that those properties receive no special benefit. Exempted from the assessment would be the areas of public streets, public avenues, public lanes, public roads, public drives, public courts, public alleys, public easements and rights-of-ways, public greenbelts and public parkways.

The amount to be assessed may be apportioned by any formula or method which fairly distributes the amount among all assessable lots or parcels. Additionally, it’s required that the City separate the general benefits from the special benefits, because only special benefits may be assessed. The quantification and separation of general benefit from special benefits follows for each of the Zones and associated benefit areas.

PART IV – METHOD OF ASSESSMENT

General

The Method of Assessment outlines the formula by which property that receives special benefit from the improvements and services provided will be assessed annually. The Method of Assessment for the District follows:

Each parcel within the District is deemed to receive special benefit from the landscaping improvements. Each parcel that has a special benefit conferred upon it as a result of the maintenance and operation of the improvements is identified and the proportionate special benefit derived by each identified parcel is determined in relationship to the entirety of the costs of the maintenance, operation, and servicing of the improvements.

Each parcel is assigned a weighting factor known as an Equivalent Dwelling Unit (EDU) to identify the parcel's proportionate special benefit from the improvements. Each parcel's EDU is calculated based on the parcel's land use, development status and/or size as compared to other parcels that are associated with the improvements. All single-family residential properties are assigned an EDU of 1.00, and all other property types are assigned an EDU proportionate to the special benefits they receive as compared to this single-family residential property. The total EDU's in a Zone is divided into the total amount to be assessed (Balance to Levy) to establish the Levy per EDU (Rate). This Rate is then multiplied by the parcel's individual EDU to establish the parcel's levy amount.

The following formulas are used to calculate each property's assessment:

$$\text{Total Balance to Levy} \div \text{Total EDUs} = \text{Levy per EDU}$$

$$\text{Levy per EDU} \times \text{Parcel EDU} = \text{Parcel Levy Amount}$$

The formula used for each Zone reflects the composition of the parcels and properties, and the services provided, to accurately proportion the costs based on estimated special benefit to each parcel. The total Levy per EDU will vary between Zones due to the different costs to maintain the improvements within each Zone and the number of EDU within the Zone.

Land Use Classifications

Every parcel within the District is assigned a land use classification based on available parcel information obtained from the County Assessor's Office and City records. To assess benefits equitably, it is necessary to relate the different type of parcel improvements to each other. The Equivalent Dwelling Unit method of assessment apportionment uses the single-family home site as the basic unit of assessment. A single-family home site equals one Equivalent Dwelling Unit (EDU). Every other land use is converted to EDU's based on an assessment formula that equates the property's specific development status, type of development (land use), and size of the property, as compared to a single-family home site.

The EDU method of apportioning benefit is typically seen as the most appropriate and equitable assessment methodology for districts formed under the 1972 Act, as the benefit to each parcel from the improvements are apportioned as a function of land use type, size and development.

Single-Family Residential Subdivided Lot. This land use is defined as a fully subdivided residential home site with or without a structure. This land use is assessed 1.00 EDU per lot or parcel. This is the base value that all other land use types are compared and weighted against.

Planned-Residential Subdivision. This land use is defined as any property not fully subdivided, but has a specific number of proposed residential lots to be developed on the parcel (approved tract map). This land use type is assessed at 1.00 EDU per planned (proposed) residential lot.

Vacant, Undeveloped Private Property. This land use is defined as vacant property (undeveloped) that is not a fully subdivided residential lot or planned residential subdivision. This land use is assessed at 4.00 EDU per acre. Parcels less than 0.25 acres are assigned a minimum of 1.00 EDU. In Zones 10, 11, 36 and 37 this land use is assessed at 5.00 EDU per acre. Parcels less than 0.20 acres are assigned a minimum of 1.00 EDU.

Developed Non-Residential. This land use is defined as property developed for non-residential use, including, but not limited to, commercial and industrial properties, offices, churches and not-for-profit institutions and private schools. This land use type is assessed at 5.00 EDU per gross acre. Parcels less than 0.20 acres are assigned a minimum of 1.00 EDU.

Developed Multiple Residential Units. This land use is defined as a fully subdivided residential parcel that has more than one residential unit developed on the property. This land use is assessed 1.00 EDU per unit for properties that the number of units can be identified. For properties that the number of units cannot be identified the property is assessed as Developed Commercial/Industrial property at 5.00 EDU per gross acre, but a minimum of 1.00 EDU.

Undeveloped, Public Property. This land use identifies properties that are exempt and are assigned 0.00 EDU. This land use classification may include, but is not limited to lots or parcels identified as:

- Public streets and other roadways (typically not assigned an APN by the County);
- Dedicated public easements such as utility right-of-ways, detention basins, channel ways, greenbelts, parkways, parks and open space areas;
- Privately owned property that cannot be developed or is associated with another property such as common areas, sliver parcels and bifurcated lots or properties that have little or no land value;

These types of parcels are considered to receive little or no benefit from the improvements and are therefore exempted from assessment. Government-owned properties commonly identified as non-taxable properties by the County Assessor's Office are not exempt from District assessments unless:

- The property has restricted development or limited land use potential and the improvements clearly provide no benefit to the property; or
- The property provides additional or substantially similar improvements being provided by the District (such is the case with parks, open space areas and common areas).

Developed Public Property. This land use is defined as developed property owned by a public agency such as the City or by utility companies. This land use type is assessed at 0.30 EDU per gross acre.

Developed Regional Commercial. This land use is defined as property that has been designated for regional commercial development (i.e. Shopping mall). This land use type is assessed at 0.36 EDU per gross acre.

Restricted/Special Land Use. This land use classification identifies properties that benefit from the improvements, but cannot be fairly categorized by one of the other land use designations. This land use classification may include, but is not limited to:

- Developed Commercial/Industrial properties that only a small portion of the parcel has been developed;
- Properties identified as planned residential subdivisions, but currently have development restrictions; or
- Vacant properties with development limitations or development plans that identify large portions of the property as open space areas, parklands or similar exempt land uses.

The following table shows the EDU factors assigned to each property type in the District:

Property Type	Factor	Basis
Single Family Residential – Subdivided Lot	1.00	Parcel
Planned Residential Subdivision	1.00	Planned Lot
Vacant, Undeveloped Private Property ⁽¹⁾	4.00	Acre
Vacant, Undeveloped Private Property (Zones 10, 11, 36 & 37) ⁽¹⁾	5.00	Acre
Developed, Non-Residential Property	5.00	Acre
Developed, Multi-Family Residential	1.00	Unit
Undeveloped, Public Property ⁽²⁾	0.00	Acre
Developed, Public Property ⁽³⁾	0.30	Acre
Developed, Regional Commercial ⁽⁴⁾	0.36	Acre

Notes

1. The Undeveloped Private property factor for Zones, 10, 11, 36 and 37 (5.00 EDU/Acre) reflects the more intense use of property within these Zones when the properties are developed as compared to property development in other Zones of the District, which are assigned a weighting factor of 4.00 EDU/Acre. It is important to note that the factors shown above are used to apportion the assessment within each specific Zone, not across the entire District and therefore this distinction is an appropriate reflection of these parcels' benefit compared to other property types within the respective Zones.
2. It has been determined that undeveloped public properties generally do not benefit from the improvements and services provided by the District and are not assessed. These types of properties generally include easements, detention basins, parks or properties that have little or no development potential and therefore receive no special benefits from the District improvements.
3. Developed Public properties typically receive comparatively less benefit from the improvements and services provided by the District, since the use and enhancement of these properties has little direct benefit from aesthetics of the local environment. The factor shown was originally established based on typical proportionate cost of service and hours of use for this land use type.

4. Regional Commercial properties have been assigned a reduced benefit because of their size and their more distant proximity to the District improvements. Additionally, due to the nature and hours of use, the benefit received by such properties from the improvements and services is substantially less than other developed properties. The factor shown was originally established based on a calculation of the proportionate cost of service, average floor area ratios, and hours of use.

Assessment Range Formula

The annual landscaping assessment shall be calculated for each parcel annually by multiplying each parcel's number of EDU's by the actual assessment rate for the specific fiscal year. The actual annual assessment rate levied in any fiscal year for the District may not exceed the maximum annual assessment rate for such fiscal year without receiving property owner approval for the increase. The actual assessment rate shall be as approved by the City Council, not to exceed the maximum annual assessment rate for such fiscal year, after a noticed public hearing has been conducted, as required by law.

In each year, starting in the first year after the consolidation of the District (2003-04), the maximum annual assessment rate for each Zone shall be increased in an amount equal to the lesser of: (1) three percent (3.0%), or (2) the annual percentage increase of the Local Consumer Price Index ("CPI") for All Urban Consumers, for the San Francisco-Oakland-Hayward Area.

Each fiscal year, the City shall identify the percentage difference between the CPI for June and the CPI for the previous June (or similar time period). This percentage difference shall then establish the range of increased assessments allowed based on CPI. Should the Bureau of Labor Statistics revise such index or discontinue the preparation of such index, the City shall use the revised index or comparable system as approved by the City Council for determining fluctuations in the cost of living.

The actual annual assessment rate and actual assessments levied in any fiscal year will be as approved by the City Council and may not exceed the maximum annual assessment rate for that fiscal year without property owner approval via a Proposition 218 compliant increase procedure.

The percentage difference for the CPI for the San Francisco-Oakland-Hayward Area June 2021 to June 2022 was 6.79%. The maximum assessment rates allowed for Fiscal Year 2023-24 therefore, have been adjusted by 3.00% over the prior year's maximum assessment rates.



PART V – ASSESSMENT DIAGRAM

The assessment diagrams for each Zone in the District are on file with the City's Office of the City Clerk and available for public inspection.

The lines and dimensions of each lot or parcel within each Zone are those lines and dimensions shown on the maps of the Assessor of the County of San Joaquin for the fiscal year to which this Report applies. The Assessor's maps and records are incorporated by reference herein and made part of this Report.

An overview map of the District showing the locations of each Zone is included herein as Appendix B.



PART VI – ASSESSMENT ROLL

The assessment set forth for each parcel is shown on the Assessment Roll for the District, submitted separately, as "Assessment Roll for the City of Tracy, Consolidated Landscape Maintenance District, Fiscal Year 2023-24", which exhibit is incorporated by reference herein as Appendix C under separate cover, and is on file in the Office of the City Clerk.



APPENDIX A – IMPROVEMENT AREAS BY ZONE

Zone 1 Sycamore subdivision on east side of Tracy Boulevard

Arterial Street Landscaping

Tracy Boulevard – Southeast corner of Tracy Boulevard and Central Avenue, north to 1688 S. Tracy Boulevard

Zone 2 Fairhaven subdivision on west side of Tracy Boulevard

Arterial Street Landscaping

S. Tracy Boulevard – West side, approximately 1,000 feet south of Valpico to Sycamore Parkway (Fairhaven subdivision)

Rockport Way – Median strip and side strips

Zone 3 Northwest section of Tracy, bordered by I-205 to the north, Byron Road to the south and O'Hare Drive to the east

Arterial Street Landscaping

Grant Line Road – North side from Corral Hollow Road to O'Hare Drive; south side from 1820 W. Grant Line Road, east to Lincoln Road; median island from Lincoln Road, west to Orchard Parkway; south side from Corral Hollow Road, west to Henley Parkway

Corral Hollow Road – West side from Grant Line Road, south to Byron Road; east side from Byron Road to approximately 150 feet north of Alegre; median island from Byron Road, north to Grant Line Road; east side from Grant Line Road, north to beginning of the channel way; median island on Corral Hollow Road, north of Grant Line Road to the Mall entrance

Kavanagh Avenue – South side from Corral Hollow Road, east to Golden Springs Drive



Lowell Avenue – Corral Hollow, west to Regency (both sides), north side from Henley Parkway heading west to the end of the sound wall; south side from Henley Parkway, west to Blandford Lane; median island from Corral Hollow Road, east to Lincoln Boulevard; south side from Corral Hollow Road, east to Promenade Circle; north side between the sound wall and curb, from Bridle Creek to Joe Pombo Parkway

Parkway; south side from east end of subdivision to the end of the soundwall/Joe Pombo Parkway; south side from Joe Pombo Parkway to Blandford Lane; south side from Promenade Circle, east to the end of the sound wall; northside from Henley Parkway, west to the end of the sound wall

Orchard Parkway – East side from Lowell Avenue to Grant Line Road; median island from Hillcrest, north to Joseph Damon Drive; west side from Lowell Avenue, north to approximately 500 feet north of Hillcrest, and from Joseph Damon Drive to Grant Line Road (to be weed free between curb and fence line); west side between curb and fence line, approximately 500 feet south of Joseph Damon Drive

Henley Parkway – East side between sound wall and curb, from Lowell Avenue to Bridle Creek Drive; west side from Lowell Avenue, north to the end of the sound wall (north of Giovanni)

Blandford Lane – East side from Lowell Avenue heading south to the end of the sound wall, including traffic circle at Lowell Avenue and Blandford Lane

Subdivision Landscaping

Arnaudo Village – Entryways at Lincoln Boulevard and Grant Line Road

Blossom Valley – Entryways at Travao Lane and Grant Line Road, including median-island

Foothill Ranch Estates – Entryway at Foothill Ranch Drive and Corral Hollow Road, including median-island

Woodfield Estates – Entryway at Fieldview, including north and south side sound wall and median strip along Fieldview; entryway at Promenade Circle, including west side of sound wall and median island

Sterling Estates – Alegre – north side and median-island

Pheasant Run – Entryways at Corral Hollow Road and Fieldview, including median-island; Annie Court adjacent to Fieldview, including south side of sound wall

Bridle Creek – Entryway at Lowell Avenue and Bridle Creek Circle, including median island on Bridle Creek Circle; entryway at Bridle Creek Circle and Joe Pombo Parkway

Entryways at Lowell Avenue and Oxford Way, including median-island on Oxford Way; entryway at Hampshire Lane, including median strip

Laurelbrook – Entryway at Laurelbrook Drive and Southbrook Lane, including median strip

Foothill Vista – Entryway at Hillcrest Drive between Orchard Parkway and Isabel Virginia

Countryside – Giovanni Lane, both sides, including median-island, from Henley Parkway, west to Rochester Street

Park Maintenance

Arnaudo Village – Slater Park on Suellen Drive

Buena Vista Estates – Kelly Park on Tammi Court

Foothill Ranch Estates – New Harmon Park on Hillcrest Drive

Laurelbrook – Dr. Ralph Allen Park at Veranda Court and Dorset Lane

Sterling Estates – Pombo Family Park on Joseph Damon Drive and Mary Alice Court

Park Atherton – Eagan Park on Oxford Lane and Lowell Avenue; Thrasher Park on Lowell Avenue and Joseph Menusa Lane; McCray Park on Fieldview Drive and Vivian Lane

Weed Abatement

Corral Hollow – Byron Road, north to Grant Line Road

Grant Line – North side from Corral Hollow Road heading west 500 feet from curb to 10 feet behind curb

Orchard Parkway – East side from Lowell Avenue to Hillcrest Drive curb to sidewalk; Orchard Parkway median island from Lowell Avenue to Grant Line Road



Pombo Parkway – East side from existing landscape, north to the end of the sound wall

Zone 4 Located in front of the Summergate Apartments on Grant Line Road

Weed Abatement

Grant Line Road – In front of apartment complex

Zone 5 Located south of East Grant Line Road and east of Esther Drive. No maintenance activity currently being performed

Zone 6 Located on the southwest corner of Clover Drive and North Tracy Boulevard. No maintenance activity currently being performed

Zone 7 Located within the boundaries of 11th Street to the south, Corral Hollow Road, the SPRR tracks to the south and Hickory Avenue on the east

Arterial Street Landscaping

Lauriana Lane – West side of Cypress Drive, south to Schulte Drive

Cypress Drive – North side from approximately 100 feet west of Hickory Avenue, west to Lauriana Lane; south side and median island from Lauriana Lane to Corral Hollow Road

Corral Hollow Road – East side approximately 300 feet north of Tennis Lane, south to the railroad tracks; east side, south from 11th Street to Cypress Drive (Safeway frontage only to include from face of curb to face of sidewalk); median strip from 11th Street, south to railroad tracks, south of Schulte Road; west side from Krohn Road, south to Cypress curb, to bike path

Schulte Road – From Corral Hollow Road heading east. The south side ends 1,000 feet before the railroad tracks. The north side ends at the railroad tracks and includes the median island

Subdivision Landscaping

Fox Hollow – Entryways at Tennis Lane and Lauriana Lane; entryways at Cypress Drive and Fox Hollow; entryways at Cypress Drive and Hunter's Trail; entryways at Tennis Lane and Corral Hollow Road, including median strip and two cul-de-sacs at Pheasant Run Court and Thomas Dehaven Court

Harvest Country West – Entryways at Raywood Lane, including median strip

Quail Meadows – Entryway at Golden Leaf Lane, including median strip; entryway at Quail Meadows, including median strip

Candlewood Estates – Entryway at Alden Glen Drive and Cypress Drive, including median strip

Corral Hollow Estates – Entryway at Lauriana Lane, both side, including median strip from Schulte Road, south approximately 92 feet

Park Maintenance

Fox Hollow – Kit Fox Park at Foxwood Court and Fox Hollow Way; Rippin Park at Tennis Lane and Firefly

Harvest Country West – Harvest Park at Birchwood Court and Fireside Lane

Candlewood Estates – Patzer Park at Alden Glen Drive and Meadowlark

Quail Meadows – Bailor-Hennan Park on Golden Leaf Lane

Weed Abatement

11th Street – Church frontage west of Alden Glen Drive, from face of curb to chain link fence

Schulte Road – from railroad tracks east of Lauriana Lane, heading west 1,000 feet to start of landscaping, 10 feet from the curb



Zone 8 Located within the boundaries of Corral Hollow Road on the west and 11th Street on the south

Arterial Street Landscaping

Belconte Drive – From 11th Street to Byron Road, east and west sides, including median-island

Redington Drive – Median-island, east and west of Belconte Drive

Byron Road – From Corral Hollow Road, west approximately 2,280 feet to the end of the subdivision sound wall

Corral Hollow Road – West side from Byron Road to 11th Street

Park Maintenance

Fabian – Fabian Park on Redington Drive

Zone 9 Located west of Tracy Boulevard from the UPRR spur line to Corral Hollow Road on the west, and to the south, Edgewood and Brookview West subdivisions

Arterial Street Landscaping

Tracy Boulevard – Circle B Ranch – west side from 245 feet north of Mt. Diablo Avenue, heading south past Schulte Road, approximately 650 feet to the end of the shopping center

Heritage subdivision – West side starting from approximately 200 feet north of Menay Drive, heading south to West Central Avenue

West side from Central Avenue heading south approximately 970 feet south of Valpico Road, next to the baseball field

West side from Sycamore Parkway heading south approximately 570 feet, to the end of the sound wall

Corral Hollow Road – From the railroad tracks south to Parkside drive, approximately 600 feet

Sycamore Parkway – West side and medians from Amberwood Lane south to Dove Lane; south of Central Avenue to Tracy Boulevard; west side, from Schulte Road, south to Amberwood Lane

Schulte Road – Median strip from Tracy Boulevard to railroad tracks; north side from Tracy Boulevard to Sycamore Parkway; south side from Tracy Boulevard to west end of shopping center; south side, from Sycamore Parkway, west to the end of the sound wall; south side from Sycamore Parkway, east to the shopping center

Valpico Road – Tracy Boulevard, both side, west to the City limits; median islands from Tracy Boulevard, west to the City limits

West Central Avenue – Median from Tracy Boulevard to Sycamore Parkway; north side from Tracy Boulevard, west to the end of Cedrus Drive

Subdivision Landscaping

Circle B Ranch – Entryways at Morris Phelps and Schulte Road; entryways at Mt. Diablo Avenue and Tracy Boulevard

Hearthstone – Entryways at Menay Drive and Tracy Boulevard; entryways at Amberwood Ln. and Sycamore Parkway cul-de-sac at Yorkshire Loop and Hampton Ct.

Regency Square – Entryways at Monument Drive, Tracy Boulevard and Sycamore Parkway; Monument Drive (north and south sides), including

Median islands at Monterey and Vintage Courts; cul-de-sac at southeast corner of Tahoe Court and northwest corner; cul-de-sacs at northeast and southwest corners of Tahoe Circle; court adjacent to Mt. Oso Mini Park on Henderson Court; court adjacent to Mt. Diablo Mini Park on Alpine Court

Muirfield – Entryway at Steinbeck; entryway at Petrig; cul-de-sac at Whitman Court; cul-de-sac at Longfellow Court; entryway at Dove Lane; median island on Chaplin, east and west of Sycamore Parkway; entry at Cagney; cul-de-sac at Shaw Creek; cul-de-sac at Williams Court; cul-de-sac at Bogart Court; cul-de-sac at Mansfield Court; cul-de-sac at Hepburn Court; entryway at Allegheny

Glen Creek – Entryway at Glen Creek Way

Greystone Station – Median-island at Windham; median-island at Sudley Drive

Harvest Glen – Entryway at Ray Harvey Drive; entryway at Meadow Lane; cul-de-sac at Cornucopia

Ironwood – Entryway at Monument Drive; walking path from Whitehaven Court, heading west to Mountain View Road; cul-de-sac at Newcastle Court; cul-de-sac at Clairmont Court; cul-de-sac at Hampton Court

Park Maintenance

Hearthstone – Valley Oak Park at Larkspur and Honeysuckle Court; Evelyn Costa Park at Claremont Drive and Whitehaven Court

Parkside Estates – Evans Park on Parkside Drive

Harvest Glen – Fitzpatrick Park on Savanna Drive; Albert Emhoff Park on Jonathon Place and Moonlight Way

Regency Square – Mt. Oso Park at Henderson Court; Mt. Diablo Park at Alpine Court

Muirfield – Golden Spike Park on Christy Court; Fred Icardi Park on Russell Street at Steinbeck Way; Westside Pioneer Park at Cagney Drive and Hepburn Street

Circle B – Sister Cities Park at Morris Phelps Drive and Saddleback Court

Greystone Station – John Kimball Park at Tom Fowler Drive and Sudley Drive

Sienna Park – Tracy Press Park at Schulte Road and Weeping Willow Lane

Zone 10 **Includes the MacArthur Drive area, bounded by I-205 to the north and 11th Street to the south**

Arterial Street Landscaping

MacArthur Drive – East side, from Pescadero Avenue south to 2020 MacArthur Drive (curb to sidewalk); west side from Grant Line Road to 11th Street, approximately 35 feet from curb; median strip from I-205 to 11th Street; west side from Pescadero Avenue, south to end of the California Esprit subdivision; east side from Pescadero Avenue, north 165 feet; west side from Pescadero to a private canal; North side of 11th Street at channelway

Pescadero Avenue – North side, from MacArthur Drive, east to the end of the Outlet Center, curb to sidewalk and median strip; adjacent to Yellow Freight, from redwood header to sidewalk; south side adjacent to Market Wholesale, from face of curb approximately 30 feet; south side adjacent to the California Esprit subdivision, from MacArthur Drive west to the end of the sound wall; south side from MacArthur Drive, east to McLane Food Services; north side starting at 3403 Bungalows Drive to MacArthur Drive

Grant Line Road – North side, MacArthur Drive, east to the City limits, including median strip; south side, east of channelway to Skylark (ground cover only)

Zone 11 **Located southwest at the corner of W. Eleventh Street and N. MacArthur Drive.**
In front of storage facility

Zone 12 **Located northwest of I-205 including the existing arterial landscaping along the right-of-way on Naglee Road and Grant Line Road**

Arterial Street Landscaping

Naglee Road – From Grant Line Road to Auto Plaza Drive, median and 5 foot strip between curb and sidewalk on the east side; west side from Pavilion Parkway to Robertson Drive, turf and curb strip only; Grant Line Road to Auto Plaza drive sidewalk on west side

Auto Plaza Drive – South side curb face to sidewalk, from Naglee Road, east to dead end

Robertson Drive – Both sides of the street curb face to sidewalk, from Naglee Road, west to Pavilion Parkway

Grant Line Road – South side from 2850 W. Grant Line Road, west to 3292 W. Grant Line Road; north side from west driveway of Chevron at 2615 W. Grant Line Road, west to the western edge of the property at 2785 W. Grant Line Road

Pavilion Parkway – Both sides of the street curb face to sidewalk, from Naglee Road to Power Road; median from Naglee Road, west to Power Road

Corral Hollow – Median from I-205 to Mall entrance; east side from I-205 to Mall entrance

Zone 13 Located southwest of I-205 with 11th Street bordering on the south, Lammers Road on the west and Byron Road on the north

Arterial Street Landscaping

Fabian Road – North side from the edge of the sound wall, east to Montgomery Lane, west to Lammers Road; both sides and median on Montgomery Lane from King Loop to Fabian Rd

Lammers Road – East side from Fabian Road, north to Feteira Way

Subdivision Landscaping

Westgate – Entryway at Westgate Drive, both sides, east to Antonio Loop; entryway from Feteira Way to Glazzy Lane, both sides, from Lammers Road, east to Glazzy Lane; median on Souza Way, from Thelma Loop to Antonio Loop

Park Maintenance

Souza Park South – On Antonio Loop between Souza Way and Ann Marie Way

Souza Park North – On Thelma Loop between Milton Jenson Court and Michael Drive

Zone 14 Bounded on the west by Lammers Road, on the east by Corral Hollow Road and on the south by Schulte Road and the railroad tracks

Arterial Street Landscaping

Corral Hollow Road – West side, 234 feet north of Tracey Jean Way, including the walking path between Corral Hollow Road and Tracey Jean Court

Subdivision Landscaping

Gabriel Estates – Entryway at Tracey Jean Way, including median strip

Park Maintenance

Joan Sparks Park – On Carol Ann Drive

Chandayne Kingsley Park – On Robert Gabriel Drive



Zone 15 Located in the southwest section of the City, bordered by Tracy Boulevard, Linne Road and Corral Hollow Road

Arterial Street Landscaping

Tracy Boulevard – West side, from approximately 700 feet north of Whispering Wind, south to the end of the sound wall

Whispering Wind – Both sides, including medians from Tracy Boulevard, west to English Oaks Lane

Applebrook Lane – Both sides, including median from Whispering Wind, south to approximately 75 feet

English Oak Lane – East side from Whispering Wind, north to approximately 80 feet

Windsong Drive – Both sides, including median from Tracy Boulevard, west to approximately 370 feet

Corral Hollow Road – East side from 75 feet north of Peony Drive, heading south to railroad tracks

Subdivision Landscaping

Edgewood VI – Entryway at Peony Drive, both sides, including median strip from Corral Hollow Road, east to Maison Court; entryway at Middlefield Drive, both sides, including median strip from Corral Hollow Road, east to Whispering Wind Drive

Park Maintenance

William Adams Park – On Edgewood Terrace Drive

Don Cose Park – On Whirlway Lane

Bill Schwartz Park – On Peony Drive

Zone 16 Bordered on the north by Byron Road, 11th Street on the south, Palomar Drive on the west and Mamie Anderson on the east

Subdivision Landscaping

Crossroads Drive – Crossroads Drive, east and west from 11th Street to Solomon Lane; Crossroads Drive from Solomon Drive to fence line of 2506 Spencer Lane



Park Maintenance

Dan Busch Park – On the northeast corner of Crossroads Drive and Tolbert Drive

Zone 17 Includes all areas east of Tracy Boulevard between the SPRR tracks on the north and 100 feet north of Deerwood Lane on the south

Arterial Street Landscaping

Tracy Boulevard – East side from Valpico Road, north to the end of the shopping center (on-site landscape contractor maintains the 5,150 sq. ft. of shrubs and 800 sq. ft. of turf); east side from Valpico Road, south to the end of the shopping center

Central Avenue – West side from Schulte Road, south to Ferdinand Street and the east side from Schulte Road, south to Deerwood Lane; west side from Schulte Road, north to Country Court, including ground cover in front of fence on Mt. Oso

Schulte Road – North side from Tracy Boulevard, east to the cemetery; medians from east of Tracy Boulevard to Gianelli Street; south side from Central Avenue to 300 feet east of Independence Drive

MacArthur Boulevard – West side from Krider Court, south to the north edge of the cemetery

Third Street – North side from Jaeger to Tudor

Leamon Street – South side of California Cameo Parkway from MacArthur Boulevard, west to Third Street and Jaeger Street

Mt. Diablo Avenue – South side (est. 1,000 sq. ft.) and median-island from MacArthur, west to Third Street

Valpico Boulevard – South side from Tracy Boulevard, east to end of landscaping; north side from Tracy Boulevard, east to end of landscaping (on-site landscape contractor maintains the 4,906 sq. ft. of shrubs)

Subdivision Landscaping

Meadow Glen – Entryways at Edenvale and Schulte Road; parkway from Cedar Mountain Drive to San Simeon Way

Victoria Park I – Entryways at Gianelli, including median, south side of Schulte Road; cul-de-sacs at Elizabeth Court, Henry Court and Edward Court

Victoria Park II (American Classics) – Cul-de-sacs at James Court and Mary Court

Victoria Park II (Traditions) – Cul-de-sacs at Elysan, Lavender and Primrose Courts, and entrance at Junior Harrington, north side to 100 feet east

California Collections – Entryways at MacArthur Drive and Wagtail Drive; cul-de-sac at Krider Court

California Renaissance – Entryway median at Third Street; entryway and median at Hotchkiss Street; cul-de-sac at Sir Lancelot

California Cameo – Entryway median at Leamon Street; cul-de-sac at Versailles Court; cul-de-sac at Czerny Street

Park Maintenance

Meadow Glen – Florence Stevens Park at Tassajero Court

Victoria Park – Sullivan Park on Victoria Street

California Collections – Huck Park on Wagtail Drive

Zone 18 **Bounded on the north by Valpico Road, on the east by MacArthur Drive and on the south by Linne Road**

Arterial Street Landscaping

Valpico Road (Glenbriar Estates) – South side from MacArthur Drive, west to the end of the sound wall; south side from Pebblebrook Drive, west to the end of the sound wall, approximately 600 feet (Pebblebrook Estates)

MacArthur Drive (Glenbriar Estates) – West side from Valpico Road, south to the end of the landscaping, approximately 290 south of Fair Oaks Road; west side from Glenbrook Drive, south 237 feet to end of landscape; north 220 feet to the end of the landscaping



Subdivision Landscaping

Glenbriar Estates – Glenbriar Drive from Valpico Road, south to Glenbriar Circle, both sides and median

Pebblebrook Estates – Entryway at Pebblebrook Drive, including median; cul-de-sac at Pebblebrook Court

Zone 19 **Located north of the UPRR tracks, south of Valpico Road, east of Tracy Boulevard and west of Glenbriar Estates**

Arterial Street Landscaping

Tracy Boulevard – East side including median from Valpico Road, south to UPRR tracks, Whispering Winds, Regency and Brookview,

Park Maintenance

William Kendal Lowes Park

Subdivision Landscaping

Regis Drive – West side from Whispering Wind Drive, south to Dietrick Avenue; from Regis Drive, east to 418 feet east of Reids Way; from Whispering Wind Drive, north to Arezzo Way, then east on Arezzo Way to Escatta Avenue

Brookview Drive – From Perennial Place, east to Glenhaven Drive, north side; from Regis Drive, east to Glenhaven Drive, south side

Zone 20 **(Larkspur Estates) located generally south of Montclair Lane, west of MacArthur Drive, and north of Valpico Road**

Arterial Street Landscaping

MacArthur Boulevard – West side from DeBord Drive, north 415 feet to the end of the sound wall, and south from DeBord Drive 213 feet to the end of the sound wall; median on DeBord Drive

Park Maintenance

Stalsberg Drive – Clyde Abbot Park located on the south dead end of Stalsberg Drive



Zone 21 (Huntington Park) located generally between Byron Road, south to Fabian Road and Gentry Lane, east to Jones Lane

Subdivision Landscaping

Huntington Park – Entryway on Montgomery Lane, both sides from Fabian Road, north to King Loop, including median; entryway on Lankershire Drive, both sides from Byron Road, south to Kensington Court, including median; cul-de-sac on Kensington Court; Byron Road south side from Lankershire Drive, west 243 feet to the end of the sound wall, and east from Lankershire Drive 554 feet to the end of the sound wall; entryway at Byron Road, 100 feet to Ogden Sannazor, east and west side of the pathway

Mini-Park Maintenance

Richard Hastie Park – located on Huntington Park Drive

Zone 22 Generally located between Corral Hollow Road, east to Egret Drive, and from Persimmon Way, south to Starflower Drive on the western half and Dove Drive on the eastern half

Arterial Street Landscaping

Corral Hollow Road – East side from Starflower Drive, north to the end of the sound wall of the sound wall

Subdivision Landscaping

Parkview (Muirfield 7) – North side of Persimmon Way along the sound wall from Geranium, west to Corral Hollow Road; west side of Lotus Way, along sound wall from Starflower Drive, north to Petunia; north side of Starflower along sound wall from Corral Hollow Road, east to Lotus Way, including median

Zone 23 Starflower Drive south to canal between Corral Hollow Road, Monroe Street and Gretchen Talley Park

Arterial Street Landscaping

Corral Hollow Road – From Starflower Drive, south to Kagehiro Drive; east side of Corral Hollow, Kagehiro Drive to Lotus Way



Starflower Drive – From Corral Hollow Rd south side to Lotus way

Kagehiro Drive – From Corral Hollow Road, east to Lotus Way

Zone 24 (Eastlake) - Located south of 26102 S. MacArthur Drive, north of Valpico Road and east of MacArthur Drive

Park Maintenance Only

Tiago Park – Located on Eastlake Circle between Crater Place and McKenna Court

Zone 25 Located north of Brichetto Road and Schulte Road, east of Zone 32. No maintenance activity currently being performed

Zone 26 Located generally west of Corral Hollow Road, east of Lammers Road, north of Zone 14 and south of W. 11th Street

Arterial Street Landscaping

Corral Hollow Road – 60 feet north of Cypress Drive to the end of the sound wall, south approximately 240 feet; north side, 31 feet north of Cypress Drive

Sterling Park II – From San Marcos subdivision at Tennis Lane, 290 feet north to the Sterling Park subdivision; Tennis Lane, west of Corral Hollow Road center median and south side

Krohn Road – South side from Corral Hollow Road, west to end of landscaping

Subdivision Landscaping

Sterling Park – Cypress Drive, north and south side, including median; Banff, east and west side, including median

San Marcos – Schulte, north and south side, including median; Babcock entryway and median; Cabana entryway and median; Schulte Road, north 922 feet to Tennis Lane; Schulte Road, south to Golden Leaf Lane; Nabor Court

Park Maintenance

Verner Harrison – Located at Jill Drive and Brittany



Marlow Brothers – Located at Adaire Lane and Golden Leaf Lane

John Erb Park – located Barcelona Drive and Cypress Drive

Zone 27 Located generally west of Zone 26, south of Zone 28, north of Zones 25 and 14, approximately one mile east of Lammers Road

Arterial Street Landscaping

South Gate – Schulte Road, east from Mabel Josephine to the end of the landscaping

South Gate – Mabel Josephine, south from Schulte Road to Patrick McCaffrey Drive

South Gate – Schulte Road median, east from Mabel Josephine to Barcelona

Zone 28 Located generally south of W. 11th Street, west of Zone 26, north of Zone 27 and east of Lammers Road

Subdivision Landscaping

Crossroads Drive – From 11th Street, heading south on west side of the dead end of Crossroads Drive, curb to sound wall (curb to mow strip in front of Sports Complex); from 11th Street, heading south on the east side of the dead end of Crossroads Drive; median from 11th Street, heading south to the end of Crossroads Drive; Cranston Court; Wyman Court; Bennet Court; Marshall Court

Jefferson Parkway – 11th Street, heading south to Safford Lane; median from 11th Street, heading south to Safford Lane; east side from 11th Street to end of Sports Complex

Zone 29 Located generally south of Schulte Road, north of Valpico Road, west of Chrisman Road and east of Zone 24

Arterial Street Landscaping

Valpico Road – North side of Valpico Road from Chrisman Road, heading west 1,018 feet to the end of the sound wall; north side from Elissagaray Drive, heading west 145 feet; north side starting 440 feet west of



Elissagaray Drive at sound wall, heading 238 feet west to the end of the sound wall

Chrisman Road – West side of Valpico Road, heading north 960 feet past Elissagaray Drive

Subdivision Landscaping

Elissagaray Drive – East side from Valpico Road to Rodger Drive; east side from Rodger Drive, heading northeast to Chrisman Road, including Amatchi Drive entrances, east and west; west side from Rodger Drive, heading north to Dominique Drive; north side from Aldacourrou Street, heading east to Chrisman Road

Dominique Drive – South side from Elissagaray Drive, heading west 525 feet past Basque Drive

Mount Pellier Street – West side from 125 feet south of Montauban Street, heading south 225 feet to the end of the fence at 2203 Mt. Pellier Street

Subdivision Court Landscaping

Baigorry Court – East side from 130 feet south of Rodger Drive, starting at the sound wall 210 feet to the end of the sound wall

Park Maintenance

Robert Kellogg Park – Located on Elissagaray Street

Zone 30 Yosemite Vista Housing Development located on S. MacArthur Drive

Arterial Street Landscaping

S. MacArthur Drive – From Yosemite Drive, heading north to the end of the sound wall; from Yosemite Drive, heading south to Jesse J. Martinez Drive; from Jesse J. Martinez Drive, heading south to the end of the landscaping

Yosemite Drive – Median-island from S. MacArthur Drive, east approximately 100 feet



Park Maintenance

Sentinel Drive – Jim Raymond Park

Zone 31 Tracy Mini Storage

Arterial Street Landscaping

Tracy Boulevard – East of Tracy Boulevard, west of Zone 28 and south of Valpico Road

Zone 32 Located north of Schulte Road, east of Lammers Road. No maintenance activity currently being performed

Zone 33 Generally located south of I-205, north of the SPRR tracks and east of Chrisman Road

Arterial Street Landscaping

Grant Line Road – From Best Buy warehouse, east to Skylark Way

Zone 34 The triangle area located south of the SPRR tracks, north of W. 11th Street and east of Corral Hollow Road

Arterial Street Landscaping

Corral Hollow Road – East side from 11th Street, north to railroad tracks at Byron Road

11th Street – From railroad tracks east of Alden Glen, heading west to Corral Hollow Road, north side from sidewalk to mow strip

Zone 35 East side of Tracy Boulevard between Centre Court and Tennis Lane

Arterial Street Landscaping

Tracy Boulevard – East side from BSC, heading south 375 feet past Tennis Lane

11th Street – From railroad tracks east of Alden Glen, heading west to Corral Hollow Road, north side from sidewalk to mow strip



Subdivision Landscaping

Ryland Junction – Entryway at Tracy Boulevard and Tennis Lane, including median; entryway at Tracy Boulevard and Centre Court, including median; Rockingham Court cul-de-sacs

Park Maintenance

Fisher Park – Located on Tracy Boulevard between Tennis Lane and Centre Court

Zone 36 El Pescadero at Grant Line Road

Arterial Street Landscaping

El Pescadero Park – South of El Pescadero Park, north of Grant Line Road and east of Buthmann

Zone 37 Forrest Greens

Arterial Street Landscaping

Acacia Street – North side of Acacia Street between East Street and MacArthur Drive

Zone 38 This Zone is split into four different areas within the District (Funded by City's General Fund, and not assessment revenue)

Zone A

Arterial Street Landscaping

11th Street – North side of 11th Street from Belconte Drive, west to Lammers Road; north side of 11th Street from Corral Hollow Road, west to Belconte Drive, from curb to sidewalk; north side of 11th Street from rail road tracks east of Alden Glen Drive, west to Corral Hollow Road, from curb to sidewalk; south side of 11th Street from Corral Hollow Road, west to the end of the landscaping west of Jefferson Drive, curb to sidewalk; south side of 11th Street from railroad tracks east of Alden Glen Drive, west to Corral Hollow Road, curb to sidewalk; median on 11th Street from rail road tracks east of Alden Glen Drive, heading west to Lammers Road; Lammers Road – westside, median and eastside from 11th Street to end of Kimball High School; on eastside from curb to fence.



Grant Line Road – South side of Grant Line Road from 1820 W. Grant Line Road, east to Lincoln Boulevard; Corral Hollow Road, west side from Grant Line Road, north to I-205

Tracy Transit Station – Plaza area in the middle of 6th Street from Central Avenue to D Street; traffic circle at the intersection of 6th Street and Central Avenue; traffic circle at the intersection of 6th Street and D Street; all on-site landscaping around the transit building and parking lot

Zone B

Valpico Town Center – North side of Valpico Road from Glenbriar Drive heading east to MacArthur Drive.

Zone 40 Located at the northwest corner of Valpico Road and MacArthur

Arterial Street Landscaping

Rite-Aid – North side of Valpico Road from MacArthur Drive, heading west 370 feet to second driveway; west side of MacArthur Drive from Valpico Road, heading north 135 feet

Zone 41 Located at east side of Corral Hollow Road, north of Tennis Lane and south of Cypress Drive

Arterial Street Landscaping

Corral Hollow Road – east side of Corral Hollow Road fronting 350 N. Corral Hollow Road, starting from 285 feet north of Cypress Drive, heading north 375 feet to the end of the landscaping

Zone 42 Located at south side of W. Grant Line Road, north of Byron Road and west of S. Lammers Road

Arterial Street Landscaping

Grant Line – Center median and south side from east to west of complex

Zone 43 **Located east of MacArthur Drive and north of Valpico Road**

Arterial Street Landscaping

Tract 3290 (Ventana) – Ongoing maintenance, servicing and operation of the landscaping improvements within the public right-of-ways, to be installed in connection with this development

Channel Way with Arterial Landscaping

Located in Zone 1

Central Avenue – From Silkwood Lane, west to Tracy Boulevard (channel way in front of the Sycamore Village apartments); Central Avenue channel along the eastern side of the Sycamore Village apartments

Transit Corridor – Bike path to face of curb; from Silkwood lane west to Tracy Blvd in front of the Sycamore Apartments

Located in Zone 3

Grant Line Road – East side from Grant Line Road to the I-205 freeway right-of-way, approximately 1,600 linear feet; east side from Grant Line Road, north to I-205 (no mow), weed down as needed

Orchard Parkway – West side of Orchard Parkway from Lowell Avenue to Grant Line Road

Vivian Lane/Rita Way – From south end of Vivian Lane, heading north past Rita Way to Lowell Avenue

Lowell Avenue – North side of Lowell Avenue to Orchard Parkway

Transit Corridor (bike path to face of curb) – East side of Corral Hollow Road from Grant Line Road to I-205; Orchard Parkway shrubs; Orchard Parkway, west side from Lowell Avenue to Grant Line Road; Vivian Lane/Rita Way from rail road tracks, south of Vivian Lane, north to Lowell Avenue; north side of Lowell Avenue, west to Orchard Parkway

Located in Zone 7

From edge of property to bike path – North side of Cypress Drive from Corral Hollow Road to Lauriana lane; east side of Lauriana Lane from Cypress Drive to Schulte Road; north side of Schulte Road from Lauriana Lane, east to the rail road tracks

Transit Corridor (bike path to face of curb) – Starting at the rail road tracks on Schulte Road west of Sycamore Parkway, heading west to Lauriana Lane, then on Lauriana, then west on Cypress Drive to Corral Hollow Road

Located in Zone 9

From edge of property to bike path – North side of Schulte Road channel way from railroad tracks to Sycamore Parkway; east side of Sycamore Parkway from Schulte Road, south to Windham Drive; south side of Central Avenue from Tracy Boulevard to Sycamore Parkway; east side of Windham Drive, south from Sycamore Parkway to Cherry Blossom

Transit Corridor (bike path to face of curb) – From Cherry Blossom, north to Sycamore Parkway on the east side, north to Schulte Road then west to rail road tracks; Central Avenue from Tracy Boulevard, west to Sycamore Parkway; north side of Schulte Road from Sycamore Parkway, west to Lauriana Lane

Located in Zone 10

MacArthur Drive – Landscaped channel way, east side from 11th Street overpass, north to driveway at 2020 MacArthur Drive-edge of property to bike path; non-landscaped channel area, east side from driveway at 2020 MacArthur Drive to Grant Line Road, north to Pescadero Road; I-205, west to rail road tracks west of MacArthur

Pescadero Avenue – Starting from the east driveway of the Outlet Mall, heading east 835 feet to the curve, then heading north 975 feet to the curve, then west 2,080 feet, ending at MacArthur Drive; starting from the south side of Pescadero Avenue from the east driveway of the Outlet Mall, heading south 2,550 feet to Grant Line Road; starting on the eastern edge of the property at 800 Grant Line Road, heading south 485 feet, then picking back up on the south side of the rail road tracks and heading south 950 feet to MacArthur Drive (Channel way is approximately 50 feet wide)

Transit Corridor (bike path to face of curb) – East side of MacArthur Drive from the 11th Street overpass, north to 1820 MacArthur Drive

Located in Zone 12

Naglee Detention Basin – Around fence line to bottom of the berm; entrance on Naglee Road, northwest side of Auto Plaza Drive

Park and Ride Lot – Transit corridor Park & Ride



Located in Zone 26

From edge of property to bike path – West side of Corral Hollow Road from Cypress Drive, north to Krohn Road; end of channel way from Krohn Road, 300 feet west to DB-V Detention Basin;

Placentia Fields Channel Way (General Fund Channel Way) – North of Cypress Drive towards 11th Street, then east to the end of the channel way

Transit Corridor (bike path to face of curb) – West side of Corral Hollow Road from Cypress Drive, north to Krohn Road



APPENDIX C – ASSESSMENT ROLL

The assessment set forth for each parcel is shown on the Assessment Roll for the District, submitted separately, as "Assessment Roll for the City of Tracy, Consolidated Landscape Maintenance District, Fiscal Year 2023-24", which exhibit is incorporated by reference herein as Appendix C under separate cover, and is on file in the Office of the City Clerk.

The Assessment Roll lists all parcels within the boundaries of the District as shown on the Assessment Diagram, Part D herein, and on the last equalized roll of the Assessor of the County of San Joaquin, which is by reference made part of this report.

A list of names and addresses of the owners of all parcels within this District is shown on the last equalized Property Tax Roll of the Assessor of the County of San Joaquin, which by reference is hereby made a part of this report. This list is keyed to the Assessor's Parcel Numbers as shown on the Assessment Roll on file in the office of the City Clerk of the City of Tracy.

TRACY CITY COUNCIL

RESOLUTION NO. _____

Initiating proceedings for the annual levy of assessments and approving the preliminary Engineer's Report for the Tracy Consolidated Landscape Maintenance District pursuant to the provisions of the Landscape and Lighting Act of 1972 for Fiscal Year 2023/2024

WHEREAS, the City Council of the City of Tracy previously formed a special maintenance district, the Tracy Consolidated Landscape Maintenance District ("District"), pursuant to the terms of the Landscaping and Lighting Act of 1972, codified in Division 15, Part 2 of the California Streets and Highways Code ("Act"); and

WHEREAS, the City Council, pursuant to provisions of the Act, proposes to initiate proceedings for the annual levy and collection of assessments against lots and parcels of land within the various Zones of the District for Fiscal Year 2023/2024 to pay costs associated with the maintenance, servicing, and operation of the improvements related thereto; and

WHEREAS, the City Council has retained Harris & Associates ("Harris") for the purpose of assisting with the annual levy of the District and to prepare and file with the City Clerk the preliminary Annual Engineers Report ("Report") for the District in accordance with the Act; and

WHEREAS, the improvements within the District may include, but are not limited to, the maintenance, operation and incidental expenses related to: street trees; turf; ground cover and shrubs; irrigation and electrical systems; monuments; fountains; hardscape improvements; masonry walls and other fencing; and all necessary appurtenances and services connected with the landscaped channel-ways, medians, parkways, entryways, parks and public easements and facilities designated and maintained as part of the District improvements. The Report shall provide a more detailed description of the improvements and services provided by the District; and

WHEREAS, the City Council has examined and reviewed the Report as presented by Harris. The City Council is preliminarily satisfied with the description of the District, the Zones, and improvements identified therein; and each of the budget items and documents as set forth therein. The City Council is also satisfied that the proposed assessments have been spread proportionately across the Zones in accordance with the special benefit each property receives from the improvements, operation, maintenance, and services to be performed, as set forth in the Report or as modified by City Council action and incorporated herein.

NOW, THEREFORE, be it resolved as follows:

RESOLVED: That the above recitals are true and correct; and be it,

FURTHER RESOLVED: That the Report, as presented, is hereby approved pursuant to California Streets and Highways Code Section 22623. The Report shall be filed in the Office of the City Clerk as a permanent record and to remain open to public inspection; and be it

FURTHER RESOLVED: That this resolution takes effect immediately upon its adoption.

* * * * *

The foregoing Resolution 2023-_____ was adopted by the Tracy City Council on June 6, 2023, by the following vote:

AYES:	COUNCIL MEMBERS:
NOES:	COUNCIL MEMBERS:
ABSENT:	COUNCIL MEMBERS:
ABSTENTION:	COUNCIL MEMBERS:

NANCY D. YOUNG
Mayor of the City of Tracy, California

ATTEST: _____
ADRIANNE RICHARDSON
City Clerk and Clerk of the Council of the
City of Tracy, California

TRACY CITY COUNCIL

RESOLUTION NO. _____

Declaring the City of Tracy's intention to levy annual assessments for the Tracy Consolidated Landscape Maintenance District for Fiscal Year 2023/2024 and setting a public hearing on June 20, 2023, at 7 p.m. to consider the same in accordance with the Landscape and Lighting Act of 1972

WHEREAS, the City Council, pursuant to provisions of the Landscaping and Lighting Act of 1972, codified in Division 15, Part 2 of the California Streets and Highways Code ("Act"), did by previous Resolution, initiate proceedings for the levy and collection of assessments against lots and parcels within the Tracy Consolidated Landscape Maintenance District ("District") for Fiscal Year 2023/2024; and

WHEREAS, Harris & Associates ("Assessment Engineer") has prepared the preliminary District Engineer's Report ("Report") for Fiscal Year 2023/2024. The Report has been reviewed by and presented to City Council pursuant to Streets and Highways Code Section 22623. By Resolution _____, City Council approved the Report and ordered it to be filed with the City Clerk. The Report is incorporated herein by reference; and

WHEREAS, there are forty-one (41) Zones in the District; and

WHEREAS, the District improvements and services in the Zones include, but are not limited to, the maintenance, operation and incidental expenses related to: street trees; turf; ground cover and shrubs; irrigation and electrical systems; monuments; fountains; hardscape improvements; masonry walls and other fencing, and all necessary appurtenances and services connected with the landscaped channel-ways, medians, parkways, entryways, parks and public easements and facilities designated and maintained as part of the District improvements (the "Improvements"). No substantial changes in the Improvements or services are proposed for Fiscal Year 2023/2024 other than to service levels as they correspond to each Zone's funding availability or for the addition of planned improvement areas that were anticipated as part of ongoing development within specific zones. The Report provides a detailed description of Improvements for Zones 1 through 37 and Zones 40 through 43 and the proposed assessments upon lots and parcels of land within the said District and Zones; and

WHEREAS, the proposed District assessments for Fiscal Year 2023/2024 are apportioned according to the rates and method identified in the Report and do not exceed the maximum assessments previously authorized by the City Council and approved by property owners through protest ballot proceedings conducted in accordance with the provisions of the California Constitution Article XIID; and

WHEREAS, the proposed District assessments for Fiscal Year 2023/2024 are not new or increased assessments pursuant to Government Code Section 54954.6, and be it

NOW, THEREFORE, be it resolved as follows:

RESOLVED: That the above recitals are true and correct; and be it

FURTHER RESOLVED: That the City Council, pursuant to Streets and Highways Code Section 22624, hereby declares its intention to order the Improvements and to levy and collect assessments, as further discussed in the Report, against lots and parcels of land within the District for Fiscal Year 2023/2024 to pay the costs and expenses relating to such improvements that provide special benefits to said properties; and be it

FURTHER RESOLVED: The City Council finds that the Improvements and the levy and collection of the assessments related thereto are in the best interest of the property owners within the District; and be it

FURTHER RESOLVED: That the City Council hereby declares its intention to conduct a Public Hearing concerning the District, the Improvements, and the levy of assessments for Fiscal Year 2023/2024 relating thereto. In accordance with Streets and Highways Code Sections 22624(e) and 22625, notice is hereby given that on **Tuesday, June 20, 2023**, at 7 p.m., or as soon thereafter as feasible, the City Council will hold a Public Hearing to discuss the District, the Improvements, and the levy of assessments for Fiscal Year 2023/2024 relating thereto. The Public Hearing will be held in the City Council chambers, located at 333 Civic Center Plaza, Tracy, CA at the time so fixed. At the Public Hearing, all interested persons shall be afforded the opportunity to hear and be heard, and be it

FURTHER RESOLVED: That the City shall give notice of the time and place of the above-described Public Hearing to all property owners within the District by causing the publishing of this Resolution once in the local newspaper not less than ten (10) days before the date of the Public Hearing, and by posting a copy of this resolution on the official bulletin board customarily used by the City Council for the posting of notices, pursuant to Sections 22552, 22553, 22554 and 22626 of the Act. For Fiscal Year 2023/2024 no new or increased assessments are proposed and a mailing of a notice and ballot to the property owners is not required, and be it

FURTHER RESOLVED: That the City Clerk is hereby authorized and directed to give notice of such Public Hearing as provided by law.

* * * * *

The foregoing Resolution 2023-_____ was adopted by the Tracy City Council on June 6, 2023, by the following vote:

AYES: COUNCIL MEMBERS:
NOES: COUNCIL MEMBERS:
ABSENT: COUNCIL MEMBERS:
ABSTENTION: COUNCIL MEMBERS:

NANCY D. YOUNG
Mayor of the City of Tracy, California

ATTEST: _____
ADRIANNE RICHARDSON
City Clerk and Clerk of the Council of the
City of Tracy, California

Agenda Item 1.H

RECOMMENDATION

Staff recommends that the City Council waive the second reading and adopt an ordinance of the City of Tracy:

- 1) Amending Tracy Municipal Code Sections: (A) 6.36.040 to add clarifying language; (B) 6.36.080 to further toll the expiration date of the commercial cannabis business permits that are expiring on June 21, 2023, to March 3, 2024; and (C) 6.36.100 to modify the cannabis business permit renewal requirements; and**
- 2) Determining that the Project is categorically exempt from the California Environmental Quality Act (CEQA), pursuant to CEQA Guidelines Section 15061(B)(3).**

EXECUTIVE SUMMARY

Chapter 6.36 of the Tracy Municipal Code (TMC) establishes regulations for commercial cannabis activities in the City of Tracy (Cannabis Program). Pursuant to this Chapter, applicants must obtain a Cannabis Business Permit, after completing a fingerprinting and background security clearance process along with other application requirements. Council met on May 2 and May 16, 2023, and discussed four proposed revisions to Chapter 6.36 of the TMC. On May 16th, City Council discussed the four proposed amendments and ultimately voted to adopt three of the four as summarized below. This staff report and the attached Ordinance represents the approved proposal.

The revised Ordinance amends:

- 1) TMC Section 6.36.040 to clarify language within the code related to the number of allowable storefront retailers; and
- 2) TMC Section 6.36.080 to toll the expiration of the three existing Cannabis Business Permits (Permits) expiring on June 21, 2023 to March 3, 2024 to provide adequate time to establish and become operable prior to expiration of the Permits; and
- 3) Modifies the permit renewal process outlined in TMC Section 6.36.100.

The proposed ordinance was introduced at the regular meeting of the Tracy City Council on May 16, 2023.

BACKGROUND AND LEGISLATIVE HISTORY

California allows local governments to regulate commercial cannabis activities in their respective jurisdictions. On December 3, 2019, the City Council adopted Ordinance 1277 (codified as Tracy Municipal Code (TMC) Chapter 6.36), establishing permitting regulations for commercial cannabis activity in the City of Tracy (City), which regulations require applicants to obtain a Cannabis Business Permit. In addition, the City Council adopted Ordinance 1278 (codified as TMC Section 10.08.3196), in order to establish a retail site (dispensary) in the City. Various portions of Chapter 6 have been amended by Council over time, including the number of allowable dispensaries, and tolling of the life of cannabis business permits.

ANALYSIS

On May 16th, 2023, City Council introduced an ordinance to amend the following three

sections as discussed below. A fourth item for amendment regarding ownership information and background checks (Sections 6.36.012) was introduced with the proposed ordinance but removed by Council after discussion and not adopted as a part of this amendment. The sections described below were included in the ordinance introduced May 16, 2023.

Clarifying Language Regarding Number of Retail Dispensary Permits

Through the various City Council actions, the City Council approved a total of 11 retail dispensary Permits. At the same time, through Section 6.36.040, the City Council set a maximum threshold of one (1) such dispensary Permit per every 10,000, individuals living within the City. To avoid confusion, staff proposes to add a clarifying clause to the introduction of that section to note that the threshold does not apply to any Permits issued prior to April 2022 (by which date, all of the initial 11 Permits had been issued). The proposed ordinance language is as follows:

Amendment of Section 6.36.040. Section 6.36.040, Maximum Number and Type of Authorized Commercial Cannabis Businesses Permitted, is amended to read as follows (with additions underlined, and deletions in ~~striketrough~~):

(b) Subsequent to the issuance of any permits occurring prior to April 2022, a maximum of one retailer – storefront (dispensary) permit may be issued for every 10,000 individuals living within the City of Tracy. For the purposes of this subsection, the total population of the City shall be determined by the most current published total available from the U.S. Census Bureau or the California State Department of Finance, whichever has been more recently updated, as of the date the cannabis business permit is issued. No new permit may be issued to authorize a retailer – storefront (dispensary) use if the number of such permits already issued equals or exceeds the total number authorized pursuant to this subsection.

Tolling the Expiration of Cannabis Business Permits

Under TMC Section 6.36.080, each Cannabis Business Permit issued expires 12 months after the date of issuance. The City Council extended the expiration date for each Cannabis Business Permit by 12 months on July 5, 2022, by Ordinance 1328, to ensure the ability to comply with ordinance requirements including background check requirements.

Three Cannabis Business Permits are set to expire on June 21, 2023. Prior to operating a cannabis business, the TMC requires applicants to complete a background check (TMC Section 6.36.050). The proposed Ordinance will facilitate Permit holders to have additional time to establish and become operable prior to the expiration of the Permits.

The first four provisional Cannabis Business Permits were issued June 21, 2021, with an initial expiration date of June 20, 2022, which was tolled via Ordinance 1328 to June 21, 2023. The next 13 were issued March 3, 2022, with an expiration date of March 2, 2023, which was tolled via Ordinance 1328 to March 3, 2024. In order to assist the current Permit holders in their ability to establish and become operable prior to expiration of the Permits, this Ordinance proposes amending Section 6.36.080, Expiration of Cannabis Business Permits, to toll the expiration of the original Permits to March 3, 2024. This would cause all of the current cohort of

provisional Cannabis Business Permit holders to have the same expiration date of March 3, 2024.

Below is the proposed Ordinance language pertaining to tolling showing changes in underline (new language) and ~~strikethrough~~ (deleted language).

Section 6.36.080 Expiration of Cannabis Business Permits

Each Cannabis Business Permit issued pursuant to this chapter shall expire twelve (12) months after the date of its issuance, except that the expiration date of any cannabis business permit issued prior to May 2022 shall be tolled for an additional twelve (12) months from the date of issuance of any such permit, and further toll cannabis business permits that are expiring on June 21, 2023, to March 3, 2024. Cannabis business permits may be renewed as provided in section 6.36.100.

Modifying the Cannabis Business Permit Renewal Requirements

On December 3, 2019, City Council adopted Ordinance 1277 to create Chapter 6.36 of the TMC, establishing local regulations for commercial cannabis activity in Tracy. Amendments to Chapter 6.36 have been made on June 2, 2020, July 7, 2020, October 19, 2021, and June 7, 2022.

Chapter 6.36 provides that Cannabis Business Permits expire 12 months after issuance (which, as noted above, has been tolled by an additional 12 months and staff proposes to toll for an additional 6 months). An application for renewal of the Permit could be made per the Ordinance to the City prior to expiration with the caveat that the business was established and operational prior to expiration date, had been awarded a Conditional Use Permit (CUP) by the Planning Commission under Chapter 10.08.3196 of the TMC and had met other applicable conditions of approval.

Section 6.36.100 of the TMC sets forth renewal requirements for Permits, which are intended as a mechanism to annually ensure cannabis businesses are in good standing with local regulations. Section 6.36.100(b) indicates that Permit holders must provide the same information as existing applicants. As such, staff proposes that specified key provisions of the original application process be required for the renewal process. These key provisions include information about the Permit holder, ownership structure, insurance compliance and standing with the State licensing. New background checks and fingerprinting would be required as well. The remainder of the provisions of the renewal requirements as well as the City's authority to withhold a renewal would not change with this Ordinance.

Below is the proposed Ordinance language pertaining to renewals showing changes in underline (new language) and ~~strikethrough~~ (deleted language).

6.36.100 Renewal Applications.

- (a) An application for renewal of a cannabis business permit shall be filed at least 60 calendar days prior to the expiration date of the current permit.
- (b) ~~The renewal application shall contain all the information required under this chapter and the procedures established by City Council resolution.~~ The renewal

- application shall provide the information required under Sections 6.36.050(a)(i) and (ii)(D)-(F), updated from any prior information provided to the City.
- (b) The applicant shall pay a fee in an amount set by the City Council to cover the costs of processing the renewal permit application, together with any costs incurred by the City to administer the program created under this chapter.
 - (c) An application for renewal of a cannabis business permit shall be denied if any of the following exists:
 - i. One or more of the circumstances upon which a cannabis business permit could be denied, as described in Section 6.36.070, exists or has occurred.
 - ii. The application is filed less than 60 days before its expiration.
 - iii. The cannabis business permit is suspended or revoked at the time of the application.
 - iv. The cannabis business has not been in regular and continuous operation in the four (4) months prior to the renewal application, unless the applicant has been granted a conditional use permit and is diligently pursuing either a discretionary permit or building permit, or is in construction.
 - v. The permittee fails to or is unable to renew its State License.
 - (e)(d) The Police Chief or designee(s) is authorized to make all decisions concerning the issuance of a renewal permit. In making the decision, the Police Chief or designee(s) is authorized to impose additional conditions to a renewal permit, if it is determined to be necessary to ensure compliance with state or local laws and regulations or to preserve the public health, safety or welfare. Appeals from the decision of the Police Chief or designee(s) shall be directed to the City Manager and shall be handled pursuant to Chapter 1.12.
 - (f)(e) If a renewal application is denied, a person may file a new application pursuant to this chapter no sooner than one (1) year from the date of the rejection.
 - (g)(f) If an existing cannabis business permit holder fails to renew their permit, the City may, in its discretion, solicit and consider permit applications from other applicants pursuant to Sections 6.36.050 and 6.36.060.

FISCAL IMPACT

There is no fiscal impact associated with this action.

The establishment of the cannabis businesses in the City of Tracy, once operational, will generate revenue as they are required to pay permit processing fees, monetary benefits through Community Benefits Agreements and local sales taxes.

PUBLIC OUTREACH / INTEREST

This agenda item relates to the cannabis program which has undergone significant public input through City Council meetings. This agenda item presents another opportunity for interested parties to participate.

COORDINATION

The agenda item involved coordination between the Departments of Development Services,

Finance, Police, the City Manager's Office, as well as the City Attorney's Office.

CEQA DETERMINATION

This Project is categorically exempt from the California Environmental Quality Act (CEQA), pursuant to CEQA Guidelines Section 15061(B)(3) which pertains to projects that have no potential to cause a significant effect on the environment, as each individual permit issued under this Ordinance will be required to complete CEQA review.

STRATEGIC PLAN

This agenda item supports the City of Tracy's Public Safety and Quality of Life Strategic Priorities.

ACTION REQUESTED OF THE CITY COUNCIL

Waive the second reading and adopt an ordinance of the City of Tracy:

- 1) Amending Tracy Municipal Code Sections: (A) 6.36.040 to add clarifying language; (B) 6.36.080 to further toll the expiration date of Cannabis Business Permits (Permits) that are expiring on June 21, 2023 to March 3, 2024; and (C) 6.36.100 to modify the cannabis business permit renewal requirements; and
- 2) Determining that the Project is categorically exempt from the California Environmental Quality Act (CEQA), pursuant to CEQA Guidelines Section 15061(B)(3).

Prepared by: Victoria Lombardo, Senior Planner

Reviewed by: Bill Dean, Assistant Director of Development Services
Jaylen French, Development Services Director
Bijal M. Patel, City Attorney
Karin Schnaider, Assistant City Manager

Approved By: Midori Lichtwardt, Interim City Manager

ATTACHMENTS

Attachment A – Ordinance Amending Sections 6.36.040, 6.36.080, and 6.36.100 of the Tracy Municipal Code

TRACY CITY COUNCIL

ORDINANCE NO. _____

AN ORDINANCE 1) AMENDING TRACY MUNICIPAL CODE SECTIONS: (A) 6.36.040 TO ADD CLARIFYING LANGUAGE; (B) 6.36.080 TO FURTHER TOLL THE EXPIRATION DATE OF THE COMMERCIAL CANNABIS BUSINESS PERMITS EXPIRING ON JUNE 21, 2023 TO MARCH 3, 2024; AND (C) 6.36.100 TO MODIFY THE CANNABIS BUSINESS PERMIT RENEWAL REQUIREMENTS; AND 2) DETERMINING THAT THE PROJECT IS CATEGORICALLY EXEMPT FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT, PURSUANT TO CEQA GUIDELINES SECTION 15061(B)(3)

WHEREAS, on December 3, 2019, the City Council adopted Ordinance 1277 (codified as Tracy Municipal Code, Chapter 6.36) establishing permitting regulations for commercial cannabis activity in the City of Tracy (City), which regulations require applicants to obtain a Cannabis Business Permit; and

WHEREAS, the Tracy Municipal Code (TMC) Section 10.08.3196, Cannabis Uses, also establishes zoning regulations for commercial cannabis activity in the City of Tracy (City); and

WHEREAS, through a series of meetings (January 21, 2020, April 21, 2020, May 19, 2020, June 2, 2020, July 7, 2020, July 21, 2020), the City Council discussed the cannabis business permit guidelines and procedures; and

WHEREAS, through the meeting the City Council adopted Ordinance 1293 to amend Chapter 6.36 of the TMC with regards to cannabis cultivation permit requirements and Resolution No. 2020-137 to adopt the Cannabis Business Permit Application Procedures and Guidelines; and

WHEREAS, effective November 18, 2021, Ordinance 1318 further amended the cannabis regulations so as to allow one storefront retailer (dispensary) per 10,000 population up to a maximum of eleven storefront retailers (dispensaries); and

WHEREAS, seventeen Cannabis Business Permits have been issued, including 11 dispensaries and 6 non-dispensaries; and

WHEREAS, the Planning Commission has heard nine Cannabis CUP applications since April 2022; and

WHEREAS, seven of the Cannabis CUP applications heard by Planning Commission were for locations within the City's Downtown district, or within close proximity to one another; and

WHEREAS, TMC Section 6.36.080 provides that Cannabis Business Permits shall expire twelve months after the date of issuance; and

WHEREAS, TMC Sections 6.36.050 and 6.36.150 require that all interested parties and employees of a cannabis business undergo fingerprint based background checks; and

WHEREAS, in order for the City to conduct fingerprint based background checks, the Department of Justice (DOJ) must authorize the City to have access to such criminal history information; and

WHEREAS, due to the delay in obtaining DOJ approval, the City Council desires to amend TMC Section 6.36.012 to change the definition of “owner” for commercial cannabis to align with the State of California definition; and

WHEREAS, certain business permits are expiring on June 21, 2023 and others are expiring on March 3, 2024; and

WHEREAS, due to the delay in obtaining DOJ approval, the City Council desires to amend TMC Section 6.36.080 to further toll the expiration of certain expiring cannabis business permits; and

WHEREAS, tolling the expiration of the first cohort of existing cannabis business permits, expiring on June 21, 2023, to March 3, 2024 will allow permit holders additional time to comply with the requirements under Chapter 6.36 to operate a cannabis business within the City and put these permit holders into parity with the remaining permit holders; and

WHEREAS, TMC Section 6.36.100 establishes cannabis business permit renewal requirements; and

WHEREAS, the existing regulations require submittal of application materials for renewal that are duplicitous with initial cannabis business permit application requirements, creating an undue administrative burden on both applicants and City staff in order to timely process renewal applications; and

WHEREAS, the City retains the ability to deny applications for renewal that would be unchanged as a result of this ordinance; and

WHEREAS, Council met on May 2 and May 16, 2023, and discussed four proposed revisions to Chapter 6.36 of the TMC. On May 16th, City Council discussed the four proposed amendments and ultimately voted to adopt three of the four as summarized below. This staff report and the attached Ordinance represents the approved proposal. The revised Ordinance amends:

- 1) TMC Section 6.36.040 to clarify language within the code related to the number of allowable storefront retailers; and
- 2) TMC Section 6.36.080 to toll the expiration of the three existing Cannabis Business Permits (Permits) expiring on June 21, 2023 to March 3, 2024 to provide adequate time to establish and become operable prior to expiration of the Permits; and
- 3) Modifies the permit renewal process outlined in TMC Section 6.36.100; and

WHEREAS, The proposed ordinance was introduced at the regular meeting of the

Tracy City Council on May 16, 2023.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF TRACY DOES ORDAIN AS FOLLOWS:

SECTION 1. Incorporation of Recitals/Findings. The City Council finds and determines the foregoing recitals are true and correct and are hereby incorporated herein as findings and determinations of the City.

SECTION 2. Amendment of Section 6.36.040. Section 6.36.040, Maximum Number and Type of Authorized Commercial Cannabis Businesses Permitted, is amended to read as follows (with additions underlined, and deletions in ~~striketrough~~):

(b) Subsequent to the issuance of any permits occurring prior to April 2022, a maximum of one retailer - storefront (dispensary) permit may be issued for every 10,000 individuals living within the City of Tracy. For the purposes of this subsection, the total population of the City shall be determined by the most current published total available from the U.S. Census Bureau or the California State Department of Finance, whichever has been more recently updated, as of the date the cannabis business permit is issued. No new permit may be issued to authorize a retailer - storefront (dispensary) use if the number of such permits already issued equals or exceeds the total number authorized pursuant to this subsection.

SECTION 3. Amendment of Section 6.36.080. Section 6.36.080, Expiration of Cannabis Business Permits, of the Tracy Municipal Code is hereby amended to read as follows (with additions underlined, and deletions in ~~striketrough~~):

Each Cannabis Business Permit issued pursuant to this chapter shall expire twelve (12) months after the date of its issuance, except that the expiration date of any cannabis business permit issued prior to May 2022 shall be tolled for an additional twelve (12) months from the date of issuance of any such permit, and further toll cannabis business permits that are expiring on June 21, 2023, to March 3, 2024. Cannabis business permits may be renewed as provided in section 6.36.100.

SECTION 4. Amendment of Section 6.36.100. Section 6.36.100, Renewal Applications, of the Tracy Municipal Code is hereby amended to read as follows (with additions underlined and deletions in ~~striketrough~~):

6.36.100 Renewal Applications.

- (a) An application for renewal of a cannabis business permit shall be filed at least 60 calendar days prior to the expiration date of the current permit
- (b) ~~The renewal application shall contain all the information required under this chapter and the procedures established by City Council resolution.~~ The renewal application shall provide the information required under Sections 6.36.050(a)(i) and (ii)(D)-(F), updated from any prior information provided to the City.
- (e)(b) The applicant shall pay a fee in an amount set by the City Council to cover the costs of processing the renewal permit application, together with any costs incurred by the City to administer the program created under this chapter.
- (d)(c) An application for renewal of a cannabis business permit shall be denied if any of the following exists:
 - i. One or more of the circumstances upon which a cannabis business permit could be denied, as described in Section 6.36.070, exists or has occurred;

- ii. The application is filed less than sixty (60) days before its expiration.
 - iii. The cannabis business permit is suspended or revoked at the time of the application.
 - iv. The cannabis business has not been in regular and continuous operation in the four (1) months prior to the renewal application, unless the applicant has been granted a conditional use permit and is diligently pursuing either a discretionary permit or building permit, or is in construction.
 - v. The permittee fails to or is unable to renew its State License.
- (e)(d) The Police Chief or designee(s) is authorized to make all decisions concerning the issuance of a renewal permit. In making the decision, the Police Chief or designee(s) is authorized to impose additional conditions to a renewal permit, if it is determined to be necessary to ensure compliance with state or local laws and regulations or to preserve the public health, safety or welfare. Appeals from the decision of the Police Chief or designee(s) shall be directed to the City Manager and shall be handled pursuant to Chapter 1.12.
- (f)(e) If a renewal application is denied, a person may file a new application pursuant to this chapter no sooner than one (1) year from the date of the rejection.
- (g)(f) If an existing cannabis business permit holder fails to renew their permit, the City may, in its discretion, solicit and consider permit applications from other applicants pursuant to Sections 6.36.050 and 6.36.060.

SECTION 5. CEQA Determination. The City Council finds that this Ordinance is categorically exempt from the California Environmental Quality Act (CEQA) in accordance with CEQA Guidelines Section 15061(B)(3) pertaining to activities that do not have the potential for causing a significant effect on the environment.

SECTION 6. Severability. If any section, subsection, sentence, clause or phrase of this Ordinance is for any reason held to be invalid or unconstitutional by decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of the Chapter. The City Council hereby declares that it would have passed this Ordinance and each section, subsection, clause or phrase thereof irrespective of the fact that one or more other sections, subsections, clauses or phrases may be declared invalid or unconstitutional.

SECTION 7. Effective Date. This ordinance shall become effective upon the thirtieth (30th) day after final adoption.

SECTION 8. Publication. The City Clerk is directed to publish this ordinance in a manner required by law.

SECTION 9. Codification. This Ordinance shall be codified in the Tracy Municipal Code.

* * * * *

The foregoing Ordinance ____ was introduced at a regular meeting of the Tracy City Council on the 16th day of May 2023, and finally adopted on the 6th day of June, 2023, by the following vote:

AYES: COUNCIL MEMBERS:
NOES: COUNCIL MEMBERS:
ABSENT: COUNCIL MEMBERS:
ABSTENTION: COUNCIL MEMBERS:

NANCY D. YOUNG
Mayor of the City of Tracy, California

ATTEST: _____

ADRIANNE RICHARDSON
City Clerk and Clerk of the Council of the
City of Tracy, California

Date of Attestation: _____

NOTICE AND DIGEST

AN ORDINANCE AMENDING THE FOLLOWING SECTION OF TRACY MUNICIPAL CODE CHAPTER 6.36 (COMMERCIAL CANNABIS): A) SECTION 6.36.040 TO ADD CLARIFYING LANGUAGE REGARDING THE NUMBER OF ALLOWABLE STOREFRONT RETAILERS; B) SECTION 6.36.080 TOLLING THE EXPIRATION DATE THE COMMERCIAL CANNABIS BUSINESS PERMITS THAT ARE EXPIRING ON JUNE 21, 2023 TO MARCH 3, 2024, AND C) SECTION 6.36.100 TO MODIFY REGULATIONS FOR RENEWAL OF CANNABIS BUSINESS PERMITS.

The Ordinance (Ordinance) amends various sections of Tracy Municipal Code Chapter 6.36 (Commercial Cannabis), that in the aggregate tolls some existing permits, and simplifies the renewal process. Specifically, the following Sections of Tracy Municipal Code are being amended through this Ordinance: a) 6.36.040 to add clarifying language regarding the number of allowable storefront retailers; b) 6.36.080 tolling the expiration date of the commercial cannabis business permits expiring on June 21, 2023 to March 3, 2024, and c) 6.36.100 to modify regulations for renewal of cannabis business permits.

Agenda Item 1.1

RECOMMENDATION

Staff recommends that the City Council a) Dispense the procurement requirements for this Agreement pursuant to Tracy Municipal Code Section 2.20.140(b)(6). b) Adopt a resolution renewing a Small Government Enterprise Licensing Agreement and the purchase of Geographic Information System software licenses through the Environmental Systems Research Institute, Inc. for a term of three years and a not-to-exceed amount of \$171,600.

EXECUTIVE SUMMARY

On July 15, 2008, Council approved the implementation of a citywide GIS and subsequently authorized the purchase of Geographic Institute System (GIS) software licenses from Environmental Systems Research Institute, Inc. (ESRI) through their Small Government Enterprise License Agreement. This agreement renews the City's existing GIS software licenses for an additional three years.

DISCUSSION

The City has been using ESRI software for Geographic Information Systems (GIS) data since 2008. This software is being used by multiple departments including Police (crime analysis, dispatch), Development Services (planning, traffic, engineering, and economic development), Operations and Utilities (landscape maintenance, water, wastewater, and signage), Finance Department (water meter routes for billing, CMMS), and the City Manager's Office (property research). The City also provides and shares GIS data with the development community for projects concerning parcel boundaries, addressing, and street development. In addition, many applications rely on GIS software for mapping integration.

Normally this software renewal would go out to formal bid via the Request for Proposal process. However, because the City has invested a great deal of staff time and money in the overall ESRI infrastructure over the past fifteen years, it is in the best interest of the City to dispense procurement requirements pursuant to Tracy Municipal Code section 2.20.140(b)(6). ESRI is the leader in GIS software space and is used by countless government agencies.

This license agreement includes all the maintenance, support, and upgrades associated with the software. It is an unlimited license giving the City flexibility to deploy it when and where needed.

STRATEGIC PLAN

This agenda item is a routine operational item and does not relate to Council's Strategic Priorities.

FISCAL IMPACT

Funding for the software is included in the adopted FY2023-24 operating budget. The cost of the Enterprise License Agreement is \$57,200 per year with a three-year commitment for a total obligation of \$171,600.

RECOMMENDATION

Staff recommends that the City Council a) Dispense the procurement requirements for this Agreement pursuant to Tracy Municipal Code Section 2.20.140(b)(6). b) Adopt a resolution renewing a Small Government Enterprise Licensing Agreement and the purchase of Geographic Information System software licenses through the Environmental Systems Research Institute, Inc. for a term of three years and a not-to-exceed amount of \$171,600.

Prepared by: Jeff Davis, GIS Analyst

Reviewed by: Sara Cowell, Finance Director
Riana Daniel, Deputy City Attorney
Karin Schnaider, Assistant City Manager

Approved by: Midori Lichtwardt, Interim City Manager

ATTACHMENTS

Attachment A – ESRI License Agreement
Attachment B – ESRI Corporate Resolution

Attachment A



Quotation # Q-489114

Date: January 25, 2023

Customer # 155777 Contract #

City of Tracy
Information Services
325 Civic Center Plz
Tracy, CA 95376

ATTENTION: Jeff Davis
PHONE: (209) 831-6811
EMAIL: jeff.davis@ci.tracy.ca.us

Environmental Systems Research Institute, Inc.
380 New York St
Redlands, CA 92373-8100
Phone: (909) 793-2853
DUNS Number: 06-313-4175 CAGE Code: 0AMS3

To expedite your order, please attach a copy of this quotation to your purchase order.
Quote is valid from: 1/25/2023 To: 4/25/2023

Material	Qty	Term	Unit Price	Total
168179	1	Year 1	\$56,700.00	\$56,700.00
Populations of 50,001 to 100,000 Small Government Enterprise Agreement Annual Subscription				
168179	1	Year 2	\$56,700.00	\$56,700.00
Populations of 50,001 to 100,000 Small Government Enterprise Agreement Annual Subscription				
168179	1	Year 3	\$56,700.00	\$56,700.00
Populations of 50,001 to 100,000 Small Government Enterprise Agreement Annual Subscription				
178625	5		\$100.00	\$500.00
ArcGIS Business Analyst Web App Standard Online Annual Subscription - Year 1, 2023-2024				
178625	5		\$100.00	\$500.00
ArcGIS Business Analyst Web App Standard Online Annual Subscription - Year 2, 2024-2025				
178625	5		\$100.00	\$500.00
ArcGIS Business Analyst Web App Standard Online Annual Subscription - Year 3, 2025-2026				

Esri may charge a fee to cover expenses related to any customer requirement to use a proprietary vendor management, procurement, or invoice program.

For questions contact: Jesse Gonzalez	Email: jesse_gonzalez@esri.com	Phone: (909) 793-2853 x1106
<p>The items on this quotation are subject to and governed by the terms of this quotation, the most current product specific scope of use document found at https://assets.esri.com/content/dam/esrisites/media/legal/product-specific-terms-of-use/e300.pdf, and your applicable signed agreement with Esri. If no such agreement covers any item quoted, then Esri's standard terms and conditions found at https://go.esri.com/MAPS apply to your purchase of that item. If any item is quoted with a multi-year payment schedule, then unless otherwise stated in this quotation, Customer is required to make all payments without right of cancellation. Third-party data sets included in a quotation as separately licensed items will only be provided and invoiced if Esri is able to provide such data and will be subject to the applicable third-party's terms and conditions. If Esri is unable to provide any such data set, Customer will not be responsible for any further payments for the data set. US Federal government entities and US government prime contractors authorized under FAR 51.1 may purchase under the terms of Esri's GSA Federal Supply Schedule. Supplemental terms and conditions found at https://www.esri.com/en-us/legal/terms/state-supplemental apply to some US state and local government purchases. All terms of this quotation will be incorporated into and become part of any additional agreement regarding Esri's offerings. Acceptance of this quotation is limited to the terms of this quotation. Esri objects to and expressly rejects any different or additional terms contained in any purchase order, offer, or confirmation sent to or to be sent by buyer. Unless prohibited by law, the quotation information is confidential and may not be copied or released other than for the express purpose of system selection and purchase/license. The information may not be given to outside parties or used for any other purpose without consent from Esri. Delivery is FOB Origin for customers located in the USA.</p>		

GONZALEZJ

This offer is limited to the terms and conditions incorporated and attached herein.



Quotation # Q-489114

Date: January 25, 2023

Customer # 155777 Contract #

City of Tracy
Information Services
325 Civic Center Plz
Tracy, CA 95376

ATTENTION: Jeff Davis
PHONE: (209) 831-6811
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Phone: (909) 793-2853
DUNS Number: 06-313-4175 CAGE Code: 0AMS3

To expedite your order, please attach a copy of this quotation to your purchase order.
Quote is valid from: 1/25/2023 To: 4/25/2023

Subtotal:	\$171,600.00
Sales Tax:	\$0.00
Estimated Shipping and Handling (2 Day Delivery):	\$0.00
Contract Price Adjust:	\$0.00
Total:	\$171,600.00

Esri may charge a fee to cover expenses related to any customer requirement to use a proprietary vendor management, procurement, or invoice program.

For questions contact: Jesse Gonzalez	Email: jesse_gonzalez@esri.com	Phone: (909) 793-2853 x1106
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The items on this quotation are subject to and governed by the terms of this quotation, the most current product specific scope of use document found at <https://assets.esri.com/content/dam/esrisites/media/legal/product-specific-terms-of-use/e300.pdf>, and your applicable signed agreement with Esri. If no such agreement covers any item quoted, then Esri's standard terms and conditions found at <https://go.esri.com/MAPS> apply to your purchase of that item. If any item is quoted with a multi-year payment schedule, then unless otherwise stated in this quotation, Customer is required to make all payments without right of cancellation. Third-party data sets included in a quotation as separately licensed items will only be provided and invoiced if Esri is able to provide such data and will be subject to the applicable third-party's terms and conditions. If Esri is unable to provide any such data set, Customer will not be responsible for any further payments for the data set. US Federal government entities and US government prime contractors authorized under FAR 51.1 may purchase under the terms of Esri's GSA Federal Supply Schedule. Supplemental terms and conditions found at <https://www.esri.com/en-us/legal/terms/state-supplemental> apply to some US state and local government purchases. All terms of this quotation will be incorporated into and become part of any additional agreement regarding Esri's offerings. Acceptance of this quotation is limited to the terms of this quotation. Esri objects to and expressly rejects any different or additional terms contained in any purchase order, offer, or confirmation sent to or to be sent by buyer. Unless prohibited by law, the quotation information is confidential and may not be copied or released other than for the express purpose of system selection and purchase/license. The information may not be given to outside parties or used for any other purpose without consent from Esri. Delivery is FOB Origin for customers located in the USA.

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DUNS Number: 06-313-4175 CAGE Code: OAMS3

To expedite your order, please attach a copy of this quotation to your purchase order.
Quote is valid from: 1/25/2023 To: 4/25/2023

If you have made ANY alterations to the line items included in this quote and have chosen to sign the quote to indicate your acceptance, you must fax Esri the signed quote in its entirety in order for the quote to be accepted. You will be contacted by your Customer Service Representative if additional information is required to complete your request.

If your organization is a US Federal, state, or local government agency; an educational facility; or a company that will not pay an invoice without having issued a formal purchase order, a signed quotation will not be accepted unless it is accompanied by your purchase order.

In order to expedite processing, please reference the quotation number and any/all applicable Esri contract number(s) (e.g. MPA, ELA, SmartBuy, GSA, BPA) on your ordering document.

BY SIGNING BELOW, YOU CONFIRM THAT YOU ARE AUTHORIZED TO OBLIGATE FUNDS FOR YOUR ORGANIZATION, AND YOU ARE AUTHORIZING ESRI TO ISSUE AN INVOICE FOR THE ITEMS INCLUDED IN THE ABOVE QUOTE IN THE AMOUNT OF \$_____, PLUS SALES TAXES IF APPLICABLE. DO NOT USE THIS FORM IF YOUR ORGANIZATION WILL NOT HONOR AND PAY ESRI'S INVOICE WITHOUT ADDITIONAL AUTHORIZING PAPERWORK.

Please check one of the following:

I agree to pay any applicable sales tax.

I am tax exempt, please contact me if exempt information is not currently on file with Esri.

Signature of Authorized Representative

Date

Name (Please Print)

Title

The quotation information is proprietary and may not be copied or released other than for the express purpose of system selection and purchase/license. This information may not be given to outside parties or used for any other purpose without consent from Environmental Systems Research Institute, Inc. (Esri).

Any estimated sales and/or use tax reflected on this quote has been calculated as of the date of this quotation and is merely provided as a convenience for your organization's budgetary purposes. Esri reserves the right to adjust and collect sales and/or use tax at the actual date of invoicing. If your organization is tax exempt or pays state tax directly, then prior to invoicing, your organization must provide Esri with a copy of a current tax exemption certificate issued by your state's taxing authority for the given jurisdiction.

Esri may charge a fee to cover expenses related to any customer requirement to use a proprietary vendor management, procurement, or invoice program.

For questions contact: Jesse Gonzalez	Email: jesse_gonzalez@esri.com	Phone: (909) 793-2853 x1106
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The items on this quotation are subject to and governed by the terms of this quotation, the most current product specific scope of use document found at <https://assets.esri.com/content/dam/esrisites/media/legal/product-specific-terms-of-use/e300.pdf>, and your applicable signed agreement with Esri. If no such agreement covers any item quoted, then Esri's standard terms and conditions found at <https://go.esri.com/MAPS> apply to your purchase of that item. If any item is quoted with a multi-year payment schedule, then unless otherwise stated in this quotation, Customer is required to make all payments without right of cancellation. Third-party data sets included in a quotation as separately licensed items will only be provided and invoiced if Esri is able to provide such data and will be subject to the applicable third-party's terms and conditions. If Esri is unable to provide any such data set, Customer will not be responsible for any further payments for the data set. US Federal government entities and US government prime contractors authorized under FAR 51.1 may purchase under the terms of Esri's GSA Federal Supply Schedule. Supplemental terms and conditions found at <https://www.esri.com/en-us/legal/terms/state-supplemental> apply to some US state and local government purchases. All terms of this quotation will be incorporated into and become part of any additional agreement regarding Esri's offerings. Acceptance of this quotation is limited to the terms of this quotation. Esri objects to and expressly rejects any different or additional terms contained in any purchase order, offer, or confirmation sent to or to be sent by buyer. Unless prohibited by law, the quotation information is confidential and may not be copied or released other than for the express purpose of system selection and purchase/license. The information may not be given to outside parties or used for any other purpose without consent from Esri. Delivery is FOB Origin for customers located in the USA.

GONZALEZJ

This offer is limited to the terms and conditions incorporated and attached herein.

Esri Use Only:
 Cust. Name _____
 Cust. # _____
 PO # _____
 Esri Agreement # 00319178.0



**SMALL ENTERPRISE AGREEMENT
 COUNTY AND MUNICIPALITY GOVERNMENT
 (E214-3)**

This Agreement is by and between the organization identified in the Quotation ("**Customer**") and **Environmental Systems Research Institute, Inc. ("Esri")**.

This Agreement sets forth the terms for Customer's use of Products and incorporates by reference (i) the Quotation and (ii) the Master Agreement. Should there be any conflict between the terms and conditions of the documents that comprise this Agreement, the order of precedence for the documents shall be as follows: (i) the Quotation, (ii) this Agreement, and (iii) the Master Agreement. This Agreement shall be governed by and construed in accordance with the laws of the state in which Customer is located without reference to conflict of laws principles, and the United States of America federal law shall govern in matters of intellectual property. The modifications and additional rights granted in this Agreement apply only to the Products listed in Table A.

**Table A
 List of Products**

Uncapped Quantities

Desktop Software and Extensions (Single Use)

ArcGIS Desktop Advanced
 ArcGIS Desktop Standard
 ArcGIS Desktop Basic
 ArcGIS Desktop Extensions: ArcGIS 3D Analyst, ArcGIS Spatial Analyst, ArcGIS Geostatistical Analyst, ArcGIS Publisher, ArcGIS Network Analyst, ArcGIS Schematics, ArcGIS Workflow Manager, ArcGIS Data Reviewer

Enterprise Software and Extensions

ArcGIS Enterprise (Advanced and Standard)
 ArcGIS Monitor
 ArcGIS Enterprise Extensions: ArcGIS 3D Analyst, ArcGIS Spatial Analyst, ArcGIS Geostatistical Analyst, ArcGIS Network Analyst, ArcGIS Schematics, ArcGIS Workflow Manager, ArcGIS Data Reviewer

Enterprise Additional Capability Servers

ArcGIS Image Server

Developer Tools

ArcGIS Runtime Standard
 ArcGIS Runtime Analysis Extension

Limited Quantities

One (1) Professional subscription to ArcGIS Developer
 Two (2) ArcGIS CityEngine Single Use Licenses
 250 ArcGIS Online Viewers
 250 ArcGIS Online Creators
 37,500 ArcGIS Online Service Credits
 250 ArcGIS Enterprise Creators
 5 ArcGIS Insights in ArcGIS Enterprise
 5 ArcGIS Insights in ArcGIS Online
 50 ArcGIS Location Sharing for ArcGIS Enterprise
 50 ArcGIS Location Sharing for ArcGIS Online
 4 ArcGIS Parcel Fabric User Type Extensions (Enterprise)
 4 ArcGIS Utility Network User Type Extensions (Enterprise)
 4 ArcGIS Trace Network User Type Extensions (Enterprise)

OTHER BENEFITS

Number of Esri User Conference registrations provided annually	4
Number of Tier 1 Help Desk individuals authorized to call Esri	4
Maximum number of sets of backup media, if requested*	2
Five percent (5%) discount on all individual commercially available instructor-led training classes at Esri facilities purchased outside this Agreement	

*Additional sets of backup media may be purchased for a fee

Customer may accept this Agreement by signing and returning the whole Agreement with (i) the Quotation attached, (ii) a purchase order, or (iii) another document that matches the Quotation and references this Agreement ("**Ordering Document**"). **ADDITIONAL OR CONFLICTING TERMS IN CUSTOMER'S PURCHASE ORDER OR OTHER DOCUMENT WILL NOT APPLY, AND THE TERMS OF THIS AGREEMENT WILL GOVERN.** This Agreement is effective as of the date of Esri's receipt of an Ordering Document, unless otherwise agreed to by the parties ("**Effective Date**").

Term of Agreement: Three (3) years

This Agreement supersedes any previous agreements, proposals, presentations, understandings, and arrangements between the parties relating to the licensing of the Products. Except as provided in Article 4—Product Updates, no modifications can be made to this Agreement.

Accepted and Agreed:

(Customer)


By: _____
Authorized Signature

Printed Name: _____

Title: _____

Date: _____

ENVIRONMENTAL SYSTEMS RESEARCH INSTITUTE, INC.



Alejandra Merino

Manager, International Contracts

Apr 18, 2023

CUSTOMER CONTACT INFORMATION

Contact: _____

Telephone: _____

Address: _____

Fax: _____

City, State, Postal Code: _____

E-mail: _____

Country: _____

Quotation Number (if applicable): _____

1.0—ADDITIONAL DEFINITIONS

In addition to the definitions provided in the Master Agreement, the following definitions apply to this Agreement:

"Case" means a failure of the Software or Online Services to operate according to the Documentation where such failure substantially impacts operational or functional performance.

"Deploy", "Deployed" and "Deployment" mean to redistribute and install the Products and related Authorization Codes within Customer's organization(s).

"Fee" means the fee set forth in the Quotation.

"Maintenance" means Tier 2 Support, Product updates, and Product patches provided to Customer during the Term of Agreement.

"Master Agreement" means the applicable master agreement for Esri Products incorporated by this reference that is (i) found at <https://www.esri.com/en-us/legal/terms/full-master-agreement> and available in the installation process requiring acceptance by electronic acknowledgment or (ii) a signed Esri master agreement or license agreement that supersedes such electronically acknowledged master agreement.

"Product(s)" means the products identified in Table A—List of Products and any updates to the list Esri provides in writing.

"Quotation" means the offer letter and quotation provided separately to Customer.

"Technical Support" means the technical assistance for attempting resolution of a reported Case through error correction, patches, hot fixes, workarounds, replacement deliveries, or any other type of Product corrections or modifications.

"Tier 1 Help Desk" means Customer's point of contact(s) to provide all Tier 1 Support within Customer's organization(s).

"Tier 1 Support" means the Technical Support provided by the Tier 1 Help Desk.

"Tier 2 Support" means the Esri Technical Support provided to the Tier 1 Help Desk when a Case cannot be resolved through Tier 1 Support.

2.0—ADDITIONAL GRANT OF LICENSE

2.1 Grant of License. Subject to the terms and conditions of this Agreement, Esri grants to Customer a personal, nonexclusive, nontransferable license solely to use, copy, and Deploy quantities of the Products listed in Table A—List of Products for the Term of Agreement (i) for the applicable Fee and (ii) in accordance with the Master Agreement.

2.2 Consultant Access. Esri grants Customer the right to permit Customer's consultants or contractors to use the Products exclusively for Customer's benefit. Customer will be solely responsible for compliance by consultants and contractors with this Agreement and will ensure that the consultant or contractor discontinues use of Products upon completion of work for Customer. Access to or use of Products by consultants or contractors not exclusively for Customer's benefit is prohibited. Customer may not permit its consultants or contractors to install Software or Data on consultant, contractor, or third-party computers or remove Software or Data from Customer locations, except for the purpose of hosting the Software or Data on Contractor servers for the benefit of Customer.

3.0—TERM, TERMINATION, AND EXPIRATION

3.1 Term. This Agreement and all licenses hereunder will commence on the Effective Date and continue for the duration identified in the Term of Agreement, unless this Agreement is terminated earlier as provided herein. Customer is only authorized to use Products during the Term of Agreement. For an Agreement with a limited term, Esri does not grant Customer an indefinite or a perpetual license to Products.

3.2 No Use upon Agreement Expiration or Termination. All Product licenses, all Maintenance, and Esri User Conference registrations terminate upon expiration or termination of this Agreement.

3.3 Termination for a Material Breach. Either party may terminate this Agreement for a material breach by the other party. The breaching party will have thirty (30) days from the date of written notice to cure any material breach.

3.4 Termination for Lack of Funds. For an Agreement with government or government-

owned entities, either party may terminate this Agreement before any subsequent year if Customer is unable to secure funding through the legislative or governing body's approval process.

3.5 Follow-on Term. If the parties enter into another agreement substantially similar to this Agreement for an additional term, the effective date of the follow-on agreement will be the day after the expiration date of this Agreement.

4.0—PRODUCT UPDATES

4.1 Future Updates. Esri reserves the right to update the list of Products in Table A—List of Products by providing written notice to Customer. Customer may continue to use all Products that have been Deployed, but support and upgrades for deleted items may not be available. As new Products are incorporated into the standard program, they will be offered to Customer via written notice for incorporation into the Products schedule at no additional charge. Customer's use of new or updated Products requires Customer to adhere to applicable additional or revised terms and conditions in the Master Agreement.

4.2 Product Life Cycle. During the Term of Agreement, some Products may be retired or may no longer be available to Deploy in the identified quantities. Maintenance will be subject to the individual Product Life Cycle Support Status and Product Life Cycle Support Policy, which can be found at <https://support.esri.com/en/other-resources/product-life-cycle>. Updates for Products in the mature and retired phases may not be available. Customer may continue to use Products already Deployed, but Customer will not be able to Deploy retired Products.

5.0—MAINTENANCE

The Fee includes standard maintenance benefits during the Term of Agreement as specified in the most current applicable Esri Maintenance and Support Program document (found at <https://www.esri.com/en-us/legal/terms/maintenance>). At Esri's sole discretion, Esri may make patches, hot fixes, or updates available for download. No Software other

than the defined Products will receive Maintenance. Customer may acquire maintenance for other Software outside this Agreement.

a. Tier 1 Support

1. Customer will provide Tier 1 Support through the Tier 1 Help Desk to all Customer's authorized users.
2. The Tier 1 Help Desk will be fully trained in the Products.
3. At a minimum, Tier 1 Support will include those activities that assist the user in resolving how-to and operational questions as well as questions on installation and troubleshooting procedures.
4. The Tier 1 Help Desk will be the initial point of contact for all questions and reporting of a Case. The Tier 1 Help Desk will obtain a full description of each reported Case and the system configuration from the user. This may include obtaining any customizations, code samples, or data involved in the Case.
5. If the Tier 1 Help Desk cannot resolve the Case, an authorized Tier 1 Help Desk individual may contact Tier 2 Support. The Tier 1 Help Desk will provide support in such a way as to minimize repeat calls and make solutions to problems available to Customer's organization.
6. Tier 1 Help Desk individuals are the only individuals authorized to contact Tier 2 Support. Customer may change the Tier 1 Help Desk individuals by written notice to Esri.

b. Tier 2 Support

1. Tier 2 Support will log the calls received from Tier 1 Help Desk.
2. Tier 2 Support will review all information collected by and received from the Tier 1 Help Desk including preliminary documented troubleshooting provided by the Tier 1 Help Desk when Tier 2 Support is required.
3. Tier 2 Support may request that Tier 1 Help Desk individuals provide verification of information, additional information, or answers to additional questions to

supplement any preliminary information gathering or troubleshooting performed by Tier 1 Help Desk.

4. Tier 2 Support will attempt to resolve the Case submitted by Tier 1 Help Desk.
5. When the Case is resolved, Tier 2 Support will communicate the information to Tier 1 Help Desk, and Tier 1 Help Desk will disseminate the resolution to the user(s).

6.0—ENDORSEMENT AND PUBLICITY

This Agreement will not be construed or interpreted as an exclusive dealings agreement or Customer's endorsement of Products. Either party may publicize the existence of this Agreement.

7.0—ADMINISTRATIVE REQUIREMENTS

7.1 OEM Licenses. Under Esri's OEM or Solution OEM programs, OEM partners are authorized to embed or bundle portions of Esri products and services with their application or service. OEM partners' business model, licensing terms and conditions, and pricing are independent of this Agreement. Customer will not seek any discount from the OEM partner or Esri based on the availability of Products under this Agreement. Customer will not decouple Esri products or services from the OEM partners' application or service.

7.2 Annual Report of Deployments. At each anniversary date and ninety (90) calendar days prior to the expiration of this Agreement, Customer will provide Esri with a written report detailing all Deployments. Upon request, Customer will provide records sufficient to verify the accuracy of the annual report.

8.0—ORDERING, ADMINISTRATIVE PROCEDURES, DELIVERY, AND DEPLOYMENT

8.1 Orders, Delivery, and Deployment

- a. Upon the Effective Date, Esri will invoice Customer and provide Authorization Codes to activate the nondestructive copy protection program that enables Customer to download,

operate, or allow access to the Products. If this is a multi-year Agreement, Esri may invoice the Fee up to thirty (30) calendar days before the annual anniversary date for each year.

- b. Undisputed invoices will be due and payable within thirty (30) calendar days from the date of invoice. Esri reserves the right to suspend Customer's access to and use of Products if Customer fails to pay any undisputed amount owed on or before its due date. Esri may charge Customer interest at a monthly rate equal to the lesser of one percent (1.0%) per month or the maximum rate permitted by applicable law on any overdue fees plus all expenses of collection for any overdue balance that remains unpaid ten (10) days after Esri has notified Customer of the past-due balance.

- c. Esri's federal ID number is 95-2775-732.

- d. If requested, Esri will ship backup media to the ship-to address identified on the Ordering Document, FOB Destination, with shipping charges prepaid. Customer acknowledges that should sales or use taxes become due as a result of any shipments of tangible media, Esri has a right to invoice and Customer will pay any such sales or use tax associated with the receipt of tangible media.

8.2 Order Requirements. Esri does not require Customer to issue a purchase order. Customer may submit a purchase order in accordance with its own process requirements, provided that if Customer issues a purchase order, Customer will submit its initial purchase order on the Effective Date. If this is a multi-year Agreement, Customer will submit subsequent purchase orders to Esri at least thirty (30) calendar days before the annual anniversary date for each year.

- a. All orders pertaining to this Agreement will be processed through Customer's centralized point of contact.

- b. The following information will be included in each Ordering Document:

- (1) Customer name; Esri customer number, if known; and bill-to and ship-to addresses
- (2) Order number
- (3) Applicable annual payment due

9.0—MERGERS, ACQUISITIONS, OR DIVESTITURES

If Customer is a commercial entity, Customer will notify Esri in writing in the event of (i) a consolidation, merger, or reorganization of Customer with or into another corporation or entity; (ii) Customer's acquisition of another entity; or (iii) a transfer or sale of all or part of Customer's organization (subsections i, ii, and iii, collectively referred to as "**Ownership Change**"). There will be no decrease in Fee as a result of any Ownership Change.

- 9.1 If an Ownership Change increases the cumulative program count beyond the maximum level for this Agreement, Esri reserves the right to increase the Fee or terminate this Agreement and the parties will negotiate a new agreement.
- 9.2 If an Ownership Change results in transfer or sale of a portion of Customer's organization, that portion of Customer's organization will transfer the Products to Customer or uninstall, remove, and destroy all copies of the Products.
- 9.3 This Agreement may not be assigned to a successor entity as a result of an Ownership Change unless approved by Esri in writing in advance. If the assignment to the new entity is not approved, Customer will require any successor entity to uninstall, remove, and destroy the Products. This Agreement will terminate upon such Ownership Change.






Small Government Enterprise Agreement

Final Audit Report

2023-04-18

Created:	2023-04-18
By:	Joe Collins (jcollins@esri.com)
Status:	Signed
Transaction ID:	CBJCHBCAABAAPg0-g242j9_2jBvpux_87nbdmUVV7rad

"Small Government Enterprise Agreement" History

-  Document created by Joe Collins (jcollins@esri.com)
2023-04-18 - 11:05:47 PM GMT- IP address: 13.110.74.8
-  Document emailed to Alejandra Merino (smerino@esri.com) for signature
2023-04-18 - 11:07:11 PM GMT
-  Email viewed by Alejandra Merino (smerino@esri.com)
2023-04-18 - 11:08:25 PM GMT- IP address: 104.47.51.126
-  Document e-signed by Alejandra Merino (smerino@esri.com)
Signature Date: 2023-04-18 - 11:08:42 PM GMT - Time Source: server- IP address: 47.149.110.48
-  Agreement completed.
2023-04-18 - 11:08:42 PM GMT

Names and email addresses are entered into the Acrobat Sign service by Acrobat Sign users and are unverified unless otherwise noted.

Attachment B

ENVIRONMENTAL SYSTEMS RESEARCH INSTITUTE, INC.

COMBINED DELEGATION OF AUTHORITY

I, Laura Dangermond, as Executive Vice President of Environmental Systems Research Institute, Inc. (the “Corporation”), hereby appoint the employee(s) identified in Attachment 1 to act for and on behalf of the Corporation, each acting solely, with full authority to sign documents as described in Attachment 1, on behalf of the Corporation. The authority delegation is not subject to further delegation without my prior written consent.

This authority hereby delegated by this document shall completely expire as of midnight in San Bernardino County, California on December 31, 2023.

This authority is delegated in accordance with the Minutes of Action duly adopted by the Board of Directors of the Corporation on August 2, 2019.

laura dangermond
laura dangermond (Jan 12, 2023 11:13 PST)

Laura Dangermond
Executive Vice President

Effective Date: January 1, 2023

Corporate Seal of
Environmental Systems
Research Institute, Inc.



Attachment 1

Name Title	Description of Documents
<p>John Perry Department Manager, PS Contracts</p> <p>Stacy McEwan Deputy Department Manager, PS Contracts</p>	<p><u>Task Orders</u> that define the detailed statement of work, schedule, and budget for work to be performed under the terms and conditions of an agreement previously signed by officers of both parties. The Task Order may not contain changes, additions or deletions to the terms and conditions when signed by corporate officers. All other contract changes will be signed amendments to the agreement.</p> <p><u>Unmodified Agreements and Task Orders (and amendments thereto) which are handled within PS Contracts by a PS Contracts Manager or PS Contracts Specialist</u>, including but not limited to the following:</p> <ul style="list-style-type: none"> • Master Services Agreements and Subcontract Agreements • Term sheets containing PS business terms only • Advantage Program Agreements • Standard Esri Mutual Nondisclosure Agreement • PS only related Teaming Agreements, Memorandum of Understanding, Requests for Proposal, and Proposals and Quotations that do not contain any customer or other third party terms and conditions • PS only related level-of-effort certifications, contract closeout certifications, Government Furnished Equipment (GFE) certifications <p><u>Modified Professional Services Agreements and Task Orders (and amendments thereto) which are handled within PS Contracts by a PS Contracts Manager or PS Contracts Specialist</u>, where modifications are limited to the following in accordance with the approved CLM Master Agreement Guidance document:</p> <ul style="list-style-type: none"> • removal of certain PS sections that will not be used (EMCS, AP, Service Packages, T&M or FFP) • payment terms increased to Net 45 maximum • governing law changes to accommodate state/local governments
<p>Rebecca Tanouye Manager, Customer Service</p> <p>Backups:</p> <p>Roxanne Sandoval Manager, Domestic Customer Service</p> <p>Manny Ballesteros Manager, Domestic Customer Service</p> <p>Jonathan Ross Manager, International Customer Service</p> <p>Vicki Grubert Collections Manager</p>	<p><u>Unmodified Sales Agreements</u>, including but not limited to the following:</p> <ol style="list-style-type: none"> 1. Master License Agreement (MLA) 2. Master Lab Kit Agreement (MLK) 3. Master Site License Agreement (MSL) 4. Application Service Provider (ASP) Agreement 5. Russian Master Sublicense Agreement (RUS) 6. Schools & Libraries Agreement 7. All small Enterprise Agreements (EAs) 8. Nonprofit Organization Program Enterprise License Agreement (NPOPELA) 9. International Research Institute Agreement 10. Nonprofit Organization Program Enterprise License Agreement (NPOPELA) 11. Standard (non-distributor) MLA for Esri conservation

	<p style="text-align: center;">grants</p> <p>Additionally, Authorized Individuals may sign customer purchase orders and purchase order acknowledgements, provided that such document (i) does not include any terms and conditions, or (ii) references Esri’s standard terms and conditions or the terms and conditions of an existing signed master license agreement between Esri and the customer as the sole terms and conditions for the transaction.</p>
<p>Erick Arial Manager, Commercial & Government Contracts</p> <p>Donald J. Berry, Jr. Chief Operating Officer</p> <p>Timothy Brazeal Manager, Commercial & Government Contracts</p> <p>William C. Fleming Director of Contracts & Legal</p> <p>Tamisa Greening Managing Attorney, Contracts & Legal</p> <p>Alejandra Merino Manager, International Contracts</p>	<p><u>Purchasing and sales Agreements and related documentation</u></p> <ol style="list-style-type: none"> 1. All outbound license agreements, including but not limited to such as Master License Agreements, Master Lab Kit agreements, Master Site License agreements, Application Service Provider agreements, Enterprise Agreements, Multinational Agreements, Platform Agreements, and other supporting sales related agreements or letters. 2. Service agreements. 3. Term sheets. 4. Partner/Reseller/International Distributor Agreements. 5. Maintenance agreements. 6. Master ordering agreements such as Master Purchase Agreements and General Services Agreements. 7. Esri purchase orders and purchase agreements. 8. Acknowledgments or acceptance of customer purchase orders and purchase agreements. 9. Strategic Alliance Agreements, Service Level Agreements, Technical Support Agreements, and Enterprise Advantage Program Agreements. 10. All evaluation agreements and licenses for software or data for internal use by Esri Parties or for embedding in Esri Parties' technology. However, this is not meant to include technology acquisitions 11. All certifications and representations. 12. Nondisclosure agreements. 13. Vendor or bid list registrations. 14. Equipment loan agreements. 15. Purchase order Acknowledgements. And 16. Professional Services Agreements and Task Orders. <p>This delegation also authorizes each of the foregoing delegates to further delegate authority to accept click through agreements for acquisition of software or data on their behalf after the delegate has reviewed the document when it is impractical for the delegate to personally accept.</p>
<p>Fernando Frias Administrative Assistant, International Contracts</p> <p>Eula Robinson Administrative Assistant, Domestic Contracts</p> <p>Laura White Proposals and Sales Support, Vendor Registration</p> <p>Jason Wilbur Proposal Manager, Vendor Registration</p>	<p><u>Vendor Registration Forms.</u> Requests for vendor information or vendor intake request forms as they relate to Requests for Proposals, Requests for Quotes or Requests for Information (“RFPs, RFQs or RFIs”) and Vendor Registrations on behalf of the Corporation, provided that all of the information requested on said forms is contained in the Representations and Certifications Guidance document maintained by Contracts & Legal and does not ask the Corporation to make a “declaration,” is not a “certification,” and does not contain words such as “I authorize”, “I approve”, or “I certify.”</p>

<p>Diana L. Maldonado GSA Program Manager Joe Collins Senior Contracts Specialist Timothy Brazeal Manager, Commercial & Government Contracts</p>	<p><u>GSA Matters</u>. Online GSA schedules and contract modifications on behalf of the Corporation.</p>
<p>Alaa Elgendy Manager, Export Compliance</p>	<p><u>Export Documents</u>, including representations and certifications of the following:</p> <ol style="list-style-type: none"> 1. Darfur Contracting Act Certificate 2. Iran Investment Activities 3. Export Classification form(s) 4. Vendor Export Classification and Authorization Certificate 5. Restriction of Boycott on Israel Certification Form 6. Annual Supplier Export Control Compliance Certification.
<p>Michele Cole Events Marketing Group Mgr. Angela Huffman Events Operations Manager Vicki Nicholson Corporate Travel Manager</p>	<p><u>Corporate Travel and Events</u>.</p> <ol style="list-style-type: none"> 1. Category 1 Agreements: Agreements that fit into this category do not have any legal terms and have a value on their own of \$20,000 or less. Authorized Individuals shall review, sign, and administer Category 1 agreements. 2. Category 2 Agreements: Agreements that fit into this category have legal terms and have a value on their own of \$20,000 or less. Authorized Individuals shall review, sign, and administer Category 2 agreements. Category 2 agreements must be reviewed and negotiated by the Corporate Travel or Events Marketing Group as much as possible and within the acceptable bounds of this Policy before being forwarded to the Contracts Department for assistance on specific clauses. 3. Category 3 Agreements: Agreements that fit into this category are those that have a value on their own of more than \$20,000. Authorized Individuals may not sign agreements that fit into this category. However, Category 3 agreements must be reviewed and negotiated by the Corporate Travel or Events Marketing Group as much as possible and within the acceptable bounds of this Policy before being forwarded to the Contracts Department for (i) assistance on specific clauses, (ii) signature, or (iii) both (i) and (ii).
<p>Dean P. Angelides Director, International Operations Kristin Gonzalez Distributor Community Manager Bruce Harrison Director, Global Business Development Operations Enablement</p>	<p><u>International Sole Distributor Certification Documents</u>.</p>
<p>Dean Garner Resale Products Manager</p>	<p><u>Price Letters</u>. A Price Letter is a letter agreement from a supplier establishing special pricing to Esri for the right to offer the</p>

	<p>supplier's products and services to Esri's customers. The Price Letter may identify limitations in the scope of use of such products or services including commencement and expiration dates, locations, customers, or specific uses. The Price Letter may not contain changes, additions or deletions to the terms and conditions of the underlying agreement under which Esri is authorized to resell or distribute the supplier's products or services.</p>
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TRACY CITY COUNCIL
RESOLUTION NO. _____

- A) TO DISPENSE THE PROCUREMENT REQUIREMENTS FOR THIS AGREEMENT PURSUANT TO TRACY MUNICIPAL CODE SECTION 2.20.140(B)(6).**
- B) RENEWING A SMALL GOVERNMENT ENTERPRISE LICENSING AGREEMENT AND THE PURCHASE OF GEOGRAPHIC INFORMATION SYSTEM SOFTWARE LICENSES THROUGH THE ENVIRONMENTAL SYSTEMS RESEARCH INSTITUTE, INC. FOR A TERM OF THREE YEARS AND A NOT-TO-EXCEED AMOUNT OF \$171,600**

WHEREAS, the City Council approved the implementation of a citywide Geographic Information System (GIS) and the purchase of Environmental Systems Research Institute, Inc. (ESRI) software licenses in 2008; and

WHEREAS, this license agreement renews the City's existing GIS software licenses for an additional three years; and

WHEREAS, this software is currently being utilized by multiple departments including Police, Fire, Development Services, Operations and Utilities, and Finance; and

WHEREAS, Tracy Municipal Code section 2.20.140(b)(6) permits the City Council to dispense a formal request for proposal process when it is in the best interest of the City; and

WHEREAS, it is in the best interest of the City to forgo the formal Request for Proposal process because the City has invested heavily over the last 15 years into building the overall GIS infrastructure using ESRI software and ESRI is the industry leader in the field used by most government agencies; and

WHEREAS, this is an unlimited license giving the City flexibility to deploy ESRI software when and where needed; and

WHEREAS, the cost of Enterprise License Agreement is \$57,200 per year (including tax) with a three year commitment for a total obligation of \$171,600; now therefore be it

RESOLVED: That the City Council of the City of Tracy hereby approves the renewal of a Small Government Enterprise Licensing Agreement and the purchase of Geographic Information System software licenses through the Environmental Systems Research Institute, Inc. for a term of three years and a not-to-exceed amount of \$171,600; and be it

FURTHER RESOLVED: That the City Council of the City of Tracy hereby finds that it is in the best interest of the City to dispense the procurement requirements for this Agreement pursuant to Tracy Municipal Code Section 2.20.140(b)(6).

The foregoing Resolution 2023-_____ was adopted by the Tracy City Council on the 6th day of June 2023 by the following vote:

AYES:	COUNCIL MEMBERS:
NOES:	COUNCIL MEMBERS:
ABSENT:	COUNCIL MEMBERS:
ABSTENTION:	COUNCIL MEMBERS:

NANCY D. YOUNG
Mayor of the City of Tracy, California

ATTEST: _____
ADRIANNE RICHARDSON
City Clerk and Clerk of the Council of the
City of Tracy, California

Agenda Item 1.J

RECOMMENDATION

Staff recommends the City Council approve a Voluntary Agreement with Prologis, L.P. a Delaware Limited Partnership for the construction of a turnaround and installation of an automated fire-access gate on the City portion of Hansen Road, in response to the County's decision to limit access to their portion of Hansen Road.

EXECUTIVE SUMMARY

In January 2022, the San Joaquin County Board of Supervisors, approved the restriction of the County's portion of Hansen Road to a one-way street configuration, as a pilot project to reduce cut-through traffic and discourage truck traffic south of Von Sosten Road. Approval of the Voluntary Agreement will allow Prologis, L.P. (Developer) to proceed with the construction of the roadway improvements on Hansen Road for the construction of a turnaround to allow trucks to turn around at the City line, and the automated fire-access gate for emergency services to drive through.

BACKGROUND AND LEGISLATIVE HISTORY

The Cordes Ranch Specific Plan approved on September 3, 2013, designated the segment of Hansen Road north of Capital Parks Drive to be developed as a Specific Plan Road.

Last year San Joaquin County made the decision to close Hansen Road at the city limit. This planned closure by the County necessitated construction of turnaround improvements within Tracy just south of the city limit line.

ANALYSIS

Hansen Road is an existing 2-lane north-south roadway that connects the City to San Joaquin County to the north. Due to complaints from the residents of the Lammersville Community regarding traffic concerns, the County decided to close Hansen Road to traffic at the City Limit line. The Developer and City staff have been in discussions with County staff regarding the closure of Hansen Road.

The County presented several options to the Lammersville Community for traffic calming and implemented a one-way option on Hansen Road allowing only northbound vehicles to go through Hansen and preventing southbound movement. County initiated a traffic study to determine the potential impact of a complete closure of Hansen Road. County Public Works presented to the Board of Supervisors the request to temporarily close Hansen Road for a period of up to 18 months. County staff plans to present to the Board of Supervisors within 18 months an update on traffic impacts related to the temporary closure. On March 7, 2023, City Council approved the request to close Hansen Road within City limits to prevent any traffic from the City going northbound to the temporarily closed Hansen Road within County limits and get stuck at the closure point.

City's Engineering Division has been in coordination with Prologis, County Public Works and the South San Joaquin County Fire Authority in developing this truck turnaround and associated fire access gate to close Hansen Road. The gate will be operational only after County implements their improvements for closure within County limits and the City Council approves the closure within City limits.

Developer has agreed to install the turnaround improvements on Hansen Road to facilitate turnaround of vehicles at the city limit line after the street closure goes into effect. Developer has submitted improvement plans for the Hansen Road Interim Turnaround improvements. The improvement plans have been reviewed and approved by the City Engineer.

Developer has requested to execute a Voluntary Agreement and post the necessary securities to guarantee completion of the improvements. The roadway improvements that are the subject of the Voluntary Agreement will be funded and performed by Developer.

FISCAL IMPACT

There is no fiscal impact associated with this action. The roadway improvements that are the subject of the Voluntary Agreement between the City of Tracy and the Prologis, L.P. will be funded and performed by the Prologis, L.P. The Developer has paid the applicable engineering review fees which include the cost of the processing of the Voluntary Agreement.

PUBLIC OUTREACH / INTEREST

There have been multiple meetings with the Lammersville Community in the County, County staff and City staff regarding the community's need to address excessive traffic going through their neighborhood.

COORDINATION

City Engineering Division has been in coordination with Prologis, County Public Works, and the South San Joaquin County Fire Authority in developing this truck turnaround and associated fire access gate to temporarily close Hansen Road. The gate will be operational only after County and City implement their improvements for the closure.

CEQA DETERMINATION

The project is within the scope of the development program evaluated in the certified Cordes Ranch Specific Plan EIR (CRSP EIR) and is consistent with the land use designations and development densities and intensities assigned to the proposed Project sites by the CRSP zoning. Cumulative and offsite impacts associated with development of the proposed Project, as proposed, were fully addressed in the CRSP EIR (SCH# 2011122015). Since the proposed Project is within the scope of the development program evaluated in the CRSP EIR and no subsequent EIR is required pursuant to Section 15162 of the CEQA Guidelines, under Section 15168(c) of the CEQA Guidelines, no further environmental review is required for the Project.

STRATEGIC PLAN

This agenda item is consistent with the Council approved Economic Development Strategy to

ensure physical infrastructure necessary for development.

ACTION REQUESTED OF THE CITY COUNCIL

That the Tracy City Council, by resolution, approve a Voluntary Agreement with Prologis, L.P. a Delaware Limited Partnership for the construction of a turnaround and installation of an automated fire-access gate on the City portion of Hansen Road, in response to the County's decision to limit access to their portion of Hansen Road.

Prepared by: Al Gali, Associate Engineer

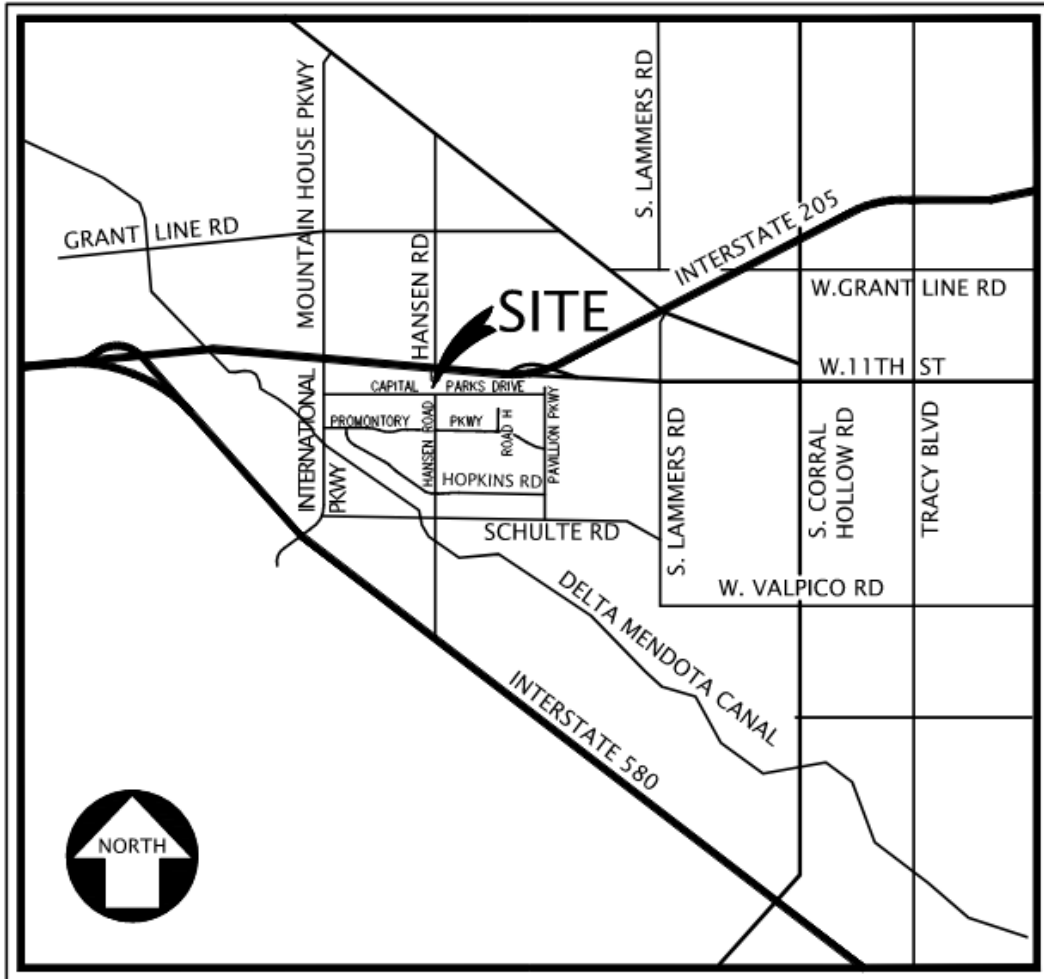
Reviewed by: Koosun Kim, PE, City Engineer / Assistant Director of Development Services
Jaylen French, Development Services Director
Sara Cowell, Finance Director
Bijal M. Patel, City Attorney
Karin Schnaider, Assistant City Manager

Approved by: Midori Lichtwardt, Interim City Manager

ATTACHMENTS

Attachment A – Vicinity Map
Attachment B – Voluntary Agreement

Attachment A



VICINITY MAP

N.T.S.

**CITY OF TRACY
VOLUNTARY AGREEMENT
FOR STREET IMPROVEMENTS FOR HANSEN ROAD**

This **VOLUNTARY AGREEMENT FOR STREET IMPROVEMENTS FOR HANSEN ROAD** (**Agreement**) is made and entered into by and between the **CITY OF TRACY**, a municipal corporation (**City**) and **PROLOGIS, L. P.**, a Delaware limited partnership (referred to as **Prologis**).

RECITALS

- A. Prologis is the legal owner of approximately one thousand two hundred and forty-two (1,242) acres of real property within the Cordes Ranch Specific Plan Area, which consists of approximately one thousand seven hundred and eighty (1,780) acres (**Specific Plan Area**). The Cordes Ranch Specific Plan (**Specific Plan**) is intended to create a state-of-the-art commerce and business park within the Specific Plan Area by establishing land use, zoning and development standards and regulations to provide for the phased development of approximately thirty-one (31) million square feet of general commercial, general office and business park industrial uses, related on- and off-site infrastructure, and passive and active use open space areas, trails, joint use park/detention facilities, and other related improvements.
- B. Trucks servicing various businesses located within the Specific Plan Area use Hansen Road as a cut-through and travel south of Von Sosten Road. Hansen Road is located within the jurisdictions of both the City and County of San Joaquin (**County**).
- C. In January 2022, the County Board of Supervisors approved the restriction of the County's portion of Hansen Road to a one-way street configuration, as a pilot project to reduce cut-through traffic and discourage truck traffic south of Von Sosten Road. In November 2022, the County voted to restrict the second lane on Hansen Road. Due to the County's decision, traffic from northbound Hansen Road will be stuck at the County closure point with no way to turnaround.
- D. To eliminate such an issue, Prologis, as the primary owner of land within the Specific Plan Area, has volunteered to build a truck turnaround and install an automated fire-access gate on the City portion of Hansen Road (collectively, **Improvements**). The Improvements will enable trucks to safely turnaround at the County closure point while still allowing emergency fire-access northbound on Hansen Road.
- E. The truck turnaround portion of the Improvements involves both City-controlled right of way on Hansen Road and adjacent land owned by Prologis. To accommodate the Improvements, Prologis has agreed to dedicate that portion of land needed to build the turnaround to the City's standards (as shown on **Exhibit A-1, Prologis Land**).
- F. On March 9, 2023, the City Council approved the temporary closure of Hansen Road at the City limit line, northbound of the location of the Improvements. The County has agreed to coordinate the implementation of the County restriction to the City's temporary closure.
- G. The City Engineer has approved the plans and specifications relating to the construction of the Improvements within the City of Tracy. Along with the Improvements, Prologis

VOLUNTARY AGREEMENT FOR
STREET IMPROVEMENTS ON HANSEN ROAD

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has agreed to demolish the existing pavement and striping and construct a temporary storm drain system, K-Rail, a speed bump, signing and striping, and associated improvements (collectively, the **Work**). The Work is described more fully in the following six (6) sheets of improvement plans: (i) five (5) sheets entitled "International Park of Commerce Street Improvement Plans for Hansen Road Interim Turnaround" (ENG22-0022) prepared by Kier & Wright Civil Engineers & Surveyors, Inc. of Livermore, California, and (ii) a Signing and Striping plan which includes one (1) sheet prepared by TJKM of Pleasanton, CA (collectively, the **Plans and Specifications**). The Plans and Specifications are on file with the City Engineer and are incorporated herein by reference.

- H. The Work will be performed on the real property shown and more particularly described on **Exhibits, A-1 and A-2** hereto (collectively, the **Property**).

NOW THEREFORE, THE PARTIES MUTUALLY AGREE AS FOLLOWS:

1. **SCOPE OF WORK.** Prologis shall perform, or cause to be performed, the Work in the manner and as described in the Plans and Specifications, in accordance with the prevailing City Standards, Specifications and shall comply with all existing codes and policies, to the satisfaction of the City Engineer, pursuant to this Agreement. The Work shall be performed, and all materials and labor shall be provided, at Prologis's expense, in the manner described in the Plans and Specifications. No material change shall be made to the scope of Work unless authorized in writing by the City Engineer, such approval not to be unreasonably withheld. Prologis may submit a written request to the City Engineer for a change in the scope of the Work. To the extent applicable, all of the Work shall be performed by the Prologis in accordance with the requirements of the State prevailing wage laws.
2. **PROLOGIS'S AUTHORIZED REPRESENTATIVE.** At all times during the progress of the Work, Prologis shall have a competent foreman or superintendent (**Authorized Representative**) on site with authority to act on Prologis's behalf. Prologis shall, at all times, keep the City Engineer informed in writing of the name and telephone number of the Authorized Representative. Prologis shall, at all times, keep the City Engineer reasonably informed in writing of the names and telephone numbers of all contractors and subcontractors performing the Work. **Exhibit B** attached hereto includes the initial contact information referenced herein.
3. **LOCATION OF PERFORMANCE.** Prologis shall perform the Work at the locations and grades shown on the Plans and Specifications or as otherwise approved by the City Engineer. In the event and to the extent required for the Work, Prologis shall acquire all easements and/or rights-of-way necessary for the performance of the Work, at Prologis's expense.
4. **IMPROVEMENT SECURITY.** Concurrently with the execution of this Agreement, and prior to the commencement of any Work, Prologis shall furnish contract security, in a form authorized by the , in the following amounts:
 - 4.1. **Faithful Performance** security in the amount of **\$339,765.36** to secure faithful performance of this Agreement (until the day following the date upon which the City Council accepts the Work as complete).

VOLUNTARY AGREEMENT FOR
STREET IMPROVEMENTS ON HANSEN ROAD

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- 4.2. Labor and Material security in the amount of **\$339,765.36** to secure payment by Prologis to laborers and materialmen (until the day following the date upon which any and all claims in connection with the Work are required to be made by laborers and materialmen in accordance with applicable laws).
- 4.3. Warranty security in the amount of **\$33,976.54** to guarantee improvements against any defective work or labor done or defective materials used in the performance of Work (from the day following the date upon which the City Council accepts the Work as complete through and including the same date in the following year).
5. INSURANCE. Concurrently with the execution of this Agreement, and prior to the commencement of any Work, Prologis shall furnish evidence to City that all of the following insurance requirements have been satisfied by the Prologis or its general contractor responsible for the Work. The insurance coverage requirements below can also be covered by umbrella policies if approved by the City.
 - 5.1. General. Prologis shall, throughout the duration of this Agreement, maintain or cause to be maintained insurance to cover Prologis, its agents, representatives, contractors, subcontractors, and employees in connection with the performance of services for the Work covered by this Agreement at the minimum levels set forth herein.
 - 5.2. Commercial General Liability. Prologis 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 two million dollars (\$2,000,000) per occurrence for bodily injury, personal injury, and property damage, including without limitation, blanket contractual liability and coverage for explosion, collapse and underground property damage hazards. Prologis's general liability policies shall be primary and non-contributory, and be endorsed using Insurance Services Office form CG 20 10 to provide that City and its officers, officials, employees, and agents shall be additional insureds under such policies. For construction contracts, an endorsement providing completed operations to the additional insured, ISO form CG 20 37, is also required.
 - 5.3. Automobile Liability. Prologis shall provide auto liability coverage for owned, non-owned, and hired autos using ISO Business Auto Coverage form CA 00 01, or the exact equivalent, with a limit of no less than two million dollars (\$2,000,000) per accident.
 - 5.4. Workers' Compensation. Prologis shall maintain Workers' Compensation Insurance (Statutory Limits) and Employer's Liability Insurance with limits of at least one million dollars (\$1,000,000). Prologis 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.
 - 5.5. Professional Liability. Prologis shall cause its design professionals to maintain professional liability insurance that insures against professional errors and omissions that may be made in performing the Services to be rendered in connection with this Agreement, in the minimum amount of one million dollars

VOLUNTARY AGREEMENT FOR
STREET IMPROVEMENTS ON HANSEN ROAD

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(\$1,000,000) per claim and in the aggregate. Any policy inception date, continuity date, or retroactive date must be before the effective date of this Agreement, and Prologis agrees to cause its design professionals to maintain continuous coverage through a period no less than three years after completion of the services required by this Agreement.

- 5.6. Notice of Cancellation. Prologis shall obtain endorsements to all insurance policies by which each insurer is required to provide thirty (30) days' prior written notice to City should the policy be canceled before the expiration date. For the purpose of this notice requirement, any material change in the policy prior to the expiration shall be considered a cancellation.
- 5.7. Authorized Insurers. All insurance companies providing coverage to Prologis shall be insurance organizations authorized by the Insurance Commissioner of the State of California to transact the business of insurance in the State of California.
- 5.8. Insurance Certificate. Prologis shall provide evidence of compliance with the insurance requirements listed above by providing a certificate of insurance, in a form reasonably satisfactory to the City Attorney.
- 5.9. Substitute Certificates. No later than five (5) calendar days prior to the policy expiration date of any insurance policy required by this Agreement, Prologis shall provide City with a substitute certificate of insurance.
- 5.10. Prologis's Obligation. Maintenance of insurance by Prologis as specified in this Agreement shall in no way be interpreted as relieving Prologis of any of its obligations hereunder (including indemnity obligations under this Agreement), and Prologis may carry, at its own expense, such additional insurance as it deems necessary or desirable.
6. PERMITS, LICENSES AND COMPLIANCE WITH LAW. Prologis shall, at its expense, obtain and maintain all necessary permits, approvals and licenses for performance of the Work. In its performance of the Work, Prologis shall comply with all applicable local, state, and federal laws, whether or not said laws are expressly stated in this Agreement.
7. TIME OF PERFORMANCE. Time is of the essence in the performance of the Work, and Prologis and the City shall with diligence and in good faith adhere to the timing requirements set forth herein unless otherwise modified in writing in accordance with this Agreement. Work shall begin within 90 days after the Effective Date of this Agreement, in compliance with the requirements in Section 7.1. Effective Date is defined as the date on which the City executes the Agreement. Prologis shall submit all requests for extensions of time to City, in writing, no later than ten (10) days after the start of the condition that purportedly caused the delay, and not later than the date on which performance is due.
 - 7.1. Commencement of Work. No later than fifteen (15) days prior to the commencement of the Work, Prologis shall provide written notice to the City Engineer of the date on which Prologis intends to commence the Work. Prologis shall not commence the Work until after the notice required by this Section 8.1 is

VOLUNTARY AGREEMENT FOR
STREET IMPROVEMENTS ON HANSEN ROAD

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provided, and Prologis shall not commence Work prior to the date specified in said written notice.

- 7.2. Schedule of Work. Concurrently with the written notice of commencement of Work, Prologis shall provide City with a written schedule of Work that is acceptable to the City Engineer in its reasonable discretion, which shall be updated in writing as necessary to accurately reflect Prologis's prosecution of the Work.
- 7.3. Completion of Work. Prologis shall complete the work required under this section within 243 days after commencement. If Prologis encounters time delays with respect to procuring the security gate, Prologis shall immediately notify the City of such delay and also provide an updated completion date.

8. INSPECTION BY CITY; INSPECTION FEES. To permit City to inspect the Work, Prologis shall, at all times, provide to City reasonable and safe access to the Work site, and all portions of the Work, and to all shops wherein portions of the Work are in preparation. When requested by Prologis, City shall use reasonable efforts to complete the requested inspection.

Concurrently with Prologis's execution of this Agreement and before the beginning of any Work, Prologis shall pay the City Inspection Fees in the amount of 3.5% of the estimated Engineer's Cost Estimate of (as approved by the City Engineer) **\$339,765.36** which is equal to **\$ 11,891.78**. If the City requires an independent inspection, Prologis shall pay all such costs and provide a report directly to the City.

9. DEFAULT.

- 9.1. Notice of Default. In the event that Prologis is in default of this Agreement, as defined in this Section 9, the City Engineer shall provide written notice to Prologis and Prologis's surety (if any) in which the default is described.
- 9.2. Material Breach. Prologis shall be in default of this Agreement if the City Engineer determines that any one of the following conditions exist (which conditions are not intended to constitute the exclusive bases for default):
- 9.2.1. The Prologis is insolvent, bankrupt, or makes a general assignment of the benefit of its creditors.
 - 9.2.2. The Prologis abandons the Work site.
 - 9.2.3. The Prologis fails to perform one or more material requirements of this Agreement, and fails to cure any such non-performance pursuant to Section 9.3, below.
 - 9.2.4. The Prologis violates any legal requirements related to the Work, and fails to cure such violation pursuant to Section 9.3, below.
- 9.3. Cure of Default. In the event that Prologis fails, within thirty (30) calendar days after receipt of written notice from the City, to either cure the default or provide adequate written assurance to the reasonable satisfaction of the City

VOLUNTARY AGREEMENT FOR
STREET IMPROVEMENTS ON HANSEN ROAD

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Engineer that the cure will be promptly commenced and diligently prosecuted to its completion, the City may, in its discretion, take any or all of the following actions:

- 9.3.1. Cure the default.
 - 9.3.2. Demand that Prologis complete performance of the Work.
 - 9.3.3. Demand that Prologis's surety (if any) complete performance of the Work.
 - 9.3.4. Enter the Property and complete the Work. To this end, Prologis hereby grants City a license to enter onto the Property that is the subject of this Agreement, to complete the Work in the event of an uncured default.
 - 9.3.5. Any other judicial remedies available to the City.
10. REPAIR OF ANY DAMAGE. In the event and to the extent Prologis or its agents, representatives, contractors, subcontractors, or employees, in connection with performance of the Work, cause any damage to property owned by City or other property owners, then Prologis shall promptly take all reasonable steps to repair or replace (as necessary) such property to remedy the damage caused thereto.
 11. MAINTENANCE AND WARRANTY. Prologis shall warrant the quality of the Work, in accordance with the Plans and Specifications, for a period of one (1) year after final acceptance of the Work by the City Council, consistent with Section 4.3 above. Notwithstanding the foregoing, Prologis shall maintain and repair, at its costs, the emergency gate for as long as such gate is authorized to exist on Hansen Road. Prologis acknowledges that such gate is to provide emergency vehicle access northbound on Hansen Road and agrees to perform regular maintenance checks on the gate and repair it promptly to ensure that emergency access is available at all times.
 12. INDEPENDENT CONTRACTOR STATUS. Prologis is an independent contractor, and the parties agree that City shall have no responsibility for any acts of Prologis's employees, agents, representatives, contractors or subcontractors, including any negligent acts or omissions. Prologis is not City's employee and Prologis shall have no authority, express or implied, to act on behalf of City as an agent, or to bind City to any obligation whatsoever, unless City provides prior written authorization to Prologis.
 13. OWNERSHIP OF WORK. All original documents prepared by Prologis for this Agreement shall be given to City upon City's final acceptance of the Work; provided, however, ownership of said documents shall be determined in accordance with applicable laws and with Prologis's contracts with its design professionals. Upon Prologis' satisfactory completion of the final design and specifications, as shall be determined by the City Engineer, the City shall use its best efforts to accept the turnaround.
 14. INDEMNIFICATION. Prologis shall indemnify, defend, and hold harmless City (including its elected officials, officers, agents and employees) from and against any and all claims, demands, damages, liabilities, costs, and expenses (including court costs and

VOLUNTARY AGREEMENT FOR
STREET IMPROVEMENTS ON HANSEN ROAD

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attorney's fees) resulting from the performance of the Work by Prologis or Prologis's agents, representatives, contractors, subcontractors, or employees until such time as all of the following have occurred: (1) the City Council accepts all of the improvements comprising the Work, (2) the City becomes responsible for the maintenance, operation and repair of all of the improvements comprising the Work, and (3) the one year warranty period set forth in Section 11, above, has expired, at which time the indemnification obligations under this Section 14 shall automatically terminate, with regard to any cause of action arising after such date. For avoidance of doubt, Prologis's obligations under this Section 14 are in addition to all other Prologis obligations set forth in this Agreement, and shall not affect Prologis's warranty obligations set forth in Section 11, above.

15. ASSIGNMENT AND DELEGATION. This Agreement and any portion thereof shall not be assigned or transferred, nor shall any of Prologis's duties be delegated, without the written consent of City, which shall not be unreasonably withheld, delayed or denied. Any attempt to assign or delegate this Agreement without City's written consent shall be void and of no force and effect. Consent by City to one assignment shall not be deemed to be consent to any subsequent assignment.

16. NOTICES.

16.1. Notice in Writing. All notices, demands, or other communications that this Agreement contemplates, authorizes or requires shall be in writing and shall be personally delivered and electronically mailed to the respective party as follows:

City: City of Tracy
Attn: City Engineer
333 Civic Center Plaza
Tracy, CA 95376
notice@cityoftracy.org

Prologis: Prologis L.P.
Attn: Ali Harandi
Pier 1, Bay 1
San Francisco, CA 94111
Tel: (415) 733-9525
Fax: (415) 733-2171
aharandi@prologis.com

Copy to: City Attorney's Office
Attn: City Attorney
333 Civic Center Plaza
Tracy, CA 95376
attorney@cityoftracy.org

Copy to: Rutan & Tucker, LLP
Attn: John A. Ramirez
611 Anton Blvd.
Costa Mesa, CA 92694
Tel: 714-662-4610
Fax: 415.262.5199
jramirez@rutan.com

Copy to: Prologis L.P.
Attn: General Counsel
1800 Wazee Suite #500
Denver, CO 80239
Tel: 303.567.5000
Fax: 303.567.5903
legalnotice@prologis.com

VOLUNTARY AGREEMENT FOR
STREET IMPROVEMENTS ON HANSEN ROAD

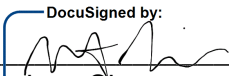
Page 8 of 15

- 16.2. Communications shall be deemed to have been given and received when actual receipt at the email address designated above occurs.
17. IRREVOCABLE OFFER OF DEDICATION. Prologis agrees to execute and deliver to the City an Irrevocable Offer of Dedication (**IOD**) (see Exhibit C) for the Prologis Land, upon the request of the City. Prologis acknowledges and agrees that the City may record the IOD against the Prologis Land, and the City shall have the right to accept the Prologis Land pursuant to the IOD on the timeframe deemed appropriate by the City.
18. MODIFICATIONS. This Agreement may not be modified orally or in any manner other than by an agreement in writing signed by both parties.
19. WAIVERS. Waiver of a breach or default under this Agreement shall not constitute a continuing waiver or a waiver of a subsequent breach of the same or any other provision of this Agreement.
20. SEVERABILITY. In the event a court of competent jurisdiction holds any term of this Agreement invalid, the Agreement shall be construed as not containing that term, and the remainder of this Agreement shall remain in full force and effect.
21. JURISDICTION AND VENUE. The interpretation, validity and enforcement of the Agreement shall be governed by and construed under the laws of the State of California. Any suit, claim, or legal proceeding of any kind related to this Agreement shall be filed and heard in a court of competent jurisdiction in the County of San Joaquin.
22. ENTIRE AGREEMENT. This Agreement, including all documents incorporated by reference, comprises the entire integrated understanding between the parties concerning the Work. This Agreement supersedes all prior negotiations, representations or agreements as such may relate to performance of the Work.
23. SIGNATURES. The individuals executing this Agreement represent and warrant that they have the right, power, legal capacity, and authority to enter into and to execute this Agreement on behalf of the respective legal entities of Prologis and City. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

[SIGNATURES ON NEXT PAGE]

VOLUNTARY AGREEMENT FOR
STREET IMPROVEMENTS ON HANSEN ROAD
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IN WITNESS WHEREOF the parties do hereby agree to the full performance of the terms set forth herein.

<p>CITY OF TRACY</p> <p>_____</p> <p>Nancy D. Young, Mayor Date: _____</p> <p>Attest:</p> <p>_____</p> <p>Adrienne Richardson, City Clerk</p> <p>Approved as to form:</p> <p>_____</p> <p>Bijal M. Patel, City Attorney</p>	<p>PROLOGIS, L.P. a Delaware Limited Partnership</p> <p>By: Prologis, Inc. a Maryland corporation, its General Partner</p> <p>DocuSigned by:  _____</p> <p>Matthew Sims 031603140674DE...</p> <p>Date: _____</p>
--	---

ATTACHMENTS:

- Exhibit A-1 Prologis Land
- Exhibit A-2 Property/Vicinity Map
- Exhibit B Contact Information of Authorized Representative
- Exhibit C Form IOD

Exhibit A-1 – Prologis Land

EXHIBIT 'A'
LEGAL DESCRIPTION
ROAD DEDICATION HANSEN ROAD

ALL THAT REAL PROPERTY SITUATE IN SECTION 22, TOWNSHIP 2 SOUTH, RANGE 4 EAST, MOUNT DIABLO BASE AND MERIDIAN, IN THE CITY OF TRACY, COUNTY OF SAN JOAQUIN, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEASTERLY CORNER OF SAID SECTION 22, THENCE ALONG THE SOUTHERLY LINE OF SAID SECTION, NORTH 88° 50' 07" WEST, 20.00 FEET;
THENCE LEAVING SAID SOUTHERLY LINE ALONG THE WESTERLY LINE OF HANSEN ROAD FOR THE FOLLOWING TWO (2) COURSES AND DISTANCES:

1. NORTH 00°30'55" EAST, 812.89 FEET;
2. NORTH 8°48'24" WEST, 189.64 FEET TO THE **POINT OF BEGINNING**.

THENCE LEAVING SAID WESTERLY LINE NORTH 39°56'25" WEST, 41.58 FEET TO THE BEGINNING OF A CURVE TO THE RIGHT.

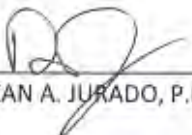
THENCE ALONG THE ARC OF SAID CURVE TO THE RIGHT HAVING A RADIUS OF 59.00 FEET, THROUGH A CENTRAL ANGLE 91°41'25" FOR AN ARC DISTANCE OF 94.42 FEET TO A POINT ON THE WESTERLY LINE OF SAID HANSEN ROAD.

THENCE ALONG SAID WESTERLY LINE SOUTH 8°48'24" EAST, 117.48 FEET TO THE **POINT OF BEGINNING**.

CONTAINING 2,309 SQUARE FEET OR 0.053 ACRES OF LAND, MORE OR LESS.

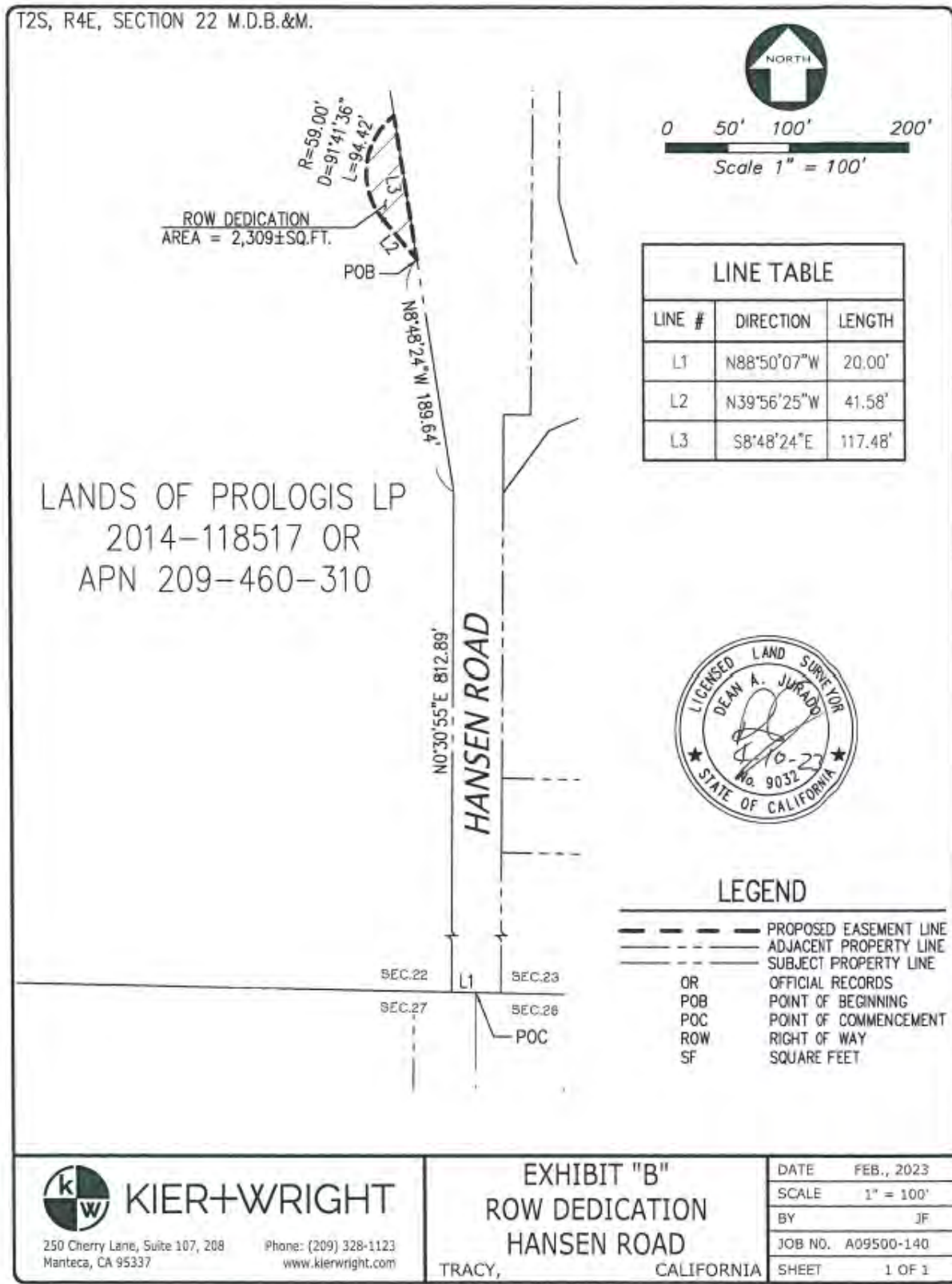
KIER & WRIGHT CIVIL ENGINEERS & SURVEYORS, INC.

THE BASIS OF BEARINGS FOR THIS PLAT AND LEGAL DESCRIPTION IS THE LINE TAKEN AS S89°05'42"E, BETWEEN TWO FOUND MONUMENTS (STATION NUMBER 2043 AND STATION NUMBER 2044) OF THE CITY OF TRACY GEODETIC CONTROL NETWORK, WHICH IS BASED UPON THE CALIFORNIA STATE PLANE COORDINATE SYSTEM, ZONE 3, NAD83 (EPOCH 2004.0), AS SHOWN ON THE RECORD OF SURVEY FILED JUNE 26, 2007, IN BOOK 36 OF SURVEYS AT PAGE 118, SAN JOAQUIN COUNTY RECORDS. THE DISTANCES SHOWN ARE GROUND DISTANCES. MULTIPLY DISTANCES SHOWN BY 0.99992068 TO OBTAIN GRID DISTANCES.


DEAN A. JURADO, P.L.S. 9032

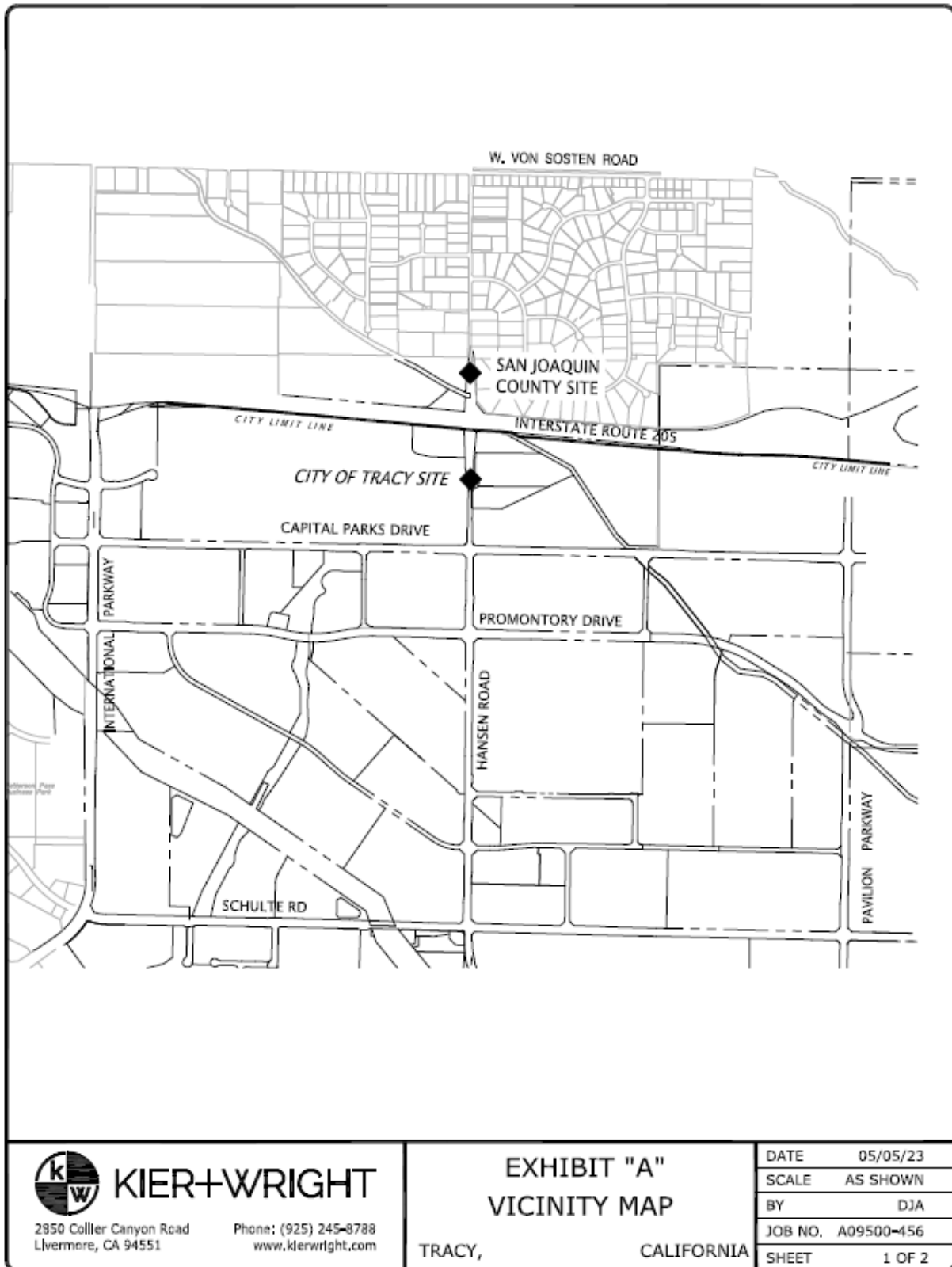
4-10-27
DATE





IPC – OFFSITE IMPROVEMENT AGREEMENT
 STREET IMPROVEMENTS ON IPC HANSEN ROAD INTERIM TURNAROUND
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Exhibit A-2 – Vicinity Map



2850 Collier Canyon Road
 Livermore, CA 94551
 Phone: (925) 245-8788
 www.kierwright.com

EXHIBIT "A"
 VICINITY MAP

TRACY, CALIFORNIA

DATE	05/05/23
SCALE	AS SHOWN
BY	DJA
JOB NO.	A09500-456
SHEET	1 OF 2

**CITY OF TRACY
OFFSITE IMPROVEMENT AGREEMENT
INTERNATIONAL PARK OF COMMERCE (IPC)
STREET IMPROVEMENTS ON IPC HANSEN ROAD INTERIM TURNAROUND**

EXHIBIT "B"

PAGE 1 OF 1

<u>Name of Person</u>	<u>Company Name</u>	<u>Telephone Number</u>
Matthew Sims	Prologis, LP	(510) 298-9810
Chuck McCallum	Kier & Wright Engineers	(925) 245-8788

Remainder of the Page Intentionally Left Blank

EXHIBIT "C"

Recording Requested by:
City of Tracy

Return to:
Adrienne Richardson, City Clerk
333 Civic Center Plaza
Tracy, CA 95376

Recording Fee: Exempt
(Government Code Section 6103 and 27383)

Space above this line for Recorder's use
APN: _____

Documentary Transfer Tax: Exempt
(Revenue and Taxation Code Section
11922)

IRREVOCABLE OFFER OF DEDICATION OF FEE INTEREST

For A Valuable Consideration, receipt of which is hereby acknowledged, _____ represents that, as the owner(s) of the herein-described real property (in the case of multiple owners, collectively referred to as "Grantor") as set forth on Exhibit A, Grantor hereby makes an Irrevocable Offer of Dedication of fee interest in the property described on Exhibit B to THE CITY OF TRACY, A MUNICIPAL CORPORATION, subject, however, to the permissible encumbrances set forth in Exhibit C, the hereinafter described real property for the following public purpose:

STREETS AND OTHER PUBLIC PURPOSES

The real property referred to above is situated in the City of Tracy, County of San Joaquin, State of California and is more particularly described as follows:

SEE ATTACHED:

EXHIBIT A FOR LEGAL DESCRIPTION

EXHIBIT B FOR PLAT

EXHIBIT C FOR PERMISSIBLE ENCUMBRANCES

This Offer of Dedication is made pursuant to Section 7050 of the Government Code of the State of California and may be accepted at any time by the City of Tracy.

This Offer of Dedication of fee interest shall be irrevocable and shall be binding on the Grantor, its heirs, executors, administrators, successors and assigns. The City and its successors or assigns shall incur no liability with respect to this offer of dedication, and shall not assume any responsibility for the Property or any improvements thereon, until this offer has been accepted by the City of Tracy.

SIGNATURE PAGE

Signed this _____ day of _____, 20____

Corporation/Business Name: _____

Grantor Signatures: _____

Signature

Print Name and Title

Signature

Print Name and Title

**Corporations - signature of two (2) officers required or one (1) officer plus corporate seal. Partnership - signature of a partner required
Sole Proprietorship - signature of proprietor required LLC - signature of proprietor or partner required*

(Notary Acknowledgment Required for Each signatory)

CERTIFICATION

This is to certify that the interest in real property offered herein to the City of Tracy is hereby accepted pursuant to the authority conferred by Tracy City Council Resolution No. _____, dated _____, _____, and the grantee consents to the recordation thereof.

DATED: _____

By: _____

City of Tracy

TRACY CITY COUNCIL
RESOLUTION 2023-_____

APPROVING A VOLUNTARY AGREEMENT WITH PROLOGIS, L.P., A DELAWARE LIMITED PARTNERSHIP, FOR THE CONSTRUCTION OF A TURNAROUND AND INSTALLATION OF AN AUTOMATED FIRE-ACCESS GATE ON THE CITY PORTION OF HANSEN ROAD, IN RESPONSE TO THE COUNTY'S DECISION TO LIMIT ACCESS TO THEIR PORTION OF HANSEN ROAD

WHEREAS, the Cordes Ranch Specific Plan approved on September 3, 2013, designated the segment of Hansen Road, north of Capital Parks Drive to be developed as a Specific Plan Road; and

WHEREAS, San Joaquin County recently made a decision to close Hansen Road at the city limit. This planned closure by the County necessitated construction of turnaround improvements within Tracy just south of the city limit line; and

WHEREAS, the Developer and City staff have been in discussions with Lammersville Community, County staff and City staff, regarding the planned closure of Hansen Road and the community's need to address the excessive traffic going through their neighborhood; and

WHEREAS, the Developer has agreed to install the turnaround improvements on Hansen Road to facilitate the turn around of vehicles at the city limit line after the street closure goes into effect; and

WHEREAS, City Engineering Division has been in coordination with Prologis, County Public Works and the South San Joaquin County Fire Authority (SSJCFA) in developing the turnaround and associated fire access gate to temporarily close Hansen Road; and

WHEREAS, the City and the Developer have agreed to execute a Voluntary Agreement and Developer has agreed to post the required securities to guarantee completion of the improvements; and

WHEREAS, the roadway improvements that are the subject to the Voluntary Agreement will be funded and performed by the Prologis, L.P.; and

WHEREAS, there will be no impact to the General Fund. The Developer will pay for roadway improvements and for the cost of inspection and processing the agreement; now, therefore, be it

RESOLVED: That the City Council of the City of Tracy hereby approves a Voluntary Agreement with Prologis, L.P. a Delaware Limited Partnership for the construction of a turnaround and installation of an automated fire-access gate on the City portion of Hansen Road, in response to the County’s decision to limit access to their portion of Hansen Road.

The foregoing Resolution 2023-_____ was adopted by the Tracy City Council on the 6th day of June 2023 by the following vote:

AYES: COUNCIL MEMBERS:
NOES: COUNCIL MEMBERS:
ABSENT: COUNCIL MEMBERS:
ABSTENTION: COUNCIL MEMBERS:

NANCY D. YOUNG
Mayor of the City of Tracy, California

ATTEST: _____
ADRIANNE RICHARDSON
City Clerk and Clerk of the Council of the
City of Tracy, California

Agenda Item 1.K

RECOMMENDATION

Staff recommends that the City Council authorize the City of Tracy to continue participation in the San Joaquin County Urban County Consortium and Urban County Cooperation Agreement for the Federal Community Development Block Grant (CDBG) and HOME Investment Partnership (HOME) program funding for fiscal years 2024-2026

EXECUTIVE SUMMARY

The City of Tracy is currently a partner in the San Joaquin County Urban County Consortium and has previously entered into an Urban County Cooperation Agreement, which provides pass-through entitlement program funding to the City and its selected grantees. City Council authorization is required for the City to remain eligible for pass through CDBG and HOME funding through the Urban County Agreement.

BACKGROUND AND LEGISLATIVE HISTORY

CDBG and HOME funds are allocated to cities and counties by the United States Department of Housing and Urban Development (HUD) for use in projects that make for a viable community, with local programs and services that provide decent housing, a suitable living environment, and expand economic opportunities for low and moderate income individuals and families. The City of Tracy receives an annual pass-through allocation from San Joaquin County. The City of Tracy, along with the cities of Escalon, Lathrop, Manteca, Ripon, along with San Joaquin County, are partners in the Urban County Consortium. Every three years the County and its partner cities are required to notify HUD of its intent to continue participation in the Urban County Consortium and Cooperation Agreement. This process allows for requalification of the Urban County status for San Joaquin County.

On July 7, 1993, the City originally entered into an Urban County Cooperation Agreement (Attachment A) with San Joaquin County. The Agreement was amended in 2014 to reflect changes requested by HUD (Attachment B). The City of Tracy has routinely authorized inclusion in the program by deferring its metropolitan city status to the Urban County Consortium.

DISCUSSION

The City of Tracy qualifies as a metropolitan city as defined by HUD, since its population exceeds 50,000 residents. The metropolitan city status makes the City of Tracy eligible to exclude itself from participation in the Urban County Consortium and Cooperation Agreement, thereby creating a direct relationship with HUD. City staff has analyzed the advantages and disadvantages of inclusion in the Urban County Consortium and are recommending continued participation with San Joaquin County and the five other incorporated cities in the Urban County Consortium and Cooperation Agreement.

Participation in the consortium allows the City to leverage resources at San Joaquin County to act on the City's behalf to perform federal program delivery responsibilities and reporting actions with HUD. At this time, the City does not have assigned resources to

adequately report and interact with HUD on a program delivery level and would need to increase those administrative resources to meet the demands of the HUD entitlement programs. In exchange for administrative services provided by San Joaquin County, the City has historically relinquished 6% of its annual CDBG allocation or approximately \$30,000 for Fiscal Year 2022-23. At this time, it is possible that changing to a direct entitlement metropolitan city may result in a demand for additional City administration services which could cause an impact to the general fund. The City can carefully evaluate the option of becoming a direct entitlement agency in further detail before the end of the next contract period which expires on June 30, 2026.

Participation in the consortium also allows the City and its non-profit grantees to receive a formula based annual allocation of CDBG and HOME funding. In addition, as a consortium partner, the City has access to competitive based funding disbursed by San Joaquin County including CDBG program income grant opportunities for public facilities projects. As a direct entitlement metropolitan city, the City would only have access to its formula allocation from HUD and any competitive CDBG grant funding opportunities offered by the State of California.

The City also currently defers all federal entitlement housing activities to San Joaquin County including the HOME Rehab Program and Down Payment Assistance Program since the County can leverage resources from all six participating agencies to administer housing loans and housing rehabilitation services. The City does not have the administrative capacity to operate a full-time housing program at this time.

As a consortium member, the City has significantly less risk in the event of a reduction in HUD entitlement funding since many of the HUD administrative actions, including staffing resources, are provided by San Joaquin County as described in this report.

The recommended action is for City Council to provide authorization for the City to continue participation in the San Joaquin County Urban County Consortium and Cooperation Agreement for fiscal year 2024-2026.

FISCAL IMPACT

There is no fiscal impact associated with the approval of this item. The City of Tracy receives an annual pass-through allocation from the San Joaquin County based on HUD's annually approved budget. The City of Tracy received a total of \$2,025,116 in program funding during the last Urban County qualification period of 2021-2024, detailed as follows: 2021-2022 (\$661,538); 2022-2023 (\$675,757); 2023-2024 (\$687,821).

CEQA DETERMINATION

A CEQA determination is not required of this item.

STRATEGIC PLAN

This agenda items supports the City of Tracy Economic Development Strategic Priority, to implement Community Development Block Grant funding.

ACTION REQUESTED OF THE CITY COUNCIL

Staff recommends that the City Council authorize the City of Tracy to continue participation in the San Joaquin County Urban County Consortium and Urban County

Cooperative Agreement for the Federal Community Development Block Grant (CDBG) and HOME Investment Partnership (HOME) program funding for fiscal years 2024-2026

Prepared by: Joseph Viorge-Koide, Administrative Technician

Reviewed by: Adriana Castañeda, Director of Mobility & Housing
Sara Cowell, Director of Finance
Bijal Patel, City Attorney
Karin Schnaider, Assistant City Manager

Approved by: Midori Lichtwardt, Interim City Manager

ATTACHMENTS

Attachment A -- San Joaquin County Urban County Cooperation Agreement

Attachment B – Amendment 1 to Urban County Cooperation Agreement

Attachment A

A-93-915

1 URBAN COUNTY
2 COMMUNITY DEVELOPMENT BLOCK GRANT AND
3 HOME INVESTMENT PARTNERSHIP ACT
4 COOPERATION AGREEMENT
5

6 THIS AGREEMENT is entered into this 7 day of July, 1993, by and between the City of
7 ~~TRACY~~, hereinafter referred to as **Recipient**, and the County of San Joaquin, hereinafter referred
8 to as **County**.

9 WHEREAS, the **Recipient** is a duly constituted corporation under the laws of the State of
10 California, and is empowered thereby to undertake essential community development and housing
11 assistance activities, specifically urban renewal and publicly assisted housing; and

12 WHEREAS, the **County** is duly constituted subdivision of the State of California, and is also
13 empowered by State law to undertake essential community development and housing assistance
14 activities, specifically urban renewal and publicly assisted housing; and

15 WHEREAS, Government Code Sections 6500, et seq., authorize two or more public agencies to
16 jointly exercise any power common to both; and

17 WHEREAS, the **County** shall be responsible for the application for grants available to the Urban
18 County; and

19 WHEREAS, it is mutually desired by the parties hereto to enter into a Cooperation Agreement, in
20 accord with the Housing and Community Development Act of 1974, as amended, and applicable Federal
21 rules and regulations adopted pursuant thereto, whereby the parties shall jointly undertake community
22 development and housing assistance activities financed in whole or in part by Community Development
23 Block Grant (CDBG) funds; and

24 WHEREAS, the Department of Housing and Urban Development requires the **County**, as grant
25 applicant, to enter into written agreement with recipients of Home Investment Partnership Act (HOME)
26 funds, pursuant to 24 CFR 92.504.

27 NOW, THEREFORE, BE IT RESOLVED as follows:

1 I. The parties hereto agree to cooperate to undertake, or assist in undertaking, community
2 renewal and lower income housing assistance activities, specifically urban renewal and
3 publicly assisted housing, pursuant to the Housing and Community Development Act of
4 1974, as amended, and HOME Program guidelines, 24 CFR Part 92.

5 II. The parties agree that:

6 A. CDBG Allocation

7 Annual CDBG allocations will be distributed to the **Recipient** based on the criteria
8 contained in the Urban County Allocation Agreement adopted by both the
9 **Recipient** and the **County**.

10 B. CDBG Eligible Activities

11 Each activity undertaken shall meet one of the mandated national objectives, set
12 forth in 24 CFR 570.208. Final determination's of eligibility shall be made by the
13 **County**, and provided to the **Recipient**. Eligible activities may include the
14 following:

15 1. Activities which benefit low and moderate income persons. The
16 **Recipient** shall document income limits applied, and the point in time
17 when the benefit was determined.

18 2. Activities which benefit low and moderate income persons based on the
19 area served by the activity. The **Recipient** shall document:

20 a. The boundaries of the service area; and

21 b. The income characteristics of families and unrelated individuals
22 in the service area.

23 3. Activities which benefit low and moderate income persons because the
24 activity involves a facility or service designed for use by a limited clientele
25 consisting exclusively or predominantly of low and moderate income
26 persons. The **Recipient** shall document:

- 1 a. The facility or service is designed for, and used by, senior
2 citizens, handicapped persons, battered spouses, abused
3 children, the homeless, illiterate persons, or migrant farm workers
4 (presumptive low/mod benefit); or
5 b. The nature and, if applicable, the location of the facility or service
6 and that it is used predominantly by low and moderate income
7 persons; or
8 c. The size and annual income of the family of each person
9 receiving the benefit.

10 4. Activities which benefit low and moderate income persons based on the
11 creation of jobs. The **Recipient** shall provide:

- 12 a. A copy of a written agreement from each assisted business
13 containing:
14 (1) a commitment by the business that it will make at least
15 51% of the jobs available to low and moderate income
16 persons, and will provide training for any of these jobs
17 requiring special skills or education; and
18 (2) a listing by job title of the permanent jobs to be created,
19 which jobs require special skills or education, and which
20 jobs are part-time, if any; and
21 (3) a description of actions to be taken by the **Recipient** and
22 business to ensure that low/mod income persons receive
23 first consideration for these jobs.
24 b. A listing by job title of the permanent jobs filled, and which jobs
25 of those were available to low/mod income persons, and a listing

1 of low/mod income persons interviewed for a particular job; and
2 which low and moderate income persons were hired.

3 5. Activities which benefit low and moderate income persons based on the
4 retention of jobs. The **Recipient** shall provide:

- 5 a. Evidence that, in the absence of CDBG assistance, jobs would
6 be lost; and
- 7 b. For each business assisted, a listing by job title of permanent
8 jobs retained; and
- 9 c. For each retained job claimed to be held by a low/mod income
10 person, information of the size and annual income of the
11 person's family.

12 6. Activities which aid in the prevention or elimination of slums or blight
13 based on addressing one or more of the conditions which qualified an
14 area as a slum or blighted area. The **Recipient** shall provide:

- 15 a. The boundaries of the area; and
- 16 b. A description of the conditions which qualified the area at the
17 time of its designation in sufficient detail to demonstrate how the
18 area met the slum and/or blight criteria.

19 7. Activities which meet a community development need having a particular
20 urgency. The **Recipient** shall document:

- 21 a. The nature and degree of seriousness of the condition, requiring
22 assistance; and
- 23 b. That the CDBG activity was designed to address the urgent
24 need; and
- 25 c. The timing of the development of the serious condition; and

1 d. Evidence that confirm that other financial resources to alleviate
2 the need were not available.

3 C. CDBG Eligibility Determination

4 The Recipient shall demonstrate that an eligibility determination was made as
5 prescribed in 24 CFR 570.201. Final determination's of eligibility shall be made
6 by the County, and provided to the Recipient.

7 D. CDBG Property Acquisition or Improvement

8 The Recipient shall document any real property acquisition or improvement in
9 whole or in part using CDBG funds that exceeds \$25,000. A subrecipient may
10 not change the use, or planned use, of any such property, (including the
11 beneficiaries of such use), from that for which the acquisition or improvement was
12 made, for five years after the closeout of the grant, unless the Recipient provides
13 affected citizens with reasonable notice of, and opportunity to comment on, any
14 such proposed change, and either:

- 15 1. The new use of such property qualifies as meeting one of the national
16 objectives, and is not a building for the general conduct of government;
17 or
- 18 2. The property is disposed of in a manner which results in the amount of
19 the current fair market value of the CDBG funded acquisition or im-
20 provement, and the Recipient's CDBG Program is reimbursed in this
21 amount.

22 E. CDBG Citizen Participation

23 The Recipient shall comply with the citizen participation requirements as follows:

- 24 1. Provide citizens with information concerning the amount of CDBG funds
25 expected to be available; and

- 1 2. Provide citizens with the range of activities that may be undertaken with
- 2 CDBG funds; and
- 3 3. Hold at least one public hearing to obtain citizen views on community
- 4 needs; and
- 5 4. Publish community-wide, its proposed statement of community devel-
- 6 opment objectives and projected use of CDBG funds so as to afford
- 7 affected citizens the opportunity to comment.

8 F. CDBG Subrecipient Agreements

9 The **Recipient** shall enter into agreements with all subrecipients that, at a
10 minimum, includes the requirements of this agreement, and the following:

- 11 1. Suspension or termination may occur if the subrecipient materially fails
- 12 to comply with any term of the award in accordance with 24 CFR 85.43,
- 13 and that the award may be terminated for convenience in accordance
- 14 with 24 CFR 85.44; and
- 15 2. Where applicable the subrecipient will comply with conditions pre-
- 16 scribed in 24 CFR 570.200(j) for the use of funds by religious organiza-
- 17 tions.

18 G. CDBG Recordkeeping

19 The **Recipient** shall establish and maintain sufficient records to enable The
20 Department of Housing and Urban Development (HUD), to determine whether the
21 **Recipient** has met the requirements of 24 CFR 570, Community Development
22 Block Grant Program. At a minimum, the following records are needed:

- 23 1. Records providing a full description of each activity assisted (or being
- 24 assisted) with CDBG funds including its location the amount of CDBG
- 25 funds budgeted, obligated and expended for the activity and the eligibility
- 26 provision.

1 H. CDBG Reports

2 The **Recipient** shall submit the following performance and/or evaluation reports
3 to the **County** to facilitate mandated reporting to HUD:

- 4 1. A quarterly calendar report of progress and accomplishments for all
5 funded activities, to include a quantitative list of activity beneficiary
6 type(s); and
- 7 2. An annual equal employment opportunity report (HUD/EEO-4) on
8 **Recipient** employment, containing data as of June 30th; and
- 9 3. A semi-annual Minority Business Enterprise Report by March 30th,
10 indicating contract and subcontract activity during the first half of the
11 fiscal year and, by September 30th, a report on such activity during the
12 second half of the year; and
- 13 4. The **Recipient's** may be required to submit such other reports and infor-
14 mation as HUD determines are necessary to carry out its responsibilities.

15 I. CDBG Program Income

16 The **Recipient** shall inform the **County** of any program income generated by
17 expenditure of CDBG funds. Program income earned by the **Recipient** is to be
18 returned to the **County** or retained by the **Recipient**. Where program income is
19 to be retained by the **Recipient**, program income may be used only for eligible
20 activities, subject to all applicable requirements governing the use of CDBG
21 funds. When the subrecipient retains program income, program income shall be
22 substantially disbursed before additional drawdowns of grant funds are made for
23 the same activity. Upon close-out or change in status, the **Recipient** shall return
24 to the **County** all program income on-hand and received subsequent to close-out
25 or change in status.

26 J. CDBG Administration

1 As the primary general-purpose local government unit under the Housing and
2 Community Development Act of 1974, as amended, it shall be the responsibility
3 of the **County** to apply for grants, to administer all funds received, and to
4 undertake or assist in undertaking essential community development and housing
5 assistance activities.

6 1. The **County** shall maintain records in accordance with applicable statutes
7 and regulations and with approved accounting procedures, and said
8 records shall be available for public inspection at all times; and

9 2. The **County** and the **Recipient** shall take all required actions necessary
10 to comply with:

11 a. Section 104 (b) of Title I of the Housing and Community Devel-
12 opment Act of 1974, as amended, including Title VI of the Civil
13 Rights Act of 1964, Title VIII of the Civil Rights Act of 1968,
14 Section 109 of Title I of the Housing and Community Develop-
15 ment Act of 1974, and other applicable laws, and

16 b. Provision of the National Environmental Policy Act of 1969.

17 K. CDBG Uniform Administrative Requirements

18 The **Recipient** shall comply with applicable uniform administrative requirements,
19 as described in 24 CFR 570.502 and the Urban County's certification required by
20 Section 104 (b) of Title I the Housing and Community Development Act of 1974,
21 as amended including Title VI of the Civil Rights Act of 1964, Title VIII of the Civil
22 Rights Act of 1968, Section 109 of Title I of the Housing and Community
23 Development Act of 1975, and other applicable laws.

24 L. Reversion of CDBG Assets

1 The **Recipient** and any of its subrecipients shall, at the expiration of the CDBG
2 grant, transfer to the **County** any CDBG funds on hand at the time of expiration,
3 and any accounts receivable attributable to the use of CDBG funds.

4 M. CDBG Audit

5 Annually, the **Recipient** shall undertake an audit of its entire operation, by an
6 independent auditor, in accordance with generally acceptable government
7 auditing standards covering financial audits. Results of this audit shall be
8 forwarded to the **County** within 30 days of completion of the audit. Additionally,
9 the **Recipient** and any subrecipients of CDBG funds shall make available for
10 review all documentation related to the utilization of CDBG funds upon notification
11 by HUD, the **County** or their designated agents.

12 N. CDBG Property and Acquisition

13 Property records are to be maintained for all equipment acquired with CDBG
14 funds having an initial acquisition cost of \$5,000 or more. A copy of the property
15 record should be forwarded to the **County** upon receipt of the equipment.

16 O. CDBG Subrecipient Agreement

17 Pursuant to 24 CFR 570.501 (b), the **Recipient** is subject to the same require-
18 ments applicable to subrecipients, including the requirement of a written
19 agreement set forth in 24 CFR 570.503.

20 III. The parties further agree that:

21 A. HOME Allocation:

22 Annual HOME allocations will be distributed to the **Recipient** based upon the
23 formula established within the Urban County Allocation Agreement. The HOME
24 allocation will be reduced by 15% to meet HUD's Community Housing Develop-
25 ment Organization (CHDO) set-aside mandate and up to 10% to cover costs
26 related to compliance with HOME administrative requirements. An additional 5%

1 of the HOME allocation may be set-aside for CHDO administrative related
2 expenses. The net HOME allocation will be used as the basis for the Urban
3 County allocation of funds. Once the Recipient is informed of its HOME
4 allocation, the Recipient will submit a detailed listing of activities to be performed,
5 a schedule for completing the activities, and a budget.

6 B. HOME Eligible Activities:

7 HOME funds may only be used for eligible activities as reflected in 24 CFR
8 92.205. Eligible activities include:

- 9 1. Moderate Rehabilitation - construction to an existing structure where the
10 average total development cost is less than or equal to \$25,000.
- 11 2. Substantial Rehabilitation - Rehabilitation where the average total
12 development cost of the project is greater than \$25,000.
- 13 3. Conversion - Conversion of an existing structure from an alternative use
14 to affordable residential housing.
- 15 4. Reconstruction - Building a new structure on an existing foundation.
- 16 5. New Construction - Newly build residential project.
- 17 6. Tenant Based Assistance - Rental assistance to eligible tenants.
- 18 7. Acquisition of Property
- 19 8. Relocation Costs
- 20 9. Administrative Costs - Limited to 10% of annual allocation. (Reserved for
21 actual HOME program administration by the participating jurisdiction.)
- 22 10. Project Soft Costs:
 - 23 a. Finance related costs
 - 24 b. Pre-construction related costs
 - 25 c. Project audit costs
 - 26 d. Affirmative marketing and fair housing

1 C. HOME Income Targeting

2 HOME funds may only be used in pursuit of providing affordable housing for low
3 income and very low income families and individuals; 100% of HOME funds must
4 be used to benefit families and individuals whose annual income falls at or below
5 80% of the County median income.

6 1. Rental Housing -

7 a. At least 90% of HOME funds must be invested in units that are
8 occupied by families whose incomes do not exceed 60% of the
9 median family income for the area; and

10 b. The remaining funds (up to 10%) must be invested in units
11 occupied by families below 80% of median income, and if a
12 rental housing project has 3 or more units, 20% of HOME monies
13 must be spent on units occupied by families whose incomes are
14 less than or equal to 50% of the median family income for the
15 area.

16 2. Homeownership -

17 a. HOME funds must benefit first-time homebuyers, existing low-
18 income homeowners whose family incomes are at or below 80%
19 of the area median income.

20 D. Home Affordability

21 1. Rental Housing

22 a. HOME assisted unit rents must be at or below the lesser of
23 either;

24 (1) The existing Section 8 Fair Market Rent, or

1 (2) 30% of the adjusted income of a family whose income is
2 less than or equal to 80% of the median income for the
3 area (High Home Rent);

4 b. Remain affordable for the following terms based on the average
5 HOME subsidy per unit:

6 Rehabilitation of up to \$15,000 5 years

7 Rehabilitation off \$15,000 - \$40,000 10 years

8 Rehabilitation of \$40,000 + 15 years

9 New Construction (any amount) 20 years

10 c. Have at least 20% of a project's units occupied by very low-
11 income families paying not more than 30% of monthly adjusted
12 gross income for rent.

13 2. Homeownership-

14 Benefit first time homebuyer whose family income is at or below 80% of
15 the area median income, and the purchase price of the property must be
16 less than 90% of the median area purchase price.

17 3. To insure compliance with the aforementioned affordability criteria, a
18 Deed of Trust shall be recorded on the benefiting property securing the
19 HOME investment. The County of San Joaquin shall be named as
20 beneficiary on the Deed of Trust. In the event of default or prepayment,
21 and subsequent liquidation of debt, the County will credit the Recipients
22 HOME account equal to the liquidated amount.

23 E. Maximum Per Unit HOME Subsidy

24 The maximum per unit subsidy for San Joaquin County is:

25 0 Bedrooms \$54,870

26 1 Bedroom \$62,898

2 Bedrooms	\$76,483
3 Bedrooms	\$98,943
4 Bedrooms	\$108,609

F. HOME Repayments

Repayment, interest, and other return on the investment of HOME funds are to be remitted to the **County** to be used later by the **Recipient** for subsequent HOME eligible activities.

G. Uniform Administrative Requirements for HOME

The **Recipient** shall comply with applicable uniform administrative requirements, as described in 24 CFR Part 92.505(a).

H. HOME Housing Quality Standards

Owners of rental housing assisted with HOME funds must maintain the housing in compliance with applicable Housing Quality Standards and local code requirements for the duration of the agreement (for a period of 5-20 years, or longer if FHA insurance is used).

I. Other Federal Requirements

The **Recipient** shall comply with the following federal requirements when making HOME funds available.

1. Equal Opportunity - No person in the United States shall, on the grounds of race, color, national origin, religion or sex, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity funded in whole or in part with HOME funds.

a. Fair Housing Act and implementing regulations at 24 CFR part 100; E.O. 11063, as amended by E.O. 12259 (Equal Opportunity in Housing) and implementing regulations at 24 CFR 107; and

1 Title VI of the Civil Rights Act of 1964 (Nondiscrimination in
2 Federally Assisted Programs).

3 b. Age Discrimination Act of 1975 and implementing regulations and
4 the prohibition against discrimination against handicapped
5 individuals under Sec. 504 of the Rehabilitation Act of 1973 and
6 implementing regulations.

7 c. The requirements of E.O. 11246 (Equal Opportunity Employment)
8 and implementing regulations.

9 d. The requirements of E.O. 11625 and 12432 (concerning Minority
10 Business Enterprise), and 12138 (concerning Women's Business
11 Enterprise).

12 2. Fair Housing - The Recipient will affirmatively further fair housing.

13 J. Affirmative Marketing

14 The Recipient shall establish affirmative marketing procedures and requirements
15 for HOME assisted housing containing five or more housing units.

16 K. HOME Flood Insurance

17 HOME funds may not be used with respect to acquisition, new construction or
18 rehabilitation of a project located in an area identified by FEMA as having special
19 flood hazards, unless the Recipient's community is participating in the National
20 Flood Insurance Program, and flood insurance is obtained as a condition of
21 approval of the commitment.

22 L. HOME Disbursements

23 Disbursement requests must be made through the County. Disbursements will
24 not be made until needed for payment.

25 M. HOME Subrecipient Agreement

1 The Recipient must enter into an agreement with all subrecipients of HOME
2 funds ensuring compliance with HOME Program requirements. The agreement
3 should include each of the parts stated in 24 CFR Part 92.504.

4 N. Community Housing Development Organization (CHDO)

5 This set-aside will be placed in an established fund, and will be distributed
6 annually, in a lump sum, to a qualified CHDO performing a HOME eligible activity.
7 The selection of a qualified CHDO will be conducted by a committee, consisting
8 of a representative from each Urban County jurisdiction.

9 O. HOME Matching Funds

10 The Recipient shall contribute any matching funds for rental assistance;
11 rehabilitation and substantial rehabilitation; and new construction for HOME
12 assisted projects, as required by HUD. Any matching requirement for HOME
13 funds allocated in FY 1992 is waived.

14 P. HOME Recordkeeping

15 The Recipient shall maintain the following records, subject to audit:

- 16 1. Source of funds for each project;
- 17 2. Efforts to maximize participation by the private sector in HOME funded
18 projects;
- 19 3. Description of each activity assisted with HOME funds, to include census
20 tract location, the amount of HOME funds budgeted, committed and
21 expended for the activity;
- 22 4. Documentation demonstrating compliance with match requirements;
- 23 5. For each family assisted, records that demonstrate income targeting, and
24 unit affordability;
- 25 6. Documentation of equal opportunity and fair housing compliance;

- 1 7. Documentation and data on the steps taken to implement the Recipient
- 2 outreach program to minority and female owned businesses; and
- 3 8. Records to demonstrate compliance with environmental review require-
- 4 ments.

5 Q. HOME Record Retention

6 Records must be retained for three years after closeout of funds, and/or three

7 years after period of affordability expires.

8 R. HOME Reports

9 Annually, by September 15th, a report prepared by the Recipient shall be

10 submitted to the County and shall include at a minimum:

- 11 1. Analysis of the Recipient's efforts to maximize participation by the private
- 12 sector;
- 13 2. An analysis of the extent to which HOME funds were distributed among
- 14 different housing categories;
- 15 3. An assessment of the Recipient's minority outreach program, including
- 16 analysis of participation by minorities and women and entities owned by
- 17 minorities and women; and
- 18 4. A listing of housing related activities benefiting low income persons
- 19 undertaken in the Recipient's jurisdiction, assisted with federal, non-
- 20 federal or private funds.

21 S. Reversion of HOME Assets

22 The Recipient and any of its subrecipients shall, at the expiration of this

23 agreement, transfer to the County any HOME funds on hand at the time of

24 expiration, and any accounts receivable attributable to the use of HOME funds.

25 T. HOME Certifications

1 The **Recipient** certifies to the County it is in compliance with the Certifications
2 included within Attachment 2.

3 U. Use of HOME Funds

- 4 1. HOME funds must be obligated by the **Recipient** to a specific project
5 within 15 months of award. CHDO set-aside must be obligated within 18
6 months of award.
- 7 2. If the **Recipient** determines that it cannot obligate its allocation within 15
8 months of award, a bank will be established where unobligated HOME
9 allocations will be placed for use by jurisdictions who have identified a
10 HOME eligible project(s). Any jurisdiction using a **Recipient's** banked
11 HOME allocation, will owe the **Recipient** an equal amount of subsequent
12 HOME allocations.

13 IV. Environmental Standards

14 Prior to the commencement of each HOME and CDBG funded activity, the **Recipient** will
15 complete all mandated environmental reviews in compliance with 24 CFR Part 58,
16 Environmental Review Procedures for Community Development Block Grants. The
17 County will determine the required environmental review procedure to be completed for
18 each activity, and provide technical assistance to facilitate compliance.

19 V. Certifications & Disclosures

20 Attachment 1 includes Grantee Certifications which are mandated by HUD. The
21 **Recipient** shall certify that it has adopted and will enforce policies as follows:

- 22 A. Drug free work place.
- 23 B. Prohibition of excessive use of force within **Recipient's** jurisdiction.
- 24 C. Enforce state laws against physically barring entrance to or exit from facilities
25 subject to non-violent civil rights demonstrations

26 The **Recipient** shall certify and disclose to the County accordingly.

1 VI. Term Of Agreement

2 The terms of this Agreement shall apply to activities which will be funded from Fiscal
3 Years 1994-1996 CDBG allocations and HOME allocations from Federal Fiscal Years 1992-
4 1996.

5 A. Any notice of intent to terminate or withdraw from this Agreement by either of the
6 parties hereto shall have no effect until September 30, 1996, the end of the three
7 year Urban County qualification period and such additional time that may be
8 required for the expenditure of funds, granted to the **County** for such period.

9 B. This Agreement shall remain in effect during any period that **Recipient** or any
10 subrecipients of CDBG funds have control over CDBG or HOME funds, including
11 program income.

12 C. This agreement will automatically renew at the end of the three year Urban
13 County qualification period, if no changes to the agreement are required by HUD
14 that would require the execution of a new agreement. The renewal period will
15 coincide with the period of subsequent Urban County qualification.

16 VII. Fair Housing

17 CDBG or HOME funding for activities in or in support of any cooperating unit of general
18 local government that does not affirmatively further fair housing within its own jurisdiction
19 or that impedes the **County's** actions to comply with its fair housing certification is
20 prohibited.

21 VIII. Amendments

22 As CDBG or HOME requirements change, the terms of this Agreement will change.
23 CDBG and HOME program changes affecting this Agreement shall be attached
24 unilaterally by the **County** as amendments to this Agreement. A copy of all amendments
25 shall be forwarded to the **Recipient**.

26 IX. Other Programs

That by executing this agreement the Recipient:

- A. May not apply for grants under the Small Cities or State CDBG Programs for fiscal years in which it is a participant in the Urban County CDBG program; and
- B. May not participate in HOME consortium except through the Urban County.

IN WITNESS WHEREOF, the parties have executed the above instrument on the day and year first above written.

COUNTY
 By: [Signature]
 WILLIAM N. SOUSA, Chairman
 Board of Supervisors

RECIPIENT

By: [Signature], Mayor *PRO TEM*
 City of Tracy

ATTEST: JORETTA J. HAYDE
 Clerk of the Board of Supervisors
 of the County San Joaquin,
 State of California

ATTEST:

[Signature], City Clerk
 City of Tracy

By: [Signature]
 Deputy Clerk



APPROVED AS TO FORM:

JOHN F. CHEADLE
 County COUNSEL
 By: [Signature]
 EDWARD R. BURROUGHS
 Deputy County Counsel

APPROVED AS TO FORM
 TRACY CITY ATTORNEY
[Signature]
 Debra E. Corbett

ATTACHMENT B

AMENDMENT #1 URBAN COUNTY COOPERATION AGREEMENT FOR COMMUNITY DEVELOPMENT BLOCK GRANT AND HOME INVESTMENT PARTNERSHIP ACT FISCAL YEARS 2012-2014

Section II, Subsection J, in the Cooperation Agreement between San Joaquin County and the cities of Escalon, Lathrop, Manteca, Ripon, and Tracy for Community Development Block Grant (CDBG) Funding for Fiscal Year 2012-14, is hereby amended to include the following provision:

3. The grantee or unit of general local government that directly or indirectly receives CDBG funds may not sell, trade, or otherwise transfer all or any such portion of such funds to another metropolitan city, urban county, unit of general local government, or Indian tribe, or insular area that directly or indirectly receives CDBG funds in exchange for any other funds, credits or non-Federal considerations, but must use such funds for activities eligible under Title I of the Housing and Community Development Act of 1974, as amended.

CITY ATTORNEY'S OFFICE

TRACY CITY COUNCIL

RESOLUTION NO. _____

Staff recommends that the City Council authorize the City of Tracy to continue participation in the San Joaquin County Urban County Consortium and Urban County Cooperative Agreement for the Federal Community Development Block Grant (CDBG) and HOME Investment Partnership (HOME) program funding for fiscal years 2024-2026

WHEREAS, The City of Tracy is currently a partner in the San Joaquin County Urban County Consortium and has previously entered into an Urban County Cooperation Agreement dated July 7, 1993, as amended; and

WHEREAS, The City of Tracy receives an annual pass-through allocation from San Joaquin County for the Community Development Block Grant (CDBG) and Home Investment Partnership Program (HOME); and

WHEREAS, The City of Tracy qualifies as a direct entitlement metropolitan city as defined by United States Department of Housing and Urban Development (HUD) since its population exceeds 50,000 residents; and

WHEREAS, San Joaquin County and HUD are seeking to requalify San Joaquin County as an Urban County for fiscal years 2024-2026 and the City of Tracy may select inclusion or exclusion of its participation in the Urban County Consortium; and

WHEREAS, San Joaquin County requires that the City of Tracy indicate its intent to continue or discontinue participation; now, therefore, be it

RESOLVED: That the City Council of the City of Tracy hereby authorizes the inclusion of the City of Tracy in the San Joaquin County Urban County Consortium for fiscal years 2024-2026 and thereby defers its metropolitan city status to the Urban County; and be it

FURTHER RESOLVED: That the City Council hereby authorizes the continued participation in the San Joaquin County Urban County Cooperation Agreement for fiscal years 2024-2026.

* * * * *

The foregoing Resolution 2023-_____ was adopted by the Tracy City Council on June 6, 2023, by the following vote:

AYES:	COUNCIL MEMBERS:
NOES:	COUNCIL MEMBERS:
ABSENT:	COUNCIL MEMBERS:
ABSTENTION:	COUNCIL MEMBERS:

NANCY D. YOUNG
Mayor of the City of Tracy, California

ATTEST: _____
ADRIANNE RICHARDSON
City Clerk and Clerk of the Council of the
City of Tracy, California

Agenda Item 3.A

RECOMMENDATION

Staff recommends that Council adopt a resolution approving a Joint Community Facilities Agreement with the Jefferson School District relating to the City of Tracy Community Facilities District No. 2016-1 (Tracy Hills) and approving and authorizing related documents and actions.

EXECUTIVE SUMMARY

Under the Mello-Roos Community Facilities Act of 1982, as amended (the "Mello-Roos Act"), the City Council previously established a Community Facilities District for the Tracy Hills Project.

The Community Facilities District is authorized to finance facilities that are required as conditions of development of the property in the Community Facilities District and any related impact fees.

Certain developers of taxable property in the Community Facilities District have asked the City to provide for the financing by the Community Facilities District of certain mitigation obligations of the Developers with respect to the construction of school facilities to be owned and operated by the Jefferson School District.

Staff recommends that the City Council adopt the referenced resolution (the "Resolution") for the purpose of approving a Joint Community Facilities Agreement ("JCFA") with the developers and the Jefferson School District to provide the financing requested by the developers and approving and authorizing related documents and actions. On May 9, 2023, the Jefferson School District approved the JCFA.

BACKGROUND AND LEGISLATIVE HISTORY

CFD FORMATION; RESOLUTION OF FORMATION; RESOLUTION OF NECESSITY; CHANGE PROCEEDINGS

On July 19, 2016, the City Council completed proceedings under the Mello-Roos Act to form (i) "City of Tracy Community Facilities District No. 2016-1 (Tracy Hills)" (the "CFD"), (ii) "Improvement Area No. 1 of the City of Tracy Community Facilities District No. 2016-1 (Tracy Hills)" ("Improvement Area No. 1") and (iii) "City of Tracy Community Facilities District No. 2016-1 (Tracy Hills) (Future Annexation Area) (the "Future Annexation Area").

The CFD is authorized to levy special taxes and to issue bonds and other debt secured by those special taxes for financing certain public improvements (the "Authorized Facilities"), all as described in (i) Resolution No. 2016-157, entitled "Resolution of Formation of Community Facilities District," adopted by the City Council on July 19, 2016 (the "Resolution of Formation") and (ii) Resolution No. 2016-158, entitled "Resolution

Determining Necessity to Incur Bonded Indebtedness and Other Debt,” adopted by the City Council on July 19, 2016.

Subsequently, the City Council conducted change proceedings related to the CFD, all as set forth in Resolution No. 2018-169, entitled “Resolution of Change,” adopted by the City Council on August 21, 2018.

ANALYSIS

AUTHORIZED FACILITIES AND FEES

The Resolution of Formation describes the Authorized Facilities and Fees to be financed by the CFD, and the Resolution of Formation provides that the Authorized Facilities include facilities permitted under the Mello-Roos Act that are required as conditions of development of the property in the CFD and the Future Annexation Area and that any of the Authorized Facilities may be financed through the payment of fees for such Authorized Facilities.

JOINT COMMUNITY FACILITIES AGREEMENT

Under the Mello-Roos Act, a community facilities district may finance facilities to be owned or operated by a public agency other than the agency that created the community facilities district, only pursuant to a Joint Community Facilities Agreement or a joint exercise of powers Agreement between the legislative bodies of the public agency that formed the Community Facilities District and the public agency that will own or operate the facilities. The Mello-Roos Act provides that a Joint Community Facilities Agreement must be approved by the legislative body of each public agency pursuant to a resolution declaring that the agreement would be beneficial to its residents.

Certain developers of taxable property in the CFD and the Future Annexation Area (the “Developers”) have asked the City to enter into a Joint Community Facilities Agreement with them and the Jefferson School District (the “School District”) to provide for the financing by the CFD of certain mitigation obligations of the Developers with respect to the construction of school facilities to be owned and operated by the School District.

The School District is scheduled to consider the proposed Joint Community Facilities Agreement at its meeting on May 9, 2023.

FISCAL IMPACT

There is no cost to the General Fund associated with this request because the Joint Community Facilities Agreement provides for financing by the CFD, and the related costs of negotiating the Joint Community Facilities Agreement are being paid by the developers.

STRATEGIC PLAN

This action to approve the Joint Community Facilities Agreement with the Developers and the School District is related to Council's Governance strategic plan, Goal 2: Ensure Short and Long-term health.

ACTION REQUESTED OF THE CITY COUNCIL

Staff recommends that Council adopt a resolution approving a Joint Community Facilities Agreement with the Jefferson School District relating to the City of Tracy Community Facilities District No. 2016-1 (Tracy Hills) and approving and authorizing related documents and actions.

Prepared by: Sara Cowell, Director of Finance

Reviewed by: Bijal Patel, City Attorney
Karin Schnaider, Assistant City Manager

Approved by: Midori Lichtwardt, Interim City Manager

ATTACHMENTS

A: Joint Community Facilities Agreement

Information Sheet – 05/09/2023 - Board of Trustees Meeting

TO: Board of Trustees

Item: 7.4

FR: Jim Bridges

DATE: May 5, 2023

RE: Resolution 2023-05-02 JCFA Agreement with the City of Tracy

The City of Tracy formed a community facilities district and has taken actions to authorize the levy of special taxes upon land within the boundaries of the CFD and authorization to issue bonds secured by such special taxes for the purpose of providing moneys for the construction and acquisition of authorized improvements for the City in order to provide for the financing of identified public facilities. This agreement authorizes the City to finance the costs of public school facilities of the School District. JSD desires to cooperate with the City in accomplishing the financing, through the CFD, of some or all of the Mitigation Payments paid, or to be paid, by the Developers that JSD will use to finance the Project.

Recommendation:

Approve resolution 2023-05-02 JCFA Agreement with the City of Tracy.

RESOLUTION NO. 2023-05-02

RESOLUTION OF THE BOARD OF EDUCATION OF THE JEFFERSON SCHOOL DISTRICT APPROVING THE FORM OF A JOINT COMMUNITY FACILITIES AGREEMENT RELATING TO COMMUNITY FACILITIES DISTRICT NO. 2016-1 OF THE CITY OF TRACY AND AUTHORIZING EXECUTION AND DELIVERY THEREOF

WHEREAS, the Jefferson School District (“School District”) is a public school district organized and operating pursuant to the provisions of the Constitution and the laws of the State of California (“State”); and

WHEREAS, under to the requirements of the Mello-Roos Community Facilities Act of 1982, as amended (“Act”), the City of Tracy (“City”) has previously formed a community facilities district, designated as “Community Facilities District No. 2016-1 of the City of Tracy” (“City CFD No. 2016-1”), and has taken actions to authorize the levy of special taxes upon land within the boundaries of City CFD No. 2016-1 and authorization to issue bonds secured by such special taxes for the purpose of providing moneys for the construction and acquisition of authorized improvements for City CFD No. 2016-1 in order to provide for the financing of identified public facilities; and

WHEREAS, City CFD No. 2016-1 was formed to finance various City facilities costs and was authorized to finance the costs of public school facilities of the School District (“School Facilities”) pursuant to the provisions of the Act; and

WHEREAS, pursuant to Section 53316.2 of the Act, in order to provide funding for facilities of another public agency, a joint community facilities agreement (“JCFA”) must be entered into between the relevant agencies; and

WHEREAS, there has been submitted to the Board of Education of the School District (“Board of Education”) a JCFA between the City, the involved developer of property within the boundaries of CFD No. 2016-1 and the School District (“City CFD No. 2016-1 2023 JCFA”) providing for the financing of the School Facilities by City CFD No. 2016-1; and

WHEREAS, the form of the City CFD No. 2016-1 2023 JCFA has been reviewed by School District staff, consultants and legal counsel; and

WHEREAS, the Board of Education, upon information presented to it, and based on information on file with the Clerk of the Board of Education (“Clerk”), desires to make certain findings and determinations in connection with the consideration and approval of the form of the City CFD No. 2016-1 2023 JCFA; and

WHEREAS, the Board of Education desires to approve the execution and delivery of, and to enter into, the City CFD No. 2016-1 2023 JCFA, by and on behalf of the School District,

NOW, THEREFORE, THE BOARD OF EDUCATION OF THE JEFFERSON SCHOOL DISTRICT DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

Section 1. Recitals. Each of the above recitals is true and correct and is incorporated herein.

Section 2. Findings. The Board of Education hereby finds, determines and directs as follows:

(a) The School Facilities are authorized to be financed by City CFD No. 2016-1 pursuant to the provisions of the Act and the proceedings under which City CFD No. 2016-1 was formed.

(b) As required under California Government Code Section 53316.4, the City CFD No. 2016-1 2023 JCFA contains a description of the School Facilities to be financed, constructed or acquired with the funds of City CFD No. 2016-1 provided thereunder.

(c) Pursuant to California Government Code Section 53316.2(b), the School Board determines that the City CFD No. 2016-1 2023 JCFA will be beneficial to the residents of the territory served by the School District.

Section 3. Approval of Form of City CFD No. 2016-1 2023 JCFA and Authorization for Execution and Delivery. Pursuant to Section 53316.2 of the Act, the Board of Education hereby approves the form of the City CFD No. 2016-1 2023 JCFA. The President, Clerk, the Superintendent, the Director of School Operations and the Superintendent's designee(s), as applicable, are authorized to execute and deliver, on behalf of the School District, the City CFD No. 2016-1 2023 JCFA subject to non-substantive changes as may be approved of by the Superintendent and School District legal counsel.


Section 4. Other Actions. The President, Clerk, the Superintendent, the Director of School Operations, the Secretary to the Board, and other appropriate officials of the School District, and School District consultants, are hereby authorized and directed to take any actions as are necessary or desirable to accomplish the provisions and directives of this Resolution.

Section 5. Effective Date. This Resolution shall be effective upon adoption by the Board.

[Remainder of this page intentionally left blank]

ADOPTED, SIGNED AND APPROVED this 9th day of May, 2023.

THE BOARD OF EDUCATION OF THE
JEFFERSON SCHOOL DISTRICT

By: 

President of the Board of Education of the
Jefferson School District

ATTEST:

By: 

Clerk of the Board of Education of the
Jefferson School District

STATE OF CALIFORNIA)
) ss.
COUNTY OF SAN JOAQUIN)


I, Debbie Wingo, Clerk of the Board of Education of the Jefferson School District, do hereby certify that the foregoing resolution was duly adopted by the Board of Education of said School District, at a meeting thereof duly and regularly held at the regular meeting place thereof on May 9, 2023, of which meeting all of the members of said Board had due notice and at which a majority thereof were present; at which a quorum of such Board was present and acting throughout and for which notice and an agenda was prepared and posted as required by law and that at said meeting said resolution was adopted by the following vote.

AYES: 3

NOES: 0

ABSTAIN: 0


ABSENT: 2


Clerk of the Board of Education of the Jefferson
School District

STATE OF CALIFORNIA)
) ss.
COUNTY OF SAN JOAQUIN)

I, Debbie Wingo, Clerk of the Board of Education the Jefferson School District, do hereby certify that the foregoing is a full, true and correct copy of Resolution No. 2023-05-02 of such Board and that the same has not been amended or repealed.

Dated: May 9, 2023


Clerk of the Board of Education of the Jefferson School District

JOINT COMMUNITY FACILITIES AGREEMENT

City of Tracy Community Facilities District No. 2016-1 (Tracy Hills)

This Joint Community Facilities Agreement (the “**Agreement**”), dated _____, 2023, is made and entered into by and among (i) the CITY OF TRACY, a California municipal corporation (the “**City**”); (ii) the JEFFERSON SCHOOL DISTRICT, a California public-school district (the “**JSD**”); and (iii) TRACY PHASE I, LLC, a Delaware limited liability company; TRACY PHASE IB, LLC, a Delaware limited liability company; TRACY PHASE 2, LLC, a Delaware limited liability company; TRACY PHASE 3, LLC, a Delaware limited liability company; TRACY PHASE 4, LLC, a Delaware limited liability company; and TRACY BPS, LLC, a Delaware limited liability company (the last six entities are referred to herein individually as a “**Developer**” and collectively herein as the “**Developers**”).

Background

- A. This Agreement is made under the authority of California Government Code section 53316.2, part of the Mello-Roos Community Facilities Act of 1982, as amended (the “**Act**”).
- B. The City has conducted proceedings under the Act to (1) form the City of Tracy Community Facilities District No. 2016-1 (Tracy Hills) (the “**CFD**”), (2) designated two improvement areas within the CFD (each an “**Improvement Area**”), (3) identified property for future annexation into the CFD (the “**Future Annexation Area**”) which may be annexed into the CFD in the future as separate improvement areas (each a “**Future Improvement Area**”), and (4) authorized the financing, through the CFD and each Improvement Area, and Future Improvement Area of certain public fees and facilities (collectively, the “**CFD Proceedings**”). The land within the CFD and each Improvement Area is described in the Amended Boundary Map for the CFD recorded on August 27, 2018 with the San Joaquin County Clerk/Recorder as Document No. 2018-095090. The facilities authorized to be financed by the CFD and each Improvement Area and Future Improvement Area are described in Exhibit A to the Resolution of Formation No. 2016-157 adopted by the Tracy City Council on July 19, 2016 (the “**Authorized Improvements**”). The Authorized Improvements include facilities permitted under the Act that are required as conditions of development of the property in the CFD and the Future Annexation Area, and any of the Authorized Improvements may be financed through the payment of fees for such Authorized Improvements.
- C. The City, for itself and the CFD, previously entered into (1) an Acquisition Agreement Relating to: City of Tracy Community Facilities District No. 2016-1 (Tracy Hills) Improvement Area No. 1, dated as of July 19, 2016 (the “**Improvement Area No. 1 Acquisition Agreement**”), by and between the City and Tracy Phase I, LLC, relating to territory in Improvement Area No. 1 of the City of Tracy Community Facilities District No. 2016-1 (Tracy Hills) (“**Improvement Area No. 1**”) and (2) a Master Acquisition Agreement Relating to: City of Tracy Community Facilities District No. 2016-1 (Tracy Hills), dated as of July 19, 2016 (the

“Master Acquisition Agreement”; together with the Improvement Area No. 1 Acquisition Agreement, the **“Acquisition Agreements”**), by and between the City and The Tracy Hills Project Owner, LLC, relating to territory that was initially in the future annexation area for the CFD. The City and the Developers have determined that the Acquisition Agreements shall not govern the financing of the Mitigation Payments (as defined below).

- D. The Developers and JSD have notified the City that the property within the CFD, each Improvement Area and the Future Annexation Area (collectively, the **“Project”**), is subject to the terms of the Tracy Hills Project School Impact Mitigation Agreement, dated October 14, 2003, as recorded in Official Records of San Joaquin County as Document #2003-2555476, as amended by the First Amendment to Tracy Hills Project School Impact Mitigation Agreement for Project Phase 1 (1A & 1B) Development, dated June 20, 2018, recorded in Official Records of San Joaquin County as Document # 2018-081169, as amended by the Second Amendment to Tracy Hills Project School Impact Mitigation Agreement for Project Phase 1 (1A & 1B) Development, dated September 2018, recorded in Official Records of San Joaquin County as Document # 2018-104306, as amended by Third Amendment to Tracy Hills Project School Impact Mitigation Agreement for Project Phase 1 (1A & 1B) Development, dated December 2, 2020, recorded in Official Records of San Joaquin County as Document # 2020-023907, as amended by Fourth Amendment to Tracy Hills Project School Impact Mitigation Agreement for Project Phase 1 (1A & 1B) Development, dated as of August 16, 2022, recorded in Official Records of San Joaquin County as Document #2023-031634 (the Fourth Amendment”), and as amended by Fifth Amendment to Tracy Hills Project School Impact Mitigation Agreement for Project Phases 2-4 Development, dated as of May 9, 2023, recorded in Official Records of San Joaquin County as Document # _____ (as it may be amended in the future, collectively, the **“Mitigation Agreement”**).
- E. The Developers and JSD have notified the City that JSD expects to acquire and develop school sites and construct, install and/or acquire various school facilities (permanent and interim facilities), including administration facilities, school sites, supporting infrastructure and improvements, and equipment that JSD will own and operate to serve the Project students or that are necessary to mitigate the impacts of Project students pursuant to the Mitigation Agreement (collectively, the **“School Facilities”**). The Developers and JSD have notified the City that the Developers’ obligation pursuant to the terms of the Mitigation Agreement is to pay certain contractual mitigation payments (**“Mitigation Payments”**), and that JSD will acquire, develop and construct School Facilities with the proceeds of such Mitigation Payments; the Developers will not acquire, develop or construct the School Facilities.
- F. The Developers and JSD have notified the City that to fund the capital costs of acquisition, development or construction of School Facilities, including the first school to serve the Project students (**“SF1”**), the Mitigation Agreement required, and the Developers paid to JSD, a Mitigation Payment in the amount of approximately \$31,300,000 for SF1 Phase 1A

Facilities Costs (herein, the **"Phase 1A SF1 Costs"**) and SF1 Phase 2 Facilities Costs (the **"Phase 2 SF1 Costs"** and together with the Phase 1A SF1 Costs, the **"Previously Paid SF1 Costs"**). The Mitigation Payment related to the Previously Paid SF1 Costs is the only Mitigation Payment made by the Developers to JSD prior to the date of this Agreement, and may be financed by the CFD as set forth in this Agreement.

- G. The Developers and JSD have notified the City that to fund the capital costs of acquisition, development or construction of School Facilities, including SF1, the Developers and JSD executed the Fourth Amendment the Mitigation Agreement to, among other things, require the Developers to pay a supplemental Mitigation Payment to JSD that JSD will use to pay for additional Phase 1A SF1 Costs and Phase 2 SF1 Costs to be incurred by JSD after the date of this Agreement (herein, the **"SF1 Supplemental Costs"**), and that the Developers will pay such supplemental Mitigation Payment after the date of this Agreement. The Mitigation Payments paid by the Developers that JSD will use to pay the SF1 Supplemental Costs may be financed by the CFD as set forth in this Agreement.
- H. The Developers and JSD have notified the City that to fund the capital costs of acquisition, development or construction of School Facilities, including a second school to serve the Project students (**"SF2"**), the Mitigation Agreement contemplates the payment by the Developers of Mitigation Payments that JSD will use to pay for the capital costs of acquisition, development or construction costs of SF2 (the **"SF2 Costs"**), although the amount and the time for payment of such SF2 Costs and the corresponding Mitigation Payments have not yet been determined. The Mitigation Payments paid by the Developers that JSD will use to pay for the SF2 Costs may be financed by the CFD pursuant as set forth in this Agreement.
- I. The Developers and JSD have notified the City that to fund acquisition, development or construction of School Facilities, including a third school to serve the Project students (**"SF3"**), the Mitigation Agreement contemplates the payment by the Developers of Mitigation Payments that JSD will use to pay for the capital costs of acquisition, development or construction costs of SF3 (the **"SF3 Costs"**), although the amount and the time for payment of such SF3 Costs and corresponding Mitigation Payments have not yet been determined. The Mitigation Payments paid by the Developers that JSD will use to pay for the SF3 Costs may be financed through the CFD as set forth in this Agreement.
- J. The Developers and JSD have notified the City that to fund acquisition, development or construction of School Facilities, including additional schools to serve the Project students (**"Future SFs"** and together with SF1, SF2, and SF3, the **"Project SFs"**), the Mitigation Agreement contemplates the payment by the Developers of Mitigation Payments that JSD will use to pay for the capital costs of acquisition, development or construction costs of Future SFs (the **"Future Phase Costs"** and together with the Previously Paid SF1 Costs, the SF1 Supplemental Costs, the SF2 Costs, and the SF3 Costs, the **"Project SFs Costs"**), although the amount and the time for payment of such Future Phase Costs and the corresponding

Mitigation Payments have not yet been determined. The Mitigation Payments paid by the Developers that JSD will use to pay for the Future Phase Costs may be financed through the CFD as set forth in this Agreement.

- K. The Developers and JSD have notified the City that the amounts and the time for payment of the Mitigation Payments to be paid by the Developers to JSD that JSD has used, or will use, to pay the Project SFs Costs are governed by the terms of the Mitigation Agreement.
- L. The Developers and JSD have represented to the City that the School Facilities are Authorized Improvements under the CFD because they are required as conditions of development of the property within the CFD and the Future Annexation Area.
- M. The City may issue and sell bonds for the CFD from time to time with respect to one or more Improvement Areas or Future Improvement Areas of the CFD and may use part of the bond proceeds to finance all or a portion of the Mitigation Payments to be paid by the Developers that JSD will use to finance some or all of the Project SFs Costs as set forth in this Agreement.
- N. JSD desires to cooperate with the City in accomplishing the financing, through the CFD, of some or all of the Mitigation Payments paid, or to be paid, by the Developers that JSD will use to finance the Project SFs Costs as set forth herein.
- O. Each Improvement Area and Future Improvement Area is, or will be, authorized to finance the Authorized Improvements, including the Mitigation Payments used to fund the Project SFs Costs, and this Agreement applies to all Improvement Areas and Future Improvement Areas.
- P. On February 21, 2023, the Council of the City adopted its Resolution No. 2023-032, entitled "Adopt a Resolution Declaring the Intention to Reimburse Expenditures from Proceeds of Tax-Exempt Obligations to be Issued by the City for and on behalf of City of Tracy Community Facilities District No. 2016-1 (Tracy Hills)" (the "**Reimbursement Resolution**"), pursuant to which the City declared its intent to reimburse certain expenditures related to the Facilities with the proceeds of bonded indebtedness and other debt issued by the City for the CFD.

With these background facts in mind, the parties agree as follows:

1. This Agreement constitutes a "joint community facilities agreement", within the meaning of Section 53316.2 of the Act pursuant to which the CFD, including the Improvement Areas thereof, will be authorized to finance the Project SFs Costs as set forth herein.
2. The City has concluded that this Agreement is beneficial to the residents of the City and the future residents within the CFD.

3. JSD has concluded that this Agreement is beneficial to the residents of JSD and the future residents within the CFD.
4. The City shall administer the CFD. For purposes of this Agreement, administration of the CFD includes the following: employing and paying all consultants, levying and collecting the special tax(es), paying debt service on the bonds and otherwise administering the CFD and the bonds, and complying with all California and federal requirements concerning the CFD Proceedings or the bonds, including, but not limited to, those of the United States Internal Revenue Code of 1986, as amended (the “Code”). JSD is not, and shall not be, responsible for such administration and will not participate in, or be considered a participant in, the CFD Proceedings other than as a party to this Agreement.
5. If, in its sole discretion, the City issues bonds for the CFD, with respect to an Improvement Area or Future Improvement Area, and if, in the City’s sole discretion, the proceeds of such bonds (“Bond Proceeds”) are made available to finance Mitigation Payments, then JSD shall accept such Bond Proceeds paid to it by the City/CFD as payment, to the extent of the money received, as payment(s) to be credited against Developers’ Mitigation Payment obligation for development of property within the CFD, and corresponding Improvement Areas, that JSD will use to fund the Project SFs Costs as set out herein. If less than all of the Mitigation Payments owed by the Developers to JSD under the Mitigation Agreement are paid to JSD from Bond Proceeds, then JSD and the Developer shall agree, in writing, on the application of the payments to specific Project SFs.
6. Bond Proceeds paid to JSD shall be for capital expenditures for School Facilities that JSD has already constructed in accordance with the Act and the Certificate Concerning Use of Bond Proceeds (as defined and discussed below).
7. Before the City issues any bonds, or series of bonds, the Bond Proceeds of which may be made available to finance the Mitigation Payments that JSD will use to pay for the Project SFs Costs, either the City or the Developers shall inform JSD, in writing, of the amount of Bond Proceeds that may be provided to JSD, and provided that JSD can certify that such amount(s) is no greater than the amount(s) expended by JSD for eligible School Facilities already constructed by JSD or School Facilities expenditures previously made by JSD, JSD shall thereafter, sign and deliver to the City a certificate for such series of bonds, in substantially the form set forth in Exhibit A to this Agreement (each a “Certificate Concerning Use of Bond Proceeds”). If the City issues bonds of the CFD, and if JSD has delivered the completed and signed Certificate Concerning Use of Bond Proceeds to the City (as provided for herein), then, upon the written request provided by the Developers (which may be made after the bonds are issued), the City shall make Bond Proceeds available to JSD for JSD to utilize in accordance with the Certificate Concerning Use of Bond Proceeds, and JSD shall, following receipt of such bond funds, utilize and account for such Bond Proceeds for School Facilities that it has already constructed as described in the Certificate Concerning Use of Bond Proceeds. In clarification of the foregoing, Bond Proceeds may only

be used to finance the costs of School Facilities that have been constructed by JSD. It shall not be necessary that the school project(s) (for which the School Facilities are a part) must be completed in full, only that the costs of the School Facilities have been expended by JSD prior to receipt of Bond Proceeds. If, after the closing of a series of bonds for which a Certificate Concerning Use of Bond Proceeds was provided, JSD expends additional funds for eligible School Facilities, those additional funds expended may, at the request of the Developers, be financed by the Bond Proceeds of such bonds if JSD provides a new Certificate Concerning Use of Bond Proceeds to account for the subsequent expenditures.

8. In addition to the foregoing, JSD shall provide to the City all documentation the City reasonably requires to comply with its records-retention policy and, if applicable, to monitor arbitrage liability in accordance with the terms applicable to the bonds, as issued, and the City's post-issuance debt procedures. Such documentation may include, but is not limited to, invoices, payment applications, warrants and fiscal reports associated with the School Facilities financed with Bond Proceeds. JSD shall with reasonable diligence, upon request by the City to include a list of requested documents, e-mail all documentation to the following persons:

Finance Director, City of Tracy
City Attorney, City of Tracy

finance@cityoftracy.org
ca@cityoftracy.org

9. JSD and Developers have informed the City that is expected that (a) prior to the time that Bond Proceeds will be used to finance Mitigation Payments, the Developer will pay the Mitigation Payments to JSD, and JSD will spend the Mitigation Payments on costs of the School Facilities and (b) Bond Proceeds will be used to finance Mitigation Payments in an amount that does not exceed the amount of Mitigation Payments previously spent on costs of School Facilities. Upon disbursement of Bond Proceeds to JSD, JSD shall deposit such Bond Proceeds in one or more separate capital accounts (the "**Bond Proceeds Deposit Account**"). Promptly after deposit of such Bond Proceeds into the Bond Proceeds Deposit Account, JSD will pay to the Applicable Developer (as defined below) a corresponding amount of the Mitigation Payments that were previously paid by the Applicable Developer to the District and that were previously expended on the costs of School Facilities within thirty (30) calendar days of the District's receipt of the written instructions from the Applicable Developers containing the applicable disbursement instructions (the "**Disbursement Instructions**") as follows:

- a) Each such set of Disbursement Instructions shall specify that the repayment with Bond Proceeds shall be made to each Developer(s) (the "**Applicable Developer**") in proportion to the amount of the Mitigation Payments actually paid by the Applicable Developer for the applicable Project SF. For example, if Tracy Phase IB, LLC paid \$6 million in Mitigation Payments for SF3 and Tracy Phase 2, LLC paid \$4 million in Mitigation Payments for SF3, then Tracy Phase IB, LLC would be entitled to 60% of the Bond Proceeds

on deposit in the Bond Proceeds Deposit Account, and Tracy Phase 2, LLC would be entitled to 40% of the Bond Proceeds on deposit in the Bond Proceeds Deposit Account. Disbursement Instructions shall include the full name of each Applicable Developer payee and payment directions for a receiving bank or financial institution which may receive funds on behalf of such Applicable Developer payee. Each such set of Disbursement Instructions shall be signed or acknowledged by each Applicable Developer which is a party to this Agreement.

b) JSD shall establish separate accounts and/or subaccounts for the Mitigation Payments and Bond Proceeds to assist in accounting for, and payment of, the Bond Proceeds in accordance with this Agreement.

c) City acknowledges that the within-referenced reimbursement structure for use of Bond Proceeds is acceptable to the City.

10. The City shall indemnify, defend, protect, and hold harmless JSD and JSD's officers, employees, and agents from and against all liabilities, claims, demands, damages, and costs (including reasonable attorneys' fees and litigation costs through final appeal) that arise out of any of the following:

a) the CFD Proceedings;

b) the authorization for, and implementation of, the levy, collection, and enforcement of the CFD's special taxes levied in each Improvement Area and Future Improvement Area;

c) the authorization by the City for, and initial disclosure by the City with respect to, the issuance, sale, and administration of the bonds of the CFD, except to the extent that such disclosure is based on information provided by JSD or the Developers;

d) any continuing disclosure obligations of the City relating to the bonds of the CFD, except to the extent that any such continuing disclosure is based on information provided by JSD or the Developers; or

e) any arbitrage or rebate issues under federal tax law that concern the bonds, except to the extent that such issues relate to actions or omissions of JSD or the Developers or representations made by JSD or the Developers to the City.

11. JSD shall administer and take full governmental responsibility for the following, for which the City shall have no responsibility: the construction or acquisition of any School Facilities which includes conducting environmental review; approving plans and specifications, bid requirements, performance and payment-bond requirements, and insurance requirements; administering construction contracts and construction work; staking and inspection;

acquiring necessary property interests in real or personal property; holding back and administering retention payments; and administering the punch list. JSD shall indemnify, defend, protect, and hold harmless the City and the City's officers, employees, and agents from and against all liabilities, claims, demands, damages, and costs (including reasonable attorneys' fees and litigation costs through final appeal) that arise out of the design, engineering, construction, or installation of the School Facilities.

12. JSD will have ownership of, and acquisition, construction, development and maintenance responsibility for, all of the School Facilities. JSD shall indemnify, defend, protect, and hold harmless the City and the City's officers, employees, and agents as well as the CFD and its officers, employees, and agents from and against all liabilities, claims, demands, damages, and costs (including reasonable attorneys' fees and litigation costs through final appeal) that arise out of the use or maintenance of the School Facilities.
13. JSD shall assure that the School Facilities financed by bonds are not used so as to cause the bonds to satisfy the private business tests of section 141(b) of the Code, or the private loan financing test of section 141(c) of the Code, if applicable.
14. To the extent that JSD wishes to lease, sell or convey any School Facilities financed by bonds of the CFD to an entity that is not a state or local government, JSD will seek the advice and approval of bond counsel to the City prior to any such sale. Such approval shall not be unreasonably withheld or delayed.
15. JSD shall indemnify, defend, protect, and hold harmless the City and the City's officers, employees, and agents as well as the CFD and its officers, employees, and agents from and against all liabilities, claims, demands, damages, and costs (including reasonable attorneys' fees and litigation costs through final appeal) that arise out of any representations made by JSD to the City with respect to its use of School Facilities funded by Bond Proceeds.
16. The City may take every step that is required or suitable for completing the CFD Proceedings; the levy, collection and enforcement of the special taxes; and the issuance, sale, delivery and administration of the bonds of the CFD. The City is not liable for its failure to conduct and complete the CFD Proceedings, levy, collect and enforce the special taxes or issue, sell, delivery and administer the bonds, including its decision for any reason not to finance through the CFD all, or any part of, the fees owed by the Developers under the terms of the Mitigation Agreement that JSD will use to pay for Project SFs Costs.
17. This Agreement may be amended by another written agreement signed by the parties, except that an amendment may not be made after issuance of any bonds issued by the City for the CFD if it would be detrimental to the interests of the bondholders without obtaining the consent of the bondholders in accordance with the related CFD bond documents.

18. This Agreement is solely for the benefit of the City, JSD, and the Developer and their successors and assigns. It is not intended to benefit any other third parties.
19. The parties may sign this Agreement in counterparts, each of which will be considered an original, but all of which will constitute the same agreement.
20. This Agreement will remain in force until all of the bonds have been retired and the authority to levy the special taxes conferred by the CFD Proceedings has ended or is otherwise terminated.

[SIGNATURE PAGES FOLLOW]

CITY OF TRACY

By: _____

_____, _____

Date: _____, 20____

Attest:

By: _____

_____, City Clerk

Approved as to Form
Tracy City Attorney

By: _____

JEFFERSON SCHOOL DISTRICT

By: 
_____, President

Date: 5/9, 2023

ATTEST:

By: _____

Agenda Date: May 9, 2023

Item Number: 7.4

Resolution No. 2023-05-02

Reviewed by JSD Legal Counsel

By: 

DEVELOPERS:

**TRACY PHASE 1, LLC,
A Delaware limited liability company**

By: _____

Name: _____

Title: _____

**TRACY PHASE 3, LLC,
A Delaware limited liability company**

By: _____

Name: _____

Title: _____

**TRACY PHASE 1B, LLC,
A Delaware limited liability company**

By: _____

Name: _____

Title: _____

**TRACY PHASE 4, LLC,
A Delaware limited liability company**

By: _____

Name: _____

Title: _____

**TRACY PHASE 2, LLC,
A Delaware limited liability company**

By: _____

Name: _____

Title: _____

**TRACY BPS, LLC,
A Delaware limited liability company**

By: _____

Name: _____

Title: _____

[Form of Certificate Concerning Use of Bond Proceeds]

EXHIBIT A

[BOND SERIES HEADER]

CERTIFICATE CONCERNING USE OF BOND PROCEEDS

I, the undersigned, hereby certify that I am a duly authorized officer of the Jefferson School District (“**School District**”) and I am authorized to sign this Certificate Concerning Use of Bond Proceeds (“**Certificate**”) on behalf of the School District in connection with the issuance of the above-captioned Series ___ Special Tax Bonds (“**Bonds**”). All capitalized terms used herein and not otherwise defined shall have the meanings given such terms in the Joint Community Facilities Agreement by and between the CITY OF TRACY, a California municipal corporation (“**City**”); (ii) the SCHOOL DISTRICT, (iii) TRACY PHASE I, LLC, a Delaware limited liability company; TRACY PHASE IB, LLC, a Delaware limited liability company; TRACY PHASE 2, LLC, a Delaware limited liability company; TRACY PHASE 3, LLC, a Delaware limited liability company; TRACY PHASE 4, LLC, a Delaware limited liability company; and TRACY BPS, LLC, a Delaware limited liability company, dated as of _____, 2023 (“**JCFA**”).

I further certify on behalf of the School District that:

1. School District is a public school district formed and operating pursuant to California law.
2. School District provides public education services within its boundaries.
3. Pursuant to the provisions of the JCFA the School District has been informed by the City and City of Tracy Community Facilities District No. 2016-1 (Tracy Hills) (“**CFD**”) that the City is in the process of issuing the Bonds on behalf of the CFD.
4. School District is informed that a portion of the net Bond proceeds (“**Bond Proceeds**”) are being allocated to the School District in order to finance certain Mitigation Payments that School District has used to pay Project SFs Costs of certain School Facilities, as further described in Attachment “1” attached hereto (the “**Financed Project SFs Costs**”). School District acknowledges that it is obligated under the JCFA to pay the Developer for the Financed Project SFs Costs with the Bond Proceeds, following receipt thereof, and that it must allocate the Bond Proceeds to the Financed Project SFs Costs.
5. The construction and operation of the School Facilities is in satisfaction of contractual requirements of the School District with respect to the provision of public education to the property within the boundaries of the CFD, as further described in the JCFA.

6. The School District will maintain adequate records to show the description of the Financed Project SFs Costs that have been funded with the Mitigation Payments that were financed with the Bond Proceeds. The District shall assure that the School Facilities financed by the Bonds are not used so as to cause the Bonds to satisfy the private business tests of section 141(b) of the Internal Revenue Code of 1986, as amended (the "Tax Code"), or the private loan financing test of section 141(c) of the Tax Code, if applicable. All of the School Facilities will be used in the performance of essential governmental functions of the District or another state or local government agency.

7. The School Facilities have all been previously constructed (or payments for such School Facilities have been made by the School District) and have not been the subject of any prior payment or financing from the Bond Proceeds.

8. Developers previously funded the Mitigation Payments that paid for the Financed Project SFs Costs with non-CFD funds.

In addition, as shown in Schedule 1, the District expended the Mitigation Payments that are being financed by the Bond Proceeds to pay for the Project SFs Costs that (i) were paid no earlier than sixty (60) days before the date of the adoption by the City of its Resolution No. 2023-032, entitled "Adopt a Resolution Declaring the Intention to Reimburse Expenditures from Proceeds of Tax-Exempt Obligations to be Issued by the City for and on behalf of City of Tracy Community Facilities District No. 2016-1 (Tracy Hills)," which was adopted on February 21, 2023, and (ii) are reimbursed no later than eighteen (18) months after the later of the date the expenditure was paid or the date the School Facilities were placed in service (but no later than three (3) years after the expenditure is paid). For federal income tax purposes, the District agrees to allocate \$_____ of Bond Proceeds as reimbursement for those Project SFs Costs.

As a result of the Developer financing the Mitigation Payments that funded the Project SFs Costs with Bond Proceeds, the District will return to the Applicable Developer a corresponding amount(s) of the Mitigation Payments that were previously paid by the Developer to the District.

This Certificate may be relied upon by the City, the CFD and bond counsel to the City/CFD in reaching its conclusions for confirmation of the federally tax-exempt status of the Bonds.

IN WITNESS WHEREOF, the undersigned has executed this certificate as of the date set forth below.

Dated: _____

JEFFERSON SCHOOL DISTRICT

By: _____
[Authorized Official Title]

ATTACHMENT "1"

The following facilities have been constructed by the School District:

"School Facilities" *[input description]*. The averaged expected useful life of the School Facilities is at least ___ years.

Dated: _____, 20__

JEFFERSON SCHOOL DISTRICT

By: _____
James Bridges, Superintendent

Received and accepted by:

CITY OF TRACY

By: _____
_____, _____

TRACY CITY COUNCIL

RESOLUTION NO. _____

APPROVING A JOINT COMMUNITY FACILITIES AGREEMENT WITH THE JEFFERSON SCHOOL DISTRICT RELATING TO THE CITY OF TRACY COMMUNITY FACILITIES DISTRICT NO. 2016-1 (TRACY HILLS) AND APPROVING AND AUTHORIZING RELATED DOCUMENTS AND ACTIONS

WHEREAS, the City Council previously conducted proceedings under and pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, Chapter 2.5 of Part 1 of Division 2 of Title 5 (commencing with Section 53311) of the California Government Code (the "Act"), to form (i) "City of Tracy Community Facilities District No. 2016-1 (Tracy Hills)" (the "CFD"), (ii) "Improvement Area No. 1 of the City of Tracy Community Facilities District No. 2016-1 (Tracy Hills)" ("Improvement Area No. 1") and (iii) "City of Tracy Community Facilities District No. 2016-1 (Tracy Hills) (Future Annexation Area) (the "Future Annexation Area"), to authorize the levy of special taxes and issue bonds and other debt secured by those special taxes for financing certain public improvements (the "Authorized Facilities"), all as described in (iv) Resolution No. 2016-157, entitled "Resolution of Formation of Community Facilities District," adopted by the City Council on July 19, 2016 (the "Resolution of Formation") and (v) Resolution No. 2016-158, entitled "Resolution Determining Necessity to Incur Bonded Indebtedness and Other Debt," adopted by the City Council on July 19, 2016; and

WHEREAS, subsequently, the City Council conducted change proceedings related to the CFD, all as set forth in Resolution No. 2018-169, entitled "Resolution of Change," adopted by the City Council on August 21, 2018; and

WHEREAS, the Resolution of Formation describes the Authorized Facilities and fees to be financed by the CFD, and the Resolution of Formation provides that the Authorized Facilities include facilities permitted under the Act that are required as conditions of development of the property in the CFD and the Future Annexation Area and that any of the Authorized Facilities may be financed through the payment of fees for such Authorized Facilities; and

WHEREAS, under Section 53316.2 of the Act, a community facilities district may finance facilities to be owned or operated by a public agency other than the agency that created the community facilities district, only pursuant to a Joint Community Facilities Agreement or a Joint Exercise of Powers Agreement between the two agencies; and

WHEREAS, Section 53316.2 of the Act further provides that at any time prior to the adoption of the Resolution of Formation creating a Community Facilities District or a resolution of change to alter a district, or a resolution or resolutions authorizing issuance of

bonds, the legislative bodies of two or more local agencies may enter into a joint community facilities agreement pursuant to the Act if the legislative body of each entity adopts a resolution declaring that the joint agreement would be beneficial to the residents of that entity; and

WHEREAS, certain developers of taxable property in the CFD and the Future Annexation Area (the “Developers”) have asked the City to enter into a Joint Community Facilities Agreement with them in the form attached hereto as **Exhibit A** (“JCFA”), and the Jefferson School District (the “School District”) to provide for the financing by the CFD of certain mitigation obligations of the Developers with respect to the construction of school facilities to be owned and operated by the School District; and

WHEREAS, the City Council has determined that the Joint Community Facilities Agreement would be beneficial to the residents of the City, and the City Council wishes to approve the Joint Community Facilities Agreement among the City, the Developers and the School District under which the CFD would finance certain fees payable by the Developers to the School District to finance Authorized Facilities;

WHEREAS, on May 9, 2023, the Jefferson School District approved the proposed joint community facilities agreement; now therefore be it

RESOLVED: That the City Council of the City of Tracy hereby finds and determines that the foregoing recitals are true and correct; and be it further

RESOLVED: The City Council hereby finds that a Joint Community Facilities Agreement with the School District will be beneficial to the residents of the City, and the City is hereby authorized to enter into a Joint Community Facilities Agreement with the Developers and the School District, as may be necessary to comply with the provisions of the Act; and be it further

RESOLVED: The Mayor and the City Manager and such other official of the City as may be designated by the City Manager (each, an “Authorized Representative”), acting alone, is hereby authorized and directed to execute and deliver such Joint Community Facilities Agreement on behalf of the City in substantially the form attached hereto as **Exhibit A**, together with such additions or changes as are approved by such Authorized Representative, and the approval of such additions or changes shall be conclusively evidenced by the execution and delivery by an Authorized Representative of the Joint Community Facilities Agreement; and be it further

RESOLVED: The City Council hereby authorizes the delivery and performance of the joint Community Facilities Agreement; and be it further

RESOLVED: All actions heretofore taken by the officers and agents of the City with respect to the establishment of the CFD, Improvement Area No. 1 and the Future Annexation Area and the Joint Community Facilities Agreement are hereby approved, confirmed and ratified, and the appropriate officers of the City are hereby authorized and directed to do any and all things and take any and all actions and execute any and all certificates, agreements and other documents, which they, or any of them, may deem necessary or advisable in order to accomplish the purposes of this resolution; and be it further

RESOLVED: This resolution shall take effect from and after its adoption.

The foregoing Resolution 2023-___ was adopted by the Tracy City Council on June 6, 2023, by the following vote:

AYES:	COUNCIL MEMBERS:
NOES:	COUNCIL MEMBERS:
ABSENT:	COUNCIL MEMBERS:
ABSTENTION:	COUNCIL MEMBERS:

NANCY D. YOUNG
Mayor of the City of Tracy, California

ATTEST: _____
ADRIANNE RICHARDSON
City Clerk and Clerk of the Council of the
City of Tracy, California

Information Sheet – 05/09/2023 - Board of Trustees Meeting

TO: Board of Trustees

Item: 7.4

FR: Jim Bridges

DATE: May 5, 2023

RE: Resolution 2023-05-02 JCFA Agreement with the City of Tracy

The City of Tracy formed a community facilities district and has taken actions to authorize the levy of special taxes upon land within the boundaries of the CFD and authorization to issue bonds secured by such special taxes for the purpose of providing moneys for the construction and acquisition of authorized improvements for the City in order to provide for the financing of identified public facilities. This agreement authorizes the City to finance the costs of public school facilities of the School District. JSD desires to cooperate with the City in accomplishing the financing, through the CFD, of some or all of the Mitigation Payments paid, or to be paid, by the Developers that JSD will use to finance the Project.

Recommendation:

Approve resolution 2023-05-02 JCFA Agreement with the City of Tracy.

RESOLUTION NO. 2023-05-02

RESOLUTION OF THE BOARD OF EDUCATION OF THE JEFFERSON SCHOOL DISTRICT APPROVING THE FORM OF A JOINT COMMUNITY FACILITIES AGREEMENT RELATING TO COMMUNITY FACILITIES DISTRICT NO. 2016-1 OF THE CITY OF TRACY AND AUTHORIZING EXECUTION AND DELIVERY THEREOF

WHEREAS, the Jefferson School District (“School District”) is a public school district organized and operating pursuant to the provisions of the Constitution and the laws of the State of California (“State”); and

WHEREAS, under to the requirements of the Mello-Roos Community Facilities Act of 1982, as amended (“Act”), the City of Tracy (“City”) has previously formed a community facilities district, designated as “Community Facilities District No. 2016-1 of the City of Tracy” (“City CFD No. 2016-1”), and has taken actions to authorize the levy of special taxes upon land within the boundaries of City CFD No. 2016-1 and authorization to issue bonds secured by such special taxes for the purpose of providing moneys for the construction and acquisition of authorized improvements for City CFD No. 2016-1 in order to provide for the financing of identified public facilities; and

WHEREAS, City CFD No. 2016-1 was formed to finance various City facilities costs and was authorized to finance the costs of public school facilities of the School District (“School Facilities”) pursuant to the provisions of the Act; and

WHEREAS, pursuant to Section 53316.2 of the Act, in order to provide funding for facilities of another public agency, a joint community facilities agreement (“JCFA”) must be entered into between the relevant agencies; and

WHEREAS, there has been submitted to the Board of Education of the School District (“Board of Education”) a JCFA between the City, the involved developer of property within the boundaries of CFD No. 2016-1 and the School District (“City CFD No. 2016-1 2023 JCFA”) providing for the financing of the School Facilities by City CFD No. 2016-1; and

WHEREAS, the form of the City CFD No. 2016-1 2023 JCFA has been reviewed by School District staff, consultants and legal counsel; and

WHEREAS, the Board of Education, upon information presented to it, and based on information on file with the Clerk of the Board of Education (“Clerk”), desires to make certain findings and determinations in connection with the consideration and approval of the form of the City CFD No. 2016-1 2023 JCFA; and

WHEREAS, the Board of Education desires to approve the execution and delivery of, and to enter into, the City CFD No. 2016-1 2023 JCFA, by and on behalf of the School District,

NOW, THEREFORE, THE BOARD OF EDUCATION OF THE JEFFERSON SCHOOL DISTRICT DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

Section 1. Recitals. Each of the above recitals is true and correct and is incorporated herein.

Section 2. Findings. The Board of Education hereby finds, determines and directs as follows:

(a) The School Facilities are authorized to be financed by City CFD No. 2016-1 pursuant to the provisions of the Act and the proceedings under which City CFD No. 2016-1 was formed.

(b) As required under California Government Code Section 53316.4, the City CFD No. 2016-1 2023 JCFA contains a description of the School Facilities to be financed, constructed or acquired with the funds of City CFD No. 2016-1 provided thereunder.

(c) Pursuant to California Government Code Section 53316.2(b), the School Board determines that the City CFD No. 2016-1 2023 JCFA will be beneficial to the residents of the territory served by the School District.

Section 3. Approval of Form of City CFD No. 2016-1 2023 JCFA and Authorization for Execution and Delivery. Pursuant to Section 53316.2 of the Act, the Board of Education hereby approves the form of the City CFD No. 2016-1 2023 JCFA. The President, Clerk, the Superintendent, the Director of School Operations and the Superintendent's designee(s), as applicable, are authorized to execute and deliver, on behalf of the School District, the City CFD No. 2016-1 2023 JCFA subject to non-substantive changes as may be approved of by the Superintendent and School District legal counsel.


Section 4. Other Actions. The President, Clerk, the Superintendent, the Director of School Operations, the Secretary to the Board, and other appropriate officials of the School District, and School District consultants, are hereby authorized and directed to take any actions as are necessary or desirable to accomplish the provisions and directives of this Resolution.

Section 5. Effective Date. This Resolution shall be effective upon adoption by the Board.

[Remainder of this page intentionally left blank]

ADOPTED, SIGNED AND APPROVED this 9th day of May, 2023.

THE BOARD OF EDUCATION OF THE
JEFFERSON SCHOOL DISTRICT

By: 

President of the Board of Education of the
Jefferson School District

ATTEST:

By: 

Clerk of the Board of Education of the
Jefferson School District

STATE OF CALIFORNIA)
) ss.
COUNTY OF SAN JOAQUIN)

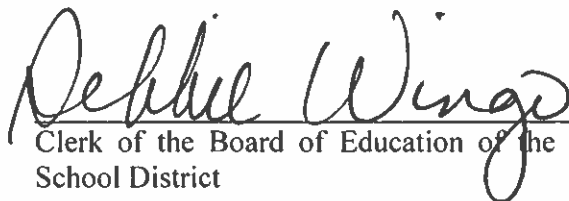
I, Debbie Wingo, Clerk of the Board of Education of the Jefferson School District, do hereby certify that the foregoing resolution was duly adopted by the Board of Education of said School District, at a meeting thereof duly and regularly held at the regular meeting place thereof on May 9, 2023, of which meeting all of the members of said Board had due notice and at which a majority thereof were present; at which a quorum of such Board was present and acting throughout and for which notice and an agenda was prepared and posted as required by law and that at said meeting said resolution was adopted by the following vote.

AYES: 3

NOES: 0

ABSTAIN: 0


ABSENT: 2


Clerk of the Board of Education of the Jefferson School District

STATE OF CALIFORNIA)
) ss.
COUNTY OF SAN JOAQUIN)

I, Debbie Wingo, Clerk of the Board of Education the Jefferson School District, do hereby certify that the foregoing is a full, true and correct copy of Resolution No. 2023-05-02 of such Board and that the same has not been amended or repealed.

Dated: May 9, 2023


Clerk of the Board of Education of the Jefferson School District

JOINT COMMUNITY FACILITIES AGREEMENT

City of Tracy Community Facilities District No. 2016-1 (Tracy Hills)

This Joint Community Facilities Agreement (the “**Agreement**”), dated _____, 2023, is made and entered into by and among (i) the CITY OF TRACY, a California municipal corporation (the “**City**”); (ii) the JEFFERSON SCHOOL DISTRICT, a California public-school district (the “**JSD**”); and (iii) TRACY PHASE I, LLC, a Delaware limited liability company; TRACY PHASE IB, LLC, a Delaware limited liability company; TRACY PHASE 2, LLC, a Delaware limited liability company; TRACY PHASE 3, LLC, a Delaware limited liability company; TRACY PHASE 4, LLC, a Delaware limited liability company; and TRACY BPS, LLC, a Delaware limited liability company (the last six entities are referred to herein individually as a “**Developer**” and collectively herein as the “**Developers**”).

Background

- A. This Agreement is made under the authority of California Government Code section 53316.2, part of the Mello-Roos Community Facilities Act of 1982, as amended (the “**Act**”).
- B. The City has conducted proceedings under the Act to (1) form the City of Tracy Community Facilities District No. 2016-1 (Tracy Hills) (the “**CFD**”), (2) designated two improvement areas within the CFD (each an “**Improvement Area**”), (3) identified property for future annexation into the CFD (the “**Future Annexation Area**”) which may be annexed into the CFD in the future as separate improvement areas (each a “**Future Improvement Area**”), and (4) authorized the financing, through the CFD and each Improvement Area, and Future Improvement Area of certain public fees and facilities (collectively, the “**CFD Proceedings**”). The land within the CFD and each Improvement Area is described in the Amended Boundary Map for the CFD recorded on August 27, 2018 with the San Joaquin County Clerk/Recorder as Document No. 2018-095090. The facilities authorized to be financed by the CFD and each Improvement Area and Future Improvement Area are described in Exhibit A to the Resolution of Formation No. 2016-157 adopted by the Tracy City Council on July 19, 2016 (the “**Authorized Improvements**”). The Authorized Improvements include facilities permitted under the Act that are required as conditions of development of the property in the CFD and the Future Annexation Area, and any of the Authorized Improvements may be financed through the payment of fees for such Authorized Improvements.
- C. The City, for itself and the CFD, previously entered into (1) an Acquisition Agreement Relating to: City of Tracy Community Facilities District No. 2016-1 (Tracy Hills) Improvement Area No. 1, dated as of July 19, 2016 (the “**Improvement Area No. 1 Acquisition Agreement**”), by and between the City and Tracy Phase I, LLC, relating to territory in Improvement Area No. 1 of the City of Tracy Community Facilities District No. 2016-1 (Tracy Hills) (“**Improvement Area No. 1**”) and (2) a Master Acquisition Agreement Relating to: City of Tracy Community Facilities District No. 2016-1 (Tracy Hills), dated as of July 19, 2016 (the

“Master Acquisition Agreement”; together with the Improvement Area No. 1 Acquisition Agreement, the **“Acquisition Agreements”**), by and between the City and The Tracy Hills Project Owner, LLC, relating to territory that was initially in the future annexation area for the CFD. The City and the Developers have determined that the Acquisition Agreements shall not govern the financing of the Mitigation Payments (as defined below).

- D. The Developers and JSD have notified the City that the property within the CFD, each Improvement Area and the Future Annexation Area (collectively, the **“Project”**), is subject to the terms of the Tracy Hills Project School Impact Mitigation Agreement, dated October 14, 2003, as recorded in Official Records of San Joaquin County as Document #2003-2555476, as amended by the First Amendment to Tracy Hills Project School Impact Mitigation Agreement for Project Phase 1 (1A & 1B) Development, dated June 20, 2018, recorded in Official Records of San Joaquin County as Document # 2018-081169, as amended by the Second Amendment to Tracy Hills Project School Impact Mitigation Agreement for Project Phase 1 (1A & 1B) Development, dated September 2018, recorded in Official Records of San Joaquin County as Document # 2018-104306, as amended by Third Amendment to Tracy Hills Project School Impact Mitigation Agreement for Project Phase 1 (1A & 1B) Development, dated December 2, 2020, recorded in Official Records of San Joaquin County as Document # 2020-023907, as amended by Fourth Amendment to Tracy Hills Project School Impact Mitigation Agreement for Project Phase 1 (1A & 1B) Development, dated as of August 16, 2022, recorded in Official Records of San Joaquin County as Document #2023-031634 (the Fourth Amendment”), and as amended by Fifth Amendment to Tracy Hills Project School Impact Mitigation Agreement for Project Phases 2-4 Development, dated as of May 9, 2023, recorded in Official Records of San Joaquin County as Document # _____ (as it may be amended in the future, collectively, the **“Mitigation Agreement”**).
- E. The Developers and JSD have notified the City that JSD expects to acquire and develop school sites and construct, install and/or acquire various school facilities (permanent and interim facilities), including administration facilities, school sites, supporting infrastructure and improvements, and equipment that JSD will own and operate to serve the Project students or that are necessary to mitigate the impacts of Project students pursuant to the Mitigation Agreement (collectively, the **“School Facilities”**). The Developers and JSD have notified the City that the Developers’ obligation pursuant to the terms of the Mitigation Agreement is to pay certain contractual mitigation payments (**“Mitigation Payments”**), and that JSD will acquire, develop and construct School Facilities with the proceeds of such Mitigation Payments; the Developers will not acquire, develop or construct the School Facilities.
- F. The Developers and JSD have notified the City that to fund the capital costs of acquisition, development or construction of School Facilities, including the first school to serve the Project students (**“SF1”**), the Mitigation Agreement required, and the Developers paid to JSD, a Mitigation Payment in the amount of approximately \$31,300,000 for SF1 Phase 1A

Facilities Costs (herein, the **"Phase 1A SF1 Costs"**) and SF1 Phase 2 Facilities Costs (the **"Phase 2 SF1 Costs"** and together with the Phase 1A SF1 Costs, the **"Previously Paid SF1 Costs"**). The Mitigation Payment related to the Previously Paid SF1 Costs is the only Mitigation Payment made by the Developers to JSD prior to the date of this Agreement, and may be financed by the CFD as set forth in this Agreement.

- G. The Developers and JSD have notified the City that to fund the capital costs of acquisition, development or construction of School Facilities, including SF1, the Developers and JSD executed the Fourth Amendment the Mitigation Agreement to, among other things, require the Developers to pay a supplemental Mitigation Payment to JSD that JSD will use to pay for additional Phase 1A SF1 Costs and Phase 2 SF1 Costs to be incurred by JSD after the date of this Agreement (herein, the **"SF1 Supplemental Costs"**), and that the Developers will pay such supplemental Mitigation Payment after the date of this Agreement. The Mitigation Payments paid by the Developers that JSD will use to pay the SF1 Supplemental Costs may be financed by the CFD as set forth in this Agreement.
- H. The Developers and JSD have notified the City that to fund the capital costs of acquisition, development or construction of School Facilities, including a second school to serve the Project students (**"SF2"**), the Mitigation Agreement contemplates the payment by the Developers of Mitigation Payments that JSD will use to pay for the capital costs of acquisition, development or construction costs of SF2 (the **"SF2 Costs"**), although the amount and the time for payment of such SF2 Costs and the corresponding Mitigation Payments have not yet been determined. The Mitigation Payments paid by the Developers that JSD will use to pay for the SF2 Costs may be financed by the CFD pursuant as set forth in this Agreement.
- I. The Developers and JSD have notified the City that to fund acquisition, development or construction of School Facilities, including a third school to serve the Project students (**"SF3"**), the Mitigation Agreement contemplates the payment by the Developers of Mitigation Payments that JSD will use to pay for the capital costs of acquisition, development or construction costs of SF3 (the **"SF3 Costs"**), although the amount and the time for payment of such SF3 Costs and corresponding Mitigation Payments have not yet been determined. The Mitigation Payments paid by the Developers that JSD will use to pay for the SF3 Costs may be financed through the CFD as set forth in this Agreement.
- J. The Developers and JSD have notified the City that to fund acquisition, development or construction of School Facilities, including additional schools to serve the Project students (**"Future SFs"** and together with SF1, SF2, and SF3, the **"Project SFs"**), the Mitigation Agreement contemplates the payment by the Developers of Mitigation Payments that JSD will use to pay for the capital costs of acquisition, development or construction costs of Future SFs (the **"Future Phase Costs"** and together with the Previously Paid SF1 Costs, the SF1 Supplemental Costs, the SF2 Costs, and the SF3 Costs, the **"Project SFs Costs"**), although the amount and the time for payment of such Future Phase Costs and the corresponding

Mitigation Payments have not yet been determined. The Mitigation Payments paid by the Developers that JSD will use to pay for the Future Phase Costs may be financed through the CFD as set forth in this Agreement.

- K. The Developers and JSD have notified the City that the amounts and the time for payment of the Mitigation Payments to be paid by the Developers to JSD that JSD has used, or will use, to pay the Project SFs Costs are governed by the terms of the Mitigation Agreement.
- L. The Developers and JSD have represented to the City that the School Facilities are Authorized Improvements under the CFD because they are required as conditions of development of the property within the CFD and the Future Annexation Area.
- M. The City may issue and sell bonds for the CFD from time to time with respect to one or more Improvement Areas or Future Improvement Areas of the CFD and may use part of the bond proceeds to finance all or a portion of the Mitigation Payments to be paid by the Developers that JSD will use to finance some or all of the Project SFs Costs as set forth in this Agreement.
- N. JSD desires to cooperate with the City in accomplishing the financing, through the CFD, of some or all of the Mitigation Payments paid, or to be paid, by the Developers that JSD will use to finance the Project SFs Costs as set forth herein.
- O. Each Improvement Area and Future Improvement Area is, or will be, authorized to finance the Authorized Improvements, including the Mitigation Payments used to fund the Project SFs Costs, and this Agreement applies to all Improvement Areas and Future Improvement Areas.
- P. On February 21, 2023, the Council of the City adopted its Resolution No. 2023-032, entitled "Adopt a Resolution Declaring the Intention to Reimburse Expenditures from Proceeds of Tax-Exempt Obligations to be Issued by the City for and on behalf of City of Tracy Community Facilities District No. 2016-1 (Tracy Hills)" (the "**Reimbursement Resolution**"), pursuant to which the City declared its intent to reimburse certain expenditures related to the Facilities with the proceeds of bonded indebtedness and other debt issued by the City for the CFD.

With these background facts in mind, the parties agree as follows:

1. This Agreement constitutes a "joint community facilities agreement", within the meaning of Section 53316.2 of the Act pursuant to which the CFD, including the Improvement Areas thereof, will be authorized to finance the Project SFs Costs as set forth herein.
2. The City has concluded that this Agreement is beneficial to the residents of the City and the future residents within the CFD.

3. JSD has concluded that this Agreement is beneficial to the residents of JSD and the future residents within the CFD.
4. The City shall administer the CFD. For purposes of this Agreement, administration of the CFD includes the following: employing and paying all consultants, levying and collecting the special tax(es), paying debt service on the bonds and otherwise administering the CFD and the bonds, and complying with all California and federal requirements concerning the CFD Proceedings or the bonds, including, but not limited to, those of the United States Internal Revenue Code of 1986, as amended (the "**Code**"). JSD is not, and shall not be, responsible for such administration and will not participate in, or be considered a participant in, the CFD Proceedings other than as a party to this Agreement.
5. If, in its sole discretion, the City issues bonds for the CFD, with respect to an Improvement Area or Future Improvement Area, and if, in the City's sole discretion, the proceeds of such bonds ("**Bond Proceeds**") are made available to finance Mitigation Payments, then JSD shall accept such Bond Proceeds paid to it by the City/CFD as payment, to the extent of the money received, as payment(s) to be credited against Developers' Mitigation Payment obligation for development of property within the CFD, and corresponding Improvement Areas, that JSD will use to fund the Project SFs Costs as set out herein. If less than all of the Mitigation Payments owed by the Developers to JSD under the Mitigation Agreement are paid to JSD from Bond Proceeds, then JSD and the Developer shall agree, in writing, on the application of the payments to specific Project SFs.
6. Bond Proceeds paid to JSD shall be for capital expenditures for School Facilities that JSD has already constructed in accordance with the Act and the Certificate Concerning Use of Bond Proceeds (as defined and discussed below).
7. Before the City issues any bonds, or series of bonds, the Bond Proceeds of which may be made available to finance the Mitigation Payments that JSD will use to pay for the Project SFs Costs, either the City or the Developers shall inform JSD, in writing, of the amount of Bond Proceeds that may be provided to JSD, and provided that JSD can certify that such amount(s) is no greater than the amount(s) expended by JSD for eligible School Facilities already constructed by JSD or School Facilities expenditures previously made by JSD, JSD shall thereafter, sign and deliver to the City a certificate for such series of bonds, in substantially the form set forth in Exhibit A to this Agreement (each a "**Certificate Concerning Use of Bond Proceeds**"). If the City issues bonds of the CFD, and if JSD has delivered the completed and signed Certificate Concerning Use of Bond Proceeds to the City (as provided for herein), then, upon the written request provided by the Developers (which may be made after the bonds are issued), the City shall make Bond Proceeds available to JSD for JSD to utilize in accordance with the Certificate Concerning Use of Bond Proceeds, and JSD shall, following receipt of such bond funds, utilize and account for such Bond Proceeds for School Facilities that it has already constructed as described in the Certificate Concerning Use of Bond Proceeds. In clarification of the foregoing, Bond Proceeds may only

be used to finance the costs of School Facilities that have been constructed by JSD. It shall not be necessary that the school project(s) (for which the School Facilities are a part) must be completed in full, only that the costs of the School Facilities have been expended by JSD prior to receipt of Bond Proceeds. If, after the closing of a series of bonds for which a Certificate Concerning Use of Bond Proceeds was provided, JSD expends additional funds for eligible School Facilities, those additional funds expended may, at the request of the Developers, be financed by the Bond Proceeds of such bonds if JSD provides a new Certificate Concerning Use of Bond Proceeds to account for the subsequent expenditures.

8. In addition to the foregoing, JSD shall provide to the City all documentation the City reasonably requires to comply with its records-retention policy and, if applicable, to monitor arbitrage liability in accordance with the terms applicable to the bonds, as issued, and the City's post-issuance debt procedures. Such documentation may include, but is not limited to, invoices, payment applications, warrants and fiscal reports associated with the School Facilities financed with Bond Proceeds. JSD shall with reasonable diligence, upon request by the City to include a list of requested documents, e-mail all documentation to the following persons:

Finance Director, City of Tracy
City Attorney, City of Tracy

finance@cityoftracy.org
ca@cityoftracy.org

9. JSD and Developers have informed the City that is expected that (a) prior to the time that Bond Proceeds will be used to finance Mitigation Payments, the Developer will pay the Mitigation Payments to JSD, and JSD will spend the Mitigation Payments on costs of the School Facilities and (b) Bond Proceeds will be used to finance Mitigation Payments in an amount that does not exceed the amount of Mitigation Payments previously spent on costs of School Facilities. Upon disbursement of Bond Proceeds to JSD, JSD shall deposit such Bond Proceeds in one or more separate capital accounts (the "**Bond Proceeds Deposit Account**"). Promptly after deposit of such Bond Proceeds into the Bond Proceeds Deposit Account, JSD will pay to the Applicable Developer (as defined below) a corresponding amount of the Mitigation Payments that were previously paid by the Applicable Developer to the District and that were previously expended on the costs of School Facilities within thirty (30) calendar days of the District's receipt of the written instructions from the Applicable Developers containing the applicable disbursement instructions (the "**Disbursement Instructions**") as follows:

- a) Each such set of Disbursement Instructions shall specify that the repayment with Bond Proceeds shall be made to each Developer(s) (the "**Applicable Developer**") in proportion to the amount of the Mitigation Payments actually paid by the Applicable Developer for the applicable Project SF. For example, if Tracy Phase IB, LLC paid \$6 million in Mitigation Payments for SF3 and Tracy Phase 2, LLC paid \$4 million in Mitigation Payments for SF3, then Tracy Phase IB, LLC would be entitled to 60% of the Bond Proceeds

on deposit in the Bond Proceeds Deposit Account, and Tracy Phase 2, LLC would be entitled to 40% of the Bond Proceeds on deposit in the Bond Proceeds Deposit Account. Disbursement Instructions shall include the full name of each Applicable Developer payee and payment directions for a receiving bank or financial institution which may receive funds on behalf of such Applicable Developer payee. Each such set of Disbursement Instructions shall be signed or acknowledged by each Applicable Developer which is a party to this Agreement.

b) JSD shall establish separate accounts and/or subaccounts for the Mitigation Payments and Bond Proceeds to assist in accounting for, and payment of, the Bond Proceeds in accordance with this Agreement.

c) City acknowledges that the within-referenced reimbursement structure for use of Bond Proceeds is acceptable to the City.

10. The City shall indemnify, defend, protect, and hold harmless JSD and JSD's officers, employees, and agents from and against all liabilities, claims, demands, damages, and costs (including reasonable attorneys' fees and litigation costs through final appeal) that arise out of any of the following:

a) the CFD Proceedings;

b) the authorization for, and implementation of, the levy, collection, and enforcement of the CFD's special taxes levied in each Improvement Area and Future Improvement Area;

c) the authorization by the City for, and initial disclosure by the City with respect to, the issuance, sale, and administration of the bonds of the CFD, except to the extent that such disclosure is based on information provided by JSD or the Developers;

d) any continuing disclosure obligations of the City relating to the bonds of the CFD, except to the extent that any such continuing disclosure is based on information provided by JSD or the Developers; or

e) any arbitrage or rebate issues under federal tax law that concern the bonds, except to the extent that such issues relate to actions or omissions of JSD or the Developers or representations made by JSD or the Developers to the City.

11. JSD shall administer and take full governmental responsibility for the following, for which the City shall have no responsibility: the construction or acquisition of any School Facilities which includes conducting environmental review; approving plans and specifications, bid requirements, performance and payment-bond requirements, and insurance requirements; administering construction contracts and construction work; staking and inspection;

acquiring necessary property interests in real or personal property; holding back and administering retention payments; and administering the punch list. JSD shall indemnify, defend, protect, and hold harmless the City and the City's officers, employees, and agents from and against all liabilities, claims, demands, damages, and costs (including reasonable attorneys' fees and litigation costs through final appeal) that arise out of the design, engineering, construction, or installation of the School Facilities.

12. JSD will have ownership of, and acquisition, construction, development and maintenance responsibility for, all of the School Facilities. JSD shall indemnify, defend, protect, and hold harmless the City and the City's officers, employees, and agents as well as the CFD and its officers, employees, and agents from and against all liabilities, claims, demands, damages, and costs (including reasonable attorneys' fees and litigation costs through final appeal) that arise out of the use or maintenance of the School Facilities.
13. JSD shall assure that the School Facilities financed by bonds are not used so as to cause the bonds to satisfy the private business tests of section 141(b) of the Code, or the private loan financing test of section 141(c) of the Code, if applicable.
14. To the extent that JSD wishes to lease, sell or convey any School Facilities financed by bonds of the CFD to an entity that is not a state or local government, JSD will seek the advice and approval of bond counsel to the City prior to any such sale. Such approval shall not be unreasonably withheld or delayed.
15. JSD shall indemnify, defend, protect, and hold harmless the City and the City's officers, employees, and agents as well as the CFD and its officers, employees, and agents from and against all liabilities, claims, demands, damages, and costs (including reasonable attorneys' fees and litigation costs through final appeal) that arise out of any representations made by JSD to the City with respect to its use of School Facilities funded by Bond Proceeds.
16. The City may take every step that is required or suitable for completing the CFD Proceedings; the levy, collection and enforcement of the special taxes; and the issuance, sale, delivery and administration of the bonds of the CFD. The City is not liable for its failure to conduct and complete the CFD Proceedings, levy, collect and enforce the special taxes or issue, sell, delivery and administer the bonds, including its decision for any reason not to finance through the CFD all, or any part of, the fees owed by the Developers under the terms of the Mitigation Agreement that JSD will use to pay for Project SFs Costs.
17. This Agreement may be amended by another written agreement signed by the parties, except that an amendment may not be made after issuance of any bonds issued by the City for the CFD if it would be detrimental to the interests of the bondholders without obtaining the consent of the bondholders in accordance with the related CFD bond documents.

18. This Agreement is solely for the benefit of the City, JSD, and the Developer and their successors and assigns. It is not intended to benefit any other third parties.
19. The parties may sign this Agreement in counterparts, each of which will be considered an original, but all of which will constitute the same agreement.
20. This Agreement will remain in force until all of the bonds have been retired and the authority to levy the special taxes conferred by the CFD Proceedings has ended or is otherwise terminated.

[SIGNATURE PAGES FOLLOW]

CITY OF TRACY

By: _____

_____, _____

Date: _____, 20____

Attest:

By: _____

_____, City Clerk

Approved as to Form
Tracy City Attorney

By: _____

JEFFERSON SCHOOL DISTRICT

By: 
_____, President

Date: 5/9, 2023

ATTEST:

By: _____

Agenda Date: May 9, 2023

Item Number: 7.4

Resolution No. 2023-05-02

Reviewed by JSD Legal Counsel

By: 

DEVELOPERS:

**TRACY PHASE 1, LLC,
A Delaware limited liability company**

By: _____

Name: _____

Title: _____

**TRACY PHASE 3, LLC,
A Delaware limited liability company**

By: _____

Name: _____

Title: _____

**TRACY PHASE 1B, LLC,
A Delaware limited liability company**

By: _____

Name: _____

Title: _____

**TRACY PHASE 4, LLC,
A Delaware limited liability company**

By: _____

Name: _____

Title: _____

**TRACY PHASE 2, LLC,
A Delaware limited liability company**

By: _____

Name: _____

Title: _____

**TRACY BPS, LLC,
A Delaware limited liability company**

By: _____

Name: _____

Title: _____

[Form of Certificate Concerning Use of Bond Proceeds]

EXHIBIT A

[BOND SERIES HEADER]

CERTIFICATE CONCERNING USE OF BOND PROCEEDS

I, the undersigned, hereby certify that I am a duly authorized officer of the Jefferson School District (“**School District**”) and I am authorized to sign this Certificate Concerning Use of Bond Proceeds (“**Certificate**”) on behalf of the School District in connection with the issuance of the above-captioned Series ___ Special Tax Bonds (“**Bonds**”). All capitalized terms used herein and not otherwise defined shall have the meanings given such terms in the Joint Community Facilities Agreement by and between the CITY OF TRACY, a California municipal corporation (“**City**”); (ii) the SCHOOL DISTRICT, (iii) TRACY PHASE I, LLC, a Delaware limited liability company; TRACY PHASE IB, LLC, a Delaware limited liability company; TRACY PHASE 2, LLC, a Delaware limited liability company; TRACY PHASE 3, LLC, a Delaware limited liability company; TRACY PHASE 4, LLC, a Delaware limited liability company; and TRACY BPS, LLC, a Delaware limited liability company, dated as of _____, 2023 (“**JCFA**”).

I further certify on behalf of the School District that:

1. School District is a public school district formed and operating pursuant to California law.
2. School District provides public education services within its boundaries.
3. Pursuant to the provisions of the JCFA the School District has been informed by the City and City of Tracy Community Facilities District No. 2016-1 (Tracy Hills) (“**CFD**”) that the City is in the process of issuing the Bonds on behalf of the CFD.
4. School District is informed that a portion of the net Bond proceeds (“**Bond Proceeds**”) are being allocated to the School District in order to finance certain Mitigation Payments that School District has used to pay Project SFs Costs of certain School Facilities, as further described in Attachment “1” attached hereto (the “**Financed Project SFs Costs**”). School District acknowledges that it is obligated under the JCFA to pay the Developer for the Financed Project SFs Costs with the Bond Proceeds, following receipt thereof, and that it must allocate the Bond Proceeds to the Financed Project SFs Costs.
5. The construction and operation of the School Facilities is in satisfaction of contractual requirements of the School District with respect to the provision of public education to the property within the boundaries of the CFD, as further described in the JCFA.

6. The School District will maintain adequate records to show the description of the Financed Project SFs Costs that have been funded with the Mitigation Payments that were financed with the Bond Proceeds. The District shall assure that the School Facilities financed by the Bonds are not used so as to cause the Bonds to satisfy the private business tests of section 141(b) of the Internal Revenue Code of 1986, as amended (the "Tax Code"), or the private loan financing test of section 141(c) of the Tax Code, if applicable. All of the School Facilities will be used in the performance of essential governmental functions of the District or another state or local government agency.

7. The School Facilities have all been previously constructed (or payments for such School Facilities have been made by the School District) and have not been the subject of any prior payment or financing from the Bond Proceeds.

8. Developers previously funded the Mitigation Payments that paid for the Financed Project SFs Costs with non-CFD funds.

In addition, as shown in Schedule 1, the District expended the Mitigation Payments that are being financed by the Bond Proceeds to pay for the Project SFs Costs that (i) were paid no earlier than sixty (60) days before the date of the adoption by the City of its Resolution No. 2023-032, entitled "Adopt a Resolution Declaring the Intention to Reimburse Expenditures from Proceeds of Tax-Exempt Obligations to be Issued by the City for and on behalf of City of Tracy Community Facilities District No. 2016-1 (Tracy Hills)," which was adopted on February 21, 2023, and (ii) are reimbursed no later than eighteen (18) months after the later of the date the expenditure was paid or the date the School Facilities were placed in service (but no later than three (3) years after the expenditure is paid). For federal income tax purposes, the District agrees to allocate \$_____ of Bond Proceeds as reimbursement for those Project SFs Costs.

As a result of the Developer financing the Mitigation Payments that funded the Project SFs Costs with Bond Proceeds, the District will return to the Applicable Developer a corresponding amount(s) of the Mitigation Payments that were previously paid by the Developer to the District.

This Certificate may be relied upon by the City, the CFD and bond counsel to the City/CFD in reaching its conclusions for confirmation of the federally tax-exempt status of the Bonds.

IN WITNESS WHEREOF, the undersigned has executed this certificate as of the date set forth below.

Dated: _____

JEFFERSON SCHOOL DISTRICT

By: _____
[Authorized Official Title]

ATTACHMENT "1"

The following facilities have been constructed by the School District:

"School Facilities" *[input description]*. The averaged expected useful life of the School Facilities is at least ___ years.

Dated: _____, 20__

JEFFERSON SCHOOL DISTRICT

By: _____
James Bridges, Superintendent

Received and accepted by:

CITY OF TRACY

By: _____
_____, _____

Agenda Item 3.B

REQUEST

Approve a resolution to adopt amendments to the City Council's A) Code of Conduct and B) Meeting Protocols and Rules of Procedures

EXECUTIVE SUMMARY

On October 15, 2019, the City Council adopted a Code of Conduct (Code) that outlines the norms and values to which this legislative body holds itself. The City Council has amended the Code several times since its adoption in 2019, and the current version of the Code is attached to this report as Attachment A. These amendments addressed singular issues and did not change the remainder of the originally adopted Code. On November 5, 2019, the City Council adopted Meeting Protocols and Rules of Procedure (Protocols). The City Council has also amended the Protocols to address singular issues since their original adoption. The current version of the Protocols is attached to this report as Attachment B. On February 28, 2023, the City Council held a workshop to discuss both the Code and the Protocols and proposed amendments as well as omission that have been observed by the City Management team, City Attorney and Councilmembers. Staff is recommending the adoption of the Amended A) Code of Conduct and B) City Council's Meeting Protocols and Procedures.

DISCUSSION

Pursuant to best practices (and in accordance with authority granted by California Government Code section 36813), legislative bodies often adopt policies governing the roles and responsibilities of such bodies as well as norms and behaviors expected of the members serving on the bodies. These governance policies help to facilitate effective meetings, promote civility, and serve as a framework to guide a healthy working relationship between the legislative members and the staff serving the legislative bodies.

In June 2019, the San Joaquin County Civil Grand Jury issued a report on its investigation of the Tracy City Council and recommended the City Council adopt an ethics policy to guide its conduct. The City Council already had been discussing the need for an ethics policy prior to the release of the Grand Jury report and, on July 16, 2019, the City Council unanimously agreed to develop and adopt an ethics/code of conduct policy. Subsequently, on October 15, 2019, the City Council adopted the City Council's Code of Conduct. As noted above, the Code has been amended since its original adoption, most recently as 2021, but only to address singular issues.

During Council's development of the Code, the then City Council expressed a desire to update the existing rules and procedures for preparing agendas and conducting meetings. These older rules had been last adopted in April 2015 and were referred to as the "Procedures for Preparation, Posting and Distribution of Agenda and the Conduct of Public Meetings". On November 5, 2019, the City Council replaced those older rules with the new Protocols. The Protocols were last amended in 2021, with amendments to singular items only.

Both the Code and the Protocols state that they should be reviewed and revised by the City Council by December 31st of every odd year.

Accordingly, at its annual retreat on February 4-5, 2023, the City Council began a discussion of issues and observations that have been made by the City Management team, City Attorney and Councilmembers regarding the Code and the Protocols. On February 28, 2023, the City Council continued the discussion in a workshop, where, the Acting City Manager and City Attorney provided specific recommendations for the City Council's consideration.

ANALYSIS

Based on the direction given by the City Councilmembers, the City Attorney is proposing that the City Council adopt the amended Code of Conduct, reflected in **Attachment A**, and the Council Meeting Protocols and Rules of Procedure, reflected in **Attachment B**. Redlined versions reflecting the specific proposed amendments are shown in **Attachments A-1** and **B-1**, respectively. The amendments reflect general cleanups and clarifications to existing language. In addition, the amendments remove any overlapping language in the two documents. The City Council adopted the Code and the Protocols to address two distinct substantive areas. Some overlapping language exists in these two documents, which has caused confusion as to how City officials should proceed on certain issues. To remove this confusion, the documents have been edited so that each uniquely addresses the topics contained within each document.

Importantly, the City Attorney's Office worked closely with the Acting City Manager and the Assistant City Manager in developing the proposed amendments. The City Council's direction at the workshop was to return with these proposed amendments on a timely basis. In addition, the City Attorney's Office reviewed local rules and procedures from a variety of comparably sized cities in the area, including Brentwood, Livermore, Lodi, Manteca, Pleasanton, Stockton and Walnut Creek. The City Attorney also drew upon her experiences working in and with other cities and special districts in the Bay Area.

A summary of key additional changes proposed for each are noted below.

Code of Conduct

Section 1.4 – Added specific language to document the roles and responsibilities of the City Attorney. As this City has grown rapidly, some of the institutional structures are lacking and need to be developed. This language reflects not only the practice generally in the State, but also specifically what may be required under law.

Section 2.1.6 – Deleted language regarding participation in public relations, as this is inconsistent with the current City practice and unclear.

Section 2.2 – Added clarifications to the roles of the Mayor and Mayor Pro Tem and that voting is by majority vote of the City Council unless otherwise required by State law; deleted language regarding agenda setting, which is addressed in the Protocols.

Section 2.3 – Deleted language regarding Council actions, which is addressed in the Protocols and modified the existing Section 2.4 to become Section 2.3, as related to City Council Subject Matter (Standing) Committees.

Section 2.4 – Added new language regarding City Council Subject Matter (Standing) Committee actions.

Protocols

Section 1.2 – Adds language to clarify that the Protocols prevail over the Code in the event of a conflict, as meeting protocols should only be in the Protocols.

Section 2.2 – Adds language to clarify what absence means.

Section 2.5 – Adds language to clarify that City Manager sets the Council agenda and once published, may withdraw an item(s), unless the item has been placed on the agenda by the City Council.

Section 2.6.2 – Adds language (and consolidates from other sections) to note that the City Clerk is the timekeeper for City Council meetings.

Section 2.8 – Adds language to clarify that the City Attorney is the Parliamentarian for City Council meetings.

Sections 3.2 and 3.4 – Adds language to document State law procedures regarding how closed session may be scheduled, agendized and managed.

Section 4.3 – Modifies existing language to more clearly reflect how Council Members may place regular and time-sensitive items on the City Council agenda.

Section 5.6 – Adds a new “Order of Business” section to the City Council agenda, under which agenda items may be reordered.

Section 5.18 – Adds language to document the Brown Act rules for how materials may be distributed to the City Council after agenda publication.

Section 6.3 – Adds language to clarify that “clapping” is not deemed disruptive only during the “Presentations/Proclamations and Awards” portion of the City Council meeting.

STRATEGIC PLAN

This agenda item indirectly supports City Council's Strategic Priority of Governance that encourages the development of good governance policies.

FISCAL IMPACT

This agenda item will have no fiscal impact on the City as this affects administrative and governance policies and procedures only.

RECOMMENDATION

Approve a resolution to adopt amendments to the City Council's A) Code of Conduct and B) Meeting Protocols and Rules of Procedures.

Agenda Item 3.B

June 6, 2023

Page 4

Prepared and Approved by: Bijal M. Patel, City Attorney
Karin Schnaider, Assistant City Manager

ATTACHMENTS

Attachment A – Revised Code of Conduct (Clean)

Attachment A-1 – Revised Code of Conduct (Redlined)

Attachment B – Revised Meeting Protocols and Rules of Procedure (Clean)

Attachment B-2 – Meeting Protocols and Rules of Procedure (Redlined)



CITY COUNCIL CODE OF CONDUCT

Adopted on October 15, 2019 by Resolution No. 2019-203

Amended on July 21, 2020 by Resolution No. 2020-133

Amended on February 16, 2021 by Resolution No. 2021-017

Amended on October 19, 2021 by Resolution No. 2021-146

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ATTACHMENT 1 - City Council Code of Conduct Norms and Values Statement

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ATTACHMENT 3 - Code of Fair Campaign Practices

CHAPTER 1 FORM OF GOVERNMENT

1.1 Preamble

The legal responsibilities of the Tracy City Council are set forth by applicable state and federal laws. In addition, the City Council has adopted regulations, including this Code of Conduct Policy, that hold Council Members to standards of conduct above and beyond what is required by law. This Policy is written with the assumption that Council Members, through training, are aware of their legal and ethical responsibilities as elected officials.

1.2 Form of Government

The City of Tracy operates under a Council-Manager form of government as prescribed by the Tracy Municipal Code ("TMC"). Accordingly, the Mayor and members of the Council are elected at-large, provide legislative direction, set City policy, and ultimately answer to the public.

1.3 City Manager Appointment, Power and Duties

The City Manager is appointed by a majority vote of the Council and serves as the City's chief administrative officer and is responsible for directing the day-to-day operations of the City and implementing policy direction per Section 2.08.060 of the TMC (attached). Specifically, Section 2.08.070 of the TMC prohibits interference by either the City Council or any of its members with the City Manager's execution of their powers or duties:

- Neither the City Council, as a body, nor a member shall interfere with the appointment by the City Manager of any of the department heads or any person to any office or employment.
- Additionally, neither the City Council, as a body, nor any of its members shall interfere with the City Manager's power to remove any of those persons.
- Neither the Council nor any of its members shall give orders to any subordinate of the City Manager, either publicly or privately.
- The City Manager and his/her senior staff shall conduct themselves in accordance with the International City Management Association (ICMA) Code of Ethics.

The City Council and its members shall deal only with the City Manager with respect to the administrative services or operational matters of the City.

1.4 City Attorney Appointment and Responsibilities

The City Attorney is appointed by a majority vote of the City Council, per Section 12.08.40, and serves as the City's sole legal counsel. The City Manager shall coordinate with and receive input from the City Attorney on all administrative, policy and operational matters that have or may have legal implications to the City. Without limiting the foregoing, the City Attorney shall have the following powers and duties:

- Neither the City Council, as a body, nor any of its members shall interfere with the administration of the City Attorney's Office or give orders to the subordinates of the City Attorney.
- The City Attorney shall serve as the legal counsel to the City Council and its standing committees, Planning Commission, City Manager, and all City staff pertaining to City matters.
- The City Attorney shall review and approve all ordinances, resolutions, and related staff reports for the City Council, its standing committees, and boards and commissions conducting meetings under the Brown Act.
- The City Attorney shall review and approve, as to form and legality, all contracts, agreements, bonds, and other legal documents related to the conduct of the City's affairs.
- The City Attorney shall interpret and opine on the implementation of the Tracy Municipal Code on behalf of the City and shall prosecute violations of the Tracy Municipal Code in Superior Court.
- The City Attorney may engage outside counsel to implement the functions of the City Attorney's Office, and no other City official, including the City Manager, City Council member or staff may independently engage outside counsel on City-related matters.
- The City Attorney and his/her senior staff shall, at all times, conduct themselves in accordance with the California Rules of Professional Conduct, established by the California State Bar, and the Ethical Principles for City Attorneys, adopted by the League of California Cities' City Attorneys Department.

CHAPTER 2 COUNCIL POWERS AND RESPONSIBILITIES

2.1 City Council Generally

- 2.1.1 The City Council has the power, in the name of the City, to do and perform all acts and things appropriate to a municipal entity and the general welfare of its inhabitants, which are not specifically prohibited by the constitution, and/or State or Federal laws.
- 2.1.2 The Council acts as a body. Council policy and directives are established by majority vote, and a decision of the majority binds the Council to a course of action, unless otherwise required by State law.
- 2.1.3 No Council Member has extraordinary powers beyond those of other members (except as may otherwise be provided in State law). All members, including the Mayor, have equal powers.
- 2.1.4 No member of the Council is permitted to hold any other City office or City employment.
- 2.1.5 Council Members are appointed by the Council body to serve on various boards or committees, including Council standing and ad hoc committees, and third agency member boards and committees.

2.2 Mayor and Mayor Pro Tem - Appointment, Power, and Duties

- 2.2.1 The Mayor is directly elected by the voters to serve a two-year term. The selection of the Mayor occurs every two years in December after the City receives the certified results from the County Registrar of Voters electing a Mayor.
- 2.2.2 A Mayor Pro Tem is appointed for a one year term, by a majority vote of the City Council, and can be replaced at any time, by a majority vote of the City Council.

2.2.3 The Mayor is the official head of the City for all ceremonial purposes.

2.2.4 Per the Government Code, the Mayor, with the “approval” of the City Council, shall (a) execute official documents (Section 40602b) and (b) make appointments to city boards, commissions, and committees unless otherwise specifically provided by statute (Section 40605). Approval shall be deemed to be a majority vote of the City Council, unless a super majority is required by State law for any specific action.

2.2.5 The Mayor is authorized to send letters stating the City's official position to appropriate legislators as long as it is consistent with the City Council's Legislative Policy.

2.2.6 The Mayor may perform other duties consistent with the mayoral office as prescribed by the Tracy Municipal Code, California Government Code, or as determined by a majority vote of the City Council.

2.2.7 The Mayor does not possess any power of veto.

2.3 Council Member Subject Matter Committees

2.3.1 The City Council may organize itself into standing and/or special/ ad hoc subcommittees to facilitate Council review of policy matters and action.

2.3.2 The City Council may create or dissolve standing and/or special/ad hoc sub committees at any time by an affirmative vote of a majority of the City Council. The City Council will endeavor to rotate appointments to standing and ad hoc standing committees to ensure equitable participation.

2.3.3 The City Council, by a majority vote, appoints and removes members to standing and ad hoc committees annually

2.3.4 The Council also appoints and removes Council Members to third member agencies by a majority, annually

- 2.3.5 It is a best practice for non-appointed Council Members not to attend Council standing Committees to avoid the appearance of impropriety and maintain compliance with the Brown Act.

2.4 Action by Subject Matter Committees

The assigned subject matter Committee shall have initial jurisdiction over any item assigned to it by the City Council as well as any items being advanced by the City Manager that implement or relate to the overall jurisdictional purpose of such Committee and may take any of the following actions with respect to the assigned item.

The Committee may, by a vote of the consensus, decide to postpone, continue, or table an item on the agenda. On any item on an agenda, the Committee may allow for an informational presentation by City staff relating to the item. With respect to an action item, and after discussion and consideration of the item, the Committee may take one of the following actions:

- 2.4.1 Vote by consensus to approve the recommendation of staff or the originator of the proposed action item and forward the recommendation onto the full Council. The Committee may, as a condition of approval, request additional information to be presented for consideration when the full Council hears the item.
- 2.4.2 Fail to approve any recommended action, in which case the item shall not be forwarded to the full City Council; provided that the City Council shall have jurisdiction to place the item on the agenda for a future City Council meeting, in accordance with the requirements of the Meeting Protocols for agenda setting, if no action was taken on the item due to any one of the following reasons
- Due to the cancellation of a Committee meeting or
 - Due to lack of a quorum, or
 - the Committee was not able to approve any recommended action
- 2.4.3 Propose by a consensus vote of those present one or more alternative recommendation(s) be forwarded to the full City Council for consideration and final action. The Committee may request additional information to be presented for consideration when the full Council hears the item.
- 2.4.4 Reject, by a consensus vote, jurisdiction over the action item and refer the action item back to the City Council with a recommendation for reassignment to another appropriate subject-matter committee.
- 2.4.5 Request, by consensus vote, additional, specified information from staff or the

originator of the proposed action item. The action item may be continued or rescheduled for further consideration at the soonest feasible date available, allowing time for appropriate notice pursuant to the Meeting Protocols and the Brown Act.

2.4.6 With respect to an informational item, following discussion and consideration, a Committee shall take one of the following actions:

- Receive the informational report, by consensus vote, without forwarding the report to the full City Council;
- Receive the informational report and forward the report onto the full City Council, by consensus vote;
- Request, by consensus vote, from staff or the originator of the proposed informational item. The item may be continued or rescheduled for further consideration at the soonest feasible date available, allowing time for appropriate notice pursuant to the Meeting Protocols.

CHAPTER 3

LEGAL AND ETHICAL STANDARDS

3.1 Preamble

The residents and businesses of Tracy are entitled to have fair, ethical, and accountable local government. Such a government requires that public officials:

- Comply with both the letter and the spirit of the laws and policies affecting operations of the government;
- Be independent, impartial, and fair in their judgment and actions;
- Use their public office for the public good, not for personal gain; and
- Conduct public deliberations and processes openly, unless legally confidential, in an atmosphere of respect and civility.

To this end, the Tracy City Council has adopted this Code of Conduct and the Norms and Values Statement (Attachment) to encourage public confidence in the integrity of local government and its fair and effective operation.

3.2 Public Interest

3.2.1 Recognizing that stewardship of the public interest must be their primary concern, City Council Members shall work for the common good of the people of Tracy and not for any private or personal interest. City Council Members must endeavor to treat all members of the public and issues before them in a fair and equitable manner.

3.2.2 City Council Members shall comply with the laws of the nation, the State of California, and the City in the performance of their public duties. These laws include, but are not limited to: the United States and California constitutions; the Tracy Municipal Code; laws pertaining to conflicts of interest, election campaigns, financial disclosures, employer responsibilities, and open processes of government; and City ordinances and policies.

3.3 Conduct

- 3.3.1 City Council Members shall refrain from abusive conduct, personal charges, or verbal attacks upon the character or motives of other members of the City Council, boards, commissions, committees, staff, or the public.
- 3.3.2 City Council Member duties shall be performed in accordance with these Rules of Conduct and Council Meeting Protocols and Rules of Procedures established by the City Council as well as the Tracy Municipal Code and State law.
- 3.3.3 City Council Members shall inform themselves on public issues, listen attentively to public discussions before the body, and focus on the business at hand.
- 3.3.4 City Council decisions shall be based upon the merits and substance of the matter at hand.
- 3.3.5 It is the responsibility of City Council Members to publicly share substantive information that is relevant to a matter under consideration that they have received from sources outside of the public decision-making process with all other City Council Members and the public prior to taking action on the matter.
- 3.3.6 City Council Members shall not attend internal staff meetings or meetings between City staff and third parties unless authorized by the City Manager.
- 3.3.7 Policy Role
 - 3.3.7.1 City Council Members shall respect and adhere to the Council- Manager structure of the Tracy City government as provided in State law and Tracy Municipal Code.

3.3.7.2 City Council Members shall support the maintenance of a positive and constructive environment for residents, businesses, and City employees.

3.3.8 Campaign Activities. The Tracy City Council strongly encourages its members and City Board and Commission members to abide by the highest ethical standards and best practices relating to campaign activities to ensure that City elections promote decency, honesty and fair play. To that end, all candidates seeking elected office within the City of Tracy, including their official campaign representatives, are urged and encouraged to sign and comply with the Code of Fair Campaign Practices. (Attachment 3) A candidate's signed Code of Fair Campaign Practices shall be posted on the City's Elections Document webpage within three (3) business days of execution. (Reso No. 2021-017)

3.3.8.1 City staff shall send a copy of all notices (e.g. emails) sent to candidates relating to non-compliance with the TMC election sign restrictions to the entire City Council and all other candidates. (Reso No. 2021-017)

3.3.9 Implementation

3.3.9.1 This Code of Conduct shall be included in the regular orientations for City Council candidates. Current Council Members, including those entering office upon election shall sign a City Council Norms and Values Statement (**Attachment 1**) affirming they have read and understand this Tracy City Council Code of Conduct.

3.4 Conflict of Interest

3.4.1 In order to assure their independence and impartiality on behalf of the public good, City Council Members are prohibited from using their official positions to influence government decisions in which they have a financial interest or where they have an organizational responsibility or a personal relationship that would present a conflict of interest under applicable State law.

3.4.2 In accordance with State law, City Council Members must file an annual written disclosure (Form 700) of their economic interests.

- 3.4.3 City Council Members shall not take advantage of services or opportunities for personal gain by virtue of their public office that are not available to the public in general.
- 3.4.4 City Council Members shall respect and preserve the confidentiality of information provided to them concerning the confidential matters of the City. They must neither disclose confidential information without proper legal authorization nor use such information to advance the personal, financial, or private interests of themselves or others.
- 3.4.5 City Council Members should avoid any action that could be construed as, or create the appearance of, using public office for personal gain, including use of City stationery or other City resources to obtain or promote personal business or political campaigns.
- 3.4.6 Public resources not available to the general public (e.g., City staff time, equipment, supplies, or facilities) shall not be used by City Council Members for private gain and, personal and political purposes.
- 3.4.6.1 A mass communication using City resources shall not be sent within the 60 days preceding an election that feature a currently elected or appointed official of the City of Tracy whose name will appear on the ballot at that election. When no currently elected or appointed official is otherwise designated during the 60 days preceding an election, communication of official matters shall be made by the City Manager or designee.
- 3.4.7 In keeping with their role as stewards of the public interest, City Council Members shall not appear on behalf of the private interests of a third party before the City Council or any board, commission, or committee or proceeding of the City, except as permitted by law.
- 3.4.8 To the best of their ability, City Council Members shall represent the official policies and positions of the City Council as a body. When presenting their personal opinions or positions publicly, members shall explicitly state they do not represent the City Council or the City.
- 3.4.9 When serving on external boards, commissions, subcommittees, or Joint Powers of Authorities, City Council representatives must first obtain policy direction from the City Council on any fiscal matter that exceeds

previously allocated budget(s), prior to actions of such external board's, committees or authorities obligating the City.

3.4.10 Tracy City Municipal Code Provisions

3.4.10.1 Financial Interests in City Contracts Prohibited.

Section 2.04.050 of the Municipal Code prohibits members of the City Council, appointed employees, the City Treasurer and members of City boards and commissions during their term of office, to contract or subcontract with the City.

Section 2.04.050 also requires a City Council Member to recuse (as defined by the Fair Political Practices Commission) themselves from any vote regarding any Memorandum of Understanding between the City and any lawfully recognized bargaining unit in which a City Council member has an immediate family member. "Immediate family member" is defined as "any and/or all spouses, partners or adult children, whether they live in a single household or not" under this section of the TMC.

3.4.10.2 Nepotism.

The City of Tracy's Nepotism Policy prohibits the initial appointment of an individual to a position within the City of Tracy who has a marital or familial relationship, as defined in Section 4 of the Policy, with any member the City Council, City Manager, or City Attorney.

3.4.10.3 Use of City Property for Private Purposes by City Official/ Employee.

The use for private gain or advantage of City time, facilities, equipment and supplies, prestige, influence, or information obtained through one's City office or employment. No City-owned facilities, equipment or supplies, including autos, trucks, instruments, tools, supplies, machines, badges, identification cards, or other items which are the property of

the City shall be used by an employee for personal or non-City business reasons except upon prior written approval of the City Manager. (City Personnel Rule 9.2 (d))

3.4.10.4 Political Activities Prohibited; Discrimination.

For informational purposes, the following provisions apply to City and contract employees and consultants:

1. No employee shall, while in uniform or during the employee's working hours, take an active part in any municipal or other political campaign.
2. No employee shall, while in uniform or during the employee's work hours, seek or accept contributions for or against a candidate or issue.
3. An employee may not seek or accept signatures to any petition for or against any such candidate or issue during their work hours.
4. No person in the classified service shall be employed, promoted, demoted, or discharged or in any way favored or discriminated against because of political opinions or affiliations or on any other basis protected by state and/or federal law.

3.4.11 California State Law Regarding Conflicts

While not enforceable by the City, there are four key areas of California State law that regulate the ethics of public officials.

3.4.11.1 Constitutional prohibitions

State law strictly forbids elected and appointed public

officials from accepting free or discounted travel from transportation companies. The penalty for a violation includes the forfeiture of office.

3.4.11.2 Contractual conflicts of interest

This prohibition, found in Government Code Section 1090, applies to elected and appointed officials as well as other City staff members. It prohibits the City from entering into a contract if one of its members (i.e., a Council Member) is financially interested in the contract. If the bar (or prohibition) applies, the agency is prohibited from entering into the contract whether or not the official with the conflict participates or not. In some limited circumstances, officials are allowed to disqualify themselves from participation and the agency may enter into the contract.

Financial interest has been defined to include employment, stock/ ownership interests, and certain membership on the board of directors of a for-profit or nonprofit corporation, among others. Violations can be charged as a felony. A person convicted of violating Section 1090 is prohibited from ever holding public office in the State.

3.4.11.3 Political Reform Act - Conflicts of Interest

The Political Reform Act (PRA) was adopted by the voters in 1974 and is the primary expression of the law relative to conflicts of interest (and campaign finance) in California. The Act created the Fair Political Practices Commission (FPPC), a five-member State board which administers the Act.

The Act and the regulations are complex and are continuously subjected to official interpretation. The following synopsis of key parts of the Act will be helpful in spotting issues; however, the FPPC and/or City Attorney should be consulted for further advice and clarification.

With respect to conflicts of interest, the FPPC has promulgated a regulation which establishes an analysis which assists in determining whether a public official is participating in a government decision in which they have a qualifying financial interest and whether it is reasonably foreseeable that the decision will have a material financial effect on the public official's financial interest, which is distinguishable from the effect the decision will have on the public generally.

3.4.11.3.1 Political Reform Act-Enforcement

The FPPC can assess administrative fines and penalties for violation of the Act. The District Attorney and the State Attorney General may prosecute violators as civil or criminal matters. Violators may also be removed from office pursuant to Government Code Section 3060.

3.4.11.4 Common Law Conflicts of Interest

This is the judicial expression of the public policy against public officials using their official position for private benefit. An elected official bears a fiduciary duty to exercise the powers of office for the benefit of the public and is not permitted to use those powers or their office for the benefit of any private interest. This common law doctrine continues to survive the adoption of various statutory expressions of conflict law.

3.4.11.5 Appearance of Impropriety

When participation in action or decision-making as a public official does not implicate the specific statutory criteria for conflicts of interest; however, participation still does not "look" or "feel" right, that public official has probably encountered the appearance of impropriety.

For the public to have faith and confidence that government authority will be implemented in an even-handed and ethical manner, public officials may need to step aside even though no technical conflict exists. An example is where a long-term nonfinancial affiliation exists between the public official and an applicant or the applicant is related by blood or marriage to the official. For the good of the community, members who encounter the appearance of impropriety should step aside.

3.5 AB 1234-Required Ethics Training

AB 1234 requires elected or appointed officials who are compensated for their service or reimbursed for their expenses to take two hours of training in ethics principles and laws every two years. Those who enter office after January 1, 2006 must receive the training within a year of starting their service. They must then receive the training every two years after that.

The training must cover general ethics principles relating to public service and ethics laws including:

- Laws relating to personal financial gain by public officials (including bribery and conflict of interest laws);
- Laws relating to office-holder perks, including gifts and travel restrictions, personal and political use of public resources, and prohibitions against gifts of public funds;
- Governmental transparency laws, including financial disclosure requirements and open government laws (the Brown Act and Public Records Act); Laws relating to fair processes, including fair contracting requirements, common law bias requirements, and due process

NOTE: State laws governing conflicts of interest are written to ensure that actions are taken in the public interest. These laws are very complex. Council Members should consult with the City Attorney, their own attorney, or the Fair Political Practices Commission for guidance in advance.

3.6 Code of Conduct Compliance and Enforcement

Consistent with this oath is the requirement of this Council policy to comply with the laws as well as report violations of the laws and policy of which they become aware.

- 3.6.1 A request for censure of a member of the City Council may be submitted to the City Attorney by any member of the Council ("Initiating Member"), with the support of another Council member ("Seconding Member"). Censure is a formal statement or resolution by the Council officially reprimanding a City Council Member for conduct that may include sanctions. It is the intent of the City Council that a request for censure be used only for significant and/or repeated violations of this Code of Conduct and not a means to address politically or personally motivated disagreements amongst City Council Members.

The request shall contain the specific charges on which the proposed censure is based. The City Attorney shall deliver a copy of the request for censure and the charges to each member of the City Council at least 72 hours after receipt of the request. The request for censure shall first be considered by a neutral mediator selected by the Presiding Judge of the Superior Court of California of the County of San Joaquin. The neutral mediator shall conduct an investigation and prepare a written analysis of the allegation and their preliminary findings and recommendation. Said investigation shall, at a minimum, include interviews with the Initiating Member and the City Council Member who is the subject of the request. The neutral mediator's recommendation shall be to: (a) set the matter for a censure hearing and whether censure is warranted or (b) no further action should be taken with respect to the request. The neutral mediator shall present its recommendation to the City Council for its consideration and action within thirty (30) days of completing their investigation.

- 3.6.1.1 The censure request shall be agendized at the next regular City Council meeting following receipt of the neutral mediator's written findings and recommendation. The City Council, as a body, shall determine whether or not to accept the neutral mediator's recommendation. If the City Council decides to set the matter for a censure hearing, it shall schedule it no sooner than two weeks after its determination to hear the matter. It may not schedule the matter during any previously scheduled excused absence of the subject City Council Member. Written notice of the hearing shall be delivered in person to the Member of the City Council subject to the censure hearing at least ten (10) days in advance of the scheduled hearing. If the City Council decides that no further action is

required, the City Council may also request the Initiating Member either reimburse the City the cost of the neutral mediator's services from personal funds (not campaign funds), not to exceed \$2,500, or forgo a month's salary as a City Council Member. A report regarding the Initiating Member's compliance with that request shall be presented to City Council within sixty (60) days of that request.

3.6.1.2 At the censure hearing, the Member of the City Council who is the subject of the request for censure shall be given the opportunity to make an opening and a closing statement, to call witnesses on their behalf and to question their accusers. The Member subject to the charges may be represented by a person or persons of their choice whether or not an attorney at law and may have that representative speak or question witnesses on their behalf. The questioning or cross-questioning of witness may be reasonably limited by the person chairing the hearing.

3.6.1.3 Testimony shall be taken only from witnesses having direct knowledge of facts or circumstances relevant to the specific charges under consideration. However, the rules of evidence and judicial procedure applicable in courts of law shall not be applied to this hearing, and the procedures shall be generally informal.

3.6.2 At the discretion of the City Council, sanctions may be imposed as a result of a censure. These sanctions may be applied individually or in combination. They include, but are not limited to:

3.6.2.1 Public Admonishment - A reproof or verbal warning directed to a City Council Member about a particular type of behavior that violates City policy.

3.6.2.2 Revocation of Special Privileges -A revocation of a Council Member's Council Committee assignments, such as standing and ad hoc committees, regional boards and commissions, and other board/committee appointments. Other revocations may include temporary suspension of official travel, conference participation, and ceremonial titles.

3.6.3 Nothing in this Section shall limit the City Council's ability to informally address conduct considered to be not significant or a minor violation of this Code, which may include informal counseling from one City Council Member to another, and a City Council Member to a Council advisory body member.

CHAPTER 4 COMMUNICATIONS

4.1 Relationship/Communications with Staff

Staff serves the City Council as a whole, therefore:

- 4.1.1 A City Council Member shall not direct staff in person or in writing to initiate any action, change a course of action, or prepare any report.
- 4.1.2 Requests for information and corresponding responses made by the City Council Members will be shared with the full City Council.
- 4.1.3 City Council Members shall not attempt to pressure or influence discussions, recommendations, workloads, schedules, or department priorities without first consulting with the City Manager and obtaining the approval of a majority of the City Council.
- 4.1.4 When preparing for City Council meetings, City Council Members should direct questions ahead of time to the City Manager so that staff can provide the desired information at the City Council meeting.
- 4.1.5 Any concerns by a Member of the City Council regarding the behavior or work of a City employee should be directed to the City Manager privately to ensure the concern is resolved. City Council Members shall not reprimand employees directly nor should they communicate their concerns to anyone other than the City Manager.
- 4.1.6 City Council Members may direct routine inquiries to either the City Manager or the appropriate department head, at the City Manager's discretion.
- 4.1.7 City Council Members serving on Council committees or as the City's representative to an outside agency may interact directly with City staff assigned to that effort as the City Manager's designee. The City

staff member so designated and assigned will keep the City Manager appropriately informed.

4.2 Council Relationship/Communication with Council Advisory Bodies

4.2.1 City Council Members shall not attempt to pressure or influence board, commission, or committee decisions, recommendations, or priorities absent the approval of the majority of the City Council.

4.2.2 It is a best practice that City Council Members refrain from attending Board, Commission, and/or Committee meetings to avoid the appearance of impropriety and to maintain compliance with the Brown Act.

4.3 Handling of Litigation and Other Confidential Information

4.3.1 All written materials and verbal information provided to City Council Members on matters that are confidential and/or privileged under State law shall be kept in complete confidence to ensure that the City's position is not compromised. No disclosure or mention of any information in these materials may be made to anyone other than City Council Members, the City Attorney, or City Manager.

4.3.1.1 Confidential materials provided in preparation for and during Closed Sessions shall not be retained and documents must be returned to staff at the conclusion of the Closed Session.

4.3.1.2 City Council Members may not request confidential written information from staff that has not been provided to all City Council Members.

4.4 Representing an Official City Position

4.4.1 City Council Members may use their title only when conducting official City business, for information purposes, or as an indication of background and expertise, carefully considering whether they are exceeding or appearing to exceed their authority.

- 4.4.2 Once the City Council has taken a position on an issue, all official City correspondence regarding that issue will reflect the City Council's adopted position.
- 4.4.3 The Mayor is authorized to send letters on City letterhead stating the City's official position to appropriate legislators as long as it is consistent with the City Council's Legislative Policy.
- 4.4.4 City letterhead may be used by City Council Members only for official City business and/or to represent a policy action taken by the City Council, as a body.
- 4.4.5 If a Member of the City Council appears before another governmental agency organization to give a statement on an issue affecting the City, the City Council Member should indicate the majority position and opinion of the City Council.
- 4.4.6 Personal opinions and comments may be expressed only if the City Council Member clarifies that these statements do not reflect the official position of the City Council.

4.5 Quasi-Judicial Role/*Ex Parte* Contacts

The City Council has a number of roles. It legislates and makes administrative and executive decisions. The City Council also acts in a quasi-judicial capacity or "like a judge" when it rules on various permits, licenses, and land use entitlements.

In this last capacity, quasi-judicial, the City Council holds a hearing, takes evidence, determines what the evidence shows, and exercises its discretion in applying the facts to the law shown by the evidence. It is to these proceedings that the rule relative to *ex parte* contacts applies.

- 4.5.1 *Ex Parte* Contacts/Fair Hearings. The City Council shall refrain from receiving information and evidence on any quasi-judicial matter while such matter is pending before the City Council or any agency, board, or commission thereof, except at the public hearing.

As an elected official, it is often impossible to avoid such contacts and exposure to information. Therefore, if any member is exposed to information or evidence about a pending matter outside of the public hearing, through contacts by constituents, the applicant or through site visits, the member shall disclose all such information and/or evidence acquired from such contacts, which is not otherwise included in the written or oral staff report, during the public hearing, and before the public comments period is opened.

Matters are "pending" when an application has been filed. Information and evidence gained by members via their attendance at noticed public hearings before subordinate boards and commissions are not subject to this rule.

4.6 No Attorney-Client Relationship

City Council Members who consult the City Attorney, their staff, and/or outside attorney(s) engaged by the City Attorney to work on behalf of the City cannot enjoy or establish an attorney-client relationship with said attorney(s) by consulting with or speaking to same. Any attorney-client relationship established belongs to the City, acting through the City Council, and as may be allowed in State law for purposes of defending the City and/or the City Council in the course of litigation and/or administrative procedures, etc.

CHAPTER 5 COUNCIL ADVISORY BODIES

5.1 Citizen Boards and Commissions Generally

- 5.1.1 The Tracy City Council establishes various Citizen Boards, Commissions, and Committee through the Tracy Municipal Code or by Resolution: Planning Commission to advise the Council on land use matters (Chapter 10.04), a Parks and Community Services Commission (Chapter 7.16) and the Youth Advisory Commission (Chapter 7.16). the Measure V Residents' Oversight Committee (Resolution No. 2004-152), Tracy Arts Commission (Ordinance No. 501), Transportation Advisory Commission (Resolution No. 2007-120), and Environmental sustainability Commission (Resolution 2023-XX).
- 5.1.2 The rules of procedure and code of conduct that govern the City Council apply with equal force to all Council advisory boards and commissions.
- 5.1.3 The City Council may also establish by ordinance or resolution, boards, commissions, and committees to assist the Council in making its policy decisions. The City Council has the inherent power to create advisory bodies.
- 5.1.4 City boards and commissions, (collectively "Council advisory bodies") provide policy recommendations to Council; they do not set or establish City policy or provide administrative direction to City staff.
- 5.1.5 City boards and commissions are advisory in nature and therefore do not represent City's official position on city matters.
- 5.1.6 Appointments to boards and commissions, are made by a majority vote of the Council. Appointees to Council advisory bodies serve at the pleasure of the City Council.

5.2 Citizen Board and Commission Organization and Conduct

- 5.2.1 Annually, each board, commission, and committee elects one of their members to serve as the chair (presiding officer) and vice-chair.
- 5.2.2 Boards and commissions hold regular and special meetings as required. The conduct of board, commission, and committee meetings are governed by the same rules of policy and procedure as the City Council.
- 5.2.3 Boards and commissions should comply with all applicable open meeting and conflict-of-interest laws of the State.
- 5.2.4 Upon appointment or reappointment, Council advisory body members (including all boards and commissions members) shall sign a Council Advisory Body Norms and Values statement (**Attachment 2**) affirming they have read and understand this City of Tracy City Council Code of Conduct.

5.3 Board and Commission Appointments

- 5.3.1 Resolution No. 2004-152 establishes the board and commission appointment/selection process and requirements for residency.
- 5.3.2 The term of office for each board, commission, or committee member is 4 years, with the exception of the Measure V Residents' Oversight Committee which is 3 years.
- 5.3.3 The City Clerk provides application forms, maintains a listing of all applications received, and solicits applications when vacancies occur.

5.4 Boards and Commissions- Vacancy and Selection/Appointment Processes

Resolution No. 2004-152 outlines procedures for filling a board and commission vacancy and selection and appointment process. The Council appoints all City boards, commissions, and committee members.

5.4.1 Resignations may be submitted at any time to the City Council either directly or through the board, commission, or committee chair. Resignations are effective upon submittal.

5.5 Boards, Commissions, and Committees - Removal

A board member, commissioner, or committee member serves at the pleasure of the Council and may be removed at any time. The removal of a member must comply with the applicable TMC Sections or the board/committee/commission's bylaws and in accordance with the applicable procedure.

CHAPTER 6 COUNCIL FINANCIAL MATTERS

6.1 Compensation

- 6.1.1 Pursuant to Ordinance No. 1094, the Tracy Mayor and City Council receive a monthly salary. The amount is the salary limit established by the State Legislature for members of the City Council of general law cities having a population range within which the City of Tracy falls, as specified in California Government Code Section 36516(a).
- 6.1.2 The salary of the Mayor and City Council should be reviewed every two years.

6.2 Benefits

- 6.2.1 The California Government Code provides that City Council Members may receive City-funded health, retirement, and other benefits. City-funded medical, dental, and life insurance plan benefits are provided. The Council Policy Providing City Paid Health Insurance for City Treasurer, City Clerk, and City Council, adopted by Resolution No. 2003-391, states that an elected official is not eligible for City-funded health benefits if the official or the official's spouse has employer-paid health insurance.

6.3 City Council Budget and Expenses

- 6.3.1 City Council Resolution No. 2007-075 provides policy guidance regarding Council expenditures for equipment, supplies and communications; travel; local expenses; and eligible reimbursements.

CITY OF TRACY CITY COUNCIL
NORMS AND VALUES STATEMENT

PREAMBLE

The residents and businesses of Tracy are entitled to have fair, ethical, and accountable local government. Such a government requires that public officials:

- Comply with both the letter and the spirit of the laws and policies affecting operations of the government.
- Be independent, impartial and fair in their judgment and actions.
- Use their public office for the public good, not for personal gain.
- Conduct public deliberations and processes openly, unless legally confidential, in an atmosphere of respect and civility.

To this end, the Tracy City Council has adopted a Code of Conduct to encourage public confidence in the integrity of local government and its fair and effective operation.

City Council Members shall sign this Norms and Values statement upon assuming office and upon reelection to office as a symbol of each Council Member's continuing commitment to abide by the principles of this code.

1. Act in the Public Interest

Recognizing that stewardship of the public interest must be their primary concern, City Council Members shall work for the common good of the people of Tracy and not for any private or personal interest, and they will endeavor to treat all persons, claims, and transactions in a fair and equitable manner.

2. Comply with the Law

City Council Members shall comply with the laws of the nation, the State of California, and the City in the performance of their public duties. These laws include, but are not limited to: the United States and California constitutions;

the Tracy City Municipal Code; laws pertaining to Council-Manager form of government, conflicts of interest, election campaigns, financial disclosures, employer responsibilities, and open processes of government; and City ordinances and policies.

3. Conduct of Members

City Council Members shall refrain from abusive conduct, personal charges, or verbal attacks upon the character or motives of other members of the City Council, boards, commissions, committees, staff, or the public.

4 Respect for Process

City Council Member duties shall be performed in accordance with the processes and rules of order established by the City Council.

5. Conduct of Public Meetings

City Council Members shall inform themselves of public issues, listen attentively to public discussions before the body, and focus on the business at hand.

6. Decisions Based on Merit

City Council decisions shall be based upon the merits and substance of the matter at hand.

7. Communication

It is the responsibility of City Council Members to share substantive information that is relevant to a matter under consideration that they have received from sources outside of the public decision-making process with all other City Council Members.

8. Coordination with City Staff

Appropriate City staff should be involved when City Council Members meet with officials from other agencies and jurisdictions to ensure proper staff support as needed and to keep staff informed.

9. Disclosure of Corruption

All City officials shall take an oath upon assuming office, pledging to uphold the constitution and laws of the City, the State, and the Federal government. As part of this oath, officials commit to disclosing to the appropriate authorities and/or to the City Council any behavior or activity that may qualify as corruption, abuse, fraud, bribery, or other violation of the law.

10. Conflict of Interest

In order to assure their independence and impartiality on behalf of the public good, City Council Members shall not use their official positions to influence government decisions in which they have a financial interest or where they have an organizational responsibility or a personal relationship that would present a conflict of interest under applicable State law.

In accordance with the law, members shall file written disclosures of their economic interests and if they have a conflict of interest regarding a particular decision, refrain from participating in that decision unless otherwise permitted by law.

11. Gifts and Favors

City Council Members shall not take advantage of services or opportunities for personal gain by virtue of their public office that are not available to the public in general. They shall refrain from accepting gifts, favors, or promises of future benefits that might compromise their independence of judgment or action or give the appearance of being compromised.

12. Confidential Information

City Council Members shall respect and preserve the confidentiality of information provided to them concerning the confidential matters of the City. They shall neither disclose confidential information without proper legal authorization nor use such information to advance their personal, financial, or private interests.

13. Use of Public Resources

Public resources not available to the general public (e.g., City staff time, equipment, supplies, or facilities) shall not be used by City Council Members for private gain or personal and/or campaign purposes.

14. Representation of Private Interests

In keeping with their role as stewards of the public trust, City Council Members shall not appear on behalf of the private interests of a third-party before the City Council or any board, commission, or committee or proceeding of the City.

15. Advocacy

To the best of their ability, City Council Members shall represent the official policies and positions of the City Council. When presenting their personal opinions or positions, members shall explicitly state that they do not represent the City Council or the City.

16. Improper Influence

City Council Members shall refrain from using their position to improperly influence the deliberations or decisions of City staff, boards, commissions, or committees.

17. Policy Role of Members

City Council Members shall respect and adhere to the Council-Manager structure of Tracy City government as provided in State law and the City Municipal Code.

18. Positive Work Environment

Council Members shall support the maintenance of a positive and constructive environment for residents, businesses, and City employees.

19. Implementation

Ethics standards shall be included in the regular orientations for City Council candidates. Council Members entering office shall sign a statement affirming they read and understood the City of Tracy's City Council Code of Conduct.

20. Campaign Activities.

City Council Members who seek elected office within the City shall endeavor to conduct their campaign activities in a manner that promotes decency, honesty and fair play and in accordance with the Code of Fair Campaign Elections Code (Section 20400 et seq.).

21. Compliance and Enforcement

Council Members themselves have the primary responsibility to assure that ethical standards are understood and met and that the public can continue to have **full** confidence in the integrity of City government.

This City Council Norms and Values statement shall be considered to be a summary of the longer City Council Code of Conduct document. The City Council Code of Conduct document shall be considered to be the definitive document relating to ethical conduct by Tracy City Council Members.

I affirm that I have read and understand the City of Tracy City Council Norms and Values statement.

Signature

Date

CITY OF TRACY
COUNCIL ADVISORY BODY
NORMS AND VALUES STATEMENT

PREAMBLE

The residents and businesses of Tracy are entitled to have fair, ethical, and accountable local government. Such a government requires that public officials, including Council advisory body members:

- Comply with both the letter and the spirit of the laws and policies affecting operations of the government.
- Be independent, impartial, and fair in their judgment and actions.
- Use their public office for the public good, not for personal gain.
- Conduct public deliberations and processes openly, unless legally confidential, in an atmosphere of respect and civility.

To this end, Council advisory body members are expected to adhere to the Code of Conduct adopted by the Tracy City Council to encourage public confidence in the integrity of local government and its fair and effective operation.

Council advisory body members shall sign this Norms and Values statement at the first meeting of the board, commission, or committee upon assuming office and, if applicable, upon reappointment to the board, commission, or committee as a symbol of each Council advisory body member's commitment to abide by the principles of this code during their term.

1. Act in the Public Interest

Recognizing that stewardship of the public interest must be their primary concern, Council advisory body members shall work for the common good of the people of Tracy and not for any private or personal interest, and they will endeavor to treat all persons, claims, and transactions in a fair and equitable manner.

2. Comply with the Law

Council advisory body members shall comply with the laws of the nation, the State of California, and the City in the performance of their public duties. These laws include, but are not limited to: the United States and California Constitutions; the Tracy City Municipal Code; laws pertaining to the Council-

Manager form of government, conflicts of interest, election campaigns, financial disclosures, employer responsibilities, and open processes of government; and City ordinances and policies.

3. Conduct of Council Advisory Body Members

Council advisory body members shall refrain from abusive conduct, personal charges, or verbal attacks upon the character or motives of Council Members; other members of the Council advisory body; other boards, commissions, or committees; staff; or the public.

4. Respect for Process

Council advisory body member duties shall be performed in accordance with the processes and rules of order established by the City Council.

5. Conduct of Public Meetings

Council advisory body members shall inform themselves of public issues, listen attentively to public discussions before the body, and focus on the business at hand.

6. Decisions Based on Merit

Council advisory body members shall base their decisions upon the merits and substance of the matter at hand.

7. Communication

It is the responsibility of Council advisory body members to share substantive information that is relevant to a matter under consideration that they have received from sources outside of the public decision-making process with all other Council advisory body members.

8. Coordination with City Staff

Appropriate City staff should be involved when Council advisory body members meet with officials from other agencies and jurisdictions to ensure proper staff support, as needed, and to keep staff informed.

9. Disclosure of Corruption

All City officials shall take an oath upon assuming office, pledging to uphold the Constitution and laws of the City, the State, and the Federal government. As part of this oath, officials commit to disclosing to the appropriate authorities and/or to the City Council any behavior or activity that may qualify as corruption, abuse, fraud, bribery, or other violation of the law.

10. Conflict of Interest

In order to assure their independence and impartiality on behalf of the public good, Council advisory body members shall not use their official positions to influence government decisions in which they have a financial interest or where they have an organizational responsibility or a personal relationship that would present a conflict of interest under applicable State law.

In accordance with the law, members shall file written disclosures of their economic interests and if they have a conflict of interest regarding a particular decision, refrain from participating in that decision unless otherwise permitted by law.

11. Gifts and Favors

Council advisory body members shall not take advantage of services or opportunities for personal gain by virtue of their public office that are not available to the public in general. They shall refrain from accepting gifts, favors, or promises of future benefits that might compromise their independence of judgment or action or give the appearance of being compromised.

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Council advisory body members shall respect and preserve the confidentiality of information provided to them concerning the confidential matters of the City. They shall neither disclose confidential information without proper legal authorization nor use such information to advance their personal, financial, or private interests.

13. Use of Public Resources

Public resources not available to the general public (e.g., City staff time, equipment, supplies, or facilities) shall not be used by Council advisory body members for private gain or personal and/or campaign purposes.

14. Representation of Private Interests

In keeping with their role as stewards of the public trust, Council advisory body members shall not appear on behalf of the private interests of a third party before the City Council or any board, commission, or committee, or proceeding of the City.

15. Advocacy

To the best of their ability, Council advisory body members shall represent the official policies and positions of the City of Tracy. When presenting their personal opinions or positions, members shall explicitly state that they represent neither the Council advisory body nor the City.

16. Improper Influence

Council advisory body members shall refrain from using their position to improperly influence the deliberations or decisions of City staff, boards, commissions, or committees.

17. Policy Role of Members

Council advisory body members shall respect and adhere to the Council-Manager structure of Tracy City government as provided in State law and the City Municipal Code.

18. Positive Work Environment

Council advisory body members shall support the maintenance of a positive and constructive environment for residents, businesses, and City employees.
Attachment 2 to City Council Code of Conduct

19. Implementation

Ethics standards shall be included in the regular orientations for Council advisory body members. Upon entering office and upon reappointment, Council advisory body members shall sign a statement affirming they read and understood the City of Tracy's City Council Code of Conduct.

20. Campaign Activities.

Council advisory body members who seek elected office within the City shall endeavor to conduct their campaign activities in a manner that promotes decency, honesty and fair play and in accordance with the Code of Fair Campaign Elections Code (Section 20400 et seq.).

21. Compliance and Enforcement

Council advisory body members themselves have the responsibility to assure that ethical standards are understood and met, and that the public can continue to have full confidence in the integrity of City government.

The Council Advisory Body Norms and Values statement shall be considered to be a summary of the longer City Council Code of Conduct document. The City Council Code of Conduct document shall be considered to be the definitive document relating to ethical conduct by Tracy City Council advisory body members.

I affirm that I have read and understand the City of Tracy City Council Code of Conduct.

Signature

Date

CODE OF FAIR CAMPAIGN PRACTICES

(Elections Code § 20440)

There are basic principles of decency, honesty, and fair play which every candidate for public office in the State of California has a moral obligation to observe and uphold in order that, after vigorously contested but fairly conducted campaigns, our citizens may exercise their constitutional right to a free and untrammelled choice and the will of the people may be fully and clearly expressed on the issues.

THEREFORE:

- (1) I SHALL CONDUCT my campaign openly and publicly, discussing the issues as I see them, presenting my record and policies with sincerity and frankness, and criticizing without fear or favor the record and policies of my opponents or political parties that merit this criticism.
- (2) I SHALL NOT USE OR PERMIT the use of character defamation, whispering campaigns, libel, slander, or scurrilous attacks on any candidate or his or her personal or family life.
- (3) I SHALL NOT USE OR PERMIT any appeal to negative prejudice based on a candidate's actual or perceived race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, marital status, age, sexual orientation, sex, including gender identity, or any other characteristic set forth in Section 12940 of the Government Code, or association with another person who has any of the actual or perceived characteristics set forth in Section 12940 of the Government Code.
- (4) I SHALL NOT USE OR PERMIT any dishonest or unethical practice that tends to corrupt or undermine our American system of free elections, or that hampers or prevents the full and free expression of the will of the voters including acts intended to hinder or prevent any eligible person from registering to vote, enrolling to vote, or voting.
- (5) I SHALL NOT coerce election help or campaign contributions for myself or for any other candidate from my employees.
- (6) I SHALL IMMEDIATELY AND PUBLICLY REPUDIATE support deriving from any individual or group that resorts, on behalf of my candidacy or in opposition to that of my opponent, to the methods and tactics that I condemn. I shall accept responsibility to take firm action against any subordinate who violates any provision of this code or the laws governing elections.
- (7) I SHALL DEFEND AND UPHOLD the right of every qualified American voter to full and equal participation in the electoral process.

I, the undersigned, candidate for election to public office in the State of California or treasurer or chairperson of a

committee making any independent expenditures, hereby voluntarily endorse, subscribe to, and solemnly pledge myself to conduct my campaign in accordance with the above principles and practices.

Print Name: _____ Signature: _____

Date:.....



CITY COUNCIL CODE OF CONDUCT

Adopted on October 15, 2019 by Resolution No. 2019-203

Amended on July 21, 2020 by Resolution No. 2020-133

Amended on February 16, 2021 by Resolution No. 2021-017

Amended on October 19, 2021 by Resolution No. 2021-146

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CHAPTER 1

FORM OF GOVERNMENT

1.1 Preamble

The legal responsibilities of the Tracy City Council are set forth by applicable state and federal laws. In addition, the City Council has adopted regulations, including this Code of Conduct Policy, that hold Council Members to standards of conduct above and beyond what is required by law. This Policy is written with the assumption that Council Members, through training, are aware of their legal and ethical responsibilities as elected officials.

1.2 Form of Government

The City of Tracy operates under a Council-Manager form of government as prescribed by the Tracy Municipal Code ("TMC"). Accordingly, the Mayor and members of the Council are elected at-large, provide legislative direction, set City policy, and ultimately answer to the public.

1.3 City Manager Appointment, Power and Duties

The City Manager is appointed by a majority vote of the Council and serves as the City's chief administrative officer and is responsible for directing the day-to-day operations of the City and implementing policy direction per Section 2.08.060 of the TMC (attached). Specifically, Section 2.08.070 of the TMC prohibits interference by either the City Council or any of its members with the City Manager's execution of their powers or duties:

- Neither ~~t~~The City Council, as a body, nor a member shall interfere with the appointment by the City Manager of any of the department heads or any person to any office or employment.
- Additionally, neither the City Council, as a body, nor any of its members shall interfere with the City Manager's power to remove any of those persons.
- Neither the Council nor any of its members shall give orders to any subordinate of the City Manager, either publicly or privately.
- ~~The City Council nor any of its members shall interfere with the administration of the City Attorney or give orders to the subordinates of the City Attorney.~~
- The City Manager and his/her senior staff shall conduct themselves in accordance with the International City Management Association (ICMA) Code of Ethics.

The City Council and its members shall deal only with the City Manager with respect to the administrative services or operational matters of the City.

1.4 City Attorney Appointment and Responsibilities

The City Attorney is appointed by a majority vote of the City Council, ~~Per~~ Section 12.08.40, and serves as the City's sole legal counsel. The City Manager shall coordinate with and receive input from the City Attorney on all administrative, policy and operational matters that have or may have legal implications to the City. Without limiting the foregoing, the City Attorney shall have the following powers and duties: the City Attorney is responsible for approving as to form all subdivision improvement agreements and security, deferred improvement agreements, liability agreements and insurance, and all governing documents for a community apartment project, condominium, stock cooperative, or conversion.

- Neither the City Council, as a body, nor any of its members shall interfere with the administration of the City Attorney's Office or give orders to the subordinates of the City Attorney.
- The City Attorney shall serve as the legal counsel to the City Council and its standing committees, Planning Commission, City Manager, and all City staff pertaining to City matters.
- The City Attorney shall review and approve all ordinances, resolutions, and related staff reports for the City Council, its standing committees, and boards and commissions conducting meetings under the Brown Act.
- The City Attorney shall review and approve, as to form and legality, all contracts, agreements, bonds, and other legal documents related to the conduct of the City's affairs.
- The City Attorney shall interpret and opine on the implementation of the Tracy Municipal Code on behalf of the City and shall prosecute violations of the Tracy Municipal Code in Superior Court.
- The City Attorney may engage outside counsel to implement the functions of the City Attorney's Office, and no other City official, including the City Manager, City Council member or staff may independently engage outside counsel on City-related matters.

- The City Attorney and his/her senior staff shall, at all times, conduct themselves in accordance with the California Rules of Professional Conduct, established by the California State Bar, and the Ethical Principles for City Attorneys, adopted by the League of California Cities' City Attorneys Department.

CHAPTER 2 COUNCIL POWERS AND RESPONSIBILITIES

2.1 City Council Generally

2.1.1 The City Council has the power, in the name of the City, to do and perform all acts and things appropriate to a municipal entity and the general welfare of its inhabitants, which are not specifically prohibited by the constitution, and/or State or Federal laws.

2.1.2 The Council acts as a body. Council policy and directives are established by majority vote, ~~and unless otherwise required by state law.~~ a decision of the majority binds the Council to a course of action, unless otherwise required by State law.

2.1.3 No Council Member has extraordinary powers beyond those of other members (except as may otherwise be provided in State law). All members, including the Mayor, have equal powers.

2.1.4 No member of the Council is permitted to hold any other City office or City employment.

2.1.5 Council Members are appointed by the Council body to serve on various boards or committees, including Council standing and ad hoc committees, and third agency member boards and committees.

~~2.1.6 Based on available resources as determined by the City Manager, unless directed by the City Council, the Council as a body may participate in public relations activities regarding issues or topics pertaining to City business or that affect the community at-large. This may include, but is not limited to the dissemination of information via press release, video, social media, and/or other means of communication.~~

2.2 Mayor and Mayor Pro Tem~~rn~~ - Appointment, Power, and Duties

2.2.1 The Mayor is directly elected by the voters to serve a two-year term. The selection of the Mayor ~~Pro Tern~~ occurs every two years in December

after the City receives the certified results from the County Registrar of Voters electing a Mayor.

2.2.2 A Mayor Pro Tem ~~is~~ appointed for a one year term, by ~~the a majority vote of the City Council,~~ and can be replaced at any time, by a majority vote of the City Council.

~~2.2.3 The Mayor is the presiding officer of the City Council. In the Mayor's absence, the Mayor Pro Tem shall perform the duties of the Mayor.~~

~~2.2.4~~ 2.2.3 The Mayor is the official head of the City for all ceremonial purposes.

~~2.2.5~~ 2.2.4 Per the Government Code, the Mayor, with the "approval" of the City Council, shall (a) execute official documents (Section 40602b) and (b) make appointments to city boards, commissions, and committees unless otherwise specifically provided by statute (Section 40605). Approval shall be deemed to be a majority vote of the City Council, unless a super majority is required by State law for any specific action.

~~2.2.6~~ 2.2.5 The Mayor is authorized to send letters stating the City's official position to appropriate legislators as long as it is consistent with the City Council's Legislative Policy.

~~2.2.7~~ 2.2.6 The Mayor may perform other duties consistent with the mayoral office as prescribed by the Tracy Municipal Code, California Government Code, or as determined by ~~the a majority vote of the City Council.~~

~~2.2.8~~ 2.2.7 The Mayor does not possess any power of veto.

~~2.2.9 The Mayor coordinates with the City Manager in the development of agendas for meetings of the City Council. Once the agenda is published, the City Manager may withdraw an item. Additionally, the Mayor may rearrange the order of business on the agenda.~~

~~2.3 Council Actions~~

~~2.3.1 Legislative actions by the City Council can be taken by means of~~

~~ordinance, resolution, or minute action (motion) duly made and passed by the majority (unless otherwise required).~~

~~2.3.2 Under Council protocols and procedures, an item may be placed on the agenda if requested by two Council Members. The request can be made during open session or outside of a Council meeting.~~

~~2.3.3 Public actions of the Council are recorded in the minutes of the City Council meeting. The City Clerk is required to make a record only of business actually passed upon by a vote of the Council and is not required to record any remarks of Council Members, except at the special request of a Council Member and with the consent of the Council.~~

~~2.3.4 Actions of the Council concerning confidential property, personnel, and/or legal matters of the City are to be reported consistent with State law.~~

2.42.3 Council Member Subject Matter Committees

~~2.4.12.3.1~~ The City Council may organize itself into standing and/or special/ad hoc subcommittees to facilitate Council review of policy matters and action.

~~2.4.22.3.2~~ The City Council may create or dissolve standing and/or special/ad hoc sub committees at any time by an affirmative vote of a majority of the City Council. The City Council will endeavor to rotate appointments to standing and ad hoc standing committees to ensure equitable participation.

~~2.4.32.3.3~~ The City Council, by a majority vote, appoints and removes members to standing and ad hoc committees annually.

2.3.4 The Council also appoints and removes Council Members to third member agencies by a majority, annually.

2.4.42.3.5 It is a best practice for non-appointed Council Members not to attend Council standing Committees to avoid the appearance of impropriety and maintain compliance with the Brown Act.

2.4 Action by Subject Matter Committees -

The assigned subject matter Committee shall have initial jurisdiction over any item assigned to it by the City Council as well as any items being advanced by the City Manager that implement or relate to the overall jurisdictional purpose of such Committee and may take any of the following actions with respect to the assigned item.

The Committee may, by a vote of the consensus, decide to postpone, continue, or table an item on the agenda. On any item on an agenda, the Committee may allow for an informational presentation by City staff relating to the item. With respect to an action item, and after discussion and consideration of the item, the Committee may take one of the following actions:

- 2.4.1 Vote by consensus to approve the recommendation of staff or the originator of the proposed action item and forward the recommendation onto the full Council. The Committee may, as a condition of approval, request additional information to be presented for consideration when the full Council hears the item.
- 2.4.2 Fail to approve any recommended action, in which case the item shall not be forwarded to the full City Council; provided that the City Council shall have jurisdiction to place the item on the agenda for a future City Council meeting, in accordance with the requirements of the Meeting Protocols for agenda setting, if no action was taken on the item due to any one of the following reasons
 - Due to the cancellation of a Committee meeting or
 - Due to lack of a quorum, or
 - the Committee was not able to approve any recommended action
- 2.4.3 Propose by a consensus vote of those present one or more alternative recommendation(s) be forwarded to the full City Council for consideration and final action. The Committee may request additional information to be presented for consideration when the full Council hears the item.
- 2.4.4 Reject, by a consensus vote, jurisdiction over the action item and refer the action item back to the City Council with a recommendation for reassignment to another appropriate subject-matter committee.
- 2.4.5 Request, by consensus vote, additional, specified information from staff or the originator of the proposed action item. The action item may be continued or rescheduled for further consideration at the soonest feasible date available, allowing time for appropriate notice pursuant to the Meeting Protocols and the Brown Act.
- 2.4.6 With respect to an informational item, following discussion and consideration, a Committee shall take one of the following actions:
 - Receive the informational report, by consensus vote, without forwarding the report to the full City Council;
 - Receive the informational report and forward the report onto

the full City Council, by consensus vote;

- Request, by consensus vote, from staff or the originator of the proposed informational item. The item may be continued or rescheduled for further consideration at the soonest feasible date available, allowing time for appropriate notice pursuant to the Meeting Protocols.

CHAPTER 3

LEGAL AND ETHICAL STANDARDS

3.1 Preamble

The residents and businesses of Tracy are entitled to have fair, ethical, and accountable local government. Such a government requires that public officials:

- Comply with both the letter and the spirit of the laws and policies affecting operations of the government;
- Be independent, impartial, and fair in their judgment and actions;
- Use their public office for the public good, not for personal gain; and
- Conduct public deliberations and processes openly, unless legally confidential, in an atmosphere of respect and civility.

To this end, the Tracy City Council has adopted this Code of Conduct and the Norms and Values Statement (Attachment) to encourage public confidence in the integrity of local government and its fair and effective operation.

3.2 Public Interest

3.2.1 Recognizing that stewardship of the public interest must be their primary concern, City Council Members shall work for the common good of the people of Tracy and not for any private or personal interest. City Council Members must endeavor to treat all members of the public and issues before them in a fair and equitable manner.

3.2.2 City Council Members shall comply with the laws of the nation, the State of California, and the City in the performance of their public duties. These laws include, but are not limited to: the United States and California constitutions; the Tracy Municipal Code; laws pertaining to conflicts of interest, election campaigns, financial disclosures, employer responsibilities, and open processes of government; and City ordinances and policies.

3.3 Conduct

- 3.3.1 City Council Members shall refrain from abusive conduct, personal charges, or verbal attacks upon the character or motives of other members of the City Council, boards, commissions, committees, staff, or the public.
- 3.3.2 City Council Member duties shall be performed in accordance with ~~these Rules of Conduct and processes and rules of order~~Council Meeting Protocols and Rules of Procedures established by the City Council as well as the Tracy Municipal Code and State law.
- 3.3.3 City Council Members shall inform themselves on public issues, listen attentively to public discussions before the body, and focus on the business at hand.
- 3.3.4 City Council decisions shall be based upon the merits and substance of the matter at hand.
- 3.3.5 It is the responsibility of City Council Members to publicly share substantive information that is relevant to a matter under consideration that they have received from sources outside of the public decision-making process with all other City Council Members and the public prior to taking action on the matter.
- 3.3.6 City Council Members shall not attend internal staff meetings or meetings between City staff and third parties unless authorized by the City Manager.
- 3.3.7 Policy Role
 - 3.3.7.1 City Council Members shall respect and adhere to the Council- Manager structure of the Tracy City government as provided in State law and Tracy Municipal Code.

3.3.7.2 City Council Members shall support the maintenance of a positive and constructive environment for residents, businesses, and City employees.

3.3.8 Campaign Activities. The Tracy City Council strongly encourages its members and City Board and Commission members to abide by the highest ethical standards and best practices relating to campaign activities to ensure that City elections promote decency, honesty and fair play. To that end, all candidates seeking elected office within the City of Tracy, including their official campaign representatives, are urged and encouraged to sign and comply with the Code of Fair Campaign Practices. (Attachment 3) A candidate's signed Code of Fair Campaign Practices shall be posted on the City's Elections Document webpage within three (3) business days of execution. (Reso No. 2021-017)

3.3.8.1 City staff shall send a copy of all notices (e.g. emails) sent to candidates relating to non-compliance with the TMC election sign restrictions to the entire City Council and all other candidates. (Reso No. 2021-017)

3.3.9 Implementation

3.3.9.1 This Code of Conduct shall be included in the regular orientations for City Council candidates. Current Council Members, including those entering office upon election shall sign a City Council Norms and Values Statement (**Attachment 1**) affirming they have read and understand this Tracy City Council Code of Conduct.

3.4 Conflict of Interest

3.4.1 In order to assure their independence and impartiality on behalf of the public good, City Council Members are prohibited from using their official positions to influence government decisions in which they have a financial interest or where they have an organizational responsibility or a personal relationship that would present a conflict of interest under applicable State law.

3.4.2 In accordance with State law, City Council Members must file an annual written disclosure (Form 700) of their economic interests.

- 3.4.3 City Council Members shall not take advantage of services or opportunities for personal gain by virtue of their public office that are not available to the public in general.
- 3.4.4 City Council Members shall respect and preserve the confidentiality of information provided to them concerning the confidential matters of the City. They must neither disclose confidential information without proper legal authorization nor use such information to advance the personal, financial, or private interests of themselves or others.
- 3.4.5 City Council Members should avoid any action that could be construed as, or create the appearance of, using public office for personal gain, including use of City stationery or other City resources to obtain or promote personal business or political campaigns.
- 3.4.6 Public resources not available to the general public (e.g., City staff time, equipment, supplies, or facilities) shall not be used by City Council Members for private gain and, personal and political purposes.
- 3.4.6.1 A mass communication using City resources shall not be sent within the 60 days preceding an election that feature a currently elected or appointed official of the City of Tracy whose name will appear on the ballot at that election. When no currently elected or appointed official is otherwise designated during the 60 days preceding an election, communication of official matters shall be made by the City Manager or designee.
- 3.4.7 In keeping with their role as stewards of the public interest, City Council Members shall not appear on behalf of the private interests of a third party before the City Council or any board, commission, or committee or proceeding of the City, except as permitted by law.
- 3.4.8 To the best of their ability, City Council Members shall represent the official policies and positions of the City Council as a body. When presenting their personal opinions or positions publicly, members shall explicitly state they do not represent the City Council or the City.
- 3.4.9 When serving on external boards, commissions, subcommittees, or Joint Powers of Authorities, City Council representatives must first obtain policy direction from the City Council on any fiscal matter that exceeds

previously allocated budget(s), prior to obligating the City via actions of such external board's, committees or authorities obligating the City-action.

3.4.10 Tracy City Municipal Code Provisions

3.4.10.1 Financial Interests in City Contracts Prohibited.

Section 2.04.050 of the Municipal Code prohibits members of the City Council, appointed employees, the City Treasurer and members of City boards and commissions during their term of office, to contract or subcontract with the City.

Section 2.04.050 also requires a City Council Member to recuse (as defined by the Fair Political Practices Commission) themselves from any vote regarding any Memorandum of Understanding between the City and any lawfully recognized bargaining unit in which a City Council member has an immediate family member. "Immediate family member" is defined as "any and/or all spouses, partners or adult children, whether they live in a single household or not" under this section of the TMC.

3.4.10.2 Nepotism.

The City of Tracy's Nepotism Policy prohibits the initial appointment of an individual to a position within the City of Tracy who has a marital or familial relationship, as defined in Section 4 of the Policy, with any member the City Council, City Manager, or City Attorney.

3.4.10.3 Use of City Property for Private Purposes by City Official/ Employee.

The use for private gain or advantage of City time, facilities, equipment and supplies, prestige, influence, or information obtained through one's City office or employment. No City-owned facilities, equipment or supplies, including autos, trucks, instruments, tools, supplies, machines, badges,

identification cards, or other items which are the property of the City shall be used by an employee for personal or non-City business reasons except upon prior written approval of the City Manager. (City Personnel Rule 9.2 (d))

3.4.10.4 Political Activities Prohibited; Discrimination.

For informational purposes, the following provisions apply to City and contract employees and consultants:

1. No employee shall, while in uniform or during the employee's working hours, take an active part in any municipal or other political campaign.
2. No employee shall, while in uniform or during the employee's work hours, seek or accept contributions for or against a candidate or issue.
3. An employee may not seek or accept signatures to any petition for or against any such candidate or issue during their work hours.
4. No person in the classified service shall be employed, promoted, demoted, or discharged or in any way favored or discriminated against because of political opinions or affiliations or on any other basis protected by state and/or federal law.

3.4.11 California State Law Regarding Conflicts

While not enforceable by the City, there are four key areas of California State law that regulate the ethics of public officials.

3.4.11.1 Constitutional prohibitions

State law strictly forbids elected and appointed public officials from accepting free or discounted travel from transportation companies. The penalty for a violation includes the forfeiture of office.

3.4.11.2 Contractual conflicts of interest

This prohibition, found in Government Code Section 1090, applies to elected and appointed officials as well as other City staff members. It prohibits the City from entering into a contract if one of its members (i.e., a Council Member) is financially interested in the contract. If the bar (or prohibition) applies, the agency is prohibited from entering into the contract whether or not the official with the conflict participates or not. In some limited circumstances, officials are allowed to disqualify themselves from participation and the agency may enter into the contract.

Financial interest has been defined to include employment, stock/ ownership interests, and certain membership on the board of directors of a for-profit or nonprofit corporation, among others. Violations can be charged as a felony. A person convicted of violating Section 1090 is prohibited from ever holding public office in the State.

3.4.11.3 Political Reform Act - Conflicts of Interest

The Political Reform Act (PRA) was adopted by the voters in 1974 and is the primary expression of the law relative to conflicts of interest (and campaign finance) in California. The Act created the Fair Political Practices Commission (FPPC), a five-member State board which administers the Act.

The Act and the regulations are complex and are continuously subjected to official interpretation. The following synopsis of key parts of the Act will be helpful in spotting issues; however, the FPPC and/or City Attorney should be consulted for further advice and clarification.

With respect to conflicts of interest, the FPPC has promulgated a regulation which establishes an analysis which assists in determining whether a public official is participating in a government decision in which they have a qualifying financial interest and whether it is reasonably foreseeable that the decision will have a material financial effect on the public official's financial interest, which is distinguishable from the effect the decision will have on the public generally.

3.4.11.3.1 Political Reform Act-Enforcement

The FPPC can assess administrative fines and penalties for violation of the Act. The District Attorney and the State Attorney General may prosecute violators as civil or criminal matters. Violators may also be removed from office pursuant to Government Code Section 3060.

3.4.11.4 Common Law Conflicts of Interest

This is the judicial expression of the public policy against public officials using their official position for private benefit. An elected official bears a fiduciary duty to exercise the powers of office for the benefit of the public and is not permitted to use those powers or their office for the benefit of any private interest. This common law doctrine continues to survive the adoption of various statutory expressions of conflict law.

3.4.11.5 Appearance of Impropriety

When participation in action or decision-making as a public official does not implicate the specific statutory criteria for conflicts of interest; however, participation still does not "look" or "feel" right, that public official has probably encountered the appearance of impropriety.

For the public to have faith and confidence that government authority will be implemented in an even-handed and ethical manner, public officials may need to step aside even though no technical conflict exists. An example is where a long-term nonfinancial affiliation exists between the public official and an applicant or the applicant is related by blood or marriage to the official. For the good of the community, members who encounter the appearance of impropriety should step aside.

3.5 AB 1234-Required Ethics Training

AB 1234 requires elected or appointed officials who are compensated for their service or reimbursed for their expenses to take two hours of training in ethics principles and laws every two years. Those who enter office after January 1, 2006 must receive the training within a year of starting their service. They must then receive the training every two years after that.

The training must cover general ethics principles relating to public service and ethics laws including:

- Laws relating to personal financial gain by public officials (including bribery and conflict of interest laws);
- Laws relating to office-holder perks, including gifts and travel restrictions, personal and political use of public resources, and prohibitions against gifts of public funds;
- Governmental transparency laws, including financial disclosure requirements and open government laws (the Brown Act and Public Records Act); Laws relating to fair processes, including fair contracting requirements, common law bias requirements, and due process

NOTE: State laws governing conflicts of interest are written to ensure that actions are taken in the public interest. These laws are very complex. Council Members should consult with the City Attorney, their own attorney, or the Fair Political Practices Commission for guidance in advance.

3.6 Code of Conduct Compliance and Enforcement

Consistent with this oath is the requirement of this Council policy to comply with the laws as well as report violations of the laws and policy of which they become aware.

- 3.6.1 A request for censure of a member of the City Council may be submitted to the City Manager-Attorney by any member of the Council ("Initiating Member"), with the support of another Council member ("Seconding Member"). Censure is a formal statement or resolution by the Council officially reprimanding a City Council Member for conduct that may include sanctions. It is the intent of the City Council that a request for censure be used only for significant and/or repeated violations of this Code of Conduct and not a means to address politically or personally motivated disagreements amongst City Council Members.

The request shall contain the specific charges on which the proposed censure is based. The City Manager-Attorney shall deliver a copy of the request for censure and the charges to each member of the City Council at least 72 hours after receipt of the request. The request for censure shall first be considered by a neutral mediator selected by the Presiding Judge of the Superior Court of California of the County of San Joaquin. The neutral mediator shall conduct an investigation and prepare a written analysis of the allegation and their preliminary findings and recommendation. Said investigation shall, at a minimum, include interviews with the Initiating Member and the City Council Member who is the subject of the request. The neutral mediator's recommendation shall be to: (a) set the matter for a censure hearing and whether censure is warranted or (b) no further action should be taken with respect to the request. The neutral mediator shall present its recommendation to the City Council for its consideration and action within thirty (30) days of completing their investigation.

- 3.6.1.1 The censure request shall be agendized at the next regular City Council meeting following receipt of the neutral mediator's written findings and recommendation. The City Council, as a body, shall determine whether or not to accept the neutral mediator's recommendation. If the City Council decides to set the matter for a censure hearing, it shall schedule it no sooner than two weeks after its determination to hear the matter. It may not schedule the matter during any previously scheduled excused absence of the subject City Council Member. Written notice of the hearing shall be delivered in person to the Member of the City Council subject to the censure hearing at least ten (10) days in advance of the scheduled hearing. If the City Council decides that no further action

is required, the City Council may also request the Initiating Member either reimburse the City the cost of the neutral mediator's services from personal funds (not campaign funds), not to exceed \$2,500, or forgo a month's salary as a City Council Member. A report regarding the Initiating Member's compliance with that request shall be presented to City Council within sixty (60) days of that request.

3.6.1.2 At the censure hearing, the Mmember of the City Council who is the subject of the request for censure shall be given the opportunity to make an opening and a closing statement, to call witnesses on their behalf and to question their accusers. The Mmember subject to the charges may be represented by a person or persons of their choice whether or not an attorney at law and may have that representative speak or question witnesses on their behalf. The questioning or cross-questioning of witness may be reasonably limited by the person chairing the hearing.

3.6.1.3 Testimony shall be taken only from witnesses having direct knowledge of facts or circumstances relevant to the specific charges under consideration. However, the rules of evidence and judicial procedure applicable in courts of law shall not be applied to this hearing, and the procedures shall be generally informal.

3.6.2 At the discretion of the City Council, sanctions may be imposed as a result of a censure. These sanctions may be applied individually or in combination. They include, but are not limited to:

3.6.2.1 Public Admonishment - -A reproof or verbal warning directed to a City Council Member about a particular type of behavior that violates City policy.

3.6.2.2 Revocation of Special Privileges -A revocation of a Council Member's Council Committee assignments, such as standing and ad hoc committees, regional boards and commissions, and other board/committee appointments. Other revocations may include temporary suspension of official travel, conference participation, and ceremonial titles.

3.6.3 Nothing in this Section shall limit the City Council's ability to informally address conduct considered to be not significant or a minor violation of this Code, which may include informal counseling from one City Council Mmember to another, and a City Council Mmember to a Council advisory body member.

CHAPTER 4 COMMUNICATIONS

4.1 Relationship/Communications with Staff

Staff serves the City Council as a whole, therefore:

- 4.1.1 A City Council Member shall not direct staff in person or in writing to initiate any action, change a course of action, or prepare any report. ~~A Council Member shall not initiate any project or study without the approval of the majority of the Council.~~
- 4.1.2 Requests for information and corresponding responses made by the City Council Members will be shared with the full City Council.
- 4.1.3 City Council Members shall not attempt to pressure or influence discussions, recommendations, workloads, schedules, or department priorities without first consulting with the City Manager and obtaining the approval of a majority of the City Council.
- 4.1.4 When preparing for City Council meetings, City Council Members should direct questions ahead of time to the City Manager so that staff can provide the desired information at the City Council meeting.
- 4.1.5 Any concerns by a Member of the City Council regarding the behavior or work of a City employee should be directed to the City Manager privately to ensure the concern is resolved. City Council Members shall not reprimand employees directly nor should they communicate their concerns to anyone other than the City Manager.
- 4.1.6 City Council Members may direct routine inquiries to either the City Manager or the appropriate department head, at the City Manager's discretion.
- 4.1.7 City Council Members serving on Council committees or as the City's representative to an outside agency may interact directly with City staff assigned to that effort as the City Manager's designee. The City

staff member so designated and assigned will keep the City Manager appropriately informed.

4.2 Council Relationship/Communication with Council Advisory Bodies

4.2.1 City Council Members shall not attempt to pressure or influence board, commission, or committee decisions, recommendations, or priorities absent the approval of the majority of the City Council.

4.2.2 It is a best practice that City Council Members refrain from attending Board, Commission, and/or Committee meetings to avoid the appearance of impropriety and to maintain compliance with the Brown Act.

4.3 Handling of Litigation and Other Confidential Information

4.3.1 All written materials and verbal information provided to City Council Members on matters that are confidential and/or privileged under State law shall be kept in complete confidence to ensure that the City's position is not compromised. No disclosure or mention of any information in these materials may be made to anyone other than City Council Members, the City Attorney, or City Manager.

4.3.1.1 Confidential materials provided in preparation for and during Closed Sessions shall not be retained and documents must be returned to staff at the conclusion of the Closed Session.

4.3.1.2 City Council Members may not request confidential written information from staff that has not been provided to all City Council Members.

4.4 Representing an Official City Position

4.4.1 City Council Members may use their title only when conducting official City business, for information purposes, or as an indication of background and expertise, carefully considering whether they are exceeding or appearing to exceed their authority.

- 4.4.2 Once the City Council has taken a position on an issue, all official City correspondence regarding that issue will reflect the City Council's adopted position.
- 4.4.3 The Mayor is authorized to send letters on City letterhead stating the City's official position to appropriate legislators as long as it is consistent with the City Council's Legislative Policy.
- 4.4.4 City letterhead may be used by City Council Members only for official City business and/or to represent a policy action taken by the City Council, as a body.
- 4.4.5 If a Member of the City Council appears before another governmental agency organization to give a statement on an issue affecting the City, the City Council Member should indicate the majority position and opinion of the City Council.
- 4.4.6 Personal opinions and comments may be expressed only if the City Council Member clarifies that these statements do not reflect the official position of the City Council.

4.5 Quasi-Judicial Role/Ex Parte Contacts

The City Council has a number of roles. It legislates and makes administrative and executive decisions. The City Council also acts in a quasi-judicial capacity or "like a judge" when it rules on various permits, licenses, and land use entitlements.

In this last capacity, quasi-judicial, the City Council holds a hearing, takes evidence, determines what the evidence shows, and exercises its discretion in applying the facts to the law shown by the evidence. It is to these proceedings that the rule relative to *ex parte* contacts applies.

- 4.5.1 Ex Parte Contacts/Fair Hearings. The City Council shall refrain from receiving information and evidence on any quasi-judicial matter while such matter is pending before the City Council or any agency, board, or commission thereof, except at the public hearing.

As an elected official, it is often impossible to avoid such contacts and exposure to information. Therefore, if any member is exposed to information or evidence about a pending matter outside of the public hearing, through contacts by constituents, the applicant or through site visits, the member shall disclose all such information and/or evidence acquired from such contacts, which is not otherwise included in the written or oral staff report, during the public hearing, and before the public comments period is opened.

Matters are "pending" when an application has been filed. Information and evidence gained by members via their attendance at noticed public hearings before subordinate boards and commissions are not subject to this rule.

4.6 No Attorney-Client Relationship

City Council Members who consult the City Attorney, their staff, and/or outside attorney(s) ~~contracted to work~~ engaged by the City Attorney to work on behalf of the City cannot enjoy or establish an attorney- client relationship with said attorney(s) by consulting with or speaking to same. Any attorney-client relationship established belongs to the City, acting through the City Council, and as may be allowed in State law for purposes of defending the City and/or the City Council in the course of litigation and/or administrative procedures, etc.

CHAPTER 5 COUNCIL ADVISORY BODIES

5.1 Citizen Boards and, Commissions, ~~and Committees~~ Generally

- 5.1.1 The Tracy City Council, Tracy Municipal Code establishes various Citizen Boards, Commissions, and Committee through the Tracy Municipal Code or by Resolution: a Planning Commission to advise the Council on land use matters (Chapter 10.04), ~~and~~ a Parks and Community Services Commission (Chapter 7.16) and the Youth Advisory Commission (Chapter 7.16). Through Resolution or Ordinance the following committees and commissions have been established: the Measure V Residents' Oversight Committee (Resolution No. 2004-152), Tracy Arts Commission (Ordinance No. 501), Transportation Advisory Commission (Resolution No. 2007-120), and Youth Advisory Commission (Chapter 7.16) and Environmental sustainability Commission (Resolution 2023-XX) and the Tracy Homeless Advisory Commission (Resolution No. 2021-033).
- 5.1.2 The rules of procedure and code of conduct that govern the City Council apply with equal force to all Council advisory boards and commissions.
- 5.1.3 The City Council may also establish by ordinance or resolution, boards, commissions, and committees to assist the Council in making its policy decisions. The City Council has the inherent power to create advisory bodies.
- 5.1.4 City boards and, commissions, ~~and committees~~ (collectively "Council advisory bodies") provide policy recommendations to Council; they do not set or establish City policy or provide administrative direction to City staff.
- 5.1.5 City boards and, commissions, ~~and committees~~ are advisory in nature and therefore do not represent City's official position on city matters.
- 5.1.6 Appointments to boards, and commissions, ~~and committees~~ are made by a majority vote of the Council. Appointees to Council advisory

bodies serve at the pleasure of the City Council.

5.1.7 ~~The terms "board" and "commission" can be used interchangeably. Boards and commissions typically have broader policy and advisory responsibilities than committees which typically have much more focused advisory roles to the City Council. The term "Commission" refers to a group of lay residents appointed to conduct external review of the City's processes. City Council members do not typically serve on commissions.~~

5.2 ~~Citizen~~ Board ~~and~~, Commission, ~~and Committee~~ Organization and Conduct

5.2.1 Annually, each board, commission, and committee elects one of their members to serve as the chair (presiding officer) and vice-chair.

5.2.2 Boards ~~and~~, commissions, ~~and committees~~ hold regular and special meetings as required. The conduct of board, commission, and committee meetings are governed by the same rules of policy and procedure as the City Council.

5.2.3 Boards ~~and~~, commissions, ~~and committees~~ should comply with all applicable open meeting and conflict-of-interest laws of the State.

5.2.4 Upon appointment or reappointment, Council advisory body members (including all boards and commissions, and committee members) ~~body members~~ shall sign a Council Advisory Body Norms and Values statement (**Attachment 2**) affirming they have read and understand this City of Tracy City Council Code of Conduct.

5.3 Board ~~and~~, Commission, ~~and Committee~~ Appointments

5.3.1 Resolution No. 2004-152 establishes the board ~~, and~~ commission, ~~and committee~~ appointment/selection process and requirements for residency.

5.3.2 The term of office for each board, commission, or committee member

is 4 years, with the exception of the Measure V Residents' Oversight Committee which is 3 years.

5.3.3 The City Clerk provides application forms, maintains a listing of all applications received, and solicits applications when vacancies occur.

5.4 Boards ~~and~~ ~~Commissions~~ ~~and Committees~~ - Vacancy and Selection/Appointment Processes

Resolution No. 2004-152 outlines procedures for filling a board ~~and~~ ~~commission or committee~~-vacancy and selection and appointment process. The Council appoints all City boards, commissions, and committee members.

5.4.1 Resignations may be submitted at any time to the City Council either directly or through the board, commission, or committee chair. Resignations are effective upon submittal.

5.5 Boards, Commissions, and Committees - Removal

A board member, commissioner, or committee member serves at the pleasure of the Council and may be removed at any time. The removal of ~~a member~~ ~~planning commission member~~ must comply with the applicable TMC Sections or the board/committee/commission's bylaws and in accordance with the applicable procedure.

CHAPTER 6 COUNCIL FINANCIAL MATTERS

6.1 Compensation

- 6.1.1 Pursuant to Ordinance No. 1094, the Tracy Mayor and City Council receive a monthly salary. The amount is the salary limit established by the State Legislature for members of the City Council of general law cities having a population range within which the City of Tracy falls, as specified in California Government Code Section 36516(a).

- 6.1.2 The salary of the Mayor and City Council should be reviewed every two years.

6.2 Benefits

- 6.2.1 The California Government Code provides that City Council Members may receive City-funded health, retirement, and other benefits. City-funded medical, dental, and life insurance plan benefits are provided. The Council Policy Providing City Paid Health Insurance for City Treasurer, City Clerk, and City Council, adopted by Resolution No. 2003-391, states that an elected official is not eligible for City-funded health benefits if the official or the official's spouse has employer-paid health insurance.

6.3 City Council Budget and Expenses

- 6.3.1 City Council Resolution No. 2007-075 provides policy guidance regarding Council expenditures for equipment, supplies and communications; travel; local expenses; and eligible reimbursements.

CITY OF TRACY CITY COUNCIL
NORMS AND VALUES STATEMENT

PREAMBLE

The residents and businesses of Tracy are entitled to have fair, ethical, and accountable local government. Such a government requires that public officials:

- Comply with both the letter and the spirit of the laws and policies affecting operations of the government.
- Be independent, impartial and fair in their judgment and actions.
- Use their public office for the public good, not for personal gain.
- Conduct public deliberations and processes openly, unless legally confidential, in an atmosphere of respect and civility.

To this end, the Tracy City Council has adopted a Code of Conduct to encourage public confidence in the integrity of local government and its fair and effective operation.

City Council Members shall sign this Norms and Values statement upon assuming office and upon reelection to office as a symbol of each Council Member's continuing commitment to abide by the principles of this code.

1. Act in the Public Interest

Recognizing that stewardship of the public interest must be their primary concern, City Council Members shall work for the common good of the people of Tracy and not for any private or personal interest, and they will endeavor to treat all persons, claims, and transactions in a fair and equitable manner.

2. Comply with the Law

City Council Members shall comply with the laws of the nation, the State of California, and the City in the performance of their public duties. These laws include, but are not limited to: the United States and California constitutions;

the Tracy City Municipal Code; laws pertaining to Council-Manager form of government, conflicts of interest, election campaigns, financial disclosures, employer responsibilities, and open processes of government; and City ordinances and policies.

3. Conduct of Members

City Council Members shall refrain from abusive conduct, personal charges, or verbal attacks upon the character or motives of other members of the City Council, boards, commissions, committees, staff, or the public.

4. Respect for Process

City Council Member duties shall be performed in accordance with the processes and rules of order established by the City Council.

5. Conduct of Public Meetings

City Council Members shall inform themselves of public issues, listen attentively to public discussions before the body, and focus on the business at hand.

6. Decisions Based on Merit

City Council decisions shall be based upon the merits and substance of the matter at hand.

7. Communication

It is the responsibility of City Council Members to share substantive information that is relevant to a matter under consideration that they have received from sources outside of the public decision-making process with all other City Council Members.

8. Coordination with City Staff

Appropriate City staff should be involved when City Council Members meet with officials from other agencies and jurisdictions to ensure proper staff support as needed and to keep staff informed.

9. Disclosure of Corruption

All City officials shall take an oath upon assuming office, pledging to uphold the constitution and laws of the City, the State, and the Federal government. As part of this oath, officials commit to disclosing to the appropriate authorities and/or to the City Council any behavior or activity that may qualify as corruption, abuse, fraud, bribery, or other violation of the law.

10. Conflict of Interest

In order to assure their independence and impartiality on behalf of the public good, City Council Members shall not use their official positions to influence government decisions in which they have a financial interest or where they have an organizational responsibility or a personal relationship that would present a conflict of interest under applicable State law.

In accordance with the law, members shall file written disclosures of their economic interests and if they have a conflict of interest regarding a particular decision, refrain from participating in that decision unless otherwise permitted by law.

11. Gifts and Favors

City Council Members shall not take advantage of services or opportunities for personal gain by virtue of their public office that are not available to the public in general. They shall refrain from accepting gifts, favors, or promises of future benefits that might compromise their independence of judgment or action or give the appearance of being compromised.

12. Confidential Information

City Council Members shall respect and preserve the confidentiality of information provided to them concerning the confidential matters of the City. They shall neither disclose confidential information without proper legal authorization nor use such information to advance their personal, financial, or private interests.

13. Use of Public Resources

Public resources not available to the general public (e.g., City staff time, equipment, supplies, or facilities) shall not be used by City Council Members for private gain or personal and/or campaign purposes.

14. Representation of Private Interests

In keeping with their role as stewards of the public trust, City Council Members shall not appear on behalf of the private interests of a third-party before the City Council or any board, commission, or committee or proceeding of the City.

15. Advocacy

To the best of their ability, City Council Members shall represent the official policies and positions of the City Council. When presenting their personal opinions or positions, members shall explicitly state that they do not represent the City Council or the City.

16. Improper Influence

City Council Members shall refrain from using their position to improperly influence the deliberations or decisions of City staff, boards, commissions, or committees.

17. Policy Role of Members

City Council Members shall respect and adhere to the Council-Manager structure of Tracy City government as provided in State law and the City Municipal Code.

18. Positive Work Environment

Council Members shall support the maintenance of a positive and constructive environment for residents, businesses, and City employees.

19. Implementation

Ethics standards shall be included in the regular orientations for City Council candidates. Council Members entering office shall sign a statement affirming they read and understood the City of Tracy's City Council Code of Conduct.

20. Campaign Activities.

City Council Members who seek elected office within the City shall endeavor to conduct their campaign activities in a manner that promotes decency, honesty and fair play and in accordance with the Code of Fair Campaign Elections Code (Section 20400 et seq.).

21. Compliance and Enforcement

Council Members themselves have the primary responsibility to assure that ethical standards are understood and met and that the public can continue to have **full** confidence in the integrity of City government.

This City Council Norms and Values statement shall be considered to be a summary of the longer City Council Code of Conduct document. The City Council Code of Conduct document shall be considered to be the definitive document relating to ethical conduct by Tracy City Council Members.

I affirm that I have read and understand the City of Tracy City Council Norms and Values statement.

Signature

Date

CITY OF TRACY
COUNCIL ADVISORY BODY
NORMS AND VALUES STATEMENT

PREAMBLE

The residents and businesses of Tracy are entitled to have fair, ethical, and accountable local government. Such a government requires that public officials, including Council advisory body members:

- Comply with both the letter and the spirit of the laws and policies affecting operations of the government.
- Be independent, impartial, and fair in their judgment and actions.
- Use their public office for the public good, not for personal gain.
- Conduct public deliberations and processes openly, unless legally confidential, in an atmosphere of respect and civility.

To this end, Council advisory body members are expected to adhere to the Code of Conduct adopted by the Tracy City Council to encourage public confidence in the integrity of local government and its fair and effective operation.

Council advisory body members shall sign this Norms and Values statement at the first meeting of the board, commission, or committee upon assuming office and, if applicable, upon reappointment to the board, commission, or committee as a symbol of each Council advisory body member's commitment to abide by the principles of this code during their term.

1. Act in the Public Interest

Recognizing that stewardship of the public interest must be their primary concern, Council advisory body members shall work for the common good of the people of Tracy and not for any private or personal interest, and they will endeavor to treat all persons, claims, and transactions in a fair and equitable manner.

2. Comply with the Law

Council advisory body members shall comply with the laws of the nation, the State of California, and the City in the performance of their public duties. These laws include, but are not limited to: the United States and California Constitutions; the Tracy City Municipal Code; laws pertaining to the Council-

Manager form of government, conflicts of interest, election campaigns, financial disclosures, employer responsibilities, and open processes of government; and City ordinances and policies.

3. Conduct of Council Advisory Body Members

Council advisory body members shall refrain from abusive conduct, personal charges, or verbal attacks upon the character or motives of Council Members; other members of the Council advisory body; other boards, commissions, or committees; staff; or the public.

4. Respect for Process

Council advisory body member duties shall be performed in accordance with the processes and rules of order established by the City Council.

5. Conduct of Public Meetings

Council advisory body members shall inform themselves of public issues, listen attentively to public discussions before the body, and focus on the business at hand.

6. Decisions Based on Merit

Council advisory body members shall base their decisions upon the merits and substance of the matter at hand.

7. Communication

It is the responsibility of Council advisory body members to share substantive information that is relevant to a matter under consideration that they have received from sources outside of the public decision-making process with all other Council advisory body members.

8. Coordination with City Staff

Appropriate City staff should be involved when Council advisory body members meet with officials from other agencies and jurisdictions to ensure proper staff support, as needed, and to keep staff informed.

9. Disclosure of Corruption

All City officials shall take an oath upon assuming office, pledging to uphold the Constitution and laws of the City, the State, and the Federal government. As part of this oath, officials commit to disclosing to the appropriate authorities and/or to the City Council any behavior or activity that may qualify as corruption, abuse, fraud, bribery, or other violation of the law.

10. Conflict of Interest

In order to assure their independence and impartiality on behalf of the public good, Council advisory body members shall not use their official positions to influence government decisions in which they have a financial interest or where they have an organizational responsibility or a personal relationship that would present a conflict of interest under applicable State law.

In accordance with the law, members shall file written disclosures of their economic interests and if they have a conflict of interest regarding a particular decision, refrain from participating in that decision unless otherwise permitted by law.

11. Gifts and Favors

Council advisory body members shall not take advantage of services or opportunities for personal gain by virtue of their public office that are not available to the public in general. They shall refrain from accepting gifts, favors, or promises of future benefits that might compromise their independence of judgment or action or give the appearance of being compromised.

12. Confidential Information

Council advisory body members shall respect and preserve the confidentiality of information provided to them concerning the confidential matters of the City. They shall neither disclose confidential information without proper legal authorization nor use such information to advance their personal, financial, or private interests.

13. Use of Public Resources

Public resources not available to the general public (e.g., City staff time, equipment, supplies, or facilities) shall not be used by Council advisory body members for private gain or personal and/or campaign purposes.

14. Representation of Private Interests

In keeping with their role as stewards of the public trust, Council advisory body members shall not appear on behalf of the private interests of a third party before the City Council or any board, commission, or committee, or proceeding of the City.

15. Advocacy

To the best of their ability, Council advisory body members shall represent the official policies and positions of the City of Tracy. When presenting their personal opinions or positions, members shall explicitly state that they represent neither the Council advisory body nor the City.

16. Improper Influence

Council advisory body members shall refrain from using their position to improperly influence the deliberations or decisions of City staff, boards, commissions, or committees.

17. Policy Role of Members

Council advisory body members shall respect and adhere to the Council-Manager structure of Tracy City government as provided in State law and the City Municipal Code.

18. Positive Work Environment

Council advisory body members shall support the maintenance of a positive and constructive environment for residents, businesses, and City employees.
Attachment 2 to City Council Code of Conduct

19. Implementation

Ethics standards shall be included in the regular orientations for Council advisory body members. Upon entering office and upon reappointment, Council advisory body members shall sign a statement affirming they read and understood the City of Tracy's City Council Code of Conduct.

20. Campaign Activities.

Council advisory body members who seek elected office within the City shall endeavor to conduct their campaign activities in a manner that promotes decency, honesty and fair play and in accordance with the Code of Fair Campaign Elections Code (Section 20400 et seq.).

21. Compliance and Enforcement

Council advisory body members themselves have the responsibility to assure that ethical standards are understood and met, and that the public can continue to have full confidence in the integrity of City government.

The Council Advisory Body Norms and Values statement shall be considered to be a summary of the longer City Council Code of Conduct document. The City Council Code of Conduct document shall be considered to be the definitive document relating to ethical conduct by Tracy City Council advisory body members.

I affirm that I have read and understand the City of Tracy City Council Code of Conduct.

Signature

Date

CODE OF FAIR CAMPAIGN PRACTICES

(Elections Code § 20440)

There are basic principles of decency, honesty, and fair play which every candidate for public office in the State of California has a moral obligation to observe and uphold in order that, after vigorously contested but fairly conducted campaigns, our citizens may exercise their constitutional right to a free and untrammelled choice and the will of the people may be fully and clearly expressed on the issues.

THEREFORE:

- (1) I SHALL CONDUCT my campaign openly and publicly, discussing the issues as I see them, presenting my record and policies with sincerity and frankness, and criticizing without fear or favor the record and policies of my opponents or political parties that merit this criticism.
- (2) I SHALL NOT USE OR PERMIT the use of character defamation, whispering campaigns, libel, slander, or scurrilous attacks on any candidate or his or her personal or family life.
- (3) I SHALL NOT USE OR PERMIT any appeal to negative prejudice based on a candidate's actual or perceived race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, marital status, age, sexual orientation, sex, including gender identity, or any other characteristic set forth in Section 12940 of the Government Code, or association with another person who has any of the actual or perceived characteristics set forth in Section 12940 of the Government Code.
- (4) I SHALL NOT USE OR PERMIT any dishonest or unethical practice that tends to corrupt or undermine our American system of free elections, or that hampers or prevents the full and free expression of the will of the voters including acts intended to hinder or prevent any eligible person from registering to vote, enrolling to vote, or voting.
- (5) I SHALL NOT coerce election help or campaign contributions for myself or for any other candidate from my employees.
- (6) I SHALL IMMEDIATELY AND PUBLICLY REPUDIATE support deriving from any individual or group that resorts, on behalf of my candidacy or in opposition to that of my opponent, to the methods and tactics that I condemn. I shall accept responsibility to take firm action against any subordinate who violates any provision of this code or the laws governing elections.
- (7) I SHALL DEFEND AND UPHOLD the right of every qualified American voter to full and equal participation in the electoral process.

I, the undersigned, candidate for election to public office in the State of California or treasurer or chairperson of a

committee making any independent expenditures, hereby voluntarily endorse, subscribe to, and solemnly pledge myself to conduct my campaign in accordance with the above principles and practices.

Print Name: _____ Signature: _____

Date:.....



COUNCIL MEETING PROTOCOLS AND RULES OF PROCEDURE

Adopted by Resolution No. 2019-240
Revised by Resolution Nos. 2020-112 & 2021-049

City of Tracy – Council Meeting Protocols and Rules of Procedures

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City of Tracy – Council Meeting Protocols and Rules of Procedures

Section 1 –Purpose and Applicability

1. Purpose and Applicability

- 1.1. The purpose of these Council Meeting Protocols and Rules of Procedures (“Protocols”) are to provide clear guidelines to assist the City Council, staff and the public to conduct meetings in an efficient and transparent manner and in accordance with the Ralph M. Brown Act (“Brown Act”; Government Code sections 54950-54963) and all applicable laws.¹ These Protocols are adopted pursuant to Section 36813. In the event of a conflict between the Brown Act and these Protocols, the Brown Act shall control.
- 1.2. In the event of a conflict between these Protocols, and the City of Tracy’s adopted Code of Conduct (Resolution No. 2021-146), Protocols shall control.
- 1.3. These Protocols shall apply to the City Council, the Successor Agency to the Community Development Agency, the Tracy Public Facilities Corporation, the Tracy Industrial Development Authority, and all City Boards, Commissions, and Committees.
- 1.4. Suspension of Protocols. Any rule set forth herein may be suspended by a supermajority vote of the City Council.
- 1.5. Review and Changes to Protocols. These Protocols shall be reviewed by December 31st of every odd-numbered year. A majority vote of the City Council shall be necessary to amend these Protocols.
- 1.6. A copy of these Protocols shall be available for public review at the City Clerk’s Office and City’s website (www.cityoftracy.org).

¹ All references to statutes are to the California Government Code unless otherwise specified.

City of Tracy – Council Meeting Protocols and Rules of Procedures

Section 2 –Duties (Roles and Responsibilities)

2. Roles and Responsibilities at Council Meetings

- 2.1. Mayor. The Mayor is the Presiding Officer of all meetings of the full City Council. The Presiding Officer is the primary, but not the only, person responsible for ensuring that the City Council, staff, and members of the public adhere to these Protocols during City Council meetings. (Section 36802). The Chair of a City board or commission shall act as the Presiding Officer.
- 2.2. Mayor Pro Tem. The Mayor Pro Tem shall serve as the Presiding Officer in the absence of the Mayor. Absence shall be as defined by State law. Upon the arrival of the Mayor, the Mayor Pro Tem shall immediately relinquish the role of Presiding Officer at the conclusion of the business then before Council. (Section 36802) The Vice Chair of a City board or commission shall act as the Presiding Officer in the absence of the Chair.
- 2.3. City Council. All members of the City Council shall comply with the Council Code of Conduct at meetings. Newly elected City Council members shall be sworn in and seated at the first regular City Council meeting after receipt of the certified election results from the County Registrar of Voters.
- 2.4. Sergeant-at-Arms. The Sergeant-at-Arms is the law enforcement official charged with maintaining security during meetings of the City Council. The Sergeant-at-Arms of the City Council shall be a police officer assigned by the Police Chief. There shall be at least one officer so assigned and present at each meeting of the full City Council. The officer shall maintain order and enforce the orders of the City Council and Presiding Officer.
- 2.5. City Manager. Pursuant to the Council-Manager form of government established by Chapter 2.08 of the Tracy Municipal Code, the City Manager sets the Council agenda and once published, may withdraw an item(s), unless the item has been placed on the agenda by the City Council pursuant to Section 4.3.1. of these Protocols.
- 2.6. City Clerk. The City Clerk shall attend all meetings of the Council unless excused. The Deputy City Clerk shall attend Council meetings in the City Clerk's absence. The City Clerk shall record, prepare, and maintain the official records of the Council and perform other duties as directed by the City Manager. (Section 36804)
 - 2.6.1. Minutes. The City Clerk's office shall be responsible for the preparation and distribution of the Council minutes. The minutes shall include a public report on any action taken and the vote or abstention on such action of each Council Member present for the action. Unless a reading of the minutes is requested by a Council Member, the minutes may be approved as a Consent Calendar item.
 - 2.6.1.1. No minutes or written record of closed sessions of the City Council shall be kept, except as required by State law or as directed by the majority vote of

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the City Council. The Council shall report at a public meeting any action taken in closed session, as required by Section 54957.1.

- 2.6.1.2. The City Clerk shall include a report on posting of the agenda in the minutes.
- 2.6.2. Timekeeper. The City Clerk shall be the designated timekeeper at all City Council meetings and shall have the authority to interrupt speakers, whether members of the public or a City Council member, when their allotted speaking times have expired.
- 2.7. City Staff. City staff shall (a) prepare balanced staff reports and provide accompanying documents on all agenda items in accordance with the agenda preparation schedule; (b) be available for questions from the City Council in accordance with the Brown Act prior to and during meetings; and (c) respond to questions from the public during meetings only when requested to do so by the City Council or the City Manager.
- 2.8. City Attorney. The City Attorney shall attend all meetings of the Council unless excused. The Assistant City Attorney shall attend Council meetings in the City Attorney's absence. The City Attorney shall give advice, upon request of the City Council, on questions of law. The City Attorney shall serve as the Parliamentarian at City Council meetings, opining on any procedural issues related to these Protocols, the Brown Act, and Rosenberg's Rules.

City of Tracy – Council Meeting Protocols and Rules of Procedures

Section 3 – Meeting Types

3. Council Meeting Types

- 3.1. Regular Meetings. Regular City Council meetings are held on the first and third Tuesdays of the month at 7:00 p.m. at City Hall Council Chambers, 333 Civic Center Plaza, Tracy, California 95376, unless otherwise noticed and as under Section 54954. No meeting shall be held on a holiday as defined by Section 6700. (Section 36805)
- 3.2. Special Meetings. The City Manager, Mayor, or a majority of the members of the City Council may call a special meeting. (Section 54956). Only the City Attorney is authorized to convene a closed session, which shall be considered a special meeting and conducted in accordance with the Brown Act. (Section 36807)
- 3.3. Workshops. The purpose of a workshop is to inform the City Council of complex issues and provide an opportunity for the City Council to review documents and request additional information. However, no final City Council action shall be taken during the workshop on agenda items. Workshops are open to the public and shall be conducted as public meetings in accordance with the Brown Act.
- 3.4. Closed Sessions.
 - 3.4.1. The City Attorney shall convene a special closed session meeting under the following circumstances:
 - 3.4.1.1. When requested by the City Manager to discuss a matter in closed session, and the City Attorney determines such a matter is permissible for discussion in closed session under the Brown Act;
 - 3.4.1.2. When requested by the City Council, pursuant to Section 4.3, to discuss a matter in closed session, and the City Attorney determines such a matter is permissible for discussion in closed session under the Brown Act;
 - 3.4.1.3. When the City Attorney deems it so necessary and determines a closed session is permissible under the Brown Act.
 - 3.4.2. Closed sessions shall be held in accordance with the Brown Act. Non-agenda matters shall not be discussed in closed session. Closed sessions may precede or follow a City Council meeting.
 - 3.4.3. All closed session information, verbal or written, is privileged and confidential and shall not be shared with any person not at the closed session. Any member sharing information in violation of this rule may be subject to censure by the City Council or other legal remedies as set forth in Section 54963.
 - 3.4.4. The public may speak regarding any closed session item prior to the closed session as required by the Brown Act.

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- 3.4.5. The City Attorney shall attend all closed sessions and shall report out in public session any reportable actions there taken by Council and the vote on such actions, in accordance with the Brown Act.
- 3.5. Teleconferenced Meetings. The City Council may hold a meeting by teleconference, meaning a meeting of the Council in which members are in different locations and connected by electronic means, through either audio or video, or both. Any teleconference meeting of the Council must comply with the requirements of Government Section 54953 and other applicable law, including but not limited to the requirement that all votes taken shall be by roll call.
- 3.6. Emergency Meetings. In the case of an emergency, as defined by Section 54956.5, a majority of Council may call a meeting and dispense with the special meeting notice and posting requirements under the Brown Act. Any emergency meeting held shall comply with the applicable Brown Act provisions.
- 3.7. The City Clerk shall ensure that the applicable noticing and posting requirements under the Brown Act are followed for all meetings of the City Council and shall poll and confirm a quorum is available for all such meetings in advance of publication.

City of Tracy – Council Meeting Protocols and Rules of Procedures

Section 4 – Meeting Agendas

4. Meeting Agendas

4.1. Purpose of Agenda. The Council meeting agenda documents serve four purposes:

- To communicate and inform City Council, City staff, the public and the press about City business.
- To comply with mandated state laws.
- To facilitate the decision-making process by including sufficient background information so that the City Council can obtain a full understanding of the issues and staff's analysis and recommendation prior to their consideration and action.
- To serve as a historical reference that can be kept as a record of proceedings and actions as needed for future actions and/or litigation.

As set forth above, the purpose of the agenda is to provide a framework within which Council meetings can be conducted and to effectively implement the approved Council programs, goals and budget. The agenda shall contain a brief general description of each item of business to be transacted or discussed at the meeting.

4.2. Posting and Distribution of Agendas. At a minimum, the posting and distribution of all agendas shall be done in accordance with the Brown Act. Agendas for regular meetings shall be posted not less than 72 hours prior to the meeting (Section 54954.2(a)(1)); special meeting agendas shall be posted not less than 24 hours prior to the meeting (Section 54956).

4.2.1. All agendas shall be posted in the following locations: City Hall, the Tracy Library, the City's website, and other locations as may be required by the bylaws of a particular Board or Commission. Posting of agendas at City Hall shall be the official location for purposes of Brown Act compliance.

4.2.2. Agenda packets are provided electronically to City Council Members on the Thursday prior to a City Council meeting unless technical difficulties occur. If technical difficulties occur, the City Clerk will endeavor to provide Council with hard copies of the agenda as soon as reasonably possible. Distribution to the staff, public, and media shall occur immediately after distribution to the City Council. Members of the public may sign up to receive notification that a Council meeting agenda has been posted on the City's website (www.cityoftracy.org). The City Clerk will mail copies of the agenda or particular agenda items to any person submitting a request. (Section 54954.1) Said requests will be valid for one year. Copies of the agenda, and of individual agenda items, are available at costs established in the City's Master Fee Schedule. Copies of the agenda are also available for inspection at the Tracy Library and City Clerk's office. Agendas for Council meetings are posted on the City's website (www.cityoftracy.org).

City of Tracy – Council Meeting Protocols and Rules of Procedures

- 4.3. Agenda Item Submission; Council Member Request for Agenda Items. Council Members may seek to have an item discussed by the City Council at a future meeting and shall follow the below processes to have an item placed on a future City Council agenda.
 - 4.3.1. During "Council Items and Comments", a Council Member may make a motion, to place an item on a future City Council agenda, and upon receiving a second to such motion, the City Manager shall place the item on a future agenda.
 - 4.3.1.1. When the motion is made, the City Manager may provide information regarding current workloads, staffing and/or anticipated research that may affect the timing of completing the requested item, so as to establish more accurate and realistic expectations of when such item will be placed on a future City Council agenda.
 - 4.3.1.2. If no discussion is had regarding the timing, the City Manager shall place the requested item on a future City Council agenda within a reasonable time.
 - 4.3.1.3. The motion maker may include a specific meeting date on which the item must be brought to the City Council for consideration, and such date shall prevail, unless the City Manager provides information to explain that such date is not possible either due to current workloads, staffing and/or anticipated research.
 - 4.3.2. A Council Member may request a time-sensitive item be placed on the next City Council agenda, by contacting the City Manager, or their designee, via telephone, email or in person. Upon the request of a Council Member, the item will be placed on the next City Council agenda as long as the motion maker obtains one other Council Member to second the request. In the interest of transparency and Brown Act compliance, the motion maker shall limit discussions, outside of City Council meetings, to only one other Council Member to obtain support for a second to the motion regarding the time-sensitive request.
 - 4.3.2.1. For purposes of this section 4.3.2, "time-sensitive" shall mean any agenda item that is considered urgent by the sponsor and that has a deadline for action that is prior to the next meeting of the City Council. All necessary information should be submitted to City Council for a valid time-sensitive request.
 - 4.3.2.2. In the event of a time-sensitive request, the City Manager shall notify the rest of the City Council when two Council Members request an item to be placed on the agenda. The City Manager will place the item on the next City Council agenda, unless the City Manager has communicated to the two requesting Councilmembers that such timeframe is not possible based

City of Tracy – Council Meeting Protocols and Rules of Procedures

on current workloads, staffing and/or research. The City Manager shall consult and coordinate with the City Attorney on all time-sensitive matters.

- 4.3.2.3. If the time-sensitive item is not able to be placed on the next City Council agenda, due to the information provided by the City Manager pursuant to Section 4.3.2.2, then the Council Member may place the item on a future City Council agenda pursuant to Section 4.3.1
- 4.3.3. Other Public Agencies. Agenda items such as presentations and proposals from other public entities must be sponsored for agenda placement by two Council members or the City Manager.

City of Tracy – Council Meeting Protocols and Rules of Procedures

Section 5 – Conduct of Meetings

5. Conduct of Meetings

- 5.1. Order of Business. The suggested order of business of Council meetings shall be as follows.
1. Call to Order
 2. Roll Call
 3. Pledge of Allegiance
 4. Invocation
 5. Presentations/Proclamations and Awards
 6. Order of Business
 7. Consent Calendar
 8. Items from the Audience/Public Comment
 9. Continued Public Hearings
 10. Public Hearings
 11. Regular Items
 12. Items from the Audience/Public Comment
 13. Staff Items
 14. Council Items and Comments
 15. Adjournment
- 5.2. Call to Order. The Presiding Officer shall take the chair at the hour appointed for the meeting and shall immediately call the meeting to order.
- 5.3. Roll Call. A majority of the members of the Council then in office shall constitute a quorum. (Section 36810)
- 5.4. Invocations. Any member of the public who wishes to offer an invocation prior to the opening of a regular Council meeting shall contact the City Clerk. The City Clerk shall select a mutually agreeable City Council meeting date for the invocation.
- 5.5. Presentations/Proclamations and Awards. This portion of the Agenda is dedicated for presentations, such as proclamations and awards, employee of the month recognitions, board and commission recognitions, and employee swearing-ins, and shall be limited to a 15-minute maximum period.
- 5.6. Order of Business. The order of business shall be as set forth in the published agenda. However, the Mayor may reorder agenda items or a Council Member may request that the Mayor reorder agenda items. The Mayor, as the Presiding Officer, shall be the decision maker on the order of business, except that the Mayor's decision may be appealed by a Council Member and such appeal shall be decided upon by a majority vote of the City Council. Upon a final determination that a reorder is occurring, the Mayor shall announce the reorder prior to proceeding with the meeting.
- 5.7. Consent Calendar. All items listed on the Consent Calendar are considered to be routine matters or consistent with previous City Council direction, such as resolutions confirming action from a previous meeting or the adoption of an ordinance previously

City of Tracy – Council Meeting Protocols and Rules of Procedures

introduced by Council. One motion, a second, and a roll call vote may enact the items listed on the Consent Calendar. No separate discussion of Consent Calendar items shall take place unless a member of the City Council, City staff or the public request discussion on a specific item.

- 5.8. Items from the Audience/Public Comment. It is the policy of the City Council that members of the public be allowed to address the Council on any item of interest to the public, before or during its consideration of that item, that is within the City Council's subject matter jurisdiction. (Section 54954.3(a)).
 - 5.8.1. Agendas for regular meetings will have two opportunities for "Items from the Audience/Public Comment." (Section 54954.3(a)). In the interest of allowing the City Council to have adequate time to address the agenda items of business, the first public comment opportunity will be limited to a 15-minute maximum period. (Section 54954.3(b)). The second opportunity will not have a time limit period. A five-minute time limit per speaker will apply to all individuals speaking during the "Items from the Audience/Public Comment" portion of the agenda. Speakers may not concede any part of their allotted time to another speaker.
 - 5.8.1.1. However, in the event there are 15 or more individuals wishing to speak regarding any agenda item including the "Items from the Audience/Public Comment" portion of the agenda and regular items, the maximum amount of time allowed per speaker will be three minutes.
 - 5.8.2. Each speaker shall avoid repetition of the remarks of the prior speakers, and when speaking under a specific agenda item, shall speak only to that agenda item. To promote time efficiency and an orderly meeting, the Presiding Officer may request that a spokesperson be designated to represent similar views. A designated spokesperson shall have 10 minutes to speak.
 - 5.8.3. Speaker Cards. To facilitate the orderly process of public comment and to assist the City Council to conduct its business as efficiently as possible, members of the public wishing to address the City Council are requested to, but not required to, hand a speaker card, which includes the speaker's name or other identifying designation and address, to the City Clerk prior to the agenda item being called. Generally, once the City Council begins its consideration of an item, no more speaker cards will be accepted. An individual's failure to present a speaker card or state their name shall not preclude the individual from addressing the City Council. (Section 54953.3)
- 5.9. Public Hearings. Public hearings are required for a variety of City Council actions such as changes to the Tracy Municipal Code, zoning revisions, some annexations, street vacations, weed abatement, liens, fee increases, etc. Whenever the law provides that publication of a notice shall be made, such notice shall be published in a newspaper of general circulation for the period prescribed, the number of times, and in the manner required. Each speaker will be allowed a maximum of five minutes for public input or

City of Tracy – Council Meeting Protocols and Rules of Procedures

testimony. However, in the event there are 15 or more individuals wishing to speak regarding a public hearing item, the maximum amount of time allowed per speaker will be three minutes. Public hearings are scheduled at the beginning of the meeting, and no regular item can be placed ahead of a public hearing.

- 5.9.1. Public Hearings for Land Use and Other Matters. The Presiding Officer may designate individuals as the “Proponent/Appellant” or “Opponent” and provide each with additional time for comments and the opportunity to present a rebuttal.
- 5.10. Regular Items. This portion of the Agenda is for non-public hearing agenda items that require Council action or direction such as status or informational reports from staff and Council requests for agenda items.
- 5.11. Staff Items. This portion of the agenda provides an opportunity for the City Manager, City Attorney, and City staff to provide information of community interest to the City Council.
- 5.12. Council Items and Comments. This portion of the agenda is for each member of the City Council to provide brief reports on any intergovernmental agency meetings, conferences, community meetings, meetings of other legislative bodies, or other events of interest to the community that they attended, as well as meetings attended at the City’s expense. This portion of the agenda is also for the City Council to provide guidance and direction to staff concerning items to be included on future agendas and information to be provided in response to questions raised during “Items from the Audience/Public Comment.”
 - 5.12.1. Under this portion of the agenda, two Council members may request staff to provide information, perform studies, or undertake other action. If the requested action is routine in nature, the City Manager will direct staff to proceed. However, if the request cannot be accomplished within the approved budget or City Council priorities, or if it will involve substantial staff resources, the City Manager will report to the City Council at a subsequent City Council meeting and request further direction. At that time, the consensus of a majority of the City Council will be required to proceed.
 - 5.12.2. Agendas for regular and special meetings of the Council shall include a “Council Items and Comments” section. (Resolution No. 2021-049)
- 5.13. Adjournment. If a City Council meeting is still in session at 11:00 p.m., the Presiding Officer shall ask the question of whether the City Council desires to consider any new items after 11:00 p.m. The City Council shall determine, by motion, which specific items will be considered or continued. The City Manager shall inform the City Council of any time sensitive items. Any item continued due to the lateness of the hour shall automatically be placed on the agenda for the next regularly scheduled City Council meeting unless otherwise scheduled by motion action of a majority of the City Council.

City of Tracy – Council Meeting Protocols and Rules of Procedures

- 5.14. Non-Agendized Items. The Brown Act prohibits the City Council from discussing or acting upon any non-agendized matter, unless an exception under Section 54954.2 applies. For non-agendized items, City Council members may briefly respond to statements made or questions posed by individuals during public comment; ask questions for clarification; direct the individual to the appropriate staff person; or request that the matter be placed on a future agenda or that staff provide additional information to the City Council. However, items may be added to the agenda (such as emergency matters) as permitted in the Brown Act. Brief announcements, brief responses, or questions seeking clarifications, may be made to statements or questions raised on items not on the agenda (Section 54954.2(a)(3)). Action on any item not on the agenda shall be deferred until the item is properly listed on the agenda for a subsequent City Council meeting unless added due to an immediate need if permitted under state law.
- 5.15. Voting Requirements. All ordinances, resolutions, and orders for payment of money require a majority vote of the total membership of the City Council in accordance with Section 36939, unless otherwise required by State law.
- 5.15.1. It is a best practice that all City Council members vote on every item of business unless prevented from doing so by virtue of an actual or potential conflict of law or other valid abstention under applicable laws. City Council Members are encouraged to disclose the reason for that abstention prior to the City Council engaging in discussion on that item.
- 5.16. Parliamentary Procedures. City Council meetings shall be conducted in accordance with the Rosenberg's Rules of Order: Simple Parliamentary Procedures for the 21st Century unless otherwise specified herein. (Appendix A - Rosenberg's Rules of Order, Revised 2011, as may be amended). City Boards and Commissions may use Rosenberg's Rules of Order or any other informal meeting protocols or parliamentary procedures to conduct their meetings. (Resolution No. 2021-049)
- 5.16.1. Time Limit for City Council Discussion and Debate. Each City Council Member shall have an aggregate maximum of five minutes to speak during each City Council discussion item and debate of a motion. (Resolution No. 2021-049)
- 5.16.2. Point of Order. Any City Council member may ask for a point of order, at which time the Presiding Officer will ask for an explanation. Points of order relate to matters that a City Council member considers inappropriate conduct for the meeting, such as the failure to adhere to these Protocols. The Presiding Officer shall rule on the matter. Any member can move to appeal the Presiding Officer's ruling, with a second from another Council member. Following debate, the ruling of the Presiding Officer may be reversed by a majority vote.
- 5.17. Written Communications from the City and the Public. The City Clerk shall manage communications to members regarding meeting topics to ensure compliance with the Brown Act.

City of Tracy – Council Meeting Protocols and Rules of Procedures

- 5.17.1. Except for records exempt from disclosure under the California Public Records Act and otherwise by law, agendas or any other writings distributed to all or a majority of the members of a legislative body for discussion or consideration at a public meeting are disclosable to the public, and shall be made available upon request without delay.
- 5.17.2. Materials distributed to the members during the meeting shall be available for viewing by the public during the meeting if the materials were prepared by the City or a City Council member, or posted on the City's website within 48 hours the conclusion of the meeting if prepared by another person.
- 5.18. Written Materials after the City Council Agenda has been Distributed. On occasion, the City Council may receive, from members of the public, written materials either after the Agenda has been posted or at a City Council meeting. These written materials are typically related to an agenda item or handed out during "Items from the Audience/Public Comment." Upon the City Council receiving these written materials, they become a public record. For materials related to an agenda item, copies will be kept on file at the City Clerk's Office and will typically be posted on the City's website under "Materials Distributed at Council Meetings" 48 hours after the City Council meeting.
 - 5.18.1. For agenda items, staff may distribute materials to the City Council after the agenda has been published, only in compliance with the Brown Act. Any such materials will be made available at the City Council meeting for the public to review.
 - 5.18.2. Interested parties or their authorized representatives may address the Council by written communications regarding agenda items.
 - 5.18.2.1. Documents (6 copies are recommended) that members of the public submit to the City Council at the meeting shall be given directly to the City Clerk for distribution and shall not be given directly to the City Council. The documents will be available to the public on the City's website within 48 hours of the conclusion of the meeting.
- 5.19. Compliance with the Americans with Disabilities Act (ADA). The City of Tracy is in compliance with the Americans with Disabilities Act and will make all reasonable accommodations for the disabled. To allow for such reasonable accommodations, persons requiring assistance or auxiliary aids to participate at a City Council meeting, should contact the City Clerk's Office at (209) 831-6105 at least 24 hours prior to the meeting.

City of Tracy – Council Meeting Protocols and Rules of Procedures

Section 6 – Conduct of the Public

6. Conduct of the Public

- 6.1. Purpose of Public Comment. The City, in accordance with the Brown Act, provides the public the opportunity to address the City Council body as a whole and express their opinions regarding agenda items and non-agenda matters within the subject matter jurisdiction of the City Council. (Section 54954.3) Items are generally considered to be within the City Council's subject matter jurisdiction if they are within the City Council's scope of influence.
 - 6.1.1. Nothing in these Protocols shall be construed as prohibiting public criticism of the City's policies, procedures, programs or services, or the acts or omissions of the City Council. However, these Protocols are not intended to confer any privilege or protection for expression beyond that otherwise provided by law. (Section 54954.3(c)).
 - 6.1.2. Public comments should not be addressed to individual City Council members nor City staff, but rather to the City Council as a whole.
 - 6.1.3. While members of the public may speak their opinions on City business, personal attacks on members and City officials, use of swear words, and verbal or non-verbal signs or displays of disrespect for individuals are discouraged as they impede good communication with the City Council.
 - 6.1.4. Consistent with the Brown Act, the City Council is limited in its ability to respond to public comments regarding non-agenda matters.
- 6.2. In the interest of conducting an efficient meeting, the Presiding Officer may stop a member of the public whose comments are not confined to the agenda item being heard. In addition, during the "Items from the Audience/Public Comment" portion of the agenda, the Presiding Officer may stop a member of the public whose comments are not within the subject matter jurisdiction of the City.
- 6.3. Rules of Decorum. While the City Council is in session, no person in the audience at a City Council meeting shall engage in conduct that disrupts the orderly conduct of a Council meeting, including, but not limited to, the utterance of loud, threatening or abusive language, refusing to abide speaker time limits and leave the podium when directed; whistling, stamping of feet, yelling or shouting or interrupting a speaker who is addressing the City Council; repeated waving of arms; or other disruptive acts. Clapping at any time during a City Council meeting, except during the "Presentations/Proclamations and Awards" portion of the meeting, shall be considered a disruption.
- 6.4. Any person who disrupts the orderly course of the meeting may be issued a criminal citation pursuant to Penal Code section 403 and/or called out of order by the Presiding Officer and barred from further participation during that session of the City Council in accordance with the Brown Act.

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- 6.4.1. All persons attending a Council meeting shall obey any lawful order or direction of the Presiding Officer or Sergeant-at-Arms.
- 6.4.2. The Sergeant-at-arms shall assist the Presiding Officer in enforcing these rules of decorum at City Council meetings, including but not limited, removing disruptive audience members. Additionally, any City Council member may at any time call for a point of order, to request the timely enforcement of these rules of decorum.
- 6.5. Location of Speaker. Members of the public wishing to address the City Council must approach the podium when recognized by the Presiding Officer and shall speak only from the podium.

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Section 7 – Miscellaneous

7. Miscellaneous

- 7.1. Conflicts of Interests. It is the responsibility of every Council member to disclose conflicts of interest on agendized items, in accordance with State and local laws.
- 7.2. Proclamations. The Mayor issues proclamations to provide special recognition by the City to an individual, event, issue etc. Proclamations are not statements of policy and do not require the official approval or action of the City Council.
- 7.3. Broadcasting of Council Meetings. Generally, City Council meetings are broadcast live on Channel 26 and the City's website (www.cityoftracy.org), unless technical difficulties make that infeasible. Reruns of the preceding City Council meeting are shown every Wednesday at 8:00 p.m., every Thursday at 10:00 a.m., and every Saturday at 9:00 a.m. on Channel 26.
 - 7.3.1. Recordings of City Council meetings shall be accessible on the City's website (www.cityoftracy.org) by the end of the following business day. DVD recordings of Council meetings are available at costs established in the City's Master Fee Schedule.

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Appendices

- A. Rosenberg's Rules of Order, revised 2011, Simple Rules of Parliamentary Procedure for the 21st Century. Judge Dave Rosenberg



COUNCIL MEETING PROTOCOLS AND RULES OF PROCEDURE

Adopted by Resolution No. 2019-240
Revised by Resolution Nos. 2020-112 & 2021-049

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City of Tracy – Council Meeting Protocols and Rules of Procedures

Section 1 –Purpose and Applicability

1. Purpose and Applicability

1.1. The purpose of these Council Meeting Protocols and Rules of Procedures (“Protocols”) are to provide clear guidelines to assist the City Council, staff and the public to conduct meetings in an efficient and transparent manner and in accordance with the Ralph M. Brown Act (“Brown Act”; Government Code sections 54950-54963) and all applicable laws.¹ These Protocols are adopted pursuant to Section 36813. In the event of a conflict between the Brown Act and these Protocols, the Brown Act shall control.

1.2. In the event of a conflict between these Protocols, and the City of Tracy’s adopted Code of Conduct (Resolution No. 2021-146), Protocols shall control.

1.2.1.3. These Protocols shall apply to the City Council, the Successor Agency to the Community Development Agency, the Tracy Public Facilities Corporation, the Tracy Industrial Development Authority, and all City Boards, Commissions, and Committees.

1.3.1.4. Suspension of Protocols. Any rule set forth herein may be suspended by a supermajority vote of the City Council.

1.4.1.5. Review and Changes to Protocols. These Protocols shall be reviewed by December 31st of every odd numbered year. A majority vote of the City Council shall be necessary to amend these Protocols.

1.5.1.6. A copy of these Protocols shall be available for public review at the City Clerk’s Office and City’s website (www.cityoftracy.org).

¹ All references to statutes are to the California Government Code unless otherwise specified.

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Section 2 –Duties (Roles and Responsibilities)

2. Roles and Responsibilities at Council Meetings

- 2.1. Mayor. The Mayor is the Presiding Officer of all meetings of the full City Council. The Presiding Officer is the primary, but not the only, person responsible for ensuring that the City Council, staff, and members of the public adhere to these Protocols during City Council meetings. (Section 36802). The Chair of a City board or commission shall act as the Presiding Officer.
- 2.2. Mayor Pro Tem. The Mayor Pro Tem shall serve as the Presiding Officer in the absence of the Mayor. Absence shall be as defined by State law. Upon arrival of the Mayor, the Mayor Pro Tem shall immediately relinquish the role of Presiding Officer at the conclusion of the business then before Council. (Section 36802) The Vice Chair of a City board or commission shall act as the Presiding Officer in the absence of the Chair.
- 2.3. City Council. All members of the City Council shall comply with the Council Code of Conduct at meetings. Newly elected City Council members shall be sworn in and seated at the first regular City Council meeting after receipt of the certified election results from the County Registrar of Voters.
- 2.4. Sergeant-at-Arms. The Sergeant-at-Arms is the law enforcement official charged with maintaining security during meetings of the City Council. The Sergeant-at-Arms of the City Council shall be a police officer assigned by the Police Chief. There shall be at least one member-officer so assigned and present at each meeting of the full City Council. The officer shall maintain order and enforce the orders of the City Council and Presiding Officer.
- 2.5. City Manager. Pursuant to the Council-Manager form of government established by Chapter 2.08 of the Tracy Municipal Code, the City Manager sets the Council agenda and once published, may withdraw an item(s), unless the item has been placed on the agenda by the City Council pursuant to XXXX. ~~The City Manager may consult with the Mayor regarding the development of the agenda.~~
- 2.6. City Clerk. The City Clerk shall attend all meetings of the Council unless excused. The Deputy City Clerk shall attend Council meetings in the City Clerk's absence. The City Clerk shall record, prepare, and maintain the official records of the Council and perform other duties as directed by the City Manager. (Section 36804)
 - 2.6.1. Minutes. The City Clerk's office shall be responsible for the preparation and distribution of the Council minutes. The minutes shall include a public report on any action taken and the vote or abstention on such action of each Council Member present for the action. Unless a reading of the minutes is requested by a Council Member, the minutes may be approved as a Consent Calendar item.
 - 2.6.1.1. No minutes or written record of closed sessions of the City Council shall be kept, except as required by state law or as directed by the majority vote of

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the City Council. The Council shall report at a public meeting any action taken in closed session, as required by Section 54957.1.

- 2.6.1.2. The City Clerk shall include a report on posting of the agenda in the minutes.

2.6.2. Timekeeper. The City Clerk shall be the designated timekeeper at all City Council meetings and shall have the authority to interrupt speakers, whether members of the public or a City Council member, when their allotted speaking times have expired.

- 2.7. City Staff. City staff shall (a) prepare balanced staff reports and provide accompanying documents on all agenda items in accordance with the agenda preparation schedule; (b) be available for questions from the City Council in accordance with the Brown Act prior to and during meetings; and (c) respond to questions from the public during meetings only when requested to do so by the City Council or the City Manager.
- 2.8. City Attorney. The City Attorney shall attend all meetings of the Council unless excused. The Assistant City Attorney shall attend Council meetings in the City Attorney's absence. The City Attorney shall give opinionsadvicse, upon request from the City Council, either in writing or verbally, on questions of law. The City Attorney shall advise the Council at meetings on legal issues, including these Protocols. The City Attorney will shall serve as the Council's advisory Parliamentarian at City Council meetings, providing adviceopinon on any procedural issues related to these Protocols, the Brown Act and Rosenberg's Rules. disputes and ensuring the Council and members of the public follow applicable rules and procedures.

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Section 3 – Meeting Types

3. Council Meeting Types

3.1. Regular Meetings. Regular City Council meetings are held on the first and third Tuesdays of the month at 7:00 p.m. at City Hall Council Chambers, 333 Civic Center Plaza, Tracy, California 95376, unless otherwise noticed and as allowed under Section 54954. No meeting shall be held on a holiday as defined by Section 6700. (Section 36805)

3.2. Special Meetings. The City Manager, Mayor, or a majority of the members of the City Council may call a special meeting. (Section 54956). ~~The Only the~~ City Attorney is ~~also~~ authorized to ~~call a special meeting for the sole purpose of convening~~ a closed session, which shall be considered a special meeting and conducted in accordance with the Brown Act. ~~–~~(Section 36807)

3.3. Workshops. The purpose of a workshop is to inform the City Council of complex issues and provide an opportunity for the City Council to review documents and request additional information. However, no final City Council action shall be taken during the workshop on ~~workshop-agendized~~ items. Workshops are open to the public and ~~are shall~~ be conducted as public meetings for the purpose of in accordance with the Brown Act.

3.4. Closed Sessions.

3.4.1. The City Attorney shall convene a special closed session meeting under the following circumstances:

3.4.1.1. When requested by the City Manager to discuss a matter in closed session, and the City Attorney determines such a matter is permissible for discussion in closed session under the Brown Act;

3.4.1.2. When requested by the City Council, pursuant to Section 4.3, to discuss a matter in closed session, and the City Attorney determines such a matter is permissible for discussion in closed session under the Brown Act;

3.4.1.3. When the City Attorney deems it so necessary and determines a closed session is permissible under the Brown Act.

~~3.4.1.~~3.4.2. Closed sessions shall be held in accordance with the Brown Act. Non-agendized matters shall not be discussed in closed session. Closed sessions may precede or follow a City Council meeting.

~~3.4.2.~~3.4.3. All closed session information, verbal or written, is privileged and confidential and shall not be shared with any person not at the closed session. Any member sharing information in violation of this rule may be subject to censure by the City Council or other legal remedies as set forth in Section 54963.

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~~3.4.3.3.4.4.~~ 3.4.4.3.4.4. The public may speak regarding any closed session item prior to the closed session as required by the Brown Act.

~~3.4.4.3.4.5.~~ 3.4.4.3.4.5. The ~~Presiding Officer~~The City Attorney shall attend all closed sessions and shall report out in public session any reportable actions there taken by Council and the vote on such actions, in accordance with the Brown Act.

- 3.5. Teleconferenced Meetings. The City Council may hold a meeting by teleconference, meaning a meeting of the Council in which members are in different locations and connected by electronic means, through either audio or video, or both. Any teleconference meeting of the Council must ~~be comply~~comply with the requirements ~~under of Government~~ Section 54953 ~~and any other state applicable law adopted by the California Legislature~~, including but not limited to the requirement that all votes taken shall be by roll call.
- 3.6. Emergency Meetings. In the case of an emergency, as defined by Section 54956.5, ~~as may be amended from time to time~~, a majority of Council may call a meeting and dispense with the special meeting notice and posting requirements under the Brown Act. Any emergency meeting held shall comply with the applicable Brown Act provisions.
- 3.7. The City Clerk shall ensure that the applicable noticing and posting requirements under the Brown Act are followed for all meetings of the City Council and shall poll and confirm a quorum is available for all such meetings in advance of publication.

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Section 4 – Meeting Agendas

4. Meetings Agendas

4.1. Purpose of Agenda. The Council meeting agenda documents serve four purposes:

- To communicate and inform City Council, City staff, the public and the press about City business.
- To comply with mandated state laws.
- To facilitate the decision-making process by including sufficient background information so that the City Council can obtain a full understanding of the issues and staff's analysis and recommendation prior to their consideration and action.
- To serve as a historical reference that can be kept as a record of proceedings and actions as needed for future actions and/or litigation.

As set forth above, the purpose of the agenda is to provide a framework within which Council meetings can be conducted and to effectively implement the approved Council programs, goals and budget. The agenda shall contain a brief general description of each item of business to be transacted or discussed at the meeting.

4.2. Posting and Distribution of Agendas. At a minimum, the posting and distribution of all agendas shall be done in accordance with the Brown Act. Agendas for regular meetings shall be posted not less than 72 hours prior to the meeting (Section 54954.2(a)(1)); special meeting agendas shall be posted not less than 24 hours prior to the meeting (Section 54956).

4.2.1. All agendas shall be posted in the following locations: City Hall, the Tracy Library, the City's website, and other locations as may be required by the bylaws of a particular Board or Commission. Posting of agendas at City Hall shall be the official location for purposes of Brown Act compliance.

4.2.2. Agenda packets are provided electronically to City Council Members on the Thursday prior to a City Council meeting unless technical difficulties occur. If technical difficulties occur, the City Clerk will endeavor to provide Council with hard copies of the agenda as soon as reasonably possible. Distribution to the staff, public and media shall occur immediately after distribution to the City Council. Members of the public may sign up to receive notification that a Council meeting agenda has been posted on the City's website (www.cityoftracy.org). The City Clerk will mail copies of the agenda or particular agenda items to any person submitting a request. (Section 54954.1) Said requests will be valid for one year. Copies of the agenda, and of individual agenda items, are available at costs established in the City's Master Fee Schedule. Copies of the agenda are also available for inspection at the Tracy Library and City Clerk's office. Agendas for Council meetings are posted on the City's website (www.cityoftracy.org).

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4.3. Agenda Item Submission, Council Member Request for Agenda Items. Council Members may seek to have an item discussed by the City Council at a future meeting and shall follow the below processes to have an item placed on a future City Council agenda:

~~4.3.1. Council Member Request for Agenda Items. Council Members wishing to have a matter discussed by the City Council During "Council Items and Comments", a Council Member may make a motion, and seconded by a second Council Member, to request that to place an agenda item be placed on a future City Council agenda, and upon receiving a second to such motion, the City Manager shall place the item on a future agenda.~~

~~4.3.1.1. When the motion is made, the City Manager may provide information regarding current workloads, staffing and/or anticipated research that may affect the timing of completing the requested item, so as to establish more accurate and realistic expectations of when such item will be placed on a future City Council agenda.~~

~~4.3.1.2. If no discussion is had regarding the timing, the City Manager shall place the requested item on a future City Council agenda within a reasonable time.~~

~~4.3.1.3. The motion maker may include a specific meeting date on which the item must be brought to the City Council for consideration, and such date shall prevail, unless the City Manager provides information to explain that such date is not possible either due to current workloads, staffing and/or anticipated research. during a Council meeting, under "Council Items and Comments."~~

~~Council Member Request for Agenda Items. Council Members wishing to have a matter discussed by the City Council may request that it be placed on a future City Council agenda during a Council meeting, under "Council Items and Comments."~~

~~4.3.2. A Council Member may request a time sensitive item be placed on the next City Council agenda, may be requested by contacting the City Manager, or their designee, via telephone, email or in person. Upon the request of a Council Member, the item will be placed on a future the next City Council agenda as long as the motion maker obtains one other Council Member to second concurs with the request. In the interest of transparency and Brown Act compliance, the motion maker Council shall limit discussions, outside of City Council meetings, about requests to support agenda items to a maximum of two only one other Council Member to obtain support for a second to the motion s regarding the time-sensitive request.~~

~~4.3.2.1. For purposes of this section 4.3.2, "Time-sensitive" shall mean any agenda item that is considered urgent by the sponsor and that has a deadline for action that is prior to the next meeting of the City Council. All necessary information should be submitted to City Council for a valid Time-sensitive request.~~

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- 4.3.2.2. In the event of a time-sensitive request, the City Manager shall notify the rest of the City Council when two Council Members request an item to be placed on the agenda. The City Manager will ~~determine when to~~ place the item on the next City Council a future agenda, unless the City Manager has communicated to the two requesting Councilmembers that such timeframe is not possible based on current workloads, staffing and/or research. The City Manager shall consult and coordinate with the City Attorney on all time-sensitive matters.
- 4.3.1.1.4.3.2.3. ~~If the time-sensitive item is not able to be placed on the next City Council agenda, due to the information provided by the City Manager pursuant to Section 4.3.2.2, then the Council Member may place the item on a future City Council agenda pursuant to Section 4.3.1 based on time necessary to complete the research and staff workload considerations.~~
- 4.3.2.4.3.3. Other Public Agencies. Agenda items such as presentations and proposals from other public entities must be sponsored for agenda placement by two Council members or the City Manager.

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Section 5 –Conduct of Meetings

5. Conduct of Meetings

5.1. Order of Business. The suggested order of business of Council meetings shall be as follows. ~~However, the Mayor may reorder the items unless a majority of Council members object. The Mayor shall announce the reorder prior to calling members of the public to speak during the meeting open to the public.~~

1. Call to Order
2. Roll Call
3. Pledge of Allegiance
4. Invocation
5. Presentations/Proclamations and Awards
- 5.6. ~~Special Orders of the Business Day~~
- 6.7. Consent Calendar
- 7.8. Items from the Audience/Public Comment
- 8.9. Continued Public Hearings
- 9.10. Public Hearings
- 10.11. Regular Items
- 11.12. Items from the Audience/Public Comment
- 12.13. Staff Items
- 13.14. Council Items and Comments
- 14.15. Adjournment

5.2. Call to Order. The Presiding Officer shall take the chair at the hour appointed for the meeting and shall immediately call the meeting to order.

5.3. Roll Call. A majority of the members of the Council then in office shall constitute a quorum. (Section 36810)

5.4. Invocations. Any member of the public who wishes to offer an invocation prior to the opening of a regular Council meeting shall contact the City Clerk. The City Clerk shall select a mutually agreeable City Council meeting date for the invocation.

5.5. Presentations/Proclamations and Awards. This portion of the Agenda is dedicated for presentations, such as proclamations and awards, employee of the month recognitions, board and commission recognitions, and employee swearing-ins, and shall be limited to a 15-minute maximum period.

5.6. ~~Special Orders of the Business Day~~. The order of business shall be as set forth in the published agenda. However, the Mayor may reorder the agenda items unless a majority of Council members object, or a Council Member may request that the Mayor reorder agenda items. The Mayor, as the Presiding Officer, shall be the decision maker on the order of business, except that the Mayor's decision may be appealed by a Council Member and such appeal shall be decided upon by a majority vote of the City Council.- Upon a final determination that a reorder is occurring, tThe Mayor shall announce the reorder prior to calling members of the public to speak during the meeting open to the public. Any proceeding with the meeting. special items to be

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~~considered by City Council will be discussed during this agenda item. This may include a suspension of certain rules, a petitioner's request to withdraw an ordinance or resolution, or annual housekeeping items.~~

~~5.6-5.7.~~ 5.6-5.7. Consent Calendar. All items listed on the Consent Calendar are considered to be routine matters or consistent with previous City Council direction, such as resolutions confirming action from a previous meeting or the adoption of an ordinance previously introduced by Council. One motion, a second, and a roll call vote may enact the items listed on the Consent Calendar. No separate discussion of Consent Calendar items shall take place unless a member of the City Council, City staff or the public request discussion on a specific item.

~~5.7-5.8.~~ 5.7-5.8. Items from the Audience/Public Comment. It is the policy of the City Council that members of the public be allowed to address the Council on any item of interest to the public, before or during its consideration of that item, that is within the City Council's subject matter jurisdiction. (Section 54954.3(a)).

~~5.7.1-5.8.1.~~ 5.7.1-5.8.1. Agendas for regular meetings will have two opportunities for "Items from the Audience/Public Comment." (Section 54954.3(a)). In the interest of allowing the City Council to have adequate time to address the agenda items of business, the first public comment opportunity will be limited to a 15-minute maximum period. (Section 54954.3(b)). The second opportunity will not have a ~~maximum~~ time limit period. A five-minute ~~maximum~~ time limit per speaker will apply to all individuals speaking during the "Items from the Audience/Public Comment" portion of the agenda. ~~The City Clerk shall be the timekeeper.~~ Speakers may not concede any part of their allotted time to another speaker.

~~5.7.1.1-5.8.1.1.~~ 5.7.1.1-5.8.1.1. However, in the event there are 15 or more individuals wishing to speak regarding any agenda item including the "Items from the Audience/Public Comment" portion of the agenda and regular items, the maximum amount of time allowed per speaker will be three minutes.

~~5.7.2-5.8.2.~~ 5.7.2-5.8.2. Each speaker shall avoid repetition of the remarks of the prior speakers, and when speaking under a specific agenda item, shall speak only to that agenda item. To promote time efficiency and an orderly meeting, the Presiding Officer may request that a spokesperson be designated to represent similar views. A designated spokesperson shall have 10 minutes to speak.

~~5.7.3-5.8.3.~~ 5.7.3-5.8.3. Speaker Cards. To facilitate the orderly process of public comment and to assist the City Council to conduct its business as efficiently as possible, members of the public wishing to address the City Council are requested to, but not required to, hand a speaker card, which includes the speaker's name or other identifying designation and address, to the City Clerk prior to the agenda item being called. Generally, once the City Council begins its consideration of an item, no more speaker cards will be accepted. An individual's failure to present a speaker card or state their name shall not preclude the individual from addressing the City Council. (Section 54953.3)

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5.8-5.9. Public Hearings. Public hearings are required for a variety of City Council actions such as changes to the Tracy Municipal Code, zoning revisions, some annexations, street vacations, weed abatement, liens, fee increases, etc. Whenever the law provides that publication of a notice shall be made, such notice shall be published in a newspaper of general circulation for the period prescribed, the number of times, and in the manner required. Each speaker will be allowed a maximum of five minutes for public input or testimony. However, in the event there are 15 or more individuals wishing to speak regarding a public hearing item, the maximum amount of time allowed per speaker will be three minutes. ~~The City Clerk shall be the timekeeper.~~

5.8-1-5.9.1. Public Hearings for Land Use and Other Matters. The Presiding Officer may designate individuals as the “Proponent/Appellant” or “Opponent” and provide each with additional time for comments and the opportunity to present a rebuttal.

5.9-5.10. Regular Items. This portion of the Agenda is for non-public hearing agenda items that require Council action or direction such as status or informational reports from staff and Council requests for agenda items.

5.10-5.11. Staff Items. This portion of the agenda provides an opportunity for the City Manager, City Attorney, and City staff to provide information of community interest to the City Council.

5.12. Council Items and Comments. This portion of the agenda is for each member of the City Council to provide brief reports on any intergovernmental agency meetings, conferences, community meetings, meetings of other legislative bodies, or other events of interest to the community that they attended, as well as meetings attended at the City’s expense. This portion of the agenda is also for the City Council to provide guidance and direction to staff concerning items to be included on future agendas and information to be provided in response to questions raised during “Items from the Audience/Public Comment.”

5.10-1-5.12.1. Under this portion of the agenda, two Council members may request staff to provide information, perform studies, or undertake other action. If the requested action is routine in nature, the City Manager will direct staff to proceed. However, if the request cannot be accomplished within the approved budget or City Council priorities, or if it will involve substantial staff resources, the City Manager will report to the City Council at a subsequent City Council meeting and request further direction. At that time, the consensus of a majority of the City Council will be required to proceed.

5.10-2-5.12.2. Agendas for regular and special meetings of the Council shall include a “Council Items and Comments” section. (Resolution No. 2021-049)

5.11-5.13. Adjournment. If a City Council meeting is still in session at 11:00 p.m., the Presiding Officer shall ask the question of whether the City Council desires to consider any new items after 11:00 p.m. The City Council shall determine, by motion, which

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specific items will be considered or continued. The City Manager shall inform the City Council of any time sensitive items. Any item continued due to the lateness of the hour shall automatically be placed on the agenda for the next regularly scheduled City Council meeting unless otherwise scheduled by motion action of a majority of the City Council.

5.12-5.14. Non-Agendized Items. The Brown Act prohibits the City Council from discussing or acting upon any non-agendized matter, unless an exception under Section 54954.2 applies. For non-agendized items, City Council members may briefly respond to statements made or questions posed by individuals during public comment; ask questions for clarification; direct the individual to the appropriate staff person; or request that the matter be placed on a future agenda or that staff provide additional information to the City Council. However, items may be added to the agenda (such as emergency matters) as permitted in the Brown Act. Brief announcements, brief responses, or questions seeking clarifications, may be made to statements or questions raised on items not on the agenda (Section 54954.2(a)(3)). Action on any item not on the agenda shall be deferred until the item is properly listed on the agenda for a subsequent City Council meeting unless added due to an immediate need if permitted under state law.

5.13-5.15. Voting Requirements. All ordinances, resolutions, and orders for payment of money require a majority vote of the total membership of the City Council in accordance with Section 36939, unless otherwise required by state law.

5.13.1-5.15.1. It is a best practice that all City Council members vote on every item of business unless prevented from doing so by virtue of an actual or potential conflict of law or other valid abstention under applicable laws. City Council Members are encouraged to disclose the reason for that abstention prior to the City Council engaging in discussion on that item.

5.14-5.16. Parliamentary Procedures. City Council meetings shall be conducted in accordance with the Rosenberg's Rules of Order: Simple Parliamentary Procedures for the 21st Century unless otherwise specified herein. (Appendix A - Rosenberg's Rules of Order, Revised 2011, as may be amended). City Boards and Commissions may use Rosenberg's Rules of Order or any other informal meeting protocols or parliamentary procedures to conduct their meetings. (Resolution No. 2021-049)

5.14.1-5.16.1. Time Limit for City Council Discussion and Debate. Each City Council Member shall have an aggregate maximum of five minutes to speak during each City Council discussion item and debate of a motion. (Resolution No. 2021-049)
~~The City Clerk shall be the timekeeper for all Council discussions.~~

5.14.2-5.16.2. Point of Order. Any City Council member may ask for a point of order, at which time the Presiding Officer will ask for an explanation. Points of order relate to matters that a City Council member considers inappropriate conduct for the meeting, such as the failure to adhere to these Protocols. The Presiding Officer shall rule on the matter. Any member can move to appeal the Presiding Officer's

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ruling, with a second from another Council member. Following debate, the ruling of the Presiding Officer may be reversed by a majority vote.

~~5.15.5.17.~~ Written Communications from the City and the Public. The City Clerk shall manage communications to members regarding meeting topics to ensure compliance with the Brown Act.

~~5.15.1.5.17.1.~~ Except for records exempt from disclosure under the California Public Records Act and otherwise by law, agendas or any other writings distributed to all or a majority of the members of a legislative body for discussion or consideration at a public meeting are disclosable to the public, and shall be made available upon request without delay.

~~5.15.2.5.17.2.~~ Materials distributed to the members during the meeting shall be available for viewing by the public during the meeting if the materials were prepared by the City or a City Council member, or posted on the City's website within 48 hours the conclusion of the meeting if prepared by another person.

~~5.16.5.18.~~ Written Materials after the City Council Agenda has been Distributed. On occasion, the City Council may receive, from members of the public, written materials either after the Agenda has been posted or at a City Council meeting. These written materials are typically related to an agendized item or handed out during "Items from the Audience/Public Comment." Upon the City Council receiving these written materials, they become a public record. For materials related to an agendized item, a copies will be kept on file at the City Clerk's Office and will typically be posted on the City's website under "Materials Distributed at Council Meetings" 48 hours after the City Council meeting.

~~5.16.1.5.18.1.~~ For agendized items, staff may distribute materials to the City Council after the agenda has been published, only in compliance with the Brown Act. Any such materials about an agendized item that are received less than 72 hours before a Council meeting that are distributed to a majority of Council will be made available at the City Council meeting for the public to review.

~~5.16.2.5.18.2.~~ Interested parties or their authorized representatives may address the Council by written communications regarding agenda items.

~~5.16.2.1.5.18.2.1.~~ Documents (6 copies are recommended) that members of the public submit to the City Council at the meeting shall be given directly to the City Clerk for distribution and shall not be given directly to the City Council. The documents will be available to the public on the City's website within 48 hours of the conclusion of the meeting.

~~5.17.5.19.~~ Compliance with the Americans with Disabilities Act (ADA). The City of Tracy is in compliance with the Americans with Disabilities Act and will make all reasonable accommodations for the disabled. To allow for such reasonable accommodations, persons requiring assistance or auxiliary aids to participate at a City Council meeting,

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should contact the City Clerk's Office at (209) 831-6105 at least 24 hours prior to the meeting.

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Section 6 – Conduct of the Public

6. Conduct of the Public

- 6.1. Purpose of Public Comment. The City, in accordance with the Brown Act, provides the public the opportunity to address the City Council body as a whole and express their opinions regarding agenda items and non-agenda matters within the subject matter jurisdiction of the City Council. (Section 54954.3) Items are generally considered to be within the City Council's subject matter jurisdiction if they are within the City Council's scope of influence.
 - 6.1.1. Nothing in these Protocols shall be construed as prohibiting public criticism of the City's policies, procedures, programs or services, or the acts or omissions of the City Council. However, these Protocols are not intended to confer any privilege or protection for expression beyond that otherwise provided by law. (Section 54954.3(c)).
 - 6.1.2. Public comments should not be addressed to individual City Council members nor City staff, but rather to the City Council as a whole.
 - 6.1.3. While members of the public may speak their opinions on City business, personal attacks on members and City officials, use of swear words, and verbal or non-verbal signs or displays of disrespect for individuals are discouraged as they impede good communication with the City Council.
 - 6.1.4. Consistent with the Brown Act, the City Council is limited in its ability to respond to public comments regarding non-agenda matters. ~~The limited circumstances under which members may respond to public comments are set out in Rule 5.13.~~
- 6.2. In the interest of conducting an efficient meeting, the Presiding Officer may stop a member of the public whose comments are not confined to the agenda item being heard. In addition, during the "Items from the Audience/Public Comment" portion of the agenda, the Presiding Officer may stop a member of the public whose comments are not within the subject matter jurisdiction of the City.
- 6.3. Rules of Decorum. While the City Council is in session, no person in the audience at a City Council meeting shall engage in conduct that disrupts the orderly conduct of a Council meeting, including, but not limited to, the utterance of loud, threatening or abusive language, refusing to abide speaker time limits and leave the podium when directed; whistling, ~~clapping~~, stamping of feet, yelling or shouting or interrupting a speaker who is addressing the City Council; repeated waving of arms; or other disruptive acts. Clapping at any time during a City Council meeting, except during the "Presentations/Proclamations and Awards" portion of the meeting, shall be considered a disruption.
- 6.4. Any person who disrupts the orderly course of the meeting may be issued a criminal citation pursuant to Penal Code section 403 and/or called out of order by the Presiding

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Officer and barred from further participation during that session of the City Council in accordance with the Brown Act.

6.4.1. All persons attending a Council meeting shall obey any lawful order or direction of the Presiding Officer or Sergeant-at-Arms.

6.4.2. The Sergeant-at-arms shall assist the Presiding Officer in enforcing these rules of decorum at City Council meetings, including but not limited, removing disruptive audience members. Additionally, any City Council member may at any time call for a point of order, to request the timely enforcement of these rules of decorum.

6.5. Location of Speaker. Members of the public wishing to address the City Council must approach the podium when recognized by the Presiding Officer and shall speak only from the podium.

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Section 7 – Miscellaneous

7. Miscellaneous

- 7.1. Conflicts of Interests. It is the responsibility of every Council member to disclose conflicts of interest on agendized items, in accordance with Sstate and local conflict of interest laws.
- 7.2. Proclamations. The Mayor issues proclamations to provide special recognition by the City to an individual, event, issue etc. Proclamations are not statements of policy and do not require the official approval or action of the City Council.
- 7.3. Broadcasting of Council Meetings. Generally, City Council meetings are broadcast live on Channel 26 and the City's website (www.cityoftracy.org), unless technical difficulties make that infeasible. Reruns of the preceding City Council meeting are shown every Wednesday at 8:00 p.m., every Thursday at 10:00 a.m., and every Saturday at 9:00 a.m. on Channel 26.
 - 7.3.1. Recordings of City Council meetings shall be accessible on the City's website (www.cityoftracy.org) by the end of the following business day. DVD recordings of Council meetings are available at costs established in the City's Master Fee Schedule.

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Appendices

- A. Rosenberg's Rules of Order, revised 2011, Simple Rules of Parliamentary Procedure for the 21st Century. Judge Dave Rosenberg

CITY ATTORNEY'S OFFICE

TRACY CITY COUNCIL

RESOLUTION NO. _____

ADOPTING AMENDMENTS TO THE CITY COUNCIL'S A) CODE OF CONDUCT AND B) MEETING PROTOCOLS AND RULES OF PROCEDURES

WHEREAS, Pursuant to best practices (and in accordance with authority granted by California Government Code section 36813), legislative bodies often adopt policies governing the roles and responsibilities of such bodies as well as norms and behaviors expected of the members; and

WHEREAS, In June 2019, the San Joaquin County Civil Grand Jury issued a report on its investigation of the Tracy City Council and recommended the City Council adopt an ethics policy to guide its conduct; and

WHEREAS, On July 16, 2019, the City Council unanimously agreed to develop and adopt an ethics/code of conduct policy, and subsequently, on October 15, 2019, the Council adopted the City Council's Code of Conduct (Code); and

WHEREAS, On November 5, 2019, the City Council replaced older meeting protocol rules with the new Meeting Protocols and Rules of Procedure (Protocols); and

WHEREAS, Both the Code and the Protocols state that they should be reviewed and revised by the City Council by December 31st of every odd year; and

WHEREAS, At its annual retreat on February 4-5, 2023, the City Council began a discussion of issues and observations that have been made by the City Management team, City Attorney and Councilmembers regarding the Code and the Protocols; and

WHEREAS, On February 28, 2023, the City Council continued the discussion in a workshop, in which the Acting City Manager, Assistant City Manager, and City Attorney provided specific recommendations for the City Council's consideration; and

WHEREAS, Based on the direction given by the City Councilmembers, the City Attorney is proposing that the City Council adopt the amended Code of Conduct, reflected in **Attachment A**, and the amended Council Meeting Protocols and Rules of Procedure, reflected in **Attachment B**; and

WHEREAS, The amendments reflect general cleanups and clarifications to existing language; and

WHEREAS, The amendments also remove any overlapping language in the two documents, add clarifications to existing processes, and document compliance with laws; and

WHEREAS, The City Attorney worked closely with the previous Acting City Manager and the Assistant City Manager in developing the proposed amendments, to timely respond to the City Council's direction; now, therefore, be it

RESOLVED: That the City Council of the City of Tracy hereby adopts the amendments to the Code of Conduct, as reflected in **Attachment A**; and

FURTHER RESOLVED: That the City Council hereby adopts the amendments to the Meeting Protocols and Rules of Procedure, as reflected in **Attachment B**; and be it

FURTHER RESOLVED: That the City Council hereby directs the City Manager to implement the amended Code and Protocols, as of the date of this Resolution; and be it

FURTHER RESOLVED: In the event of ambiguity on any terms of the amended Code or Protocols, the City Manager shall consult with and obtain from the City Attorney a determination; and be it

FURTHER RESOLVED, That the actions taken herein do not constitute a "project" under the California Environmental Quality Act.

* * * * *

The foregoing Resolution 2023-_____ was adopted by the Tracy City Council on June 6, 2023 by the following vote:

AYES: COUNCIL MEMBERS:
NOES: COUNCIL MEMBERS:
ABSENT: COUNCIL MEMBERS:
ABSTENTION: COUNCIL MEMBERS:

NANCY D. YOUNG
Mayor of the City of Tracy, California

ATTEST: _____
ADRIANNE RICHARDSON
City Clerk and Clerk of the Council of the
City of Tracy, California

ATTACHMENTS

Attachment A – Code of Conduct
Attachment B - Meeting Protocols and Rules of Procedure



CITY COUNCIL CODE OF CONDUCT

Adopted on October 15, 2019 by Resolution No. 2019-203

Amended on July 21, 2020 by Resolution No. 2020-133

Amended on February 16, 2021 by Resolution No. 2021-017

Amended on October 19, 2021 by Resolution No. 2021-146

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ATTACHMENT 1 - City Council Code of Conduct Norms and Values Statement

ATTACHMENT 2- Council Advisory Body Norms and Values Statement

ATTACHMENT 3 - Code of Fair Campaign Practices

CHAPTER 1 FORM OF GOVERNMENT

1.1 Preamble

The legal responsibilities of the Tracy City Council are set forth by applicable state and federal laws. In addition, the City Council has adopted regulations, including this Code of Conduct Policy, that hold Council Members to standards of conduct above and beyond what is required by law. This Policy is written with the assumption that Council Members, through training, are aware of their legal and ethical responsibilities as elected officials.

1.2 Form of Government

The City of Tracy operates under a Council-Manager form of government as prescribed by the Tracy Municipal Code ("TMC"). Accordingly, the Mayor and members of the Council are elected at-large, provide legislative direction, set City policy, and ultimately answer to the public.

1.3 City Manager Appointment, Power and Duties

The City Manager is appointed by a majority vote of the Council and serves as the City's chief administrative officer and is responsible for directing the day-to-day operations of the City and implementing policy direction per Section 2.08.060 of the TMC (attached). Specifically, Section 2.08.070 of the TMC prohibits interference by either the City Council or any of its members with the City Manager's execution of their powers or duties:

- Neither the City Council, as a body, nor a member shall interfere with the appointment by the City Manager of any of the department heads or any person to any office or employment.
- Additionally, neither the City Council, as a body, nor any of its members shall interfere with the City Manager's power to remove any of those persons.
- Neither the Council nor any of its members shall give orders to any subordinate of the City Manager, either publicly or privately.
- The City Manager and his/her senior staff shall conduct themselves in accordance with the International City Management Association (ICMA) Code of Ethics.

The City Council and its members shall deal only with the City Manager with respect to the administrative services or operational matters of the City.

1.4 City Attorney Appointment and Responsibilities

The City Attorney is appointed by a majority vote of the City Council, per Section 12.08.40, and serves as the City's sole legal counsel. The City Manager shall coordinate with and receive input from the City Attorney on all administrative, policy and operational matters that have or may have legal implications to the City. Without limiting the foregoing, the City Attorney shall have the following powers and duties:

- Neither the City Council, as a body, nor any of its members shall interfere with the administration of the City Attorney's Office or give orders to the subordinates of the City Attorney.
- The City Attorney shall serve as the legal counsel to the City Council and its standing committees, Planning Commission, City Manager, and all City staff pertaining to City matters.
- The City Attorney shall review and approve all ordinances, resolutions, and related staff reports for the City Council, its standing committees, and boards and commissions conducting meetings under the Brown Act.
- The City Attorney shall review and approve, as to form and legality, all contracts, agreements, bonds, and other legal documents related to the conduct of the City's affairs.
- The City Attorney shall interpret and opine on the implementation of the Tracy Municipal Code on behalf of the City and shall prosecute violations of the Tracy Municipal Code in Superior Court.
- The City Attorney may engage outside counsel to implement the functions of the City Attorney's Office, and no other City official, including the City Manager, City Council member or staff may independently engage outside counsel on City-related matters.
- The City Attorney and his/her senior staff shall, at all times, conduct themselves in accordance with the California Rules of Professional Conduct, established by the California State Bar, and the Ethical Principles for City Attorneys, adopted by the League of California Cities' City Attorneys Department.

CHAPTER 2 COUNCIL POWERS AND RESPONSIBILITIES

2.1 City Council Generally

- 2.1.1 The City Council has the power, in the name of the City, to do and perform all acts and things appropriate to a municipal entity and the general welfare of its inhabitants, which are not specifically prohibited by the constitution, and/or State or Federal laws.
- 2.1.2 The Council acts as a body. Council policy and directives are established by majority vote, and a decision of the majority binds the Council to a course of action, unless otherwise required by State law.
- 2.1.3 No Council Member has extraordinary powers beyond those of other members (except as may otherwise be provided in State law). All members, including the Mayor, have equal powers.
- 2.1.4 No member of the Council is permitted to hold any other City office or City employment.
- 2.1.5 Council Members are appointed by the Council body to serve on various boards or committees, including Council standing and ad hoc committees, and third agency member boards and committees.

2.2 Mayor and Mayor Pro Tem - Appointment, Power, and Duties

- 2.2.1 The Mayor is directly elected by the voters to serve a two-year term. The selection of the Mayor occurs every two years in December after the City receives the certified results from the County Registrar of Voters electing a Mayor.
- 2.2.2 A Mayor Pro Tem is appointed for a one year term, by a majority vote of the City Council, and can be replaced at any time, by a majority vote of the City Council.

2.2.3 The Mayor is the official head of the City for all ceremonial purposes.

2.2.4 Per the Government Code, the Mayor, with the “approval” of the City Council, shall (a) execute official documents (Section 40602b) and (b) make appointments to city boards, commissions, and committees unless otherwise specifically provided by statute (Section 40605). Approval shall be deemed to be a majority vote of the City Council, unless a super majority is required by State law for any specific action.

2.2.5 The Mayor is authorized to send letters stating the City's official position to appropriate legislators as long as it is consistent with the City Council's Legislative Policy.

2.2.6 The Mayor may perform other duties consistent with the mayoral office as prescribed by the Tracy Municipal Code, California Government Code, or as determined by a majority vote of the City Council.

2.2.7 The Mayor does not possess any power of veto.

2.3 Council Member Subject Matter Committees

2.3.1 The City Council may organize itself into standing and/or special/ ad hoc subcommittees to facilitate Council review of policy matters and action.

2.3.2 The City Council may create or dissolve standing and/or special/ad hoc sub committees at any time by an affirmative vote of a majority of the City Council. The City Council will endeavor to rotate appointments to standing and ad hoc standing committees to ensure equitable participation.

2.3.3 The City Council, by a majority vote, appoints and removes members to standing and ad hoc committees annually

2.3.4 The Council also appoints and removes Council Members to third member agencies by a majority, annually

- 2.3.5 It is a best practice for non-appointed Council Members not to attend Council standing Committees to avoid the appearance of impropriety and maintain compliance with the Brown Act.

2.4 Action by Subject Matter Committees

The assigned subject matter Committee shall have initial jurisdiction over any item assigned to it by the City Council as well as any items being advanced by the City Manager that implement or relate to the overall jurisdictional purpose of such Committee and may take any of the following actions with respect to the assigned item.

The Committee may, by a vote of the consensus, decide to postpone, continue, or table an item on the agenda. On any item on an agenda, the Committee may allow for an informational presentation by City staff relating to the item. With respect to an action item, and after discussion and consideration of the item, the Committee may take one of the following actions:

- 2.4.1 Vote by consensus to approve the recommendation of staff or the originator of the proposed action item and forward the recommendation onto the full Council. The Committee may, as a condition of approval, request additional information to be presented for consideration when the full Council hears the item.
- 2.4.2 Fail to approve any recommended action, in which case the item shall not be forwarded to the full City Council; provided that the City Council shall have jurisdiction to place the item on the agenda for a future City Council meeting, in accordance with the requirements of the Meeting Protocols for agenda setting, if no action was taken on the item due to any one of the following reasons
- Due to the cancellation of a Committee meeting or
 - Due to lack of a quorum, or
 - the Committee was not able to approve any recommended action
- 2.4.3 Propose by a consensus vote of those present one or more alternative recommendation(s) be forwarded to the full City Council for consideration and final action. The Committee may request additional information to be presented for consideration when the full Council hears the item.
- 2.4.4 Reject, by a consensus vote, jurisdiction over the action item and refer the action item back to the City Council with a recommendation for reassignment to another appropriate subject-matter committee.
- 2.4.5 Request, by consensus vote, additional, specified information from staff or the

originator of the proposed action item. The action item may be continued or rescheduled for further consideration at the soonest feasible date available, allowing time for appropriate notice pursuant to the Meeting Protocols and the Brown Act.

2.4.6 With respect to an informational item, following discussion and consideration, a Committee shall take one of the following actions:

- Receive the informational report, by consensus vote, without forwarding the report to the full City Council;
- Receive the informational report and forward the report onto the full City Council, by consensus vote;
- Request, by consensus vote, from staff or the originator of the proposed informational item. The item may be continued or rescheduled for further consideration at the soonest feasible date available, allowing time for appropriate notice pursuant to the Meeting Protocols.

CHAPTER 3

LEGAL AND ETHICAL STANDARDS

3.1 Preamble

The residents and businesses of Tracy are entitled to have fair, ethical, and accountable local government. Such a government requires that public officials:

- Comply with both the letter and the spirit of the laws and policies affecting operations of the government;
- Be independent, impartial, and fair in their judgment and actions;
- Use their public office for the public good, not for personal gain; and
- Conduct public deliberations and processes openly, unless legally confidential, in an atmosphere of respect and civility.

To this end, the Tracy City Council has adopted this Code of Conduct and the Norms and Values Statement (Attachment) to encourage public confidence in the integrity of local government and its fair and effective operation.

3.2 Public Interest

3.2.1 Recognizing that stewardship of the public interest must be their primary concern, City Council Members shall work for the common good of the people of Tracy and not for any private or personal interest. City Council Members must endeavor to treat all members of the public and issues before them in a fair and equitable manner.

3.2.2 City Council Members shall comply with the laws of the nation, the State of California, and the City in the performance of their public duties. These laws include, but are not limited to: the United States and California constitutions; the Tracy Municipal Code; laws pertaining to conflicts of interest, election campaigns, financial disclosures, employer responsibilities, and open processes of government; and City ordinances and policies.

3.3 Conduct

- 3.3.1 City Council Members shall refrain from abusive conduct, personal charges, or verbal attacks upon the character or motives of other members of the City Council, boards, commissions, committees, staff, or the public.
- 3.3.2 City Council Member duties shall be performed in accordance with these Rules of Conduct and Council Meeting Protocols and Rules of Procedures established by the City Council as well as the Tracy Municipal Code and State law.
- 3.3.3 City Council Members shall inform themselves on public issues, listen attentively to public discussions before the body, and focus on the business at hand.
- 3.3.4 City Council decisions shall be based upon the merits and substance of the matter at hand.
- 3.3.5 It is the responsibility of City Council Members to publicly share substantive information that is relevant to a matter under consideration that they have received from sources outside of the public decision-making process with all other City Council Members and the public prior to taking action on the matter.
- 3.3.6 City Council Members shall not attend internal staff meetings or meetings between City staff and third parties unless authorized by the City Manager.
- 3.3.7 Policy Role
 - 3.3.7.1 City Council Members shall respect and adhere to the Council- Manager structure of the Tracy City government as provided in State law and Tracy Municipal Code.

3.3.7.2 City Council Members shall support the maintenance of a positive and constructive environment for residents, businesses, and City employees.

3.3.8 Campaign Activities. The Tracy City Council strongly encourages its members and City Board and Commission members to abide by the highest ethical standards and best practices relating to campaign activities to ensure that City elections promote decency, honesty and fair play. To that end, all candidates seeking elected office within the City of Tracy, including their official campaign representatives, are urged and encouraged to sign and comply with the Code of Fair Campaign Practices. (Attachment 3) A candidate's signed Code of Fair Campaign Practices shall be posted on the City's Elections Document webpage within three (3) business days of execution. (Reso No. 2021-017)

3.3.8.1 City staff shall send a copy of all notices (e.g. emails) sent to candidates relating to non-compliance with the TMC election sign restrictions to the entire City Council and all other candidates. (Reso No. 2021-017)

3.3.9 Implementation

3.3.9.1 This Code of Conduct shall be included in the regular orientations for City Council candidates. Current Council Members, including those entering office upon election shall sign a City Council Norms and Values Statement (**Attachment 1**) affirming they have read and understand this Tracy City Council Code of Conduct.

3.4 Conflict of Interest

3.4.1 In order to assure their independence and impartiality on behalf of the public good, City Council Members are prohibited from using their official positions to influence government decisions in which they have a financial interest or where they have an organizational responsibility or a personal relationship that would present a conflict of interest under applicable State law.

3.4.2 In accordance with State law, City Council Members must file an annual written disclosure (Form 700) of their economic interests.

- 3.4.3 City Council Members shall not take advantage of services or opportunities for personal gain by virtue of their public office that are not available to the public in general.
- 3.4.4 City Council Members shall respect and preserve the confidentiality of information provided to them concerning the confidential matters of the City. They must neither disclose confidential information without proper legal authorization nor use such information to advance the personal, financial, or private interests of themselves or others.
- 3.4.5 City Council Members should avoid any action that could be construed as, or create the appearance of, using public office for personal gain, including use of City stationery or other City resources to obtain or promote personal business or political campaigns.
- 3.4.6 Public resources not available to the general public (e.g., City staff time, equipment, supplies, or facilities) shall not be used by City Council Members for private gain and, personal and political purposes.
- 3.4.6.1 A mass communication using City resources shall not be sent within the 60 days preceding an election that feature a currently elected or appointed official of the City of Tracy whose name will appear on the ballot at that election. When no currently elected or appointed official is otherwise designated during the 60 days preceding an election, communication of official matters shall be made by the City Manager or designee.
- 3.4.7 In keeping with their role as stewards of the public interest, City Council Members shall not appear on behalf of the private interests of a third party before the City Council or any board, commission, or committee or proceeding of the City, except as permitted by law.
- 3.4.8 To the best of their ability, City Council Members shall represent the official policies and positions of the City Council as a body. When presenting their personal opinions or positions publicly, members shall explicitly state they do not represent the City Council or the City.
- 3.4.9 When serving on external boards, commissions, subcommittees, or Joint Powers of Authorities, City Council representatives must first obtain policy direction from the City Council on any fiscal matter that exceeds

previously allocated budget(s), prior to actions of such external board's, committees or authorities obligating the City.

3.4.10 Tracy City Municipal Code Provisions

3.4.10.1 Financial Interests in City Contracts Prohibited.

Section 2.04.050 of the Municipal Code prohibits members of the City Council, appointed employees, the City Treasurer and members of City boards and commissions during their term of office, to contract or subcontract with the City.

Section 2.04.050 also requires a City Council Member to recuse (as defined by the Fair Political Practices Commission) themselves from any vote regarding any Memorandum of Understanding between the City and any lawfully recognized bargaining unit in which a City Council member has an immediate family member. "Immediate family member" is defined as "any and/or all spouses, partners or adult children, whether they live in a single household or not" under this section of the TMC.

3.4.10.2 Nepotism.

The City of Tracy's Nepotism Policy prohibits the initial appointment of an individual to a position within the City of Tracy who has a marital or familial relationship, as defined in Section 4 of the Policy, with any member the City Council, City Manager, or City Attorney.

3.4.10.3 Use of City Property for Private Purposes by City Official/ Employee.

The use for private gain or advantage of City time, facilities, equipment and supplies, prestige, influence, or information obtained through one's City office or employment. No City-owned facilities, equipment or supplies, including autos, trucks, instruments, tools, supplies, machines, badges, identification cards, or other items which are the property of

the City shall be used by an employee for personal or non-City business reasons except upon prior written approval of the City Manager. (City Personnel Rule 9.2 (d))

3.4.10.4 Political Activities Prohibited; Discrimination.

For informational purposes, the following provisions apply to City and contract employees and consultants:

1. No employee shall, while in uniform or during the employee's working hours, take an active part in any municipal or other political campaign.
2. No employee shall, while in uniform or during the employee's work hours, seek or accept contributions for or against a candidate or issue.
3. An employee may not seek or accept signatures to any petition for or against any such candidate or issue during their work hours.
4. No person in the classified service shall be employed, promoted, demoted, or discharged or in any way favored or discriminated against because of political opinions or affiliations or on any other basis protected by state and/or federal law.

3.4.11 California State Law Regarding Conflicts

While not enforceable by the City, there are four key areas of California State law that regulate the ethics of public officials.

3.4.11.1 Constitutional prohibitions

State law strictly forbids elected and appointed public

officials from accepting free or discounted travel from transportation companies. The penalty for a violation includes the forfeiture of office.

3.4.11.2 Contractual conflicts of interest

This prohibition, found in Government Code Section 1090, applies to elected and appointed officials as well as other City staff members. It prohibits the City from entering into a contract if one of its members (i.e., a Council Member) is financially interested in the contract. If the bar (or prohibition) applies, the agency is prohibited from entering into the contract whether or not the official with the conflict participates or not. In some limited circumstances, officials are allowed to disqualify themselves from participation and the agency may enter into the contract.

Financial interest has been defined to include employment, stock/ ownership interests, and certain membership on the board of directors of a for-profit or nonprofit corporation, among others. Violations can be charged as a felony. A person convicted of violating Section 1090 is prohibited from ever holding public office in the State.

3.4.11.3 Political Reform Act - Conflicts of Interest

The Political Reform Act (PRA) was adopted by the voters in 1974 and is the primary expression of the law relative to conflicts of interest (and campaign finance) in California. The Act created the Fair Political Practices Commission (FPPC), a five-member State board which administers the Act.

The Act and the regulations are complex and are continuously subjected to official interpretation. The following synopsis of key parts of the Act will be helpful in spotting issues; however, the FPPC and/or City Attorney should be consulted for further advice and clarification.

With respect to conflicts of interest, the FPPC has promulgated a regulation which establishes an analysis which assists in determining whether a public official is participating in a government decision in which they have a qualifying financial interest and whether it is reasonably foreseeable that the decision will have a material financial effect on the public official's financial interest, which is distinguishable from the effect the decision will have on the public generally.

3.4.11.3.1 Political Reform Act-Enforcement

The FPPC can assess administrative fines and penalties for violation of the Act. The District Attorney and the State Attorney General may prosecute violators as civil or criminal matters. Violators may also be removed from office pursuant to Government Code Section 3060.

3.4.11.4 Common Law Conflicts of Interest

This is the judicial expression of the public policy against public officials using their official position for private benefit. An elected official bears a fiduciary duty to exercise the powers of office for the benefit of the public and is not permitted to use those powers or their office for the benefit of any private interest. This common law doctrine continues to survive the adoption of various statutory expressions of conflict law.

3.4.11.5 Appearance of Impropriety

When participation in action or decision-making as a public official does not implicate the specific statutory criteria for conflicts of interest; however, participation still does not "look" or "feel" right, that public official has probably encountered the appearance of impropriety.

For the public to have faith and confidence that government authority will be implemented in an even-handed and ethical manner, public officials may need to step aside even though no technical conflict exists. An example is where a long-term nonfinancial affiliation exists between the public official and an applicant or the applicant is related by blood or marriage to the official. For the good of the community, members who encounter the appearance of impropriety should step aside.

3.5 AB 1234-Required Ethics Training

AB 1234 requires elected or appointed officials who are compensated for their service or reimbursed for their expenses to take two hours of training in ethics principles and laws every two years. Those who enter office after January 1, 2006 must receive the training within a year of starting their service. They must then receive the training every two years after that.

The training must cover general ethics principles relating to public service and ethics laws including:

- Laws relating to personal financial gain by public officials (including bribery and conflict of interest laws);
- Laws relating to office-holder perks, including gifts and travel restrictions, personal and political use of public resources, and prohibitions against gifts of public funds;
- Governmental transparency laws, including financial disclosure requirements and open government laws (the Brown Act and Public Records Act); Laws relating to fair processes, including fair contracting requirements, common law bias requirements, and due process

NOTE: State laws governing conflicts of interest are written to ensure that actions are taken in the public interest. These laws are very complex. Council Members should consult with the City Attorney, their own attorney, or the Fair Political Practices Commission for guidance in advance.

3.6 Code of Conduct Compliance and Enforcement

Consistent with this oath is the requirement of this Council policy to comply with the laws as well as report violations of the laws and policy of which they become aware.

- 3.6.1 A request for censure of a member of the City Council may be submitted to the City Attorney by any member of the Council ("Initiating Member"), with the support of another Council member ("Seconding Member"). Censure is a formal statement or resolution by the Council officially reprimanding a City Council Member for conduct that may include sanctions. It is the intent of the City Council that a request for censure be used only for significant and/or repeated violations of this Code of Conduct and not a means to address politically or personally motivated disagreements amongst City Council Members.

The request shall contain the specific charges on which the proposed censure is based. The City Attorney shall deliver a copy of the request for censure and the charges to each member of the City Council at least 72 hours after receipt of the request. The request for censure shall first be considered by a neutral mediator selected by the Presiding Judge of the Superior Court of California of the County of San Joaquin. The neutral mediator shall conduct an investigation and prepare a written analysis of the allegation and their preliminary findings and recommendation. Said investigation shall, at a minimum, include interviews with the Initiating Member and the City Council Member who is the subject of the request. The neutral mediator's recommendation shall be to: (a) set the matter for a censure hearing and whether censure is warranted or (b) no further action should be taken with respect to the request. The neutral mediator shall present its recommendation to the City Council for its consideration and action within thirty (30) days of completing their investigation.

- 3.6.1.1 The censure request shall be agendized at the next regular City Council meeting following receipt of the neutral mediator's written findings and recommendation. The City Council, as a body, shall determine whether or not to accept the neutral mediator's recommendation. If the City Council decides to set the matter for a censure hearing, it shall schedule it no sooner than two weeks after its determination to hear the matter. It may not schedule the matter during any previously scheduled excused absence of the subject City Council Member. Written notice of the hearing shall be delivered in person to the Member of the City Council subject to the censure hearing at least ten (10) days in advance of the scheduled hearing. If the City Council decides that no further action is

required, the City Council may also request the Initiating Member either reimburse the City the cost of the neutral mediator's services from personal funds (not campaign funds), not to exceed \$2,500, or forgo a month's salary as a City Council Member. A report regarding the Initiating Member's compliance with that request shall be presented to City Council within sixty (60) days of that request.

3.6.1.2 At the censure hearing, the Member of the City Council who is the subject of the request for censure shall be given the opportunity to make an opening and a closing statement, to call witnesses on their behalf and to question their accusers. The Member subject to the charges may be represented by a person or persons of their choice whether or not an attorney at law and may have that representative speak or question witnesses on their behalf. The questioning or cross-questioning of witness may be reasonably limited by the person chairing the hearing.

3.6.1.3 Testimony shall be taken only from witnesses having direct knowledge of facts or circumstances relevant to the specific charges under consideration. However, the rules of evidence and judicial procedure applicable in courts of law shall not be applied to this hearing, and the procedures shall be generally informal.

3.6.2 At the discretion of the City Council, sanctions may be imposed as a result of a censure. These sanctions may be applied individually or in combination. They include, but are not limited to:

3.6.2.1 Public Admonishment - A reproof or verbal warning directed to a City Council Member about a particular type of behavior that violates City policy.

3.6.2.2 Revocation of Special Privileges -A revocation of a Council Member's Council Committee assignments, such as standing and ad hoc committees, regional boards and commissions, and other board/committee appointments. Other revocations may include temporary suspension of official travel, conference participation, and ceremonial titles.

3.6.3 Nothing in this Section shall limit the City Council's ability to informally address conduct considered to be not significant or a minor violation of this Code, which may include informal counseling from one City Council Member to another, and a City Council Member to a Council advisory body member.

CHAPTER 4 COMMUNICATIONS

4.1 Relationship/Communications with Staff

Staff serves the City Council as a whole, therefore:

- 4.1.1 A City Council Member shall not direct staff in person or in writing to initiate any action, change a course of action, or prepare any report.
- 4.1.2 Requests for information and corresponding responses made by the City Council Members will be shared with the full City Council.
- 4.1.3 City Council Members shall not attempt to pressure or influence discussions, recommendations, workloads, schedules, or department priorities without first consulting with the City Manager and obtaining the approval of a majority of the City Council.
- 4.1.4 When preparing for City Council meetings, City Council Members should direct questions ahead of time to the City Manager so that staff can provide the desired information at the City Council meeting.
- 4.1.5 Any concerns by a Member of the City Council regarding the behavior or work of a City employee should be directed to the City Manager privately to ensure the concern is resolved. City Council Members shall not reprimand employees directly nor should they communicate their concerns to anyone other than the City Manager.
- 4.1.6 City Council Members may direct routine inquiries to either the City Manager or the appropriate department head, at the City Manager's discretion.
- 4.1.7 City Council Members serving on Council committees or as the City's representative to an outside agency may interact directly with City staff assigned to that effort as the City Manager's designee. The City

staff member so designated and assigned will keep the City Manager appropriately informed.

4.2 Council Relationship/Communication with Council Advisory Bodies

4.2.1 City Council Members shall not attempt to pressure or influence board, commission, or committee decisions, recommendations, or priorities absent the approval of the majority of the City Council.

4.2.2 It is a best practice that City Council Members refrain from attending Board, Commission, and/or Committee meetings to avoid the appearance of impropriety and to maintain compliance with the Brown Act.

4.3 Handling of Litigation and Other Confidential Information

4.3.1 All written materials and verbal information provided to City Council Members on matters that are confidential and/or privileged under State law shall be kept in complete confidence to ensure that the City's position is not compromised. No disclosure or mention of any information in these materials may be made to anyone other than City Council Members, the City Attorney, or City Manager.

4.3.1.1 Confidential materials provided in preparation for and during Closed Sessions shall not be retained and documents must be returned to staff at the conclusion of the Closed Session.

4.3.1.2 City Council Members may not request confidential written information from staff that has not been provided to all City Council Members.

4.4 Representing an Official City Position

4.4.1 City Council Members may use their title only when conducting official City business, for information purposes, or as an indication of background and expertise, carefully considering whether they are exceeding or appearing to exceed their authority.

- 4.4.2 Once the City Council has taken a position on an issue, all official City correspondence regarding that issue will reflect the City Council's adopted position.
- 4.4.3 The Mayor is authorized to send letters on City letterhead stating the City's official position to appropriate legislators as long as it is consistent with the City Council's Legislative Policy.
- 4.4.4 City letterhead may be used by City Council Members only for official City business and/or to represent a policy action taken by the City Council, as a body.
- 4.4.5 If a Member of the City Council appears before another governmental agency organization to give a statement on an issue affecting the City, the City Council Member should indicate the majority position and opinion of the City Council.
- 4.4.6 Personal opinions and comments may be expressed only if the City Council Member clarifies that these statements do not reflect the official position of the City Council.

4.5 Quasi-Judicial Role/*Ex Parte* Contacts

The City Council has a number of roles. It legislates and makes administrative and executive decisions. The City Council also acts in a quasi-judicial capacity or "like a judge" when it rules on various permits, licenses, and land use entitlements.

In this last capacity, quasi-judicial, the City Council holds a hearing, takes evidence, determines what the evidence shows, and exercises its discretion in applying the facts to the law shown by the evidence. It is to these proceedings that the rule relative to *ex parte* contacts applies.

- 4.5.1 *Ex Parte* Contacts/Fair Hearings. The City Council shall refrain from receiving information and evidence on any quasi-judicial matter while such matter is pending before the City Council or any agency, board, or commission thereof, except at the public hearing.

As an elected official, it is often impossible to avoid such contacts and exposure to information. Therefore, if any member is exposed to information or evidence about a pending matter outside of the public hearing, through contacts by constituents, the applicant or through site visits, the member shall disclose all such information and/or evidence acquired from such contacts, which is not otherwise included in the written or oral staff report, during the public hearing, and before the public comments period is opened.

Matters are "pending" when an application has been filed. Information and evidence gained by members via their attendance at noticed public hearings before subordinate boards and commissions are not subject to this rule.

4.6 No Attorney-Client Relationship

City Council Members who consult the City Attorney, their staff, and/or outside attorney(s) engaged by the City Attorney to work on behalf of the City cannot enjoy or establish an attorney-client relationship with said attorney(s) by consulting with or speaking to same. Any attorney-client relationship established belongs to the City, acting through the City Council, and as may be allowed in State law for purposes of defending the City and/or the City Council in the course of litigation and/or administrative procedures, etc.

CHAPTER 5 COUNCIL ADVISORY BODIES

5.1 Citizen Boards and Commissions Generally

- 5.1.1 The Tracy City Council establishes various Citizen Boards, Commissions, and Committee through the Tracy Municipal Code or by Resolution: Planning Commission to advise the Council on land use matters (Chapter 10.04), a Parks and Community Services Commission (Chapter 7.16) and the Youth Advisory Commission (Chapter 7.16). the Measure V Residents' Oversight Committee (Resolution No. 2004-152), Tracy Arts Commission (Ordinance No. 501), Transportation Advisory Commission (Resolution No. 2007-120), and Environmental sustainability Commission (Resolution 2023-XX).
- 5.1.2 The rules of procedure and code of conduct that govern the City Council apply with equal force to all Council advisory boards and commissions.
- 5.1.3 The City Council may also establish by ordinance or resolution, boards, commissions, and committees to assist the Council in making its policy decisions. The City Council has the inherent power to create advisory bodies.
- 5.1.4 City boards and commissions, (collectively "Council advisory bodies") provide policy recommendations to Council; they do not set or establish City policy or provide administrative direction to City staff.
- 5.1.5 City boards and commissions are advisory in nature and therefore do not represent City's official position on city matters.
- 5.1.6 Appointments to boards and commissions, are made by a majority vote of the Council. Appointees to Council advisory bodies serve at the pleasure of the City Council.

5.2 Citizen Board and Commission Organization and Conduct

- 5.2.1 Annually, each board, commission, and committee elects one of their members to serve as the chair (presiding officer) and vice-chair.
- 5.2.2 Boards and commissions hold regular and special meetings as required. The conduct of board, commission, and committee meetings are governed by the same rules of policy and procedure as the City Council.
- 5.2.3 Boards and commissions should comply with all applicable open meeting and conflict-of-interest laws of the State.
- 5.2.4 Upon appointment or reappointment, Council advisory body members (including all boards and commissions members) shall sign a Council Advisory Body Norms and Values statement (**Attachment 2**) affirming they have read and understand this City of Tracy City Council Code of Conduct.

5.3 Board and Commission Appointments

- 5.3.1 Resolution No. 2004-152 establishes the board and commission appointment/selection process and requirements for residency.
- 5.3.2 The term of office for each board, commission, or committee member is 4 years, with the exception of the Measure V Residents' Oversight Committee which is 3 years.
- 5.3.3 The City Clerk provides application forms, maintains a listing of all applications received, and solicits applications when vacancies occur.

5.4 Boards and Commissions- Vacancy and Selection/Appointment Processes

Resolution No. 2004-152 outlines procedures for filling a board and commission vacancy and selection and appointment process. The Council appoints all City boards, commissions, and committee members.

5.4.1 Resignations may be submitted at any time to the City Council either directly or through the board, commission, or committee chair. Resignations are effective upon submittal.

5.5 Boards, Commissions, and Committees - Removal

A board member, commissioner, or committee member serves at the pleasure of the Council and may be removed at any time. The removal of a member must comply with the applicable TMC Sections or the board/committee/commission's bylaws and in accordance with the applicable procedure.

CHAPTER 6 COUNCIL FINANCIAL MATTERS

6.1 Compensation

- 6.1.1 Pursuant to Ordinance No. 1094, the Tracy Mayor and City Council receive a monthly salary. The amount is the salary limit established by the State Legislature for members of the City Council of general law cities having a population range within which the City of Tracy falls, as specified in California Government Code Section 36516(a).

- 6.1.2 The salary of the Mayor and City Council should be reviewed every two years.

6.2 Benefits

- 6.2.1 The California Government Code provides that City Council Members may receive City-funded health, retirement, and other benefits. City-funded medical, dental, and life insurance plan benefits are provided. The Council Policy Providing City Paid Health Insurance for City Treasurer, City Clerk, and City Council, adopted by Resolution No. 2003-391, states that an elected official is not eligible for City-funded health benefits if the official or the official's spouse has employer-paid health insurance.

6.3 City Council Budget and Expenses

- 6.3.1 City Council Resolution No. 2007-075 provides policy guidance regarding Council expenditures for equipment, supplies and communications; travel; local expenses; and eligible reimbursements.

CITY OF TRACY CITY COUNCIL
NORMS AND VALUES STATEMENT

PREAMBLE

The residents and businesses of Tracy are entitled to have fair, ethical, and accountable local government. Such a government requires that public officials:

- Comply with both the letter and the spirit of the laws and policies affecting operations of the government.
- Be independent, impartial and fair in their judgment and actions.
- Use their public office for the public good, not for personal gain.
- Conduct public deliberations and processes openly, unless legally confidential, in an atmosphere of respect and civility.

To this end, the Tracy City Council has adopted a Code of Conduct to encourage public confidence in the integrity of local government and its fair and effective operation.

City Council Members shall sign this Norms and Values statement upon assuming office and upon reelection to office as a symbol of each Council Member's continuing commitment to abide by the principles of this code.

1. Act in the Public Interest

Recognizing that stewardship of the public interest must be their primary concern, City Council Members shall work for the common good of the people of Tracy and not for any private or personal interest, and they will endeavor to treat all persons, claims, and transactions in a fair and equitable manner.

2. Comply with the Law

City Council Members shall comply with the laws of the nation, the State of California, and the City in the performance of their public duties. These laws include, but are not limited to: the United States and California constitutions;

the Tracy City Municipal Code; laws pertaining to Council-Manager form of government, conflicts of interest, election campaigns, financial disclosures, employer responsibilities, and open processes of government; and City ordinances and policies.

3. Conduct of Members

City Council Members shall refrain from abusive conduct, personal charges, or verbal attacks upon the character or motives of other members of the City Council, boards, commissions, committees, staff, or the public.

4 Respect for Process

City Council Member duties shall be performed in accordance with the processes and rules of order established by the City Council.

5. Conduct of Public Meetings

City Council Members shall inform themselves of public issues, listen attentively to public discussions before the body, and focus on the business at hand.

6. Decisions Based on Merit

City Council decisions shall be based upon the merits and substance of the matter at hand.

7. Communication

It is the responsibility of City Council Members to share substantive information that is relevant to a matter under consideration that they have received from sources outside of the public decision-making process with all other City Council Members.

8. Coordination with City Staff

Appropriate City staff should be involved when City Council Members meet with officials from other agencies and jurisdictions to ensure proper staff support as needed and to keep staff informed.

9. Disclosure of Corruption

All City officials shall take an oath upon assuming office, pledging to uphold the constitution and laws of the City, the State, and the Federal government. As part of this oath, officials commit to disclosing to the appropriate authorities and/or to the City Council any behavior or activity that may qualify as corruption, abuse, fraud, bribery, or other violation of the law.

10. Conflict of Interest

In order to assure their independence and impartiality on behalf of the public good, City Council Members shall not use their official positions to influence government decisions in which they have a financial interest or where they have an organizational responsibility or a personal relationship that would present a conflict of interest under applicable State law.

In accordance with the law, members shall file written disclosures of their economic interests and if they have a conflict of interest regarding a particular decision, refrain from participating in that decision unless otherwise permitted by law.

11. Gifts and Favors

City Council Members shall not take advantage of services or opportunities for personal gain by virtue of their public office that are not available to the public in general. They shall refrain from accepting gifts, favors, or promises of future benefits that might compromise their independence of judgment or action or give the appearance of being compromised.

12. Confidential Information

City Council Members shall respect and preserve the confidentiality of information provided to them concerning the confidential matters of the City. They shall neither disclose confidential information without proper legal authorization nor use such information to advance their personal, financial, or private interests.

13. Use of Public Resources

Public resources not available to the general public (e.g., City staff time, equipment, supplies, or facilities) shall not be used by City Council Members for private gain or personal and/or campaign purposes.

14. Representation of Private Interests

In keeping with their role as stewards of the public trust, City Council Members shall not appear on behalf of the private interests of a third-party before the City Council or any board, commission, or committee or proceeding of the City.

15. Advocacy

To the best of their ability, City Council Members shall represent the official policies and positions of the City Council. When presenting their personal opinions or positions, members shall explicitly state that they do not represent the City Council or the City.

16. Improper Influence

City Council Members shall refrain from using their position to improperly influence the deliberations or decisions of City staff, boards, commissions, or committees.

17. Policy Role of Members

City Council Members shall respect and adhere to the Council-Manager structure of Tracy City government as provided in State law and the City Municipal Code.

18. Positive Work Environment

Council Members shall support the maintenance of a positive and constructive environment for residents, businesses, and City employees.

19. Implementation

Ethics standards shall be included in the regular orientations for City Council candidates. Council Members entering office shall sign a statement affirming they read and understood the City of Tracy's City Council Code of Conduct.

20. Campaign Activities.

City Council Members who seek elected office within the City shall endeavor to conduct their campaign activities in a manner that promotes decency, honesty and fair play and in accordance with the Code of Fair Campaign Elections Code (Section 20400 et seq.).

21. Compliance and Enforcement

Council Members themselves have the primary responsibility to assure that ethical standards are understood and met and that the public can continue to have **full** confidence in the integrity of City government.

This City Council Norms and Values statement shall be considered to be a summary of the longer City Council Code of Conduct document. The City Council Code of Conduct document shall be considered to be the definitive document relating to ethical conduct by Tracy City Council Members.

I affirm that I have read and understand the City of Tracy City Council Norms and Values statement.

Signature

Date

CITY OF TRACY
COUNCIL ADVISORY BODY
NORMS AND VALUES STATEMENT

PREAMBLE

The residents and businesses of Tracy are entitled to have fair, ethical, and accountable local government. Such a government requires that public officials, including Council advisory body members:

- Comply with both the letter and the spirit of the laws and policies affecting operations of the government.
- Be independent, impartial, and fair in their judgment and actions.
- Use their public office for the public good, not for personal gain.
- Conduct public deliberations and processes openly, unless legally confidential, in an atmosphere of respect and civility.

To this end, Council advisory body members are expected to adhere to the Code of Conduct adopted by the Tracy City Council to encourage public confidence in the integrity of local government and its fair and effective operation.

Council advisory body members shall sign this Norms and Values statement at the first meeting of the board, commission, or committee upon assuming office and, if applicable, upon reappointment to the board, commission, or committee as a symbol of each Council advisory body member's commitment to abide by the principles of this code during their term.

1. Act in the Public Interest

Recognizing that stewardship of the public interest must be their primary concern, Council advisory body members shall work for the common good of the people of Tracy and not for any private or personal interest, and they will endeavor to treat all persons, claims, and transactions in a fair and equitable manner.

2. Comply with the Law

Council advisory body members shall comply with the laws of the nation, the State of California, and the City in the performance of their public duties. These laws include, but are not limited to: the United States and California Constitutions; the Tracy City Municipal Code; laws pertaining to the Council-

Manager form of government, conflicts of interest, election campaigns, financial disclosures, employer responsibilities, and open processes of government; and City ordinances and policies.

3. Conduct of Council Advisory Body Members

Council advisory body members shall refrain from abusive conduct, personal charges, or verbal attacks upon the character or motives of Council Members; other members of the Council advisory body; other boards, commissions, or committees; staff; or the public.

4. Respect for Process

Council advisory body member duties shall be performed in accordance with the processes and rules of order established by the City Council.

5. Conduct of Public Meetings

Council advisory body members shall inform themselves of public issues, listen attentively to public discussions before the body, and focus on the business at hand.

6. Decisions Based on Merit

Council advisory body members shall base their decisions upon the merits and substance of the matter at hand.

7. Communication

It is the responsibility of Council advisory body members to share substantive information that is relevant to a matter under consideration that they have received from sources outside of the public decision-making process with all other Council advisory body members.

8. Coordination with City Staff

Appropriate City staff should be involved when Council advisory body members meet with officials from other agencies and jurisdictions to ensure proper staff support, as needed, and to keep staff informed.

9. Disclosure of Corruption

All City officials shall take an oath upon assuming office, pledging to uphold the Constitution and laws of the City, the State, and the Federal government. As part of this oath, officials commit to disclosing to the appropriate authorities and/or to the City Council any behavior or activity that may qualify as corruption, abuse, fraud, bribery, or other violation of the law.

10. Conflict of Interest

In order to assure their independence and impartiality on behalf of the public good, Council advisory body members shall not use their official positions to influence government decisions in which they have a financial interest or where they have an organizational responsibility or a personal relationship that would present a conflict of interest under applicable State law.

In accordance with the law, members shall file written disclosures of their economic interests and if they have a conflict of interest regarding a particular decision, refrain from participating in that decision unless otherwise permitted by law.

11. Gifts and Favors

Council advisory body members shall not take advantage of services or opportunities for personal gain by virtue of their public office that are not available to the public in general. They shall refrain from accepting gifts, favors, or promises of future benefits that might compromise their independence of judgment or action or give the appearance of being compromised.

12. Confidential Information

Council advisory body members shall respect and preserve the confidentiality of information provided to them concerning the confidential matters of the City. They shall neither disclose confidential information without proper legal authorization nor use such information to advance their personal, financial, or private interests.

13. Use of Public Resources

Public resources not available to the general public (e.g., City staff time, equipment, supplies, or facilities) shall not be used by Council advisory body members for private gain or personal and/or campaign purposes.

14. Representation of Private Interests

In keeping with their role as stewards of the public trust, Council advisory body members shall not appear on behalf of the private interests of a third party before the City Council or any board, commission, or committee, or proceeding of the City.

15. Advocacy

To the best of their ability, Council advisory body members shall represent the official policies and positions of the City of Tracy. When presenting their personal opinions or positions, members shall explicitly state that they represent neither the Council advisory body nor the City.

16. Improper Influence

Council advisory body members shall refrain from using their position to improperly influence the deliberations or decisions of City staff, boards, commissions, or committees.

17. Policy Role of Members

Council advisory body members shall respect and adhere to the Council-Manager structure of Tracy City government as provided in State law and the City Municipal Code.

18. Positive Work Environment

Council advisory body members shall support the maintenance of a positive and constructive environment for residents, businesses, and City employees.
Attachment 2 to City Council Code of Conduct

19. Implementation

Ethics standards shall be included in the regular orientations for Council advisory body members. Upon entering office and upon reappointment, Council advisory body members shall sign a statement affirming they read and understood the City of Tracy's City Council Code of Conduct.

20. Campaign Activities.

Council advisory body members who seek elected office within the City shall endeavor to conduct their campaign activities in a manner that promotes decency, honesty and fair play and in accordance with the Code of Fair Campaign Elections Code (Section 20400 et seq.).

21. Compliance and Enforcement

Council advisory body members themselves have the responsibility to assure that ethical standards are understood and met, and that the public can continue to have full confidence in the integrity of City government.

The Council Advisory Body Norms and Values statement shall be considered to be a summary of the longer City Council Code of Conduct document. The City Council Code of Conduct document shall be considered to be the definitive document relating to ethical conduct by Tracy City Council advisory body members.

I affirm that I have read and understand the City of Tracy City Council Code of Conduct.

Signature

Date

CODE OF FAIR CAMPAIGN PRACTICES

(Elections Code § 20440)

There are basic principles of decency, honesty, and fair play which every candidate for public office in the State of California has a moral obligation to observe and uphold in order that, after vigorously contested but fairly conducted campaigns, our citizens may exercise their constitutional right to a free and untrammelled choice and the will of the people may be fully and clearly expressed on the issues.

THEREFORE:

- (1) I SHALL CONDUCT my campaign openly and publicly, discussing the issues as I see them, presenting my record and policies with sincerity and frankness, and criticizing without fear or favor the record and policies of my opponents or political parties that merit this criticism.
- (2) I SHALL NOT USE OR PERMIT the use of character defamation, whispering campaigns, libel, slander, or scurrilous attacks on any candidate or his or her personal or family life.
- (3) I SHALL NOT USE OR PERMIT any appeal to negative prejudice based on a candidate's actual or perceived race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, marital status, age, sexual orientation, sex, including gender identity, or any other characteristic set forth in Section 12940 of the Government Code, or association with another person who has any of the actual or perceived characteristics set forth in Section 12940 of the Government Code.
- (4) I SHALL NOT USE OR PERMIT any dishonest or unethical practice that tends to corrupt or undermine our American system of free elections, or that hampers or prevents the full and free expression of the will of the voters including acts intended to hinder or prevent any eligible person from registering to vote, enrolling to vote, or voting.
- (5) I SHALL NOT coerce election help or campaign contributions for myself or for any other candidate from my employees.
- (6) I SHALL IMMEDIATELY AND PUBLICLY REPUDIATE support deriving from any individual or group that resorts, on behalf of my candidacy or in opposition to that of my opponent, to the methods and tactics that I condemn. I shall accept responsibility to take firm action against any subordinate who violates any provision of this code or the laws governing elections.
- (7) I SHALL DEFEND AND UPHOLD the right of every qualified American voter to full and equal participation in the electoral process.

I, the undersigned, candidate for election to public office in the State of California or treasurer or chairperson of a

committee making any independent expenditures, hereby voluntarily endorse, subscribe to, and solemnly pledge myself to conduct my campaign in accordance with the above principles and practices.

Print Name: _____ Signature: _____

Date:.....



COUNCIL MEETING PROTOCOLS AND RULES OF PROCEDURE

Adopted by Resolution No. 2019-240
Revised by Resolution Nos. 2020-112 & 2021-049

City of Tracy – Council Meeting Protocols and Rules of Procedures

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City of Tracy – Council Meeting Protocols and Rules of Procedures

Section 1 –Purpose and Applicability

1. Purpose and Applicability

- 1.1. The purpose of these Council Meeting Protocols and Rules of Procedures (“Protocols”) are to provide clear guidelines to assist the City Council, staff and the public to conduct meetings in an efficient and transparent manner and in accordance with the Ralph M. Brown Act (“Brown Act”; Government Code sections 54950-54963) and all applicable laws.¹ These Protocols are adopted pursuant to Section 36813. In the event of a conflict between the Brown Act and these Protocols, the Brown Act shall control.
- 1.2. In the event of a conflict between these Protocols, and the City of Tracy’s adopted Code of Conduct (Resolution No. 2021-146), Protocols shall control.
- 1.3. These Protocols shall apply to the City Council, the Successor Agency to the Community Development Agency, the Tracy Public Facilities Corporation, the Tracy Industrial Development Authority, and all City Boards, Commissions, and Committees.
- 1.4. Suspension of Protocols. Any rule set forth herein may be suspended by a supermajority vote of the City Council.
- 1.5. Review and Changes to Protocols. These Protocols shall be reviewed by December 31st of every odd-numbered year. A majority vote of the City Council shall be necessary to amend these Protocols.
- 1.6. A copy of these Protocols shall be available for public review at the City Clerk’s Office and City’s website (www.cityoftracy.org).

¹ All references to statutes are to the California Government Code unless otherwise specified.

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Section 2 –Duties (Roles and Responsibilities)

2. Roles and Responsibilities at Council Meetings

- 2.1. Mayor. The Mayor is the Presiding Officer of all meetings of the full City Council. The Presiding Officer is the primary, but not the only, person responsible for ensuring that the City Council, staff, and members of the public adhere to these Protocols during City Council meetings. (Section 36802). The Chair of a City board or commission shall act as the Presiding Officer.
- 2.2. Mayor Pro Tem. The Mayor Pro Tem shall serve as the Presiding Officer in the absence of the Mayor. Absence shall be as defined by State law. Upon the arrival of the Mayor, the Mayor Pro Tem shall immediately relinquish the role of Presiding Officer at the conclusion of the business then before Council. (Section 36802) The Vice Chair of a City board or commission shall act as the Presiding Officer in the absence of the Chair.
- 2.3. City Council. All members of the City Council shall comply with the Council Code of Conduct at meetings. Newly elected City Council members shall be sworn in and seated at the first regular City Council meeting after receipt of the certified election results from the County Registrar of Voters.
- 2.4. Sergeant-at-Arms. The Sergeant-at-Arms is the law enforcement official charged with maintaining security during meetings of the City Council. The Sergeant-at-Arms of the City Council shall be a police officer assigned by the Police Chief. There shall be at least one officer so assigned and present at each meeting of the full City Council. The officer shall maintain order and enforce the orders of the City Council and Presiding Officer.
- 2.5. City Manager. Pursuant to the Council-Manager form of government established by Chapter 2.08 of the Tracy Municipal Code, the City Manager sets the Council agenda and once published, may withdraw an item(s), unless the item has been placed on the agenda by the City Council pursuant to Section 4.3.1. of these Protocols.
- 2.6. City Clerk. The City Clerk shall attend all meetings of the Council unless excused. The Deputy City Clerk shall attend Council meetings in the City Clerk's absence. The City Clerk shall record, prepare, and maintain the official records of the Council and perform other duties as directed by the City Manager. (Section 36804)
 - 2.6.1. Minutes. The City Clerk's office shall be responsible for the preparation and distribution of the Council minutes. The minutes shall include a public report on any action taken and the vote or abstention on such action of each Council Member present for the action. Unless a reading of the minutes is requested by a Council Member, the minutes may be approved as a Consent Calendar item.
 - 2.6.1.1. No minutes or written record of closed sessions of the City Council shall be kept, except as required by State law or as directed by the majority vote of

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the City Council. The Council shall report at a public meeting any action taken in closed session, as required by Section 54957.1.

- 2.6.1.2. The City Clerk shall include a report on posting of the agenda in the minutes.
- 2.6.2. Timekeeper. The City Clerk shall be the designated timekeeper at all City Council meetings and shall have the authority to interrupt speakers, whether members of the public or a City Council member, when their allotted speaking times have expired.
- 2.7. City Staff. City staff shall (a) prepare balanced staff reports and provide accompanying documents on all agenda items in accordance with the agenda preparation schedule; (b) be available for questions from the City Council in accordance with the Brown Act prior to and during meetings; and (c) respond to questions from the public during meetings only when requested to do so by the City Council or the City Manager.
- 2.8. City Attorney. The City Attorney shall attend all meetings of the Council unless excused. The Assistant City Attorney shall attend Council meetings in the City Attorney's absence. The City Attorney shall give advice, upon request of the City Council, on questions of law. The City Attorney shall serve as the Parliamentarian at City Council meetings, opining on any procedural issues related to these Protocols, the Brown Act, and Rosenberg's Rules.

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Section 3 – Meeting Types

3. Council Meeting Types

- 3.1. Regular Meetings. Regular City Council meetings are held on the first and third Tuesdays of the month at 7:00 p.m. at City Hall Council Chambers, 333 Civic Center Plaza, Tracy, California 95376, unless otherwise noticed and as under Section 54954. No meeting shall be held on a holiday as defined by Section 6700. (Section 36805)
- 3.2. Special Meetings. The City Manager, Mayor, or a majority of the members of the City Council may call a special meeting. (Section 54956). Only the City Attorney is authorized to convene a closed session, which shall be considered a special meeting and conducted in accordance with the Brown Act. (Section 36807)
- 3.3. Workshops. The purpose of a workshop is to inform the City Council of complex issues and provide an opportunity for the City Council to review documents and request additional information. However, no final City Council action shall be taken during the workshop on agenda items. Workshops are open to the public and shall be conducted as public meetings in accordance with the Brown Act.
- 3.4. Closed Sessions.
 - 3.4.1. The City Attorney shall convene a special closed session meeting under the following circumstances:
 - 3.4.1.1. When requested by the City Manager to discuss a matter in closed session, and the City Attorney determines such a matter is permissible for discussion in closed session under the Brown Act;
 - 3.4.1.2. When requested by the City Council, pursuant to Section 4.3, to discuss a matter in closed session, and the City Attorney determines such a matter is permissible for discussion in closed session under the Brown Act;
 - 3.4.1.3. When the City Attorney deems it so necessary and determines a closed session is permissible under the Brown Act.
 - 3.4.2. Closed sessions shall be held in accordance with the Brown Act. Non-agenda items shall not be discussed in closed session. Closed sessions may precede or follow a City Council meeting.
 - 3.4.3. All closed session information, verbal or written, is privileged and confidential and shall not be shared with any person not at the closed session. Any member sharing information in violation of this rule may be subject to censure by the City Council or other legal remedies as set forth in Section 54963.
 - 3.4.4. The public may speak regarding any closed session item prior to the closed session as required by the Brown Act.

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- 3.4.5. The City Attorney shall attend all closed sessions and shall report out in public session any reportable actions there taken by Council and the vote on such actions, in accordance with the Brown Act.
- 3.5. Teleconferenced Meetings. The City Council may hold a meeting by teleconference, meaning a meeting of the Council in which members are in different locations and connected by electronic means, through either audio or video, or both. Any teleconference meeting of the Council must comply with the requirements of Government Section 54953 and other applicable law, including but not limited to the requirement that all votes taken shall be by roll call.
- 3.6. Emergency Meetings. In the case of an emergency, as defined by Section 54956.5, a majority of Council may call a meeting and dispense with the special meeting notice and posting requirements under the Brown Act. Any emergency meeting held shall comply with the applicable Brown Act provisions.
- 3.7. The City Clerk shall ensure that the applicable noticing and posting requirements under the Brown Act are followed for all meetings of the City Council and shall poll and confirm a quorum is available for all such meetings in advance of publication.

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Section 4 – Meeting Agendas

4. Meeting Agendas

4.1. Purpose of Agenda. The Council meeting agenda documents serve four purposes:

- To communicate and inform City Council, City staff, the public and the press about City business.
- To comply with mandated state laws.
- To facilitate the decision-making process by including sufficient background information so that the City Council can obtain a full understanding of the issues and staff's analysis and recommendation prior to their consideration and action.
- To serve as a historical reference that can be kept as a record of proceedings and actions as needed for future actions and/or litigation.

As set forth above, the purpose of the agenda is to provide a framework within which Council meetings can be conducted and to effectively implement the approved Council programs, goals and budget. The agenda shall contain a brief general description of each item of business to be transacted or discussed at the meeting.

4.2. Posting and Distribution of Agendas. At a minimum, the posting and distribution of all agendas shall be done in accordance with the Brown Act. Agendas for regular meetings shall be posted not less than 72 hours prior to the meeting (Section 54954.2(a)(1)); special meeting agendas shall be posted not less than 24 hours prior to the meeting (Section 54956).

4.2.1. All agendas shall be posted in the following locations: City Hall, the Tracy Library, the City's website, and other locations as may be required by the bylaws of a particular Board or Commission. Posting of agendas at City Hall shall be the official location for purposes of Brown Act compliance.

4.2.2. Agenda packets are provided electronically to City Council Members on the Thursday prior to a City Council meeting unless technical difficulties occur. If technical difficulties occur, the City Clerk will endeavor to provide Council with hard copies of the agenda as soon as reasonably possible. Distribution to the staff, public, and media shall occur immediately after distribution to the City Council. Members of the public may sign up to receive notification that a Council meeting agenda has been posted on the City's website (www.cityoftracy.org). The City Clerk will mail copies of the agenda or particular agenda items to any person submitting a request. (Section 54954.1) Said requests will be valid for one year. Copies of the agenda, and of individual agenda items, are available at costs established in the City's Master Fee Schedule. Copies of the agenda are also available for inspection at the Tracy Library and City Clerk's office. Agendas for Council meetings are posted on the City's website (www.cityoftracy.org).

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- 4.3. Agenda Item Submission; Council Member Request for Agenda Items. Council Members may seek to have an item discussed by the City Council at a future meeting and shall follow the below processes to have an item placed on a future City Council agenda.
 - 4.3.1. During "Council Items and Comments", a Council Member may make a motion, to place an item on a future City Council agenda, and upon receiving a second to such motion, the City Manager shall place the item on a future agenda.
 - 4.3.1.1. When the motion is made, the City Manager may provide information regarding current workloads, staffing and/or anticipated research that may affect the timing of completing the requested item, so as to establish more accurate and realistic expectations of when such item will be placed on a future City Council agenda.
 - 4.3.1.2. If no discussion is had regarding the timing, the City Manager shall place the requested item on a future City Council agenda within a reasonable time.
 - 4.3.1.3. The motion maker may include a specific meeting date on which the item must be brought to the City Council for consideration, and such date shall prevail, unless the City Manager provides information to explain that such date is not possible either due to current workloads, staffing and/or anticipated research.
 - 4.3.2. A Council Member may request a time-sensitive item be placed on the next City Council agenda, by contacting the City Manager, or their designee, via telephone, email or in person. Upon the request of a Council Member, the item will be placed on the next City Council agenda as long as the motion maker obtains one other Council Member to second the request. In the interest of transparency and Brown Act compliance, the motion maker shall limit discussions, outside of City Council meetings, to only one other Council Member to obtain support for a second to the motion regarding the time-sensitive request.
 - 4.3.2.1. For purposes of this section 4.3.2, "time-sensitive" shall mean any agenda item that is considered urgent by the sponsor and that has a deadline for action that is prior to the next meeting of the City Council. All necessary information should be submitted to City Council for a valid time-sensitive request.
 - 4.3.2.2. In the event of a time-sensitive request, the City Manager shall notify the rest of the City Council when two Council Members request an item to be placed on the agenda. The City Manager will place the item on the next City Council agenda, unless the City Manager has communicated to the two requesting Councilmembers that such timeframe is not possible based

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on current workloads, staffing and/or research. The City Manager shall consult and coordinate with the City Attorney on all time-sensitive matters.

- 4.3.2.3. If the time-sensitive item is not able to be placed on the next City Council agenda, due to the information provided by the City Manager pursuant to Section 4.3.2.2, then the Council Member may place the item on a future City Council agenda pursuant to Section 4.3.1
- 4.3.3. Other Public Agencies. Agenda items such as presentations and proposals from other public entities must be sponsored for agenda placement by two Council members or the City Manager.

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Section 5 – Conduct of Meetings

5. Conduct of Meetings

- 5.1. Order of Business. The suggested order of business of Council meetings shall be as follows.
1. Call to Order
 2. Roll Call
 3. Pledge of Allegiance
 4. Invocation
 5. Presentations/Proclamations and Awards
 6. Order of Business
 7. Consent Calendar
 8. Items from the Audience/Public Comment
 9. Continued Public Hearings
 10. Public Hearings
 11. Regular Items
 12. Items from the Audience/Public Comment
 13. Staff Items
 14. Council Items and Comments
 15. Adjournment
- 5.2. Call to Order. The Presiding Officer shall take the chair at the hour appointed for the meeting and shall immediately call the meeting to order.
- 5.3. Roll Call. A majority of the members of the Council then in office shall constitute a quorum. (Section 36810)
- 5.4. Invocations. Any member of the public who wishes to offer an invocation prior to the opening of a regular Council meeting shall contact the City Clerk. The City Clerk shall select a mutually agreeable City Council meeting date for the invocation.
- 5.5. Presentations/Proclamations and Awards. This portion of the Agenda is dedicated for presentations, such as proclamations and awards, employee of the month recognitions, board and commission recognitions, and employee swearing-ins, and shall be limited to a 15-minute maximum period.
- 5.6. Order of Business. The order of business shall be as set forth in the published agenda. However, the Mayor may reorder agenda items or a Council Member may request that the Mayor reorder agenda items. The Mayor, as the Presiding Officer, shall be the decision maker on the order of business, except that the Mayor's decision may be appealed by a Council Member and such appeal shall be decided upon by a majority vote of the City Council. Upon a final determination that a reorder is occurring, the Mayor shall announce the reorder prior to proceeding with the meeting.
- 5.7. Consent Calendar. All items listed on the Consent Calendar are considered to be routine matters or consistent with previous City Council direction, such as resolutions confirming action from a previous meeting or the adoption of an ordinance previously

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introduced by Council. One motion, a second, and a roll call vote may enact the items listed on the Consent Calendar. No separate discussion of Consent Calendar items shall take place unless a member of the City Council, City staff or the public request discussion on a specific item.

- 5.8. Items from the Audience/Public Comment. It is the policy of the City Council that members of the public be allowed to address the Council on any item of interest to the public, before or during its consideration of that item, that is within the City Council's subject matter jurisdiction. (Section 54954.3(a)).
 - 5.8.1. Agendas for regular meetings will have two opportunities for "Items from the Audience/Public Comment." (Section 54954.3(a)). In the interest of allowing the City Council to have adequate time to address the agenda items of business, the first public comment opportunity will be limited to a 15-minute maximum period. (Section 54954.3(b)). The second opportunity will not have a time limit period. A five-minute time limit per speaker will apply to all individuals speaking during the "Items from the Audience/Public Comment" portion of the agenda. Speakers may not concede any part of their allotted time to another speaker.
 - 5.8.1.1. However, in the event there are 15 or more individuals wishing to speak regarding any agenda item including the "Items from the Audience/Public Comment" portion of the agenda and regular items, the maximum amount of time allowed per speaker will be three minutes.
 - 5.8.2. Each speaker shall avoid repetition of the remarks of the prior speakers, and when speaking under a specific agenda item, shall speak only to that agenda item. To promote time efficiency and an orderly meeting, the Presiding Officer may request that a spokesperson be designated to represent similar views. A designated spokesperson shall have 10 minutes to speak.
 - 5.8.3. Speaker Cards. To facilitate the orderly process of public comment and to assist the City Council to conduct its business as efficiently as possible, members of the public wishing to address the City Council are requested to, but not required to, hand a speaker card, which includes the speaker's name or other identifying designation and address, to the City Clerk prior to the agenda item being called. Generally, once the City Council begins its consideration of an item, no more speaker cards will be accepted. An individual's failure to present a speaker card or state their name shall not preclude the individual from addressing the City Council. (Section 54953.3)
- 5.9. Public Hearings. Public hearings are required for a variety of City Council actions such as changes to the Tracy Municipal Code, zoning revisions, some annexations, street vacations, weed abatement, liens, fee increases, etc. Whenever the law provides that publication of a notice shall be made, such notice shall be published in a newspaper of general circulation for the period prescribed, the number of times, and in the manner required. Each speaker will be allowed a maximum of five minutes for public input or

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testimony. However, in the event there are 15 or more individuals wishing to speak regarding a public hearing item, the maximum amount of time allowed per speaker will be three minutes. Public hearings are scheduled at the beginning of the meeting, and no regular item can be placed ahead of a public hearing.

- 5.9.1. Public Hearings for Land Use and Other Matters. The Presiding Officer may designate individuals as the “Proponent/Appellant” or “Opponent” and provide each with additional time for comments and the opportunity to present a rebuttal.
- 5.10. Regular Items. This portion of the Agenda is for non-public hearing agenda items that require Council action or direction such as status or informational reports from staff and Council requests for agenda items.
- 5.11. Staff Items. This portion of the agenda provides an opportunity for the City Manager, City Attorney, and City staff to provide information of community interest to the City Council.
- 5.12. Council Items and Comments. This portion of the agenda is for each member of the City Council to provide brief reports on any intergovernmental agency meetings, conferences, community meetings, meetings of other legislative bodies, or other events of interest to the community that they attended, as well as meetings attended at the City’s expense. This portion of the agenda is also for the City Council to provide guidance and direction to staff concerning items to be included on future agendas and information to be provided in response to questions raised during “Items from the Audience/Public Comment.”
 - 5.12.1. Under this portion of the agenda, two Council members may request staff to provide information, perform studies, or undertake other action. If the requested action is routine in nature, the City Manager will direct staff to proceed. However, if the request cannot be accomplished within the approved budget or City Council priorities, or if it will involve substantial staff resources, the City Manager will report to the City Council at a subsequent City Council meeting and request further direction. At that time, the consensus of a majority of the City Council will be required to proceed.
 - 5.12.2. Agendas for regular and special meetings of the Council shall include a “Council Items and Comments” section. (Resolution No. 2021-049)
- 5.13. Adjournment. If a City Council meeting is still in session at 11:00 p.m., the Presiding Officer shall ask the question of whether the City Council desires to consider any new items after 11:00 p.m. The City Council shall determine, by motion, which specific items will be considered or continued. The City Manager shall inform the City Council of any time sensitive items. Any item continued due to the lateness of the hour shall automatically be placed on the agenda for the next regularly scheduled City Council meeting unless otherwise scheduled by motion action of a majority of the City Council.

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- 5.14. Non-Agendized Items. The Brown Act prohibits the City Council from discussing or acting upon any non-agendized matter, unless an exception under Section 54954.2 applies. For non-agendized items, City Council members may briefly respond to statements made or questions posed by individuals during public comment; ask questions for clarification; direct the individual to the appropriate staff person; or request that the matter be placed on a future agenda or that staff provide additional information to the City Council. However, items may be added to the agenda (such as emergency matters) as permitted in the Brown Act. Brief announcements, brief responses, or questions seeking clarifications, may be made to statements or questions raised on items not on the agenda (Section 54954.2(a)(3)). Action on any item not on the agenda shall be deferred until the item is properly listed on the agenda for a subsequent City Council meeting unless added due to an immediate need if permitted under state law.
- 5.15. Voting Requirements. All ordinances, resolutions, and orders for payment of money require a majority vote of the total membership of the City Council in accordance with Section 36939, unless otherwise required by State law.
- 5.15.1. It is a best practice that all City Council members vote on every item of business unless prevented from doing so by virtue of an actual or potential conflict of law or other valid abstention under applicable laws. City Council Members are encouraged to disclose the reason for that abstention prior to the City Council engaging in discussion on that item.
- 5.16. Parliamentary Procedures. City Council meetings shall be conducted in accordance with the Rosenberg's Rules of Order: Simple Parliamentary Procedures for the 21st Century unless otherwise specified herein. (Appendix A - Rosenberg's Rules of Order, Revised 2011, as may be amended). City Boards and Commissions may use Rosenberg's Rules of Order or any other informal meeting protocols or parliamentary procedures to conduct their meetings. (Resolution No. 2021-049)
- 5.16.1. Time Limit for City Council Discussion and Debate. Each City Council Member shall have an aggregate maximum of five minutes to speak during each City Council discussion item and debate of a motion. (Resolution No. 2021-049)
- 5.16.2. Point of Order. Any City Council member may ask for a point of order, at which time the Presiding Officer will ask for an explanation. Points of order relate to matters that a City Council member considers inappropriate conduct for the meeting, such as the failure to adhere to these Protocols. The Presiding Officer shall rule on the matter. Any member can move to appeal the Presiding Officer's ruling, with a second from another Council member. Following debate, the ruling of the Presiding Officer may be reversed by a majority vote.
- 5.17. Written Communications from the City and the Public. The City Clerk shall manage communications to members regarding meeting topics to ensure compliance with the Brown Act.

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- 5.17.1. Except for records exempt from disclosure under the California Public Records Act and otherwise by law, agendas or any other writings distributed to all or a majority of the members of a legislative body for discussion or consideration at a public meeting are disclosable to the public, and shall be made available upon request without delay.
- 5.17.2. Materials distributed to the members during the meeting shall be available for viewing by the public during the meeting if the materials were prepared by the City or a City Council member, or posted on the City's website within 48 hours the conclusion of the meeting if prepared by another person.
- 5.18. Written Materials after the City Council Agenda has been Distributed. On occasion, the City Council may receive, from members of the public, written materials either after the Agenda has been posted or at a City Council meeting. These written materials are typically related to an agenda item or handed out during "Items from the Audience/Public Comment." Upon the City Council receiving these written materials, they become a public record. For materials related to an agenda item, copies will be kept on file at the City Clerk's Office and will typically be posted on the City's website under "Materials Distributed at Council Meetings" 48 hours after the City Council meeting.
 - 5.18.1. For agenda items, staff may distribute materials to the City Council after the agenda has been published, only in compliance with the Brown Act. Any such materials will be made available at the City Council meeting for the public to review.
 - 5.18.2. Interested parties or their authorized representatives may address the Council by written communications regarding agenda items.
 - 5.18.2.1. Documents (6 copies are recommended) that members of the public submit to the City Council at the meeting shall be given directly to the City Clerk for distribution and shall not be given directly to the City Council. The documents will be available to the public on the City's website within 48 hours of the conclusion of the meeting.
- 5.19. Compliance with the Americans with Disabilities Act (ADA). The City of Tracy is in compliance with the Americans with Disabilities Act and will make all reasonable accommodations for the disabled. To allow for such reasonable accommodations, persons requiring assistance or auxiliary aids to participate at a City Council meeting, should contact the City Clerk's Office at (209) 831-6105 at least 24 hours prior to the meeting.

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Section 6 – Conduct of the Public

6. Conduct of the Public

- 6.1. Purpose of Public Comment. The City, in accordance with the Brown Act, provides the public the opportunity to address the City Council body as a whole and express their opinions regarding agenda items and non-agenda matters within the subject matter jurisdiction of the City Council. (Section 54954.3) Items are generally considered to be within the City Council's subject matter jurisdiction if they are within the City Council's scope of influence.
 - 6.1.1. Nothing in these Protocols shall be construed as prohibiting public criticism of the City's policies, procedures, programs or services, or the acts or omissions of the City Council. However, these Protocols are not intended to confer any privilege or protection for expression beyond that otherwise provided by law. (Section 54954.3(c)).
 - 6.1.2. Public comments should not be addressed to individual City Council members nor City staff, but rather to the City Council as a whole.
 - 6.1.3. While members of the public may speak their opinions on City business, personal attacks on members and City officials, use of swear words, and verbal or non-verbal signs or displays of disrespect for individuals are discouraged as they impede good communication with the City Council.
 - 6.1.4. Consistent with the Brown Act, the City Council is limited in its ability to respond to public comments regarding non-agenda matters.
- 6.2. In the interest of conducting an efficient meeting, the Presiding Officer may stop a member of the public whose comments are not confined to the agenda item being heard. In addition, during the "Items from the Audience/Public Comment" portion of the agenda, the Presiding Officer may stop a member of the public whose comments are not within the subject matter jurisdiction of the City.
- 6.3. Rules of Decorum. While the City Council is in session, no person in the audience at a City Council meeting shall engage in conduct that disrupts the orderly conduct of a Council meeting, including, but not limited to, the utterance of loud, threatening or abusive language, refusing to abide speaker time limits and leave the podium when directed; whistling, stamping of feet, yelling or shouting or interrupting a speaker who is addressing the City Council; repeated waving of arms; or other disruptive acts. Clapping at any time during a City Council meeting, except during the "Presentations/Proclamations and Awards" portion of the meeting, shall be considered a disruption.
- 6.4. Any person who disrupts the orderly course of the meeting may be issued a criminal citation pursuant to Penal Code section 403 and/or called out of order by the Presiding Officer and barred from further participation during that session of the City Council in accordance with the Brown Act.

City of Tracy – Council Meeting Protocols and Rules of Procedures

- 6.4.1. All persons attending a Council meeting shall obey any lawful order or direction of the Presiding Officer or Sergeant-at-Arms.
- 6.4.2. The Sergeant-at-arms shall assist the Presiding Officer in enforcing these rules of decorum at City Council meetings, including but not limited, removing disruptive audience members. Additionally, any City Council member may at any time call for a point of order, to request the timely enforcement of these rules of decorum.
- 6.5. Location of Speaker. Members of the public wishing to address the City Council must approach the podium when recognized by the Presiding Officer and shall speak only from the podium.

City of Tracy – Council Meeting Protocols and Rules of Procedures

Section 7 – Miscellaneous

7. Miscellaneous

- 7.1. Conflicts of Interests. It is the responsibility of every Council member to disclose conflicts of interest on agendized items, in accordance with State and local laws.
- 7.2. Proclamations. The Mayor issues proclamations to provide special recognition by the City to an individual, event, issue etc. Proclamations are not statements of policy and do not require the official approval or action of the City Council.
- 7.3. Broadcasting of Council Meetings. Generally, City Council meetings are broadcast live on Channel 26 and the City's website (www.cityoftracy.org), unless technical difficulties make that infeasible. Reruns of the preceding City Council meeting are shown every Wednesday at 8:00 p.m., every Thursday at 10:00 a.m., and every Saturday at 9:00 a.m. on Channel 26.
 - 7.3.1. Recordings of City Council meetings shall be accessible on the City's website (www.cityoftracy.org) by the end of the following business day. DVD recordings of Council meetings are available at costs established in the City's Master Fee Schedule.

City of Tracy – Council Meeting Protocols and Rules of Procedures

Appendices

- A. Rosenberg's Rules of Order, revised 2011, Simple Rules of Parliamentary Procedure for the 21st Century. Judge Dave Rosenberg

Agenda Item 3.C

REQUEST

CONDUCT A PUBLIC HEARING, AND UPON CONCLUSION, ADOPT THE FOLLOWING:

- 1) RESOLUTION APPROVING NEW POSITIONS FOR AN ANNUAL AGGREGATE COST OF \$1,375,165 AND AUTHORIZING THE BUDGET OFFICER TO AMEND THE CITY'S POSITION CONTROL ROSTER FOR FY 2023/24;**
- 2) RESOLUTION ADOPTING THE CITY OF TRACY FISCAL YEAR (FY) 2023/24 ANNUAL OPERATING AND CAPITAL BUDGET, REFLECTING ADDITIONAL POSITIONS APPROVED THROUGH RESOLUTION XXX**
- 3) RESOLUTION ADOPTING COMMITTED FUND BALANCES (GASB 54) FOR FISCAL YEAR ENDING JUNE 30, 2023 IN COMPLIANCE WITH STATEMENT 54 OF THE GOVERNMENTAL ACCOUNTING STANDARDS BOARD; AND**
- 4) RESOLUTION ESTABLISHING FISCAL YEAR 2023/24 APPROPRIATIONS LIMIT PURSUANT TO ARTICLE XIII B OF THE CALIFORNIA STATE CONSTITUTION.**

EXECUTIVE SUMMARY

The City's annual budget is a numerical representation of the Council's goals and priorities. As such, the City Manager's Proposed FY 2023/24 Annual Operating and Capital Budget (Annual Budget) was developed under the framework of the Council's adopted strategic priorities and objectives. The FY 2023/24 Annual Budget appropriations total approximately \$292 million from all funding sources including capital improvements of \$20.8 million. The budget document summarizes City funds and provides an overview of existing and new capital projects that will be funded in the upcoming fiscal year.

The public hearing scheduled for this evening will allow for additional discussion and community input prior to Council consideration and adoption of the Proposed FY 2023/24 Annual Operating and Capital Budget, including authorization of the FY 2023/24 position control roster; adoption of the FY 2023/24 Committed Fund Balances (GASB 54); and the adoption of the Appropriation Limit (Gann Limit).

The City's Proposed FY 2023/24 Annual Operating and Capital Budget can be located at the City Clerk's Office in City Hall and on the City of Tracy Website. ([Budget & Financial Documents and Policies | City of Tracy, CA](#))

DISCUSSION

Proposed FY 2023/24 Citywide Annual Operating and Capital Budget

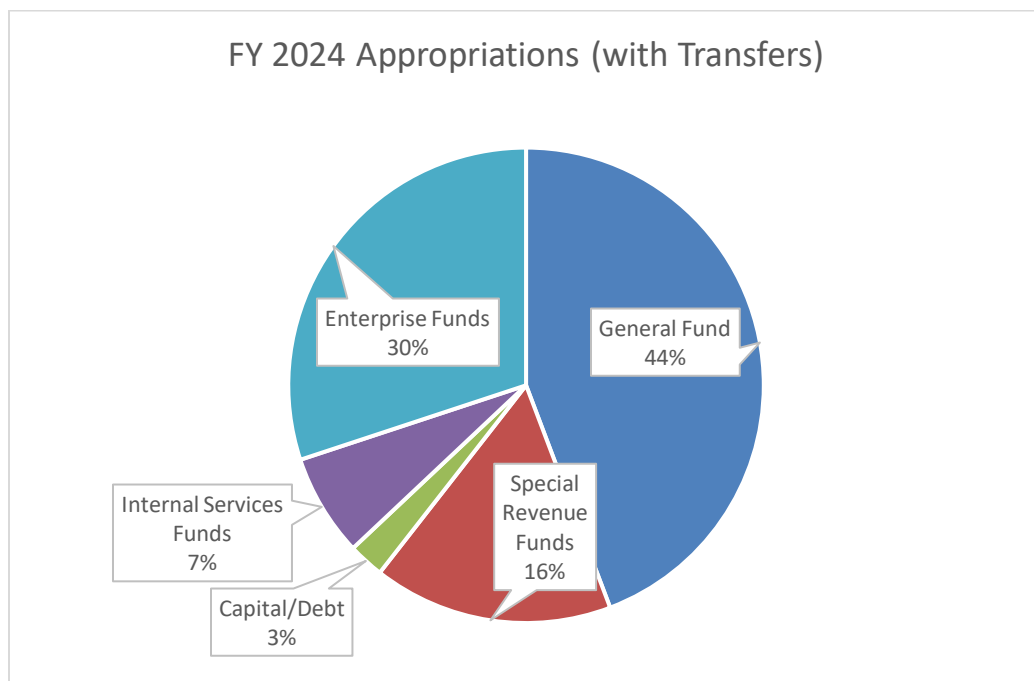
The FY 2023/24 Annual Operating and Capital Budget (Annual Budget) offers growth, innovation, and fiscal sustainability that will benefit the residents and community it

serves. The budget will support enhanced services, new core programming, and policy initiatives that will strengthen the City’s position as a place to live, play, and work.

Core services such as public safety and the maintenance of parks, roads and streets, continue to remain a top focus for the City. Federal support from the American Rescue Plan Act (ARPA), provides funding for vital assistance programs, such as the Temporary Emergency Housing Facility.

The FY 2023/24 Annual Budget appropriations total approximately \$292 million, including from \$20.6 million in Transfers Between funds and capital improvements of \$20.8 million. The Net Position increased \$68.2 million after the capitalization of \$20.8 million in capital improvements. This reflects an overall reduction of \$60.2 million dollars from the FY2022-23 operating and capital budget. The change is linked to a reduction in the amount of new capital improvement projects being adopted into the proposed FY2023-24 capital budget.

FY 2023/24 Proposed Budget	
General Fund	108,700,494
Special Revenue Funds	47,924,091
Capital/Debt	6,787,703
Internal Services Funds	20,281,745
Enterprise Funds	87,739,296
Total Expenditures (without Transfers)	271,433,329
Transfers Between Funds	20,581,459
Total Expenditures (with Transfers)	292,014,788



Citywide Operating and Capital Budget

Summary of Proposed Revenues and Expenses for All Funds without Transfers

REVENUES (in thousands)	FY 22/23 Projected	FY 23/24 Proposed	FY 24/25 Forecasted
General Fund	\$ 139,645	\$ 138,157	\$ 142,361
Development Services	18,160	18,087	18,376
Gas Tax	4,913	5,012	5,118
General Fund Capital	-	-	-
Special Revenue	8,335	8,910	8,812
Capital	36,541	33,746	34,758
Debt	7,621	5,932	5,943
Internal Services	20,368	23,191	23,869
Water	23,868	23,516	23,978
Wastewater	16,555	21,147	21,782
Solid Waste	26,614	33,346	34,346
Storm Drain	751	774	797
Airport Enterprise	757	1,125	864
Transit	5,780	5,953	6,132
TOTAL REVENUES	309,908	318,896	327,136
EXPENSES (in thousands)			
General Fund	\$ 106,280	\$ 108,700	\$ 111,015
Development Services	17,918	19,271	20,071
Gas Tax	10,924	4,444	3,033
General Fund Capital	77,266	8,511	3,000
Special Revenue	54,169	15,697	9,764
Capital	69,767	1,012	636
Debt	5,783	5,776	5,778
Internal Services	23,067	20,282	20,725
Water	32,834	25,345	24,243
Wastewater	68,402	20,409	21,040
Solid Waste	29,914	32,040	33,030
Storm Drain	647	576	592
Airport Enterprise	1,311	1,456	1,212
Transit	10,067	7,913	7,097
TOTAL EXPENDITURES	508,349	271,432	261,236
SURPLUS/DEFICIT	(198,441)	47,464	65,900
CAPITAL IMPROVEMENT	257,741	21,143	3,932
NET POSITION CHANGE	59,300	68,607	69,832

Proposed FY 2023/24 General Fund Annual Operating and Capital Budget

The General Fund forecast presented on April 4, 2023, included an inflation factor of 3% for expenses in the short term and flattens to 1-2% in the long-term. This factor is used to maintain the current buying power of the City. The trends for non-personnel may rise higher than the forecast of 3% due to steep rise in inflation and supply chain disruptions currently in the market. The inflation factor may result in the City’s costs rising higher than the forecast and reducing the overall buying power. The City will continue to monitor the inflation rate on goods and services as it has historically outpaced the City’s revenue growth due to regulatory restrictions on revenues. Staff will continue to monitor the costs of goods and services and their impacts on a quarterly basis.

The City continues to diversify its sources of General Fund revenue, to reduce its reliance on any one source. In November 2022, residents approved Measure B, the modernization of the Business tax, which will take effect July 1, 2023. The change to the Business tax will ensure greater equity amongst businesses in Tracy. The tax is based upon the Gross Receipts of the business, with 80% of businesses seeing a reduction in the tax they pay. This change is expected to increase the Business tax by \$3.5 million dollars in FY 2023-24.

Below is a table from the April 4, 2023 forecast that provided the financial framework to begin discussing new fiscal sustainability funding strategies that have been incorporated into the development of the FY 2023/24 budgets.

5-Year Forecast
(In Millions)

	Projected FY23	Proposed FY24	Forecast FY25	Forecast FY26	Forecast FY27	Forecast FY28
Revenues	\$139	\$146	\$151	\$157	\$140	\$144
Expenditures	\$139	\$141	\$144	\$147	\$140	\$144
Surplus/(Deficit)	\$0	\$5	\$7	\$10	\$0	\$0

Budget and Fiscal Sustainability Funding Planning

Included in the FY 2023-24 Operating budget is the continuation of the City Council’s fiscal sustainability strategies totaling \$14.9 million. The fiscal sustainability strategies reflect City Council’s investment in paying down future liabilities, funding deferred maintenance and enhancing City programs and services.

The following table provides the policy provides the proposed fundings for FY2023/24 and estimates going forward.

City Council's Fiscal Sustainability Funding Policy

On-Going Revenue/(Expenses)	Estimated % of Revenues	FY 2023/24	FY 2024/25	FY 2025/26
General Fund Revenues		\$125M	\$129M	\$134M
CalPERS pre-fund	2%	\$2.5M	\$2.5M	\$2.6M
Retiree Medical pre-fund	2%	\$2.5M	\$2.5M	\$2.6M
Road Improvements-Deferred Maintenance	3%	\$3.70	\$3.8M	\$4M
Parks -Deferred Maintenance	2%	\$2.5M	\$2.5M	\$2.6M
City Services and Program Increase	3%	\$3.70	\$3.8M	\$4M
Annual Budget Increase		\$14.9M	\$15.1M	\$15.8M

Below is a summary of the General Fund Budget amended for FY 2022/23, proposed for FY 2023/24, and forecasted for FY 2023/24 that includes the above-mentioned policies.

Proposed Revenues and Expenditures for the General Fund

	FY 22/23 Projected	FY 23/24 Proposed	FY 24/25 Forecasted
REVENUES (in thousands)			
Property Tax	\$ 31,090	\$ 32,751	\$ 34,350
Sales Tax	69,680	65,951	68,161
Sales Tax (MEASURE V)	14,770	12,647	12,933
Other Taxes	2,870	7,300	7,384
Other Revenues	21,379	19,528	19,553
TOTAL REVENUES	\$ 139,789	\$ 138,177	\$ 142,381
EXPENDITURES (in thousands)			
Personnel	\$ 55,101	\$ 57,502	\$ 59,925
Purchased Services and Supplies	29,478	28,802	29,382
Utilities	2,396	2,582	2,660
Capital	952	534	-
Debt	2,672	2,676	1,947
TOTAL EXPENDITURES	\$ 90,599	\$ 92,096	\$ 93,914
Transfers In	\$ 72	\$ 10	\$ 10
Transfers Out	(38,938)	(36,708)	(38,896)
Transfers Out: Measure V Capital	(12,524)	(9,383)	(9,581)
TOTAL NET TRANSFERS IN/(OUT)	(51,390)	(46,081)	(48,467)
Total Change in Net Position	\$ (2,200)	\$ -	\$ -
Prior Year Reserves	31,165	28,965	28,965
Use of Reserves			
Non-Spendable Reserves	62	62	62
Contingency/Emergency Reserves (17%)	15,402	15,656	15,965
Economic/Budget Stability Reserves (13%)	11,778	11,972	12,209
Prior Year Carryover			
Unassigned	1,723	1,274	729
Year End Reserves	\$28,965	\$28,965	\$28,965

FY 2023/24 Proposed Annual Operating and Capital Budget Personnel and Programs

The FY 2023-24 budget builds on the growth and innovation stemming from the reorganization that occurred in the FY 2022-23 budget. Over the last fiscal year, new core service departments, such as the Innovation and Technology department and the Mobility and Housing department were created to adapt to the growing needs of the City. The Public Works and Utilities departments were merged into the Operations and Utilities department, to provide streamlined services and reduce duplicative activities.

In preparing the FY 2023-24 budget, staff conducted a workshop with the City Council on April 4, 2023, to review the five-year forecast and five-year Capital Improvement Plan (CIP). Staff also presented a preliminary budget to the Finance Committee on April 19, 2023.

The City Council has dedicated almost \$3.7 million in on-going City services and programs this includes the funding 8 full-time positions in five departments. See Attachment A for a summary table of all the position control roster changes being proposed. A full listing of all the FY 2023/24 positions (including historical staffing levels) can be found in within each department budgets.

This budget reflects funding for additional positions requested to be filled by various departments. The proposed positions are existing job classifications and already reflected on the Master Salary Schedule. A separate Resolution is included in this agenda packet for the City Council to approve these additional positions and authorize the Budget Officer to make changes to the position control roster. The positions are as follows:

General Fund Personnel

- Operations and Utilities:
 - Operations Streets & Right of Way Maintenance Division added two (2) new full-time positions, one (1) Senior Maintenance Worker and one (1) Maintenance Worker I/II to address increased maintenance needs will be able to significantly reduce the amount of service requests and provide more proactive services.
 - Operations Internal Maintenance Division added one (1) new full-time position, one (1) Maintenance Worker I/II to support the electricians to increase service to the city's street and traffic lights.

- Police Department:
 - Police Department: Operations Division added two (2) new full-time positions, two (2) Motor Police Officers to be added to traffic safety unit will provide a seven-day-a-week coverage of Traffic Enforcement Coverage instead of only weekday coverage. This will be an increase in safety operations and overall enforcement.

Non - General Fund Personnel

- Development Services:
 - Planning Division added one (1) new full-time position, one (1) Assistant

Planner will enable a higher responsiveness, increased building, and sign permit reviews, and assisting with in person inquiries.

- Innovation and Technology Department:
 - Added two (2) new full-time positions:
 - One (1) GIS Technician to centralize this function within the department and support the division.
 - One (1) Senior Information Systems Technician will support the Police Department to keep up with the ever-increasing technology needs.
- Parks & Recreation:
 - Parks Maintenance Division added one (1) new Maintenance Worker I/II to provide enhanced services to the CFD Parks to be consistent with the Parks, Recreation, and Trails Master plan goals of providing well maintained, safe, comfortable, and attractive parks

Digital Budget Book

The FY 2022/23 Annual Operating and Capital Budget reflected the Council's vision for the community and the values that guide the Council's policy decisions as well as growth, innovation, and fiscal sustainability that will benefit the residents and community it serves.

In preparing for the FY 2023/24 budget, the City sought out how to further this vision by digitizing the budget document to be more accessible and have smoother navigation. With the onboarding of ClearGov, Council, staff, and residents can navigate the operating budget citywide and by the departments. This also allows for additional information regarding capital improvement projects, with location, funding costs, and additional photos. Another advantage of using a digital budget book is reducing paper consumption and saving on printing costs.

The digital budget book can be found on the Finance page of the City's website. The digital budget book can also be downloaded into PDF format for those who want a hard copy. Users can select which sections they want to download, allowing users to print the pages most important to them.

Committed Fund Balances (GASB 54) for Fiscal Year Ending June 30, 2023

In preparation for closing fiscal year ending June 30, 2023, staff reviews estimated fund balances and designates funds that have been committed for use in future periods. The fund balance policy requires that the City Council take formal action prior to the end of the fiscal year to commit fund balances of governmental funds (General Fund, Special Revenue Funds, Capital, and Debt funds). This item requests Council to approve the committed fund balances for fiscal year ending June 30, 2023. Upon Council approval, these funds will be appropriated to the next fiscal year in FY 2023/24, General Fund \$1,737,485 and Other Governmental \$5,122,502. Staff recommends adoption of the Committed Fund Balances for fiscal year ending June 30, 2023. (See Attachment C for details)

Annual Adjustment to Appropriations Limit (Gann Limit)

Article XIII B of the California Constitution, informally known as the Gann Appropriations

Limit, limits the total amount of appropriations in any fiscal year derived from the “proceeds of taxes.” The article further provides that appropriations from designated reserve funds are not appropriations from the proceeds of taxes. Additionally, appropriations from sources other than taxes are not controlled by the limit. The calculated appropriation limit for FY 2023/24 is \$90.3 million. Based on the budget adopted on June 6, 2023, \$80.4 million in appropriations are subject to the limit, and the City is currently \$9.9 million below the limit. Staff recommends adoption of the Annual Adjustment to Appropriations Limit (Gann Limit) pursuant to Article XIII B of the California State Constitution establishing the limit for FY 2023/24.

STRATEGIC PLAN

This agenda item supports Governance Strategic Goal 3: Ensure Short and Long-term Financial Sustainability.

FISCAL IMPACT

The FY 2023/24 proposed operating and capital budget appropriations total approximately \$292 million, including from \$20.6 million in Transfers Between funds and capital improvements of \$20.8 million. The Net Position increased \$68.2 million after the capitalization of \$20.8 million in capital improvements. Each year, the City of Tracy must formally adopt, by resolution, the annual operating, debt, and capital financial plans of each entity and include appropriations presented to the City Council.

RECOMMENDATION

Conduct a public hearing, and upon conclusion, adopt the following:

- 1) Resolution approving new positions for an annual aggregate cost of \$1,375,165 and authorizing the Budget Officer to amend the City's Position Control Roster for FY 2023/24;
- 2) Resolution adopting the City of Tracy Fiscal Years (FY) 2023/24 Annual Operating and Capital Budget, reflecting the additional approved positions;
- 3) Resolution adopting Committed Fund Balances (GASB 54) for Fiscal Year ending June 30, 2023 in compliance with Statement 54 of the Governmental Accounting Standards Board; and
- 4) Resolution establishing Fiscal Year 2023/24 appropriations limit pursuant to Article XIII B of the California State Constitution.

Prepared by: Felicia Galindo, Budget Officer

Reviewed by: Sara Cowell, Director of Finance
Bijal Patel, City Attorney
Karin Schnaider, Assistant City Manager

Approved by: Midori Lichtwardt, Interim City Manager

ATTACHMENTS

Attachment A – FY2023/24 Staffing – Position Control Roster Changes

Attachment B – Budget Message

Attachment C – Committed Fund Balances for Fiscal Year Ending June 30, 2023

Attachment D – FY 2023/24 Appropriations Limit Calculation

Attachment E - Powerpoint Presentation

The City's Proposed FY 2023/24 Annual Operating and Capital Budget can be located at the City Clerk's Office in City Hall and on the City of Tracy Website. (([Budget & Financial Documents and Policies | City of Tracy, CA](#))

FY 2023/24 Proposed Annual Operating and Capital Budget Personnel					
Department	Division	Position	Amount	General Fund	Other Fund
Development Services	Planning	Assistant Planner	163,222		163,222
Parks & Recreation	Parks Maintenance	Maintenance Worker I/II	123,876		123,876
Innovation & Technology	GIS	GIS Technician	151,787		151,787
Innovation & Technology	Innovation & Technology	Senior Information Systems Technician	164,130		164,130
Operations & Utilities	Internal Maintenance	Maintenance Worker I/II	123,786	123,786	
Operations & Utilities	Streets & Right of Way Maintenance	Senior Maintenance Worker	133,572	133,572	
Operations & Utilities	Streets & Right of Way Maintenance	Maintenance Worker I/II	123,786	123,786	
Police	PD Operations	Police Officer	195,503	195,503	
Police	PD Operations	Police Officer	195,503	195,503	

772,150 603,015

Total: 1,375,165

FY 2023/24 Re-Allocated Positions			
Department	Division	Old Position	New Position
Parks & Recreation	Parks Maintenance	Sr Maintenance Worker	Operations Supervisor
Parks & Recreation	Recreation	Recreation Program Coordinator	Recreation Services Supervisor

FY 2023/24 Deleted Positions			
Department	Division	Position	Description
City Manager's Office	Channel 26	Multimedia Communications Coordinator	Converted to contract services



June 6, 2023

City of Tracy
333 Civic Center Plaza
Tracy, CA 95376

CITY MANAGER'S OFFICE

MAIN 209.831.6000
FAX 209.831.6120
www.cityoftracy.org

Honorable Mayor and City Council,

I am pleased to present the proposed Fiscal Year (FY) 2023-24 Annual Operating and Capital Budget to the City Council for consideration and adoption. The proposed budget reflects the City's commitment to provide quality services to residents and businesses, while maintaining the City's long-term fiscal sustainability strategies.

This year's budget is presented as a digital budget book, allowing for transparency, ease of accessibility and navigation. The digital budget book can be found on the Finance page of the City's website.

The FY 2023-24 budget builds on the growth and innovation stemming from the reorganization that occurred in the FY 2022-23 budget. Over the last fiscal year, new core service departments, such as the Innovation and Technology department and the Mobility and Housing department were created to adapt to the growing needs of the City. The Public Works and Utilities departments were merged into the Operations and Utilities department, to provide streamlined services and reduce duplicative activities.

In preparing the FY 2023-24 budget, staff conducted a workshop with the City Council on April 4, 2023 to review the five-year forecast and five-year Capital Improvement Plan (CIP). Staff also presented a preliminary budget to the Finance Committee on April 19, 2023.

The City's budget was developed in alignment with the following City Council strategic priorities:

Economic Development – To enhance the competitiveness of the City while further developing a strong and diverse economic base.

Public Safety – To enhance community safety by promoting a responsive public safety system that includes civic engagement and partnerships, community involvement, public education, and prevention, intervention, and suppression services that meet the needs of Tracy residents.

Quality of Life – To provide an outstanding quality of life by enhancing the City's amenities, business mix and service, and cultivating connections to promote positive change and progress in our community.

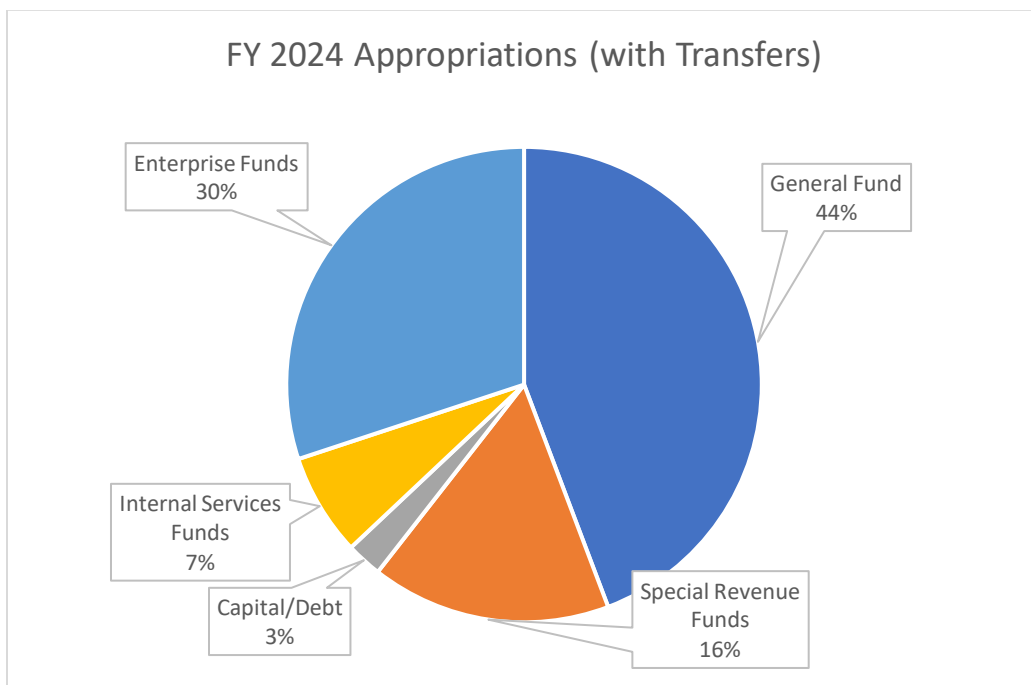
Governance – To enhance fiscal stability, retain and attract new talent, improve the use of technology, and enhance engagement and transparency for the betterment of the community.

The proposed FY 2023-24 Operating and Capital budget totals \$292 million, of which \$108 million is funded through the General Fund. The General Fund budget also includes Measure V, a half-cent General sales tax approved by voters, for the construction, operation, and support of community amenities. The proposed budget is balanced and represents the City's financial plan for the upcoming fiscal year. The plan reflects prudent investments in staffing and programs to reflect community needs and support Council initiatives.

Core services such as public safety and the maintenance of parks, roads and streets, continue to remain a top focus for the City. Federal support from the American Rescue Plan Act (ARPA), provides funding for vital assistance programs, such as the Temporary Emergency Housing Facility.

FY 2023-24 Proposed Budget

General Fund	108,700,494
Special Revenue Funds	47,924,091
Capital/Debt	6,787,703
Internal Service Funds	20,281,745
Enterprise Funds	<u>87,739,296</u>
Total Expenditures (without transfers)	<u>271,433,329</u>
Transfers Between Funds	<u>20,581,459</u>
Total Expenditures (with transfers)	<u><u>292,014,788</u></u>



The FY2023-24 proposed operating and capital budget reflects an overall reduction of \$60.2 million dollars from the FY2022-23 operating and capital budget. The change is linked to a reduction in the amount of new capital improvement projects being adopted into the proposed FY2023-24 capital budget. Many of the capital improvement projects adopted in the FY2022-23 capital budget remain ongoing and are expected to be completed within FY2023-24.

Included in the FY 2023-24 Operating budget is the continuation of the City Council’s fiscal sustainability strategies totaling \$14.9 million. The fiscal sustainability strategies reflect City Council’s investment in paying down future liabilities, funding deferred maintenance and enhancing City programs and services.

On-Going Revenue	Estimated % of Revenues	FY23/24
General Fund Revenues*		\$123
CalPERS Pre-funding	2%	\$2.5M
Retiree Medical Pre-funding	2%	\$2.5M
Road Improvements - Deferred Maintenance	3%	\$3.7M
Parks - Deferred Maintenance	2%	\$2.5M
City Services and Program Increase	3%	\$3.7M
Total		\$14.9M

*Revenues defined as total General Fund revenues less Measure-V Sales Tax and Transfers In

The proposed FY2023-24 Operating budget reflects the \$3.7 million dollar investment to City Services and Programs as outlined in the fiscal sustainability strategies. This includes program support for Homeless Services, Streets and Roads Maintenance, Innovation and Technology, and Public Safety, including nine full-time positions five City departments, as follows.

- Operations and Utilities:
 - Operations Streets & Right of Way Maintenance Division added two (2) new full-time positions, one (1) Senior Maintenance Worker and one (1) Maintenance Worker I/II to address increased maintenance needs will be able to significantly reduce the amount of service requests and provide more proactive services.
 - Operations Internal Maintenance Division added one (1) new full-time position, one (1) Maintenance Worker I/II to support the electricians to increase service to the city’s street and traffic lights.

- Police Department:
 - Police Department: Operations Division added two (2) new full-time positions, two (2) Motor Police Officer’s to be added to traffic safety unit will provide a seven-day-a-week coverage of Traffic Enforcement Coverage instead of only weekday coverage. This will be an increase in safety operations and overall enforcement.

- Development Services:
 - Planning Division added one (1) new full-time position, one (1) Assistant Planner will enable a higher responsiveness, increased building, and sign permit reviews, and assisting with in person inquiries.

- Innovation and Technology Department:
 - Added two (2) new full-time positions:

- One (1) GIS Technician to centralize this function within the department and support the division.
 - One (1) Senior Information Systems Technician will support the Police Department to keep up the ever-increasing technology needs.
- Parks & Recreation:
- Parks Maintenance Division added one (1) new Maintenance Worker I/II to provide enhanced services to the CFD Parks to be consistent with the Parks, Recreation, and Trails Master plan goals of providing well maintained, safe, comfortable, and attractive parks.

The City's Enterprise Funds provide Water, Sewer, Solid Waste, and Storm Drain services to Tracy residents. The City bills residents for utility services, on a cost-of-service basis. To do this, the City conducts a rate study to align the cost of services provided with the rates charged for the purpose of implementing a five-year rate plan. In 2022, a Solid Waste rate study was completed, and a five-year rate plan was implemented. In 2023, a Wastewater rate study was conducted, and a public hearing is set for June 20, 2023 to discuss the implementation of the proposed five-year rate plan. It is expected that in 2024, the Water Enterprise will undergo a rate study and present the results in a workshop to Council.

ECONOMIC INDICATORS

Tracy's economy has experienced consistent growth in recent years, supported by diverse sectors such as logistics and manufacturing. Tracy's strategic location between the Bay Area and Central Valley has continued to be beneficial for both business and resident growth.

With the City's population nearing 100,000, Tracy has a robust job market with low unemployment rates (4.5% as of April 2023), thanks to the expansion of existing businesses and the attraction of new businesses.

In FY 2022-23, The City's Economic Development Division focused on the principle of creating a pro-business environment as well as attracting, retaining, and expanding businesses throughout the City's diverse retail locations. The relationships with downtown businesses through partnership with the Tracy Chamber of Commerce and Tracy's City Center Association have been pivotal to continue to foster and enhance the City's pro-business environment. Additionally, cross-departmental efforts have allowed for various businesses such as Sourdough & Co., Crumbl Cookies, Popeyes, Fire Wings, The Produce Company, and Amazon to call Tracy their home. Other new and upcoming businesses to the Tracy community include Burlington, Williams-Sonoma, Marriott TownePlace Suites, La Quinta Inn & Suites, and the Courtyard by Marriott. In the upcoming fiscal year, the City will continue to focus on partnerships, activating business incentive programs, as well as utilizing Tracy's Economic Development Strategic Plan as a roadmap to develop a workplan to attract potential businesses.

WHAT IS AN ECONOMIC DEVELOPMENT STRATEGIC PLAN?

The EDSP **DOES** provide Tracy with a strategic framework and **roadmap** to guide economic development. It **DOES NOT** provide be-all and end-all solutions.



FISCAL HIGHLIGHTS AND CHALLENGES

Over the last two fiscal years, the City saw strong growth in both Property and Sales tax. As rising inflation and interest rates have occurred over the last year, consumer spending has slowed as well as the local real estate market, both in volume and price. The combination of these economic factors is leading to an overall slowing in the growth of the City's General Fund revenue.

The City continues to diversify its sources of General Fund revenue, to reduce its reliance on any one source. In November 2022, residents approved Measure B, the modernization of the Business Tax, which will take effect July 1, 2023. The change to the Business Tax will ensure greater equity amongst businesses in Tracy. The tax is based upon the gross receipts of the business, with 80% of businesses seeing a reduction in the tax they pay. This change is expected to increase the Business Tax revenues by \$3.5 million dollars in FY 2023-24.

The City is also tracking anticipated changes to statewide sales tax allocation related to ecommerce, based on a recent study published by the California Department of Tax Franchise Administration (CDTFA). The CDTFA recently studied the potential impacts of changing the method of allocation from point of fulfillment to point of delivery. It is expected that legislative changes determining the method of statewide sales tax allocation may occur over the next 18-24 months and could impact the City's sales tax allocation by 25% or greater, which could equate to \$20-40 million dollars. In anticipation of this change, the City has been utilizing the previous fiscal sustainability strategies to pay down future liabilities, fund deferred maintenance and make one-time investments in City services and programs. This will allow the City to pivot without major impacts to essential City services as any changes to sales tax occur.

The City also expects to see an increase to its Transient Occupancy Tax (TOT), also known as the hotel tax, in the amount of \$500,000 in FY2023-24, with several additional hotels in the planning or construction phase that are expected to open in future years.

Additionally, Cannabis tax is an overlay component of the Business License tax classifications. The City Council and voters approved a Cannabis Tax in 2020, which provided a gross receipts tax on retail, distribution, and manufacturing in a square foot tax on cultivation. This tax could potentially generate an additional \$1-2 million annually in General Fund revenues.

LOOKING FORWARD

The proposed FY 2023-24 Operating and Capital budget reflects Council priorities, funds core services and allows us to plan for the future while maintaining a steadfast commitment to a solid financial foundation.

As we head into a future with many unknowns, the City's commitment to continue the implementation of its fiscal sustainability strategies to pay down future liabilities, fund deferred maintenance and City services will allow the City to weather any future economic changes.

I present to Council a proposed budget that supports the overall vision expressed by the City Council, one that aims to benefit all Tracy residents.

Sincerely,

Midori Lichtwardt
Interim City Manager

Department	Fund Name	Vendor	Description	Balance
General Fund				
City Attorney's Office	General Fund	Meyers Nave	Special Counsel Legal Services	4,326
Mobility & Housing	General Fund	Tracy Chamber of Commerce	2023 Tourism Grant	33,000
Mobility & Housing	General Fund	Tracy City Center Association	2023 Tourism Grant	33,000
Mobility & Housing	General Fund	Retail Strategies Consultant Services	Budgetary - Retail Strategies Consultant Services	110,000
Mobility & Housing	General Fund	Tennyson Electric In	Electrical for containers Shelter Site	130,000
Mobility & Housing	General Fund	The KPA Group	Temporary Interim Emergency Housing Arbor Ave	39,705
Mobility & Housing	General Fund	The KPA Group	Temporary Interim Emergency Housing Arbor Ave	16,953
Mobility & Housing	General Fund	PowerGen Inc	Generator/Tank at Shelter Site	107,652
Mobility & Housing	General Fund	Brentwood Decorative Rock	Gravel for driveway at Shelter Site	3,812
Operations & Utilities	General Fund	Delta Wireless & Network Solutions	Fleet - Radio Hardware PD vehicles	425
Operations & Utilities	General Fund	Motorola Solutions Inc	Fleet - Radio Hardware PD vehicles	1,022
Operations & Utilities	General Fund	CDWG Inc	Fleet - Computers PD vehicles	8,658
Operations & Utilities	General Fund	72 Hr. LLC	Fleet - (2) Patrol Vehicles	20,000
Operations & Utilities	General Fund	Derotic LLC	Waiting on radios to upfit vehicle	11,821
Operations & Utilities	General Fund	72 Hr. LLC	Fleet - (2) Patrol Vehicles	80,726
Operations & Utilities	General Fund	Daniel E Woods	Repeater for Antenna Farm	29,231
Operations & Utilities	General Fund	Derotic LLC	Fleet -Outfitting PD Vehicles	19,202
Operations & Utilities	General Fund	Derotic LLC	Fleet - (1) Upfitting PD Vehicle	9,518
Operations & Utilities	General Fund	Shape Incorporated	Detention Basin 5 Replacement pumps	67,708
Operations & Utilities	General Fund	MCH Electric Inc	Traffic signals MacArthur & Eastlake	49,525
Operations & Utilities	General Fund	St Francis Electric LLC	Streetlights near 1855 MacArthur	7,990
Operations & Utilities	General Fund	St Francis Electric LLC	Light pole 11th St Summer Ln	13,875
Operations & Utilities	General Fund	NWN Corporation	Desktop for New Mechanic & BLD	1,460
Operations & Utilities	General Fund	Digital Twin Tech California	Sewer GIS Survey	96,250
Parks & Recreation	General Fund	Tournesol Siteworks	Parks ^LMZ24/17/26 GF Trash,Benches,Table	4,604
Police	General Fund	Stanislaus County Sheriff's	Academy in progress	24,000
Police	General Fund	Real Time Networks	Lockbox- Key Tracer	9,838
Police	General Fund	Motorola Solutions	Familiar Faces- HOC Radio Install	9,003
Police	General Fund	Motorola Solutions	Familiar Faces- Radios	11,720
Police	General Fund	Motorola Solutions	Cannabis Grant- Radio	9,572
Police	General Fund	Rane Community Development	Familiar Faces Grant- Consultant	34,151
Parks & Recreation	Measure V	ABI Attachments Inc	Force Zero Turn Work Machine Ext 11/23	55,062
Parks & Recreation	Measure V	Belkorp Ag Llc	Zero Turn Moxwer for Legacy 6/23	13,569
Parks & Recreation	Measure V	Belkorp Ag Llc	16ft Trimax Mower Ext 5/23	51,964
Parks & Recreation	Measure V	Belkorp Ag Llc	Turf Vac Ext 6/23	47,936
Parks & Recreation	Measure V	Delta Wireless & Network Solutions	Staff Radios for Legacy Fields	5,000
Parks & Recreation	Measure V	DNF Inc	Kubota RTV-X1120 Ext 6/16	38,516
Parks & Recreation	Measure V	DNF Inc	Kubota M7060 Ext 6/30	51,900
Parks & Recreation	Measure V	Dornoch Inc	Work Truck for Legacy Fields	100,000
Parks & Recreation	Measure V	Grainger Inc	Knaack Boxes (10) Legacy	11,000
Parks & Recreation	Measure V	Restaurant Supply LLC	Refrigerator & Ice Machine	19,500
Parks & Recreation	Measure V	Saba Holding Co LLC	Tractor - Volvo L20HS st 12/23	101,773
Parks & Recreation	Measure V	Turf Star, Inc.	Ballfield Scooter Ext 5/23	35,069
City Attorney's Office	Central Admin	Meyers Nave	Special Counsel Legal Services	2,395
City Attorney's Office	Central Admin	Colantuono, Highsmith & Whatley, PC	Special Counsel Legal Services	1,910
City Attorney's Office	Central Admin	Freeman Firm	Special Counsel Legal Services	2,545
City Attorney's Office	Central Admin	Jarvis Fay LLP	Special Counsel Legal Services	11,085
City Attorney's Office	Central Admin	Burke, Williams & Sorensen, LLP	Special Counsel Legal Services	28,096
City Attorney's Office	Central Admin	Van Dermeyden Maddux Law Corporatio	Special Counsel Legal Services	13,175
City Attorney's Office	Central Admin	Van Dermeyden Maddux Law Corporatio	Special Counsel Legal Services	14,138
City Attorney's Office	Central Admin	Colantuono, Highsmith & Whatley, PC	Special Counsel Legal Services	4,700
Finance	Central Admin	Bartel Associates LLC	CalPERS Analysis Misc Plan	4,190
Finance	Central Admin	Bartel Associates LLC	CalPERS Analysis Safety Plan	5,875
Finance	Central Admin	Goodwin Consulting Group	Tracy Hills & Fire Revenue Projection Studies	40,016
Finance	Central Admin	Hinderliter, deLlamas & Assoc	Cannabis Management Program	4,200
Finance	Central Admin	Hinderliter, deLlamas & Assoc	Prof Serv-auditing and process	25,712
Human Resources	Central Admin	Liebert Cassidy Whitmore	Onoging negotiations	49,414
Total General Fund				1,737,485

GASB 54 Committed Fund Balance for FY2022-2023

Department	Fund Name	Vendor	Description	Balance
Development Services	Building Fees	CDWG Inc	Microsoft Roam Mob Stand F/MS Hub 2S	2,373
Development Services	Engineering	SNG & Associates Inc	Ongoing Project/Scope Plan Reviews	17,150
Development Services	Engineering	SNG & Associates Inc	Ongoing Project/Scope Plan Reviews	5,663
Development Services	Engineering	West Yost & Associates	Hydraulic Evaluation	2,014
Development Services	Engineering	SNG & Associates Inc	Ongoing Project/Scope Plan Reviews	20,492
Development Services	Engineering	SNG & Associates Inc	Ongoing Project/Scope Plan Reviews	35,943
Development Services	Engineering	Wood Rodgers Inc	Ongoing Project Storm Drain Tech Services	3,080
Development Services	Engineering	SNG & Associates Inc	Ongoing Project/Scope Plan Reviews	24,180
Development Services	Engineering	SNG & Associates Inc	Ongoing Project/Scope Plan Reviews	609
Development Services	Engineering	SNG & Associates Inc	Ongoing Project/Scope Plan Reviews	73,513
Development Services	Engineering	MCR Engineering Inc	Ongoing Project/Scope Engineering Services	1,100
Development Services	Engineering	David W Enke, L.S.	Ongoing Project/Scope Tech Review & FM	13,500
Development Services	Engineering	Kimley-Horn & Associates Inc	Ongoing Traffic Analysis Project/Scope	22,735
Development Services	Engineering	Kimley-Horn & Associates Inc	Ongoing Traffic Analysis Project/Scope	14,320
Development Services	Engineering	Kimley-Horn & Associates Inc	Ongoing Traffic Analysis Project/Scope	21,733
Development Services	Engineering	Wood Rodgers Inc	Ongoing Project Storm Drain Tech Services	8,600
Development Services	Planning	De Novo Planning Group Inc	Transit-Oriented Dev. Planning Srvc	647,828
Development Services	Planning	FCS International Inc	Digital Freeway Signs - Code Amendment	12,292
Development Services	Planning	Land Logistics Inc	Ongoing Project/Scope Inspection	863
Development Services	Planning	PlaceWorks Inc	Housing Implementation Talks	143,750
Development Services	Planning	Veronica Tam and Associates Inc	Consulting Services for Housing Element Update	183,180
Development Services	Planning	Land Logistics Inc	Planning Consultant Services	44,940
Operations & Utilities	Gas Tax	NWN Corporation	Electrician - Laptops	3,899
Operations & Utilities	Gas Tax	NWN Corporation	Streets - Desktops	4,379
Mobility & Housing	ARPA	City Net	Service provider for shelter operations	1,031,063
Mobility & Housing	ARPA	TCCC	Service provider for city outreach services	317,099
Mobility & Housing	CDBG	Tracy Earth Projects, Inc. Doty Nygard	2022-2023 CDBG Subrecipient Agreement	3,844
Mobility & Housing	CDBG	Boys & Girls Club of Tracy	2022-2023 CDBG Subrecipient Agreement	8,000
Mobility & Housing	CDBG	Women's Center Youth & Family Service	2022-2023 CDBG Subrecipient Agreement	8,000
Mobility & Housing	CDBG	Tracy Seniors Association	2022-2023 CDBG Subrecipient Agreement	9,294
Mobility & Housing	CDBG	Tracy Interfaith Ministries	2022-2023 CDBG Subrecipient Agreement	12,000
Mobility & Housing	CDBG	Adams Ashby Group	CDBG/HOME Technical Assistance	39,175
Mobility & Housing	CDBG	Tracy Community Connections Center, Inc	2021-2022 CDBG Subrecipient Agreement	8,000
Mobility & Housing	CDBG	Boys & Girls Club of Tracy	2020-2021 CDBG Subrecipient Agreement	354,438
Mobility & Housing	CDBG	Tracy Community Connections Center, Inc	2020-2021 CDBG Subrecipient Agreement	7,500
Mobility & Housing	CDBG	McHenry House Tracy	2019-2020 Subrecipient Agreement	11,870
Parks & Recreation	LMD	Tournesol Siteworks	Parks ^LMZ24/17/26 GF Trash,Benches,Table	118,749
Parks & Recreation	LMD	Turf Teq LLC	Bed Shaper Est 5/23 ^LMZ 38/17/3/9	7,721
Development Services	Program Management	HDR Engineering	Engineer Communication Plan	12,348
Operations & Utilities	Water	MRC Global (US) Inc	Limiterque Actuator & Gear Box	23,101
Operations & Utilities	Water	MRC Global (US) Inc	Limiterque MX to MXB Conversion Kit	8,048
Operations & Utilities	Water	Motion Industries Inc	WTPM-Tools to repair Air Lift Blower	3,465
Operations & Utilities	Water	Tramont Manufacturing LLC	WTPM - Day Tank Parts for Generator	2,349
Operations & Utilities	Water	Wille Electric Supply Co Inc	Wells-Replacement "Soft Start"	8,398
Operations & Utilities	Water	S-I Intermediate Holdings, Inc	WTPM-Chemical Sump Pump	32,972
Operations & Utilities	Water	PowerGen Inc	Well Pump - Repair Cordes Ranch & Generator	11,179
Operations & Utilities	Water	PowerGen Inc	Well Pump - Repair Cordes Ranch & Generator	89,456
Operations & Utilities	Water	SwiftComply US OpCo Inc	Connection Control Program Software	8,544
Operations & Utilities	Water	Downey Brand Attorney LLP	Special Counsel Legal Services	3,976
Operations & Utilities	Water	Network Environmental Systems Inc	Safety Policies & Programs for Utilities Dept	27,176
Operations & Utilities	Water	EKI Environment & Water Inc	Annual Water Supply & Demand Assessment	19,201
Operations & Utilities	Water	West Yost & Associates	Urban Water Management Plan Update	12,000
Operations & Utilities	Water	Badger Meter Inc	Water Meters	71,468
Operations & Utilities	Water	Thirkettle Corporation	Water Meters - Flexnet	264,329
Operations & Utilities	Water	OW Investors LLC	Meters - Test Bench	320,000
Operations & Utilities	Wastewater	Buchanan Automation Inc	Primary sludge pump air control valves	2,167
Operations & Utilities	Wastewater	Westech Engineering Inc	WWTP Maint - Parts to Rebuild DAFTS	59,298
Operations & Utilities	Wastewater	Industrial Electrical Company	Hansen Lift Station - Test & Inspection	37,477

GASB 54 Committed Fund Balance for FY2022-2023

Department	Fund Name	Vendor	Description	Balance
Operations & Utilities	Wastewater	Atlas Copco USA Holdings Inc	WWTPM-Replace Oil Coolers on Air Compressor	8,548
Operations & Utilities	Wastewater	Atlas Copco Compressors LLC	WWTPM - Repair Air Compressor #1 Control Panel	7,345
Operations & Utilities	Wastewater	Muniquip LLC	WWTPM-Pump Repair Parts	15,940
Operations & Utilities	Wastewater	Black Water Consulting Engineers, Inc.	SSMP Update Report	64,000
Operations & Utilities	Solid Waste	Peterson Trucks Inc	Fleet - CPU - Dump Truck	207,627
Operations & Utilities	Storm Drain	Pac Machine Company	Detention Basin 10 repair	17,708
Operations & Utilities	Storm Drain	Wood Rodgers Inc	WTM - Trash capture	17,000
Operations & Utilities	Storm Drain	Larry Walker Associates	Consultant Services for Delta RMP	11,889
Operations & Utilities	Central Garage	CCG Systems Inc	Central Garage - Faster Software	120,211
Operations & Utilities	Vehicle Replacement	Peterson Trucks Inc	Fleet - CPU - Dump Truck	177,312
Operations & Utilities	Vehicle Replacement	Delta Wireless & Network Solutions	Fleet - (6) Upfitting PD Vehicles	5,830
Operations & Utilities	Vehicle Replacement	Motorola Solutions Inc	Fleet - (6) Upfitting PD Vehicles	56,238
Operations & Utilities	Building Maint	Wagner Mechanical Inc	Pump Replacement Parts	28,610
Operations & Utilities	Building Maint	Terrapin Technology Group Inc	Reinstall Cameras Boyd Service Center	78,000
Operations & Utilities	Building Maint	Simonds Machinery Company	Pump Replacement	13,000
Human Resources	Risk Management	Liebert Cassidy Whitmore	Ongoing cases need support	12,717
Operations & Utilities	Self - Insurance	Motorola Solutions Inc	Radios for replacement (2) vehicles	18,690
Total Other Governmental Funds				5,122,502

CITY OF TRACY
2023/24 Appropriations Limit Calculation

<u>Description</u>	<u>Amount</u>
2022-23 Appropriations Limit	\$ 85,804,336
2023-24 City population	1.0083
2023-24 Per capita income	1.0444
2023-24 Appropriations Limit	\$ 90,357,845

2023/24 Projected Tax Revenues

<u>Description</u>	<u>Amount</u>
Property Taxes	\$ 30,407,491
Sales & Use Tax	65,950,688
Sales & Use Tax	12,647,321
Transient Occupancy Tax	2,800,000
Franchise Fees	4,700,000
Business License Tax	4,500,000
Real Property Transfer Tax	2,343,693
Interest Earnings	0

2023-24 Projected Qualifying Expenses

Exemptions

Debt Service	(2,676,479)
Qualified Capital Outlays	(40,305,000)

Appropriations Subject to Limitation **\$ 80,367,714**

Margin **\$ 9,990,131**



PROPOSED FY 2023-2024 ANNUAL OPERATING AND CAPITAL BUDGET

JUNE 6, 2023

Presentation Outline

- Proposed FY 2023/24 Citywide Annual Operating and Capital Budget
- Proposed FY 2023/24 General Fund Annual Operating and Capital Budget
 - Fiscal Sustainability Funding Policy
- FY 2023/24 Proposed Annual Operating and Capital Budget Personnel



Think Inside the Triangle™

Presentation Outline

- Digital Budget Book
- Other Action Items
 - Committed Fund Balances GASB 54
 - Appropriations Limit (Gann Limit)
- Recommended Council Action





Proposed FY 2023/24 Citywide Annual Operating and Capital Budget



Think Inside the 'Triangle'

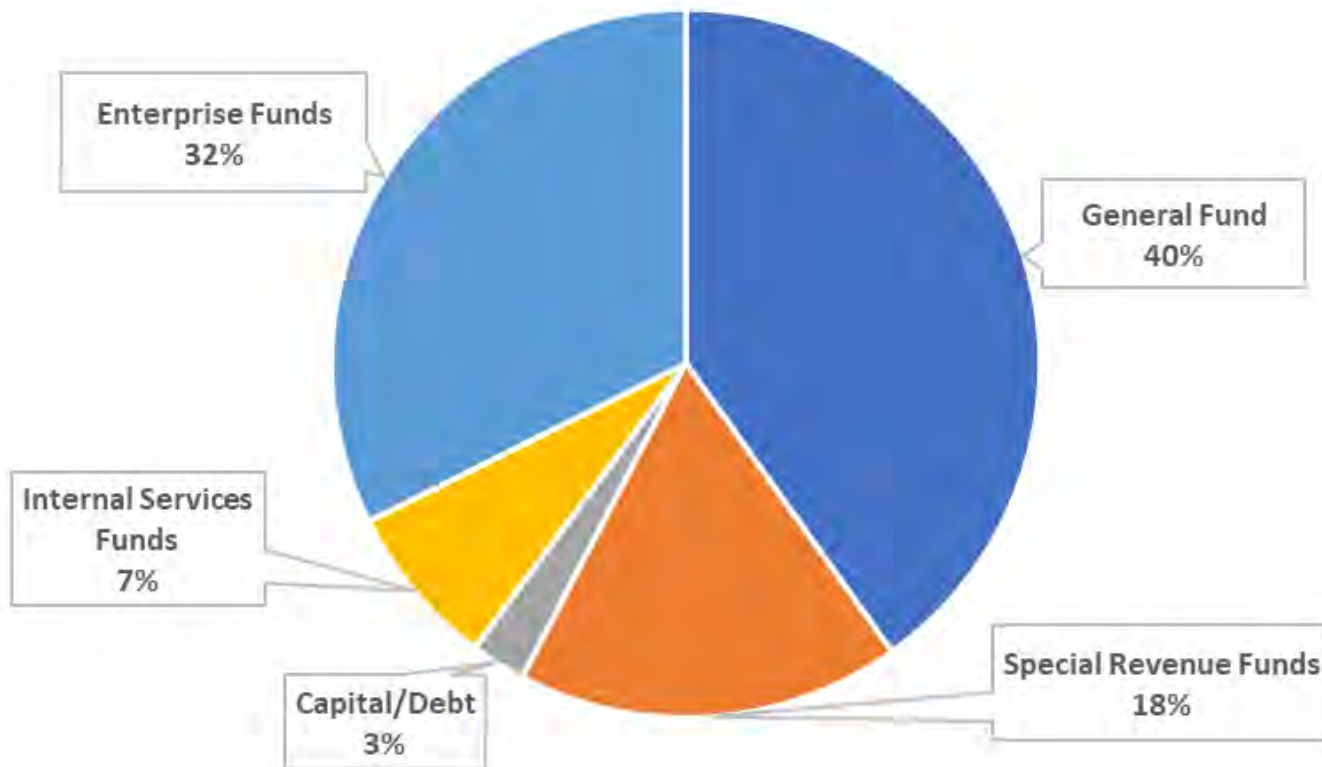
Citywide Budget

	<u>FY 2023/24</u>
	<u>Proposed Budget</u>
General Fund	108,700,494
Special Revenue Funds	47,924,091
Capital/Debt	6,787,703
Internal Services Funds	20,281,745
Enterprise Funds	87,739,296
Total Expenditures (without Transfers)	<u>271,433,329</u>
Transfers Between Funds	<u>20,581,459</u>
Total Expenditures (with Transfers)	<u>292,014,788</u>



Citywide Budget

FY 2024 Proposed Appropriations (with Transfers)





Proposed FY 2023/24 General Fund Budget

City Council's Fiscal Sustainability Funding Policy

On-Going Revenue/(Expenses)	Estimated % of Revenues	FY 2023/24	FY 2024/25	FY 2025/26
General Fund Revenues		\$125M	\$129M	\$134M
CalPERS pre-fund	2%	\$2.5M	\$2.5M	\$2.6M
Retiree Medical pre-fund	2%	\$2.5M	\$2.5M	\$2.6M
Road Improvements-Deferred Maintenance	3%	\$3.70	\$3.8M	\$4M
Parks -Deferred Maintenance	2%	\$2.5M	\$2.5M	\$2.6M
City Services and Program Increase	3%	\$3.70	\$3.8M	\$4M
Annual Budget Increase		\$14.9M	\$15.1M	\$15.8M



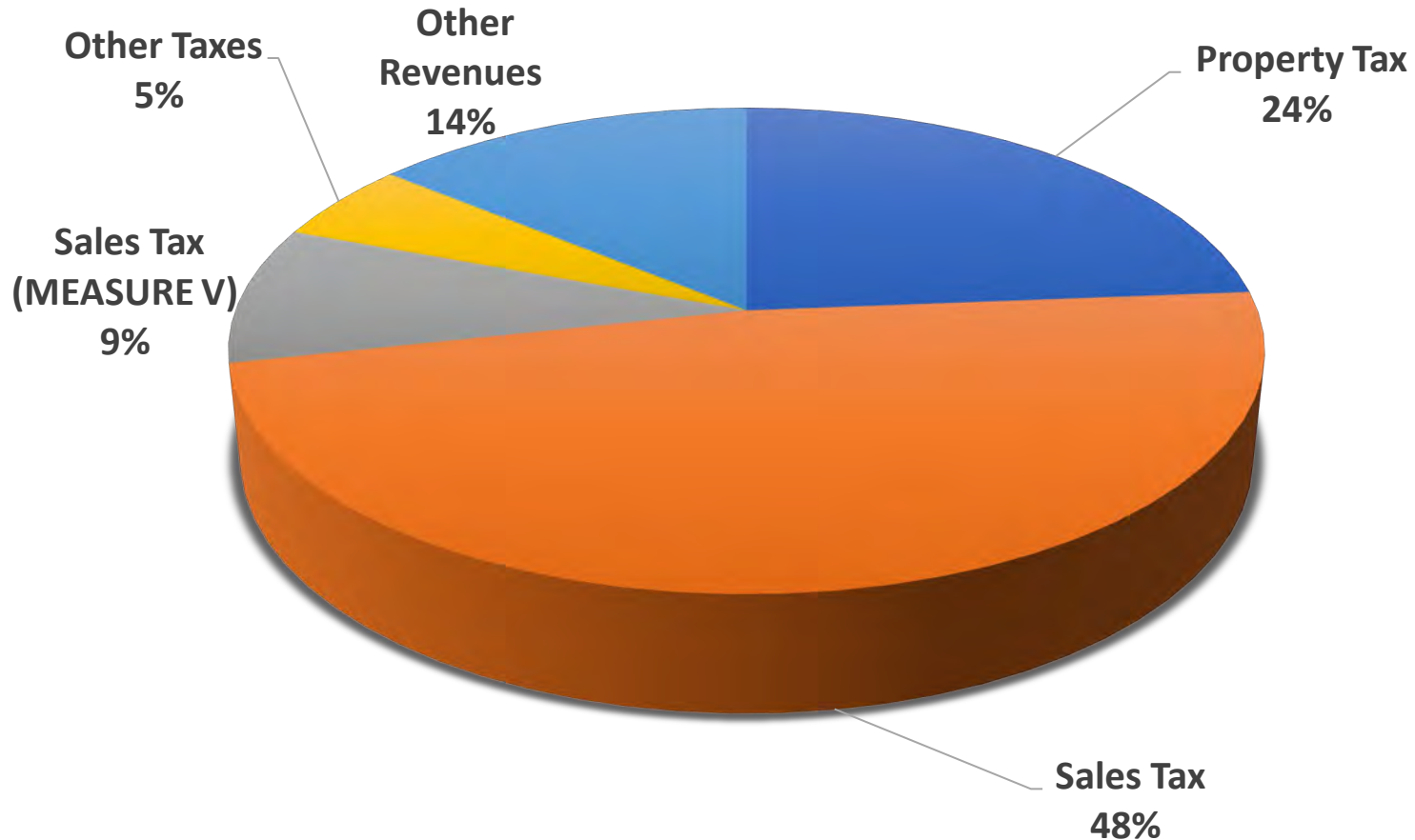
General Fund FY 2023/24 Revenues

(in thousands)	<u>2022/2023</u> (amended)	<u>2023/2024</u> (proposed)	<u>2024/2025</u> (projected)
Property Tax	31,090	32,751	34,350
Sales Tax	69,680	65,951	68,161
Sales Tax Measure V	14,770	12,647	12,933
Other Taxes	2,870	7,300	7,384
Other Revenues	21,379	19,528	19,553
Total Revenues	\$ 139,789	\$ 138,177	\$ 142,381



Think Inside the 'Triangle'

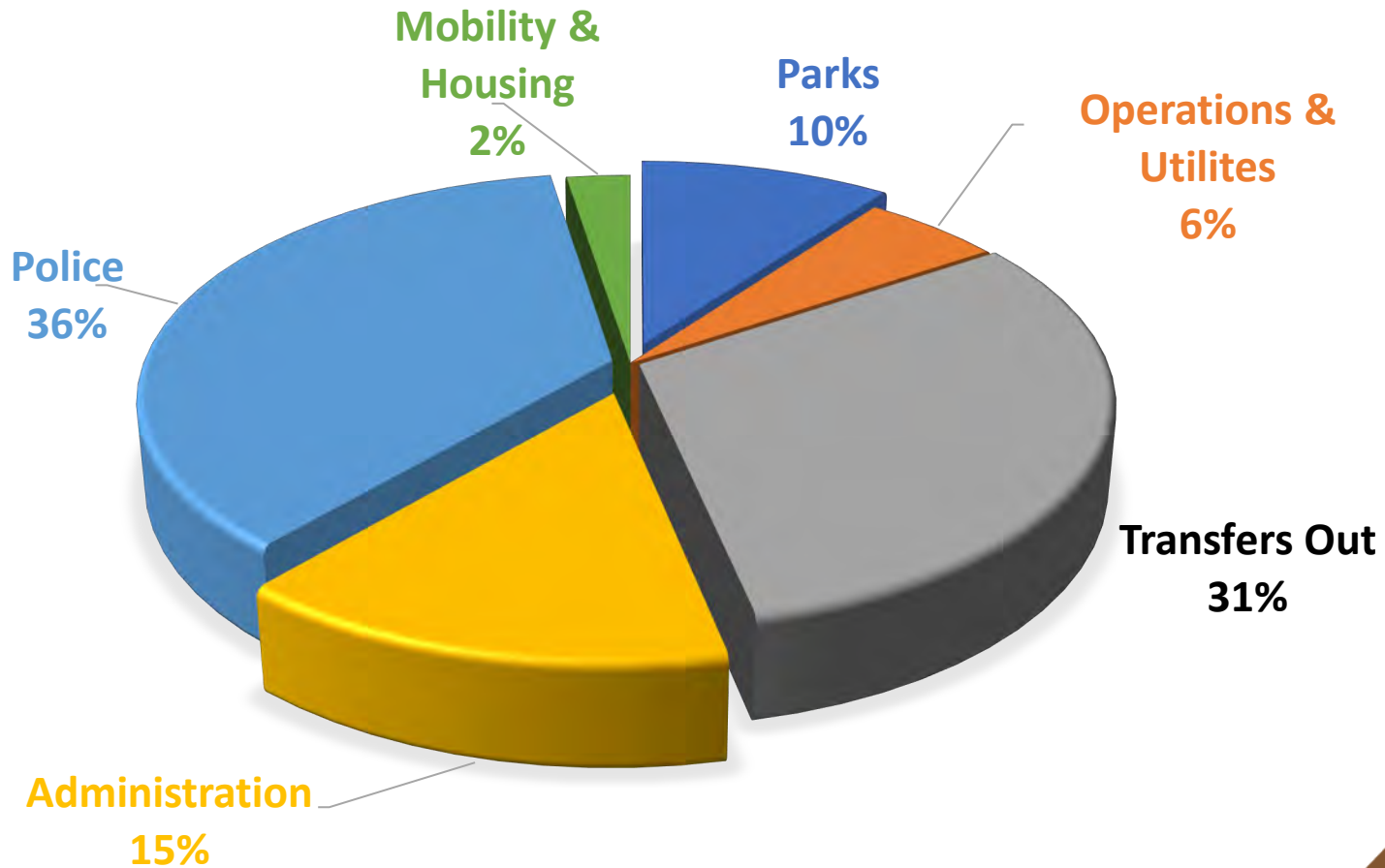
General Fund FY 2023/24 Revenues



General Fund FY 2023/24 Expenditures

(in thousands)	<u>2022/2023</u> (amended)	<u>2023/2024</u> (proposed)	<u>2024/2025</u> (projected)
Personnel	55,101	57,502	59,925
Non-Personnel	35,498	34,594	33,989
Net Transfers In/Out	51,390	46,801	48,467
Total Expenditures	141,989	138,177	142,381
Surplus/(Deficit)	(2,200)	(0)	(0)

General Fund FY 2023/24 Expenditures By Department





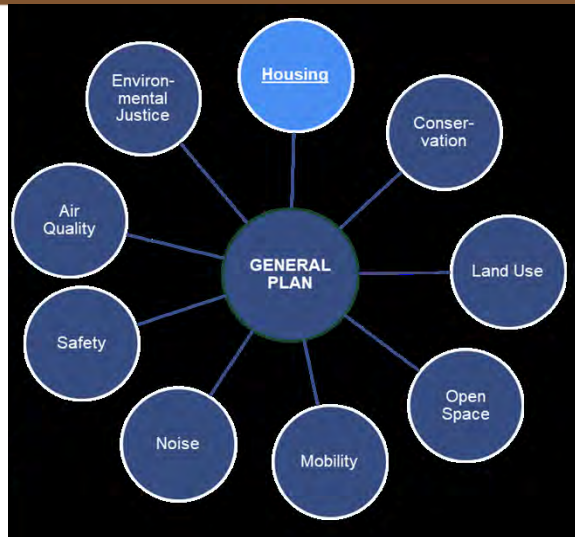
FY 2023/24 Proposed Annual Operating and Capital Budget Personnel

FY 2023/24 Proposed Annual Operating and Capital Budget Personnel

Department	Full-time Employees
Development Services	1
Innovation & Technology	2
Operations & Utilities	3
Parks & Recreation	1
Police	2
Total	9



FY 2023/24 Proposed Annual Operating and Capital Budget Personnel

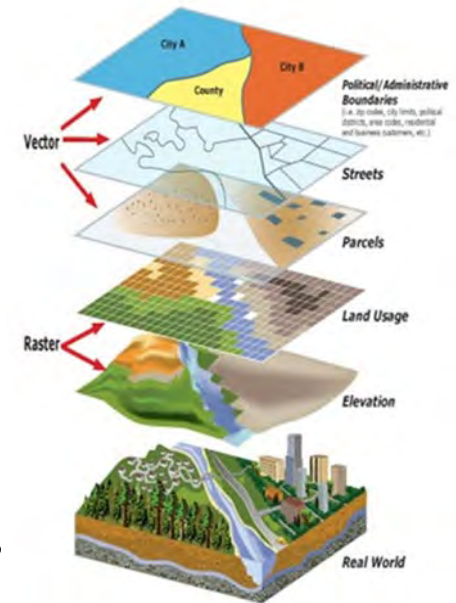


Development Services

- Assistant Planner

Innovation & Technology

- GIS Technician
- Senior Information Systems Technician



FY 2023/24 Proposed Annual Operating and Capital Budget Personnel

Operations & Utilities

- Streets & Right of Way Maintenance –
 - (1) Senior Maintenance Worker
 - (1) Maintenance Worker I/II



- Internal Maintenance
 - (1) Maintenance Worker I/II (supporting Electricians)



Think Inside the Triangle®

FY 2023/24 Proposed Annual Operating and Capital Budget Personnel

Parks & Recreation

- (1) Maintenance Worker I/II



Police Department

- (2) Officers (Traffic Safety)



Think Inside the 'Triangle'

Digital Budget Book





Budget Message

Midori Lichtwardt, Interim City Manager

June 6, 2023

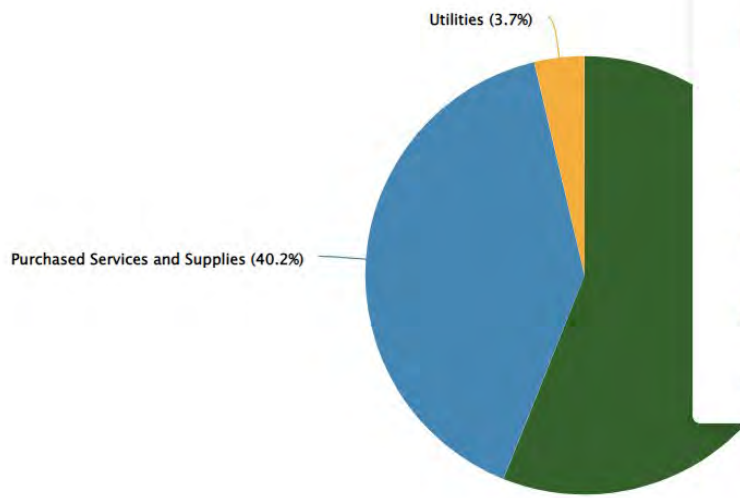
Honorable Mayor and City Council,

I am pleased to present the proposed Fiscal Year (FY) 2023-24 Annual Operating and Capital Budget to the City Council for consideration and adoption. The proposed budget reflects the City's commitment to providing quality services to residents and businesses, while maintaining the City's long-term fiscal sustainability strategies.



Expenditures by Expense

Budgeted Expenditures by Expense



- City Manager's Office
- Development Services
- Finance**
- Human Resources
- Innovation and Technology
- Mobility and Housing
- Operations and Utilities
- Parks and Recreation
- Police Department
- Police
- South San Joaquin County Fire Authority



Customize Your Budget Book

Please provide your email address so we can send you a link to download the PDF once the file has been generated.

Email Address

Select the sections that you would like to include. Once you have selected sections and click "Create" our software will build a custom PDF file to download to your computer for you to print at your convenience.

Select All

1) Introduction Select all

- Transmittal Letter
- History of City
- Demographics
- Organization Chart
- Fund Structure

 **CREATE DIGITAL BUDGET BOOK**



Think Inside the Triangle™

Other Action Items

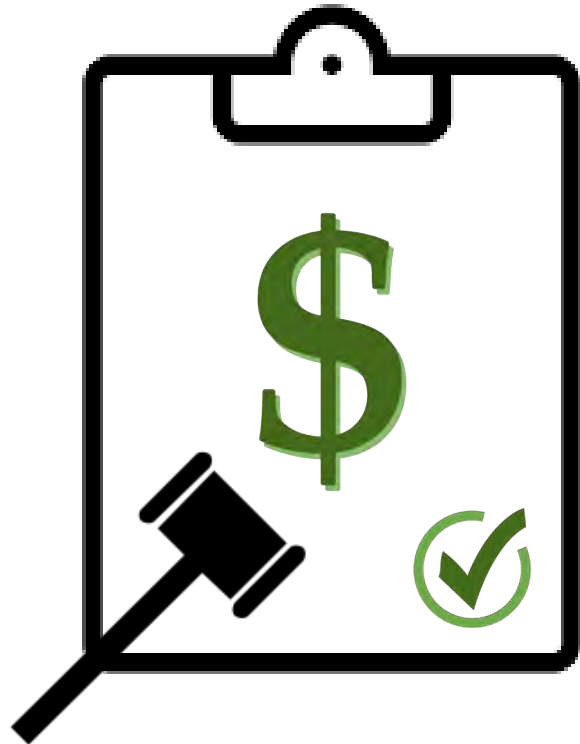
Committed Fund Balances (GASB 54) for Fiscal Year Ending June 30, 2023

- In preparation for closing fiscal year ending June 30, 2023, staff reviews estimated fund balances and designates funds that have been committed for use in future periods.
 - General Fund \$1,737,485
 - Other Governmental \$5,122,502

Annual Adjustment to Appropriations Limit (Gann Limit)

- Article XIII B of the California Constitution, informally known as the Gann Appropriations Limit, limits the total amount of appropriations in any fiscal year derived from the “proceeds of taxes.”
 - The calculated appropriation limit for FY 2023/24 is \$90.3 million. Based on the proposed budget, \$80.3 million is subject to the limit, and the City is \$9.9 million under the limit.

BUDGET WORKSHOP



Recommended
Council Action



Think Inside the Triangle™

Recommended Council Action

- Resolution Approving (9) new positions for and Annual Aggregate cost of \$1,375,165
- Resolution Adoption of the FY 2023-24 Annual Operating and Capital Budget for July 1, 2023, through June 30, 2024



Think Inside the Triangle™

Recommended Council Action

- Resolution Adoption of the Committed fund balances (GASB 54) Fiscal Year ending June 30,2023
- Resolution Adoption of the Annual Adjustment to Appropriations Limit (Gann Limit)

Q&A



TRACY CITY COUNCIL

RESOLUTION NO. _____

APPROVING NEW POSITIONS FOR AN ANNUAL AGGREGATE COST OF \$1,375,165 AND AUTHORIZING THE BUDGET OFFICER TO AMEND THE CITY'S POSITION CONTROL ROSTER FOR FY2023-24.

WHEREAS, On June 6th, 2023, the Interim City Manager proposed the adoption of the Financial Plan, including the addition of (9) new positions, (2) re-allocated positions, and (1) deleted position attached to the Resolution as **Attachment A**; and

WHEREAS, The City Council has reviewed the employee positions listed in the budget document and has considered authorizing the City Manager to fill those positions not specifically exempted, provided said positions have sufficient appropriations; and

WHEREAS, The Budget Officer will be deleting (1) Multimedia Communications Coordinator to the City Manager position control roster, and

WHEREAS, The Budget Officer will be adding (1) Assistant Planner to the Development Services position control roster, and

WHEREAS, The Budget Officer will be adding (1) Maintenance Worker I/II to the Parks & Recreation position control roster, and

WHEREAS, The Budget Officer will be deleting (1) Senior Maintenance Worker and adding (1) Operations Supervisor to the Parks & Recreation position control roster, and

WHEREAS, The Budget Officer will be deleting (1) Recreation Program Coordinator and adding (1) Recreations Services Supervisor to the Parks & Recreation position control roster, and

WHEREAS, The Budget Officer will be adding (1) GIS Technician and (1) Senior Information Systems Technician to the Innovation & Technology position control roster, and

WHEREAS, The Budget Officer will be adding (2) Maintenance Worker I/II and (1) Senior Maintenance Worker to the Operations & Utilities position control roster, and

WHEREAS, The Budget Officer will be adding (2) Police Officers to the Police Departments position control roster, and

now, therefore, be it

RESOLVED: That the City Council of the City of Tracy approves the positions set forth in **Attachment A**; and be it

FURTHER RESOLVED: That the City Council hereby authorizes the Budget Officer to amend the City's Position Control Roster for Fiscal Year 2023/24 to reflect the positions set forth in **Attachment A**.

* * * * *

The foregoing Resolution 2023-_____ was adopted by the Tracy City Council on June 6, 2023, by the following vote:

AYES:	COUNCIL MEMBERS:
NOES:	COUNCIL MEMBERS:
ABSENT:	COUNCIL MEMBERS:
ABSTENTION:	COUNCIL MEMBERS:

NANCY D. YOUNG
Mayor of the City of Tracy, California

ATTEST: _____
ADRIANNE RICHARDSON
City Clerk and Clerk of the Council of the
City of Tracy, California

ATTACHMENT A

FY 2023/24 Proposed Annual Operating and Capital Budget Personnel				
Department	Position	Amount	General Fund	Other Fund
Development Services	Assistant Planner	163,222		163,222
Parks & Recreation	Maintenance Worker I/II	123,876		123,876
Innovation & Technology	GIS Technician	151,787		151,787
Innovation & Technology	Senior Information Systems Technician	164,130		164,130
Operations & Utilities	Maintenance Worker I/II	123,786	123,786	
Operations & Utilities	Senior Maintenance Worker	133,572	133,572	
Operations & Utilities	Maintenance Worker I/II	123,786	123,786	
Police	Police Officer	195,503	195,503	
Police	Police Officer	195,503	195,503	
			772,150	603,015
			Total: 1,375,165	

FY 2023/24 Re-Allocated Positions		
Department	Old Position	New Position
Parks & Recreation	Sr Maintenance Worker	Public Works Supervisor
Parks & Recreation	Recreation Program Coordinator	Recreation Services Supervisor

FY 2023/24 Deleted Positions		
Department	Position	Description
City Manager's Office	Multimedia Communications Coordinator	Converted to contract services

APPROVED AS TO FORM AND LEGALITY

CITY ATTORNEY'S OFFICE

TRACY CITY COUNCIL

RESOLUTION NO. _____

ADOPTING THE CITY OF TRACY FISCAL YEAR (FY) 2023/24 ANNUAL OPERATING AND CAPITAL BUDGET, REFLECTING ADDITIONAL POSITIONS APPROVED THROUGH RESOLUTION XXX

WHEREAS, City of Tracy Municipal Code section 2.12.050 requires the City Manager of the City of Tracy to submit a proposed budget to the City Council; and

WHEREAS, The City Manager presented a proposed budget for fiscal year 2023/24 to the City Council on April 4, 2023, during the budget and Capital Improvement Plan Workshop, for all Municipal Funds; and

WHEREAS, On June 6th, 2023, the City Manager proposed the adoption of the Financial Plan along with specific adjustments directed by the City Council and listed in the attached Financial Plan Summaries attached to this Resolution as Attachment A and hereby included herein; and

WHEREAS, The City Council has reviewed the level of budgeting control needed by the City Manager to ensure efficiency in managing the operations of the City, including the authorization of budget transfers within a single fund and within given appropriations of said fund; and now, therefore, be it

RESOLVED: That the City Council hereby adopts the Proposed FY 2023/24 City of Tracy Operating and Capital Budget, reflecting the additional positions approved through Resolution xxX.

* * * * *

The foregoing Resolution 2023-_____ was adopted by the Tracy City Council on June 6, 2023, by the following vote:

AYES:	COUNCIL MEMBERS:
NOES:	COUNCIL MEMBERS:
ABSENT:	COUNCIL MEMBERS:
ABSTENTION:	COUNCIL MEMBERS:

NANCY D. YOUNG
Mayor of the City of Tracy, California

ATTEST: _____
ADRIANNE RICHARDSON
City Clerk and Clerk of the Council of the
City of Tracy, California

ATTACHMENT A

Citywide Operating and Capital Budget

REVENUES (in thousands)	FY 22/23 Projected	FY 23/24 Proposed	FY 24/25 Forecasted
General Fund	\$ 139,645	\$ 138,157	\$ 142,361
Development Services	18,160	18,087	18,376
Gas Tax	4,913	5,012	5,118
General Fund Capital	-	0	0
Special Revenue	8,335	8,910	8,812
Capital	36,541	33,746	34,758
Debt	7,621	5,932	5,943
Internal Services	20,368	23,191	23,869
Water	23,868	23,516	23,978
Wastewater	16,555	21,147	21,782
Solid Waste	26,614	33,346	34,346
Storm Drain	751	774	797
Airport Enterprise	757	1,125	864
Transit	5,780	5,953	6,132
TOTAL REVENUES	309,908	318,896	327,136
EXPENSES (in thousands)			
General Fund	\$ 106,280	\$ 108,700	\$ 111,015
Development Services	17,918	19,271	20,071
Gas Tax	10,924	4,444	3,033
General Fund Capital	77,266	8,511	3,000
Special Revenue	54,169	15,697	9,764
Capital	69,767	1,012	636
Debt	5,783	5,776	5,778
Internal Services	23,067	20,282	20,725
Water	32,834	25,345	24,243
Wastewater	68,402	20,409	21,040
Solid Waste	29,914	32,040	33,030
Storm Drain	647	576	592
Airport Enterprise	1,311	1,456	1,212
Transit	10,067	7,913	7,097
TOTAL EXPENDITURES	508,349	271,432	261,236
SURPLUS/DEFICIT	(198,441)	47,464	65,900
CAPITAL IMPROVEMENT	257,741	21,143	3,932
NET POSITION CHANGE	59,300	68,607	69,832

CITY ATTORNEY'S OFFICE

TRACY CITY COUNCIL

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF TRACY APPROVING THE
COMMITTED FUND BALANCES FOR FISCAL YEAR ENDING JUNE 30, 2023 IN
COMPLIANCE WITH STATEMENT 54 OF THE GOVERNMENTAL ACCOUNTING
STANDARDS BOARD**

WHEREAS, City of Tracy follows Governmental Accounting Standards Board (GASB) for the basis its financial reporting; and

WHEREAS, GASB issued Statement 54: Fund Balance Reporting and Governmental Fund Type Definition and the requirements of this Statement are effective for financial statements for periods beginning after June 15, 2010 ("**GASB 54**"); and

WHEREAS, The objective of GASB 54 is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions; and

WHEREAS, The City Council has committed revenues collected from the passage of Measure V; now, therefore, be it

RESOLVED: That the City Council of the City of Tracy hereby approves the list shown on the Attachment A to this Resolution as the Committed Fund Balances for the City's governmental funds, including the General Fund and Special Revenue funds for June 30, 2023; and be it further

RESOLVED: The City Council hereby provides the Finance Director the authority to assign uses to fund balance amounts in compliance with Statement 54 of the Governmental Accounting Standards Board (GASB), as may be necessary

* * * * *

The foregoing Resolution 2023-_____ was adopted by the Tracy City Council on June 6, 2023, by the following vote:

AYES:	COUNCIL MEMBERS:
NOES:	COUNCIL MEMBERS:
ABSENT:	COUNCIL MEMBERS:
ABSTENTION:	COUNCIL MEMBERS:

NANCY D. YOUNG
Mayor of the City of Tracy, California

ATTEST: _____
ADRIANNE RICHARDSON
City Clerk and Clerk of the Council of the
City of Tracy, California

ATTACHMENT A

DEPARTMENT	FUND NAME	VENDOR	DESCRIPTION	BALANCE
GENERAL FUND				
City Attorney's Office	General Fund	Meyers Nave	Cannabis Related Legal Services	5,563
City Attorney's Office	General Fund	Burke, Williams & Sorensen	Cannabis Related Legal Services	9,901
City Manager's Office	General Fund	Grainger Inc	Display case	978
Econ Development	General Fund	Tripepi Smith	FY 21-22 Marketing & Communication Services (Tourism Grant)	39,306
Econ Development	General Fund	American City Business Journals Inc	Sacramento Business Journal Advertising	15,000
Finance	General Fund	NBS	Financial Operations Analysis	385
Police	General Fund	Axon Enterprise	(9) BWC & Tasers for new employees	35,526
Police	General Fund	Axon Enterprise	(6) BWC & Tasers for new employees	24,009
Police	General Fund	Geo-Comm Inc	Geo Comm GIS Upgrade	14,276
Police	General Fund	Stanislaus County sheriff's Dept	Police Academy for recruits	24,000
Public Works	General Fund	Cornerstone Environmental Contractors Inc	IGF-Hoyt Booster Pump EST 6/22	12,990
Public Works	General Fund	72 Hr. LLC	Fleet - x2 Patrol Vehicles	40,363
Public Works	General Fund	Motorola Solutions Inc	Fleet - x2 Patrol Vehicles Radio	8,999
Public Works	General Fund	Tracy Sign Inc	Fleet - x2 Patrol Vehicles Dec	762
Public Works	General Fund	Statewide Traffic Safety and Signs Inc	Fleet - Thermo Cart 3rd Qt Ask	87,746
Public Works	General Fund	72 Hr. LLC	Fleet- Ford Escape Homeless Manager	30,245
Public Works	General Fund	Derotic LLC	Fleet - x2 Patrol Vehicles Pai	26,516
Public Works	General Fund	Ron Dupratt Ford, Inc	Ford F550 Flat bed for Public Works (Street Markings)	88,200
Police	Federal Law Enforce Grant	Public Safety Family Counseling Group Inc	Critical Incident Stress Mgmt & Wellness	46,510
Police	Federal Law Enforce Grant	Geo-Comm Inc	Geo Comm GIS Upgrade	13,558
City Attorney's Office	Central Admin	Meyers Nave	Legal Services	4,888
City Attorney's Office	Central Admin	Colantuono, Highsmith, <i>et al.</i>	Special Counsel Legal Services	9,895
City Attorney's Office	Central Admin	Daniel P. Doporto	Special Counsel Legal Services	5,840
City Attorney's Office	Central Admin	Colantuono, Highsmith, <i>et al.</i>	Legal Services - Tracy Rural v. LAFCO	3,534
City Attorney's Office	Central Admin	Burke, Williams & Sorensen	Special Counsel Legal Services	11,517
City Attorney's Office	Central Admin	Renne Public Law Group, LLP	Legal Services - Labor & Employment	7,224
Finance	Central Admin	HdL Companies	Business License, Cannabis and Transient Occupancy Tax (TOT)	16,750
Finance	Central Admin	HdL Companies	Cannabis Management Program Consulting, Ordinance, Applications, Etc.	4,200

DEPARTMENT	FUND NAME	VENDOR	DESCRIPTION	DEPARTMENT
Finance	Central Admin	Goodwin Consulting Group Inc	Tracy Hills Tax Study and Fire Revenue Projections New Fire Stations	40,016
Finance	Central Admin	MacLeod Watts Inc	GASB 75 Actuarial Report FY End 6/30/22	1,950
Finance	Central Admin	Lew Edwards	Provide Lead Consulting and Communications Services for the City	42,000
Finance	Central Admin	Bartel Associates LLC	Actuarial Consulting Services - CalPERS Misc Plan	10,500
Finance	Central Admin	Bartel Associates LLC	Actuarial Consulting Services - CalPERS Safety Plan	20,000
HR	Central Admin	Legal Assistance	Christopher K Boucher	17,398
HR	Central Admin	Workplace Investigations	Van Dermyden Maddux Law Corporation	16,390
Total General Fund				736,937
Public Works	Engineering	72 Hr. LLC	Fleet- Ford Escape Development Services	30,245
Public Works	Engineering	72 Hr. LLC	Fleet- New Ford Rangers x2 for	35,856
Development Services	Planning	De Novo Planning Groups	Transit Oriented Delvelopment Planning Services	695,265
Development Services	Planning	First Carbon Solution	Digital Freeway Signs	12,292
Development Services	Planning	Placeworks Inc	Housing Implemenation Talks	171,068
Utilities	Planning	CH2M Hill Inc	Professional Services for Desalination Project @ WWTP	17,755
Police	Asset Forfeiture	Geo-Comm Inc	Geo Comm GIS Upgrade	25,000
Econ Development	CBDG	McHenry House	CDBG FY 2019-2020 (Public Facility)	11,870
Econ Development	CBDG	Tracy Interfaith Ministries	2020-2021 CDBG Grant Recipient	12,000
Econ Development	CBDG	Boys & Girls Club of Tracy	2020-2021 CDBG Grant Recipient	8,000
Econ Development	CBDG	Tracy Community Connections Center Inc.	2020-2021 CDBG Grant Recipient	7,500
Econ Development	CBDG	Boys & Girls Club of Tracy	2020-2021 CDBG Grant Recipient - Facility Improvements	354,438
Econ Development	CBDG	Boys & Girls Club of Tracy	2021-2022 CDBG Grant Recipient	8,000
Econ Development	CBDG	Tracy Interfaith Ministries	2021-2022 CDBG Grant Recipient	12,000
Econ Development	CBDG	Coalition of Tracy Citizens to Assist the Homeless	2021-2022 CDBG Grant Recipient	6,973
Econ Development	CBDG	Women's Center-Youth & Family Services	2021-2022 CDBG Grant Recipient	12,000
Econ Development	CBDG	Tracy Community Connections Center Inc.	2021-2022 CDBG Grant Recipient	8,000
Public Works	LMD	Central Control Systems LTD	LMD-controller replacement	8,412
Public Works	LMD	Central Control Systems LTD	LMD-controller replacement	7,115
Public Works	LMD	Central Control Systems LTD	LMD-controller replacement	6,079
Public Works	LMD	Central Control Systems LTD	LMD-Damage to irrq controller	1,000
Total Other Governmental Funds				1,450,867

ATTACHMENT A

Department	Fund Name	Vendor	Description	Balance
General Fund				
City Attorney's Office	General Fund	Meyers Nave	Special Counsel Legal Services	4,326
Mobility & Housing	General Fund	Tracy Chamber of Commerce	2023 Tourism Grant	33,000
Mobility & Housing	General Fund	Tracy City Center Association	2023 Tourism Grant	33,000
Mobility & Housing	General Fund	Retail Strategies Consultant Services	Budgetary - Retail Strategies Consultant Services	110,000
Mobility & Housing	General Fund	Tennyson Electric In	Electrical for containers Shelter Site	130,000
Mobility & Housing	General Fund	The KPA Group	Temporary Interim Emergency Housing Arbor Ave	39,705
Mobility & Housing	General Fund	The KPA Group	Temporary Interim Emergency Housing Arbor Ave	16,953
Mobility & Housing	General Fund	PowerGen Inc	Generator/Tank at Shelter Site	107,652
Mobility & Housing	General Fund	Brentwood Decorative Rock	Gravel for driveway at Shelter Site	3,812
Operations & Utilities	General Fund	Delta Wireless & Network Solutions	Fleet - Radio Hardware PD vehicles	425
Operations & Utilities	General Fund	Motorola Solutions Inc	Fleet - Radio Hardware PD vehicles	1,022
Operations & Utilities	General Fund	CDWG Inc	Fleet - Computers PD vehicles	8,658
Operations & Utilities	General Fund	72 Hr. LLC	Fleet - (2) Patrol Vehicles	20,000
Operations & Utilities	General Fund	Derotic LLC	Waiting on radios to upfit vehicle	11,821
Operations & Utilities	General Fund	72 Hr. LLC	Fleet - (2) Patrol Vehicles	80,726
Operations & Utilities	General Fund	Daniel E Woods	Repeater for Antenna Farm	29,231
Operations & Utilities	General Fund	Derotic LLC	Fleet -Outfitting PD Vehicles	19,202
Operations & Utilities	General Fund	Derotic LLC	Fleet - (1) Upfitting PD Vehicle	9,518
Operations & Utilities	General Fund	Shape Incorporated	Detention Basin 5 Replacement pumps	67,708
Operations & Utilities	General Fund	MCH Electric Inc	Traffic signals MacArthur & Eastlake	49,525
Operations & Utilities	General Fund	St Francis Electric LLC	Streetlights near 1855 MacArthur	7,990
Operations & Utilities	General Fund	St Francis Electric LLC	Light pole 11th St Summer Ln	13,875
Operations & Utilities	General Fund	NWN Corporation	Desktop for New Mechanic & BLD	1,460
Operations & Utilities	General Fund	Digital Twin Tech California	Sewer GIS Survey	96,250
Parks & Recreation	General Fund	Tournesol Siteworks	Parks ^LMZ24/17/26 GF Trash,Benches,Table	4,604
Police	General Fund	Stanislaus County Sheriff's	Academy in progress	24,000
Police	General Fund	Real Time Networks	Lockbox- Key Tracer	9,838
Police	General Fund	Motorola Solutions	Familiar Faces- HOC Radio Install	9,003
Police	General Fund	Motorola Solutions	Familiar Faces- Radios	11,720
Police	General Fund	Motorola Solutions	Cannabis Grant- Radio	9,572
Police	General Fund	Rane Community Development	Familiar Faces Grant- Consultant	34,151
Parks & Recreation	Measure V	ABI Attachments Inc	Force Zero Turn Work Machine Ext 11/23	55,062
Parks & Recreation	Measure V	Belkorp Ag Llc	Zero Turn Moxwer for Legacy 6/23	13,569
Parks & Recreation	Measure V	Belkorp Ag Llc	16ft Trimax Mower Ext 5/23	51,964
Parks & Recreation	Measure V	Belkorp Ag Llc	Turf Vac Ext 6/23	47,936
Parks & Recreation	Measure V	Delta Wireless & Network Solutions	Staff Radios for Legacy Fields	5,000
Parks & Recreation	Measure V	DNF Inc	Kubota RTV-X1120 Ext 6/16	38,516
Parks & Recreation	Measure V	DNF Inc	Kubota M7060 Ext 6/30	51,900
Parks & Recreation	Measure V	Dornoch Inc	Work Truck for Legacy Fields	100,000
Parks & Recreation	Measure V	Grainger Inc	Knaack Boxes (10) Legacy	11,000
Parks & Recreation	Measure V	Restaurant Supply LLC	Refrigerator & Ice Machine	19,500
Parks & Recreation	Measure V	Saba Holding Co LLC	Tractor - Volvo L20HS st 12/23	101,773
Parks & Recreation	Measure V	Turf Star, Inc.	Ballfield Scooter Ext 5/23	35,069
City Attorney's Office	Central Admin	Meyers Nave	Special Counsel Legal Services	2,395
City Attorney's Office	Central Admin	Colantuono, Highsmith & Whatley, PC	Special Counsel Legal Services	1,910
City Attorney's Office	Central Admin	Freeman Firm	Special Counsel Legal Services	2,545
City Attorney's Office	Central Admin	Jarvis Fay LLP	Special Counsel Legal Services	11,085
City Attorney's Office	Central Admin	Burke, Williams & Sorensen, LLP	Special Counsel Legal Services	28,096
City Attorney's Office	Central Admin	Van Dermyden Maddux Law Corporation	Special Counsel Legal Services	13,175
City Attorney's Office	Central Admin	Van Dermyden Maddux Law Corporation	Special Counsel Legal Services	14,138
City Attorney's Office	Central Admin	Colantuono, Highsmith & Whatley, PC	Special Counsel Legal Services	4,700
Finance	Central Admin	Bartel Associates LLC	CalPERS Analysis Misc Plan	4,190
Finance	Central Admin	Bartel Associates LLC	CalPERS Analysis Safety Plan	5,875
Finance	Central Admin	Goodwin Consulting Group	Tracy Hills & Fire Revenue Projection Studies	40,016
Finance	Central Admin	Hinderliter, deLlamas & Assoc	Cannabis Management Program	4,200
Finance	Central Admin	Hinderliter, deLlamas & Assoc	Prof Serv-auditing and process	25,712
Human Resources	Central Admin	Liebert Cassidy Whitmore	Onoging negotiations	49,414
Total General Fund				1,737,485

ATTACHMENT A

Department	Fund Name	Vendor	Description	Balance
Development Services	Building Fees	CDWG Inc	Microsoft Roam Mob Stand F/MS Hub 2S	2,373
Development Services	Engineering	SNG & Associates Inc	Ongoing Project/Scope Plan Reviews	17,150
Development Services	Engineering	SNG & Associates Inc	Ongoing Project/Scope Plan Reviews	5,663
Development Services	Engineering	West Yost & Associates	Hydraulic Evaluation	2,014
Development Services	Engineering	SNG & Associates Inc	Ongoing Project/Scope Plan Reviews	20,492
Development Services	Engineering	SNG & Associates Inc	Ongoing Project/Scope Plan Reviews	35,943
Development Services	Engineering	Wood Rodgers Inc	Ongoing Project Storm Drain Tech Services	3,080
Development Services	Engineering	SNG & Associates Inc	Ongoing Project/Scope Plan Reviews	24,180
Development Services	Engineering	SNG & Associates Inc	Ongoing Project/Scope Plan Reviews	609
Development Services	Engineering	SNG & Associates Inc	Ongoing Project/Scope Plan Reviews	73,513
Development Services	Engineering	MCR Engineering Inc	Ongoing Project/Scope Engineering Services	1,100
Development Services	Engineering	David W Enke, L.S.	Ongoing Project/Scope Tech Review & FM	13,500
Development Services	Engineering	Kimley-Horn & Associates Inc	Ongoing Traffic Analysis Project/Scope	22,735
Development Services	Engineering	Kimley-Horn & Associates Inc	Ongoing Traffic Analysis Project/Scope	14,320
Development Services	Engineering	Kimley-Horn & Associates Inc	Ongoing Traffic Analysis Project/Scope	21,733
Development Services	Engineering	Wood Rodgers Inc	Ongoing Project Storm Drain Tech Services	8,600
Development Services	Planning	De Novo Planning Group Inc	Transit-Oriented Dev. Planning Srvc	647,828
Development Services	Planning	FCS International Inc	Digital Freeway Signs - Code Amendment	12,292
Development Services	Planning	Land Logistics Inc	Ongoing Project/Scope Inspection	863
Development Services	Planning	PlaceWorks Inc	Housing Implementation Talks	143,750
Development Services	Planning	Veronica Tam and Associates Inc	Consulting Services for Housing Element Update	183,180
Development Services	Planning	Land Logistics Inc	Planning Consultant Services	44,940
Operations & Utilities	Gas Tax	NWN Corporation	Electrician - Laptops	3,899
Operations & Utilities	Gas Tax	NWN Corporation	Streets - Desktops	4,379
Mobility & Housing	ARPA	City Net	Service provider for shelter operations	1,031,063
Mobility & Housing	ARPA	TCCC	Service provider for city outreach services	317,099
Mobility & Housing	CDBG	Tracy Earth Projects, Inc. Doty Nygard	2022-2023 CDBG Subrecipient Agreement	3,844
Mobility & Housing	CDBG	Boys & Girls Club of Tracy	2022-2023 CDBG Subrecipient Agreement	8,000
Mobility & Housing	CDBG	Women's Center Youth & Family Service	2022-2023 CDBG Subrecipient Agreement	8,000
Mobility & Housing	CDBG	Tracy Seniors Association	2022-2023 CDBG Subrecipient Agreement	9,294
Mobility & Housing	CDBG	Tracy Interfaith Ministries	2022-2023 CDBG Subrecipient Agreement	12,000
Mobility & Housing	CDBG	Adams Ashby Group	CDBG/HOME Technical Assistance	39,175
Mobility & Housing	CDBG	Tracy Community Connections Center, Inc	2021-2022 CDBG Subrecipient Agreement	8,000
Mobility & Housing	CDBG	Boys & Girls Club of Tracy	2020-2021 CDBG Subrecipient Agreement	354,438
Mobility & Housing	CDBG	Tracy Community Connections Center, Inc	2020-2021 CDBG Subrecipient Agreement	7,500
Mobility & Housing	CDBG	McHenry House Tracy	2019-2020 Subrecipient Agreement	11,870
Parks & Recreation	LMD	Tournesol Siteworks	Parks ^LMZ24/17/26 GF Trash,Benches,Table	118,749
Parks & Recreation	LMD	Turf Teq LLC	Bed Shaper Est 5/23 ^LMZ 38/17/3/9	7,721
Development Services	Program Management	HDR Engineering	Engineer Communication Plan	12,348
Operations & Utilities	Water	MRC Global (US) Inc	Limiterque Actuator & Gear Box	23,101
Operations & Utilities	Water	MRC Global (US) Inc	Limiterque MX to MXB Conversion Kit	8,048
Operations & Utilities	Water	Motion Industries Inc	WTPM-Tools to repair Air Lift Blower	3,465
Operations & Utilities	Water	Tramont Manufacturing LLC	WTPM - Day Tank Parts for Generator	2,349
Operations & Utilities	Water	Wille Electric Supply Co Inc	Wells-Replacement "Soft Start"	8,398
Operations & Utilities	Water	S-I Intermediate Holdings, Inc	WTPM-Chemical Sump Pump	32,972
Operations & Utilities	Water	PowerGen Inc	Well Pump - Repair Cordes Ranch & Generator	11,179
Operations & Utilities	Water	PowerGen Inc	Well Pump - Repair Cordes Ranch & Generator	89,456
Operations & Utilities	Water	SwiftComply US OpCo Inc	Connection Control Program Software	8,544
Operations & Utilities	Water	Downey Brand Attorney LLP	Special Counsel Legal Services	3,976
Operations & Utilities	Water	Network Environmental Systems Inc	Safety Policies & Programs for Utilities Dept	27,176
Operations & Utilities	Water	EKI Environment & Water Inc	Annual Water Supply & Demand Assessment	19,201
Operations & Utilities	Water	West Yost & Associates	Urban Water Management Plan Update	12,000
Operations & Utilities	Water	Badger Meter Inc	Water Meters	71,468
Operations & Utilities	Water	Thirkettle Corporation	Water Meters - Flexnet	264,329
Operations & Utilities	Water	OW Investors LLC	Meters - Test Bench	320,000
Operations & Utilities	Wastewater	Buchanan Automation Inc	Primary sludge pump air control valves	2,167
Operations & Utilities	Wastewater	Westech Engineering Inc	WWTP Maint - Parts to Rebuild DAFTS	59,298
Operations & Utilities	Wastewater	Industrial Electrical Company	Hansen Lift Station - Test & Inspection	37,477

ATTACHMENT A

Department	Fund Name	Vendor	Description	Balance
Operations & Utilities	Wastewater	Atlas Copco USA Holdings Inc	WWTPM-Replace Oil Coolers on Air Compressor	8,548
Operations & Utilities	Wastewater	Atlas Copco Compressors LLC	WWTPM - Repair Air Compressor #1 Control Panel	7,345
Operations & Utilities	Wastewater	Muniquip LLC	WWTPM-Pump Repair Parts	15,940
Operations & Utilities	Wastewater	Black Water Consulting Engineers, Inc.	SSMP Update Report	64,000
Operations & Utilities	Solid Waste	Peterson Trucks Inc	Fleet - CPU - Dump Truck	207,627
Operations & Utilities	Storm Drain	Pac Machine Company	Detention Basin 10 repair	17,708
Operations & Utilities	Storm Drain	Wood Rodgers Inc	WTM - Trash capture	17,000
Operations & Utilities	Storm Drain	Larry Walker Associates	Consultant Services for Delta RMP	11,889
Operations & Utilities	Central Garage	CCG Systems Inc	Central Garage - Faster Software	120,211
Operations & Utilities	Vehicle Replacement	Peterson Trucks Inc	Fleet - CPU - Dump Truck	177,312
Operations & Utilities	Vehicle Replacement	Delta Wireless & Network Solutions	Fleet - (6) Upfitting PD Vehicles	5,830
Operations & Utilities	Vehicle Replacement	Motorola Solutions Inc	Fleet - (6) Upfitting PD Vehicles	56,238
Operations & Utilities	Building Maint	Wagner Mechanical Inc	Pump Replacement Parts	28,610
Operations & Utilities	Building Maint	Terrapin Technology Group Inc	Reinstall Cameras Boyd Service Center	78,000
Operations & Utilities	Building Maint	Simonds Machinery Company	Pump Replacement	13,000
Human Resources	Risk Management	Liebert Cassidy Whitmore	Ongoing cases need support	12,717
Operations & Utilities	Self - Insurance	Motorola Solutions Inc	Radios for replacement (2) vehicles	18,690
Total Other Governmental Funds				5,122,502

CITY ATTORNEY'S OFFICE

TRACY CITY COUNCIL

RESOLUTION NO. _____

**ESTABLISH FISCAL YEAR 2023/24 APPROPRIATIONS LIMIT (GANN) PURSUANT TO
ARTICLE XIII B OF THE CALIFORNIA STATE CONSTITUTION**

WHEREAS, In November 1979, the voters of the State of California approved Proposition 4, which states that beginning July 1, 1980, all state and local government budget appropriations cannot exceed the amount resulting from a formula based upon the 1978-79 budget, plus adjustments for cost of living and population changes, and specific exceptions (the “**Gann Appropriation Limit Initiative**”); and

WHEREAS, Proposition 4 implemented the Gann Appropriation Limit Initiative through the addition of Article XIII B to the California Constitution; and

WHEREAS, the State Legislature adopted Government Code Section 7900 to establish the process for calculating the state and local government appropriations limits under Article XIII B of the California Constitution, and Proposition 111, adopted in June 1990, provided new adjustment formulas (as modified, the “**Gann Limit**”);

WHEREAS, in accordance with these State laws, the City of Tracy has prepared documentation establishing the 2023-24 appropriation limit, and has made the documentation used in the determination of the Gann Limit available to the public in the proposed 2023-24 budget more than fifteen (15) days before this resolution is being considered and adopted; and

WHEREAS, The Finance Director of the City of Tracy has determined that the percentage change in per capita income and the city population is the preferred method of calculation in the cost-of-living adjustment; and

WHEREAS, The calculation results in an Gann Limit of \$90,357,845; and

WHEREAS, Prior to the adoption of this Resolution, the City Council has considered and adopted the FY 2023/24 budget on June 6, 2023; and

now, therefore, be it

RESOLVED: That the City Council hereby establishes the Fiscal Year 2023/24 appropriations limit in the amount of \$90,357,845 pursuant to Article XIII B of the California State Constitution; and be it further

RESOLVED: That the City Council hereby finds that the Adopted Budget for Fiscal Year 2023-24 includes \$80,367,714 in appropriations that are subject to the limit, and proceeds of taxes of \$90,357,845 and be it further

RESOLVED: That the City Council hereby finds that for Fiscal Year 2023-24, the City of Tracy is currently \$9,990,131 below the limits of Article XIII B of the California Constitution.

The foregoing Resolution 2023-_____ was adopted by the Tracy City Council on June 6, 2023, by the following vote:

AYES:	COUNCIL MEMBERS:
NOES:	COUNCIL MEMBERS:
ABSENT:	COUNCIL MEMBERS:
ABSTENTION:	COUNCIL MEMBERS:

NANCY D. YOUNG
Mayor of the City of Tracy, California

ATTEST: _____
ADRIANNE RICHARDSON
City Clerk and Clerk of the Council of the
City of Tracy, California

Attachment:

CITY OF TRACY
2023/24 Appropriations Limit Calculation

<u>Description</u>	<u>Amount</u>
2022-23 Appropriations Limit	\$ 85,804,336
2023-24 City population	1.0083
2023-24 Per capita income	1.0444
2023-24 Appropriations Limit	\$ 90,357,845

**Projected Tax
2023/24 Revenues**

<u>Description</u>	<u>Amount</u>
Property Taxes	\$ 30,407,491
Sales & Use Tax	65,950,688
Sales & Use Tax	12,647,321
Transient Occupancy Tax	2,800,000
Franchise Fees	4,700,000
Business License Tax	4,500,000
Real Property Transfer Tax	2,343,693
Interest Earnings	0

2023-24 Projected Qualifying Expenses

<u>Exemptions</u>	
Debt Service	(2,676,479)
Qualified Capital Outlays	(40,305,000)

Appropriations Subject to Limitation	\$ 80,367,714
Margin	\$ 9,990,131

CITY OF TRACY
2023/24 Appropriations Limit Calculation

<u>Description</u>	<u>Amount</u>
2022-23 Appropriations Limit	\$ 85,804,336
2023-24 City population	1.0083
2023-24 Per capita income	1.0444
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Interest Earnings	0

2023-24 Projected Qualifying Expenses

<u>Exemptions</u>	
Debt Service	(2,676,479)
Qualified Capital Outlays	(40,305,000)

Appropriations Subject to Limitation **\$ 80,367,714**

Margin **\$ 9,990,131**

Agenda Item 3.D

RECOMMENDATION

Staff recommends that the City Council receive the annual informational report for the Youth Advisory Commission for the 2022 calendar year.

EXECUTIVE SUMMARY

The Youth Advisory Commission was established by the City Council in 1998 with the purpose of advising the Council and the Parks and Community Services Commission on opportunities for youth to lead and plan recreation and community service activities, with emphasis on youth development, to enhance leadership skills and self-esteem of people, ages 12 to 18 years. This report is an accounting of the Youth Advisory Commission for the calendar year 2022 as well as projected goals for calendar year 2023.

BACKGROUND AND LEGISLATIVE HISTORY

The Youth Advisory Commission (YAC) was formed in 1998 with the purpose of providing youth with an opportunity to make a positive impact in their communities and advising the City Council, Parks and Community Services Commission and staff on matters relating to the welfare of youth in Tracy.

Currently YAC has eleven youth Commissioners and no adult Commissioners. As listed below, each youth Commissioner represents one of the local high schools.

- Tracy High School (3 Commissioners)
- West High School (4 Commissioners)
- Kimball High School (2 Commissioners)
- Millennium High School (2 Commissioners)

The Youth Advisory Commission held a spring recruitment for both youth and adult Commissioners, which ended on April 28, 2023. Interviews were conducted in May and new commissioners will be appointed to Council in August.

Due to vacancies on the Commission from July 2022 to December 2022, which led to lack of a quorum, the Commission was unable to meet and accomplish all of their goals. However, YAC did focus on two primary goals as listed below. Under each goal is the status on Commission activities.

1. Program Enhancement
 - Look for ways to enhance Recreation Programs that will provide benefits to teens.
 - Commissioners assisted in summer youth and teen programming, in camps such as Ready, Set, Bake, and Summer Adventure Program.
 - Commissioners assisted Senior Center staff with planning, marketing, and participating in the Forever Young Prom.

- Commissioners assisted with Rollin' Rec at different parks throughout the community during the Spring and Summer sessions.

2. Community Outreach

- Look for ways to make the Commission more visible; to participate with local organizations and service clubs throughout the community; and to widen participation of teens.
- Commissioners assisted with Tracy Earth Day 2022 event by leading Earth Day themed activities and assisted in promoting the event to other teens.

YAC developed new goals and work plan for the 2023 calendar year on January 4, 2023, which include unmet objectives carried over from the year prior. The goals and objectives for 2023 are as follows:

1. Program Enhancement

- Look for ways to enhance Recreation Programs that will provide benefits to teens.
 - Offer one new teen event or program focusing on teen trends or issues
 - Offer one new recreational teen event, program, or camp
 - Propose at least one new intergenerational program or event
 - Support the Rollin' Rec Program

2. Community Outreach

- Look for ways to make the Commission more visible; to participate with local organizations and service clubs throughout the community; and to widen participation of teens
 - Implement at least one new community service project
 - Support the Tracy Historical Museum
 - Work with staff to develop YAC social media postings

FISCAL IMPACT

Staff costs related to the support of the Youth Advisory Commission are included in the Parks and Recreation Department General Fund budget.

STRATEGIC PLAN

This agenda item relates to the City of Tracy's Quality of Life Strategic Priority, which is to provide an outstanding quality of life by enhancing the City's amenities, business mix and services and cultivating connections to promote positive change and progress in our community.

ACTION REQUESTED OF THE CITY COUNCIL

Staff recommends that the City Council receive the annual information report of the Youth Advisory Commission for the 2022 calendar year.

Agenda Item 3.D

June 6, 2023

Page 3

Prepared by: DeAnna Pombo, Recreation Coordinator
Jolene Jauregui, Recreation Services Manager

Reviewed by: Brian MacDonald, Director of Parks & Recreation
Sara Cowell, Finance Director
Riana Daniel, Deputy City Attorney
Karin Schneider, Assistant City Manager

Approved by: Midori Lichtwardt, Interim City Manager

Attachments

Attachment A: Youth Advisory Commission Annual Report PowerPoint



Youth Advisory Commission 2022 Annual Report



Purpose of the Commission

- The Youth Advisory Commission was established in 1998 with the purpose of involving local teens in the community
- Helps teens make a positive impact in the community through volunteer opportunities
- Offers teens safe and fun social activities
- Gives teens a voice in the local government



Youth Advisory Commission 2022 Annual Report

- The Youth Advisory Commission currently has eleven youth Commissioners
- Each Commissioner represents the local high schools:
 - Tracy High School (3 Commissioners)
 - West High School (4 Commissioners)
 - Kimball High School (2 Commissioners)
 - Millennium High School (2 Commissioners)



Think Inside the Triangle™

Youth Advisory Commission Goals 2022

1. Program Enhancement

- Look for ways to enhance Recreation Programs that will provide benefits to teens.
 - *Offer one new teen event or program focusing on teen trends or issues*
 - *Offer one new teen event, program, or camp*
 - *Propose at least one new intergenerational program or event*
 - *Support the Rollin' Rec program*

Youth Advisory Commission Goals 2022

2. Community Outreach

- Look for ways to make the Commission more visible; to participate with local organizations and service clubs throughout the community; and to widen participation of teens.
- *Implement at least one new community service project*

Youth Advisory Commission Goals 2022

1. Look for ways to enhance Recreation Programs that will provide benefits to teens.



Youth Advisory Commission Goals 2022

2. Look for ways to make the Commission more visible; to participate with local organizations and service clubs throughout the community; and to widen participation of teens



Youth Advisory Commission Goals 2023

1. Program Enhancement

- Look for ways to enhance Recreation Programs that will provide benefits to teens
 - *Offer one new teen event or program focusing on teen trends or issues*
 - *Offer one new recreational teen event, program or camp*
 - *Propose at least one new intergenerational program or event*
 - *Support the Rollin' Rec Program*

Youth Advisory Commission Goals 2023

2. Community Outreach

- Look for ways to make the Commission more visible; to participate with local organizations and service clubs throughout the community; and to widen participation of teens
 - *Implement at least one new community service project*
 - *Support the Tracy Historical Museum*
 - *Work with staff to develop YAC social media posts*



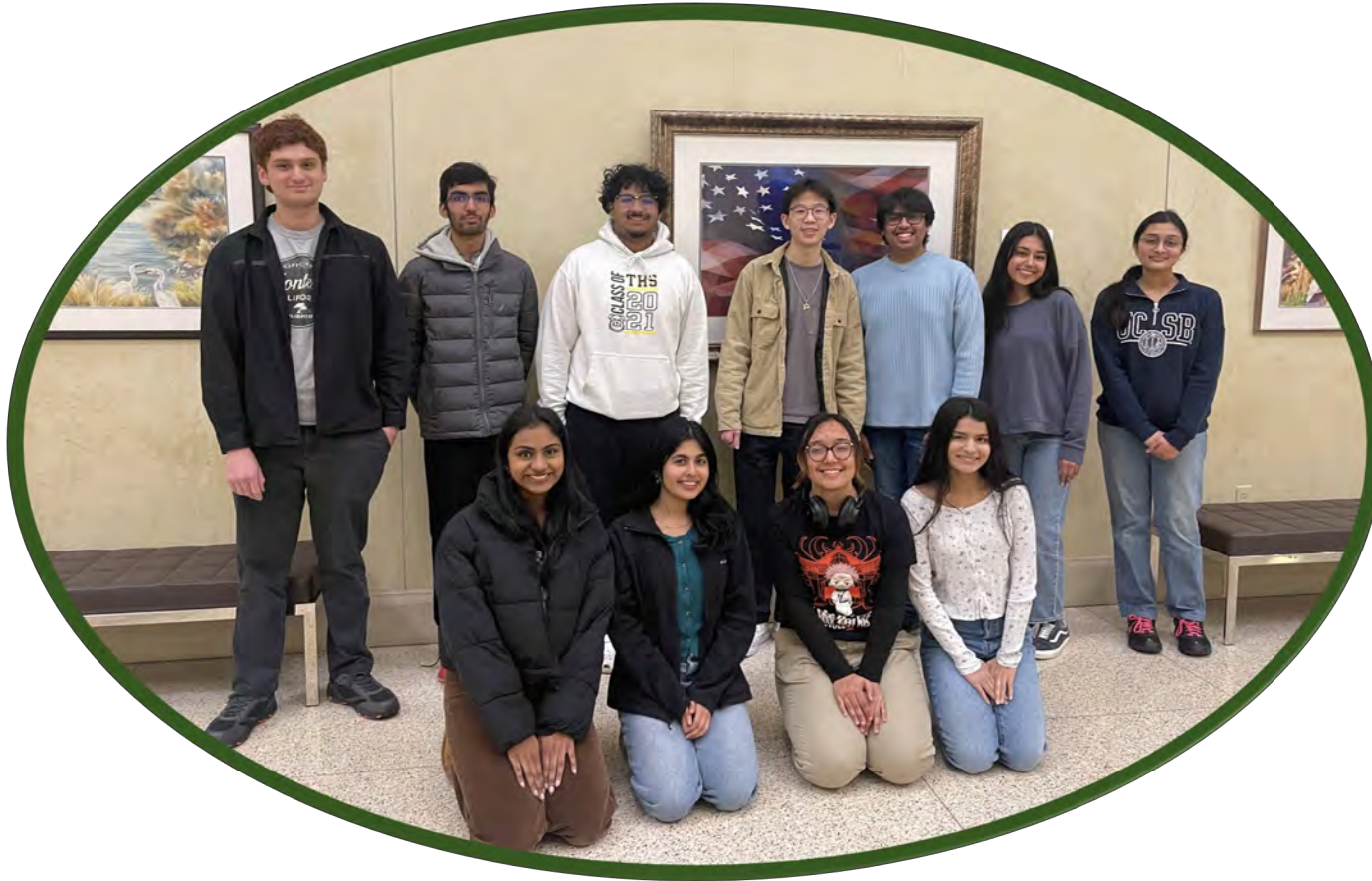
Recruitment 2023

- Recruitment in 2023
 - Youth Advisory Commission is currently recruiting to fill upcoming vacancies of youth Commissioners
 - Recruiting up to (9) youth and (3) adult commissioners



Think Inside the 'Triangle'

Thank you for your time!



Agenda Item 3.E

RECOMMENDATION

Staff recommends that the City Council appoint, by motion, a subcommittee of two Councilmembers, and an alternate, to interview the five (5) adult applicants to fill five (5) of the seven (7) vacancies on the City of Tracy Environmental Sustainability Commission.

EXECUTIVE SUMMARY

This item requests that City Council appoint two members of the City Council, and an alternate, to a subcommittee to interview applicants to serve on the Tracy Environmental Sustainability Commission. This action can be completed by a motion on the floor.

BACKGROUND AND LEGISLATIVE HISTORY

On January 17, 2023, City Council provided direction to staff to return with a resolution to form an Environmental Sustainability Commission. On April 18, 2023, City Council adopted Resolution 2023-068 which approved the formation and bylaws of a City of Tracy Environmental Sustainability Commission. The Commission will consist of a total of seven (7) members - five (5) adult residents and two (2) youth residents (High school students up to and including their senior graduation year).

A recruitment to fill the seven vacancies on the Environmental Sustainability Commission was opened on May 15, 2023 and will close on June 5, 2023.

ANALYSIS

In accordance with Resolution No. 2021-200 (attached to this report as Attachment A), a two-member subcommittee of Councilmembers, and an alternate, needs to be appointed to interview the applicants and make a recommendation to the full City Council.

FISCAL IMPACT

None

PUBLIC OUTREACH/ INTEREST

Notification of Tracy Environmental Sustainability Commission recruitment was posted on the City's Social Media pages, Tracy Press, the City's website, and Channel 26.

STRATEGIC PLAN

This item is a routine operational item and does not relate to any of the Council's strategic plans.

ACTION REQUESTED OF THE CITY COUNCIL

That City Council, by motion, appoint a two-member subcommittee of two Councilmembers, and one alternate, to interview the five (5) adult applicants to fill five (5) of the seven (7) vacancies on the City of Tracy Environmental Sustainability Commission.

Prepared by: Necy Lopez, Deputy City Clerk

Reviewed by: Adrienne Richardson, City Clerk
Bijal Patel, City Attorney
Karin Schnaider, Assistant City Manager

Approved by: Midori Lichtwardt, Interim City Manager

Attachment A: Resolution 2021-200

RESOLUTION 2021-200

ADOPTING A COUNCIL POLICY ESTABLISHING A SELECTION PROCESS FOR APPOINTMENTS TO CITY ADVISORY BODIES AND REPEALING RESOLUTION NO. 2021-131

WHEREAS, On September 7, 2021, the Tracy City Council adopted Resolution 2021-131 establishing a policy for the selection process for appointments to City advisory Bodies and repealing Resolution 2020-009;

WHEREAS, The current policy states that Council shall appoint two Council Members to serve on a subcommittee to review applications, interview applicants and recommend a candidate for appointment to the board, commission or committee, and

WHEREAS, Council wishes to amend the language of Section 2 (D)(1) to state that Council shall appoint two members *and an alternate* to serve on a subcommittee to review applications, interview applicants and recommend a candidate for appointment to the board, commission or committee.

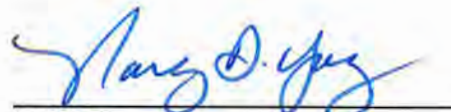
NOW, THEREFORE BE IT RESOLVED, the City Council of the City of Tracy hereby adopts the Council Policy Establishing a Selection Process for Appointments to City Advisory Bodies, attached as Exhibit A, and thereby repeals and supersedes Resolution No. 2021-131.

The foregoing Resolution 2021-200 was passed and adopted by the Tracy City Council on the 21st day of December, 2021, by the following vote:

AYES: COUNCIL MEMBERS: ARRIOLA, BEDOLLA, DAVIS, VARGAS, YOUNG
NOES: COUNCIL MEMBERS: NONE
ABSENT: COUNCIL MEMBERS: NONE
ABSTAIN: COUNCIL MEMBERS: NONE

ATTEST:

CITY CLERK


MAYOR

**COUNCIL POLICY ESTABLISHING A SELECTION PROCESS FOR APPOINTMENTS TO
CITY ADVISORY BODIES
(Exhibit "A" to Resolution No. 2021-200)**

SECTION 1: PURPOSE

To establish a selection process for appointments to City advisory bodies including defining residency requirements, in accordance with Government Code sections 54970 et seq.

SECTION 2: SELECTION PROCESS FOR APPOINTEE BODIES

- A. On or before December 31st of each year, the City Clerk shall prepare an appointment list of all regular and ongoing boards, commissions and committees that are appointed by the City Council of the City of Tracy. The list shall contain the following information:
 - 1. A list of all appointee terms which will expire during the next calendar year, with the name of the incumbent appointee, the date of the appointment, the date the term expires and the necessary qualifications for the position.
 - 2. A list of all boards, commissions and committees whose members serve at the pleasure of the Council and the necessary qualifications of each position.
 - 3. The list of appointments shall be made available to the public for a reasonable fee that shall not exceed actual cost of production. The Tracy Public Library shall receive a copy of the list.

- B. Whenever a vacancy occurs in any board, commission or committee, whether due to expiration of an appointee's term, resignation, death, termination or other causes, a special notice shall be posted in the office of the City Clerk, The Tracy Public Library, the City website, and in other places as directed within twenty (20) days after the vacancy occurs. Final appointment to the board, commission or committee shall not be made by the City Council for at least ten (10) working days after the posting of the notice in the Clerk's office. If Council finds an emergency exists, the Council may fill the unscheduled vacancy immediately.

- C. Appointments shall be made for the remainder of the term created by the vacancy except as follows:
 - 1. If appointee will fill an un-expired term with six months or less remaining, the appointment shall be deemed to be for the new term.
 - 2. If the vacancy is filled by an emergency appointment the appointee shall serve only on an acting basis until the final appointment is made pursuant to section 2.

- D. The Council shall use the following selection process to provide an equal opportunity for appointment to a board, commission or committee:

1. Council shall appoint two Council members and an alternate to serve on a subcommittee to review applications, interview applicants and recommend a candidate for appointment to the board, commission or committee.
 2. If the Council subcommittee determines there are multiple qualified candidates, the subcommittee may recommend the Council establish an eligibility list that will be used to fill vacancies that occur in the following twelve (12) months.
 3. At the Council subcommittee's discretion, the chair (or designee) of the board, committee or commission for which a member will be appointed, can participate in the interviews.
- E. An individual already serving on a City of Tracy board, committee or commission may not be appointed to serve on an additional City of Tracy board, committee, or commission concurrently.

SECTION 3: DEFINITION OF RESIDENCY REQUIREMENTS

- A. The following definitions shall be used to determine whether residency requirements are met for boards and commissions to which the Tracy City Council appoints members:
1. Tracy Planning Area means the geographical area defined in the City of Tracy General Plan and any amendments thereto.
 2. City of Tracy means within the city limits of the City of Tracy.
 3. Citizen means a resident of the City of Tracy.
 4. Tracy School District means the geographical area served by the Tracy Unified School District.
 5. Sphere of Influence shall be the geographical area approved by the Local Agency Formation Commission (LAFCo) of San Joaquin County and any amendments thereto.
- B. Residency, as defined above and as set forth in the applicable bylaws for each board or commission, shall be verified annually by the City Clerk. The residency must be verifiable by any of the following means:
1. Voter registration,
 2. Current California Driver's License or Identification,
 3. Utility bill information (phone, water, cable, etc.),
 4. Federal or State tax returns.

C. Members of boards or commissions shall notify the City Clerk in writing within thirty (30) days of any change in residency. If the change in residency results in the board member or commissioner no longer meeting the residency requirements, the member shall tender their resignation to the City Clerk who shall forward it to the City Council.

Agenda Item 3.F

RECOMMENDATION

Staff recommends that the City Council appoint, by motion, a subcommittee of two Councilmembers, and an alternate, to interview applicants to serve on the San Joaquin County Commission on Aging.

EXECUTIVE SUMMARY

This item requests that City Council appoint two members of the City Council, and an alternate, to a subcommittee to interview applicants to serve on the San Joaquin County Commission on Aging. This action can be completed by a motion on the floor.

BACKGROUND AND LEGISLATIVE HISTORY

On June 30, 2023, the term of the Tracy Commissioner to the San Joaquin County Commission on Aging will expire. To fill the vacancy, the City Clerk's office opened a recruitment. The recruitment to fill one vacancy on the San Joaquin County Commission on Aging was opened on May 12, 2023 and will close on June 15, 2023.

ANALYSIS

In accordance with Resolution No. 2021-200 (attached to this report as Attachment A), a two-member subcommittee of Councilmembers, and an alternate, needs to be appointed to interview the applicants and make a recommendation to the full City Council.

FISCAL IMPACT

None

PUBLIC OUTREACH/ INTEREST

Notification of the San Joaquin County Commission on Aging recruitment was posted on the City's Social Media pages, Tracy Press, the City's website, and Channel 26.

STRATEGIC PLAN

This item is a routine operational item and does not relate to any of the Council's strategic plans.

ACTION REQUESTED OF THE CITY COUNCIL

That City Council, by motion, appoint a two-member subcommittee of two Councilmembers, and one alternate, to interview applicants to fill one term vacancy on the San Joaquin County Commission on Aging.

Prepared by: Necy Lopez, Deputy City Clerk

Reviewed by: Adrienne Richardson, City Clerk
Bijal Patel, City Attorney
Karin Schnaider, Assistant City Manager

Approved by: Midori Lichtwardt, Interim City Manager

Attachment A: Resolution 2021-200

RESOLUTION 2021-200

ADOPTING A COUNCIL POLICY ESTABLISHING A SELECTION PROCESS FOR APPOINTMENTS TO CITY ADVISORY BODIES AND REPEALING RESOLUTION NO. 2021-131

WHEREAS, On September 7, 2021, the Tracy City Council adopted Resolution 2021-131 establishing a policy for the selection process for appointments to City advisory Bodies and repealing Resolution 2020-009;

WHEREAS, The current policy states that Council shall appoint two Council Members to serve on a subcommittee to review applications, interview applicants and recommend a candidate for appointment to the board, commission or committee, and

WHEREAS, Council wishes to amend the language of Section 2 (D)(1) to state that Council shall appoint two members *and an alternate* to serve on a subcommittee to review applications, interview applicants and recommend a candidate for appointment to the board, commission or committee.

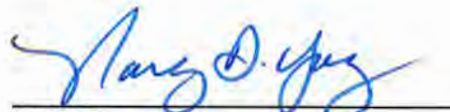
NOW, THEREFORE BE IT RESOLVED, the City Council of the City of Tracy hereby adopts the Council Policy Establishing a Selection Process for Appointments to City Advisory Bodies, attached as Exhibit A, and thereby repeals and supersedes Resolution No. 2021-131.

The foregoing Resolution 2021-200 was passed and adopted by the Tracy City Council on the 21st day of December, 2021, by the following vote:

AYES: COUNCIL MEMBERS: ARRIOLA, BEDOLLA, DAVIS, VARGAS, YOUNG
NOES: COUNCIL MEMBERS: NONE
ABSENT: COUNCIL MEMBERS: NONE
ABSTAIN: COUNCIL MEMBERS: NONE

ATTEST:

CITY CLERK


MAYOR

**COUNCIL POLICY ESTABLISHING A SELECTION PROCESS FOR APPOINTMENTS TO
CITY ADVISORY BODIES
(Exhibit "A" to Resolution No. 2021-200)**

SECTION 1: PURPOSE

To establish a selection process for appointments to City advisory bodies including defining residency requirements, in accordance with Government Code sections 54970 et seq.

SECTION 2: SELECTION PROCESS FOR APPOINTEE BODIES

- A. On or before December 31st of each year, the City Clerk shall prepare an appointment list of all regular and ongoing boards, commissions and committees that are appointed by the City Council of the City of Tracy. The list shall contain the following information:
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 - 2. A list of all boards, commissions and committees whose members serve at the pleasure of the Council and the necessary qualifications of each position.
 - 3. The list of appointments shall be made available to the public for a reasonable fee that shall not exceed actual cost of production. The Tracy Public Library shall receive a copy of the list.

- B. Whenever a vacancy occurs in any board, commission or committee, whether due to expiration of an appointee's term, resignation, death, termination or other causes, a special notice shall be posted in the office of the City Clerk, The Tracy Public Library, the City website, and in other places as directed within twenty (20) days after the vacancy occurs. Final appointment to the board, commission or committee shall not be made by the City Council for at least ten (10) working days after the posting of the notice in the Clerk's office. If Council finds an emergency exists, the Council may fill the unscheduled vacancy immediately.

- C. Appointments shall be made for the remainder of the term created by the vacancy except as follows:
 - 1. If appointee will fill an un-expired term with six months or less remaining, the appointment shall be deemed to be for the new term.
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 2. If the Council subcommittee determines there are multiple qualified candidates, the subcommittee may recommend the Council establish an eligibility list that will be used to fill vacancies that occur in the following twelve (12) months.
 3. At the Council subcommittee's discretion, the chair (or designee) of the board, committee or commission for which a member will be appointed, can participate in the interviews.
- E. An individual already serving on a City of Tracy board, committee or commission may not be appointed to serve on an additional City of Tracy board, committee, or commission concurrently.

SECTION 3: DEFINITION OF RESIDENCY REQUIREMENTS

- A. The following definitions shall be used to determine whether residency requirements are met for boards and commissions to which the Tracy City Council appoints members:
1. Tracy Planning Area means the geographical area defined in the City of Tracy General Plan and any amendments thereto.
 2. City of Tracy means within the city limits of the City of Tracy.
 3. Citizen means a resident of the City of Tracy.
 4. Tracy School District means the geographical area served by the Tracy Unified School District.
 5. Sphere of Influence shall be the geographical area approved by the Local Agency Formation Commission (LAFCo) of San Joaquin County and any amendments thereto.
- B. Residency, as defined above and as set forth in the applicable bylaws for each board or commission, shall be verified annually by the City Clerk. The residency must be verifiable by any of the following means:
1. Voter registration,
 2. Current California Driver's License or Identification,
 3. Utility bill information (phone, water, cable, etc.),
 4. Federal or State tax returns.

C. Members of boards or commissions shall notify the City Clerk in writing within thirty (30) days of any change in residency. If the change in residency results in the board member or commissioner no longer meeting the residency requirements, the member shall tender their resignation to the City Clerk who shall forward it to the City Council.

Agenda Item 3.G

APPROVE AN AT-WILL EMPLOYMENT AGREEMENT BETWEEN MS. LICHTWARDT AND THE CITY OF TRACY FOR AN INTERIM BI-WEEKLY SALARY OF \$11,020.62, FOR A TERM THAT ENDS WHEN THE CITY COUNCIL APPOINTS A PERMANENT CITY MANAGER

In a special closed session held on May 30, 2023, the City Council approved a separation agreement with the former City Manager, Michael Rogers, and subsequently, appointed Midori Lichtwardt to serve as Interim City Manager until a permanent City Manager is appointed. The appointment of an Interim City Manager is important for continuity of service delivery and to further the strategic goals and objectives of Council. This item is for the City Council to approve an at-will employment agreement between Ms. Lichtwardt and the City of Tracy.

The at-will employment agreement includes the terms and conditions of the interim appointment. The fiscal impact of this action is offset by the savings realized by the vacant permanent City Manager position. Below are the key terms of the proposed agreement:

- Effective May 30, 2023, Ms. Lichtwardt shall serve as the Interim City Manager until the effective date of the appointment of a City Manager by City Council. However, either party may terminate the agreement earlier upon giving written notice to the other party.
- Ms. Lichtwardt shall receive an Interim bi-weekly salary of \$11,020.62 during the term of the Agreement.
- Ms. Lichtwardt shall continue to receive the same rights and benefits as those conferred to department heads in the most currently adopted Department Head Compensation and Benefit Plan during the term of the Agreement.
- The City shall continue to contribute to Ms. Lichtwardt's retirement in accordance with the appropriate California Public Employees' Retirement System (CalPERS) formula as required to CalPERS during the term of the Agreement.
- At the termination of the Agreement, Ms. Lichtwardt shall have the right to return to the position of Assistant City Manager.

Prepared by: Kimberly Murdaugh, Director of Human Resources on behalf of the City Council

Reviewed by: Bijal M. Patel, City Attorney

ATTACHMENTS

Attachment A – Employment Agreement

**EMPLOYMENT AGREEMENT BETWEEN MIDORI LICHTWARDT
AND THE CITY OF TRACY TO SERVE AS INTERIM CITY
MANAGER**

This Employment Agreement ("Agreement") is made and entered into by and between the City of Tracy, a municipal corporation ("City") and Midori Lichtwardt, an individual ("Lichtwardt"). City and Lichtwardt are sometimes referred to herein collectively as "Parties."

RECITALS

WHEREAS, Lichtwardt currently serves as the Assistant City Manager; and

WHEREAS, City desires to employ Lichtwardt as its interim City Manager for the City of Tracy and Lichtwardt desires to accept employment as interim City Manager; and

WHEREAS, Parties seek to establish the terms and conditions of employment in this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants set forth below, the Parties hereto agree as follows:

1. **Employment.** City agrees to employ Lichtwardt as interim City Manager to perform the functions and duties of a City Manager in accordance with Tracy Municipal Code (TMC), including Chapter 2.08 of Title 2 of the TMC, and applicable state law, and to perform other legally permissible and proper duties and functions as the City Council shall from time to time assign. Lichtwardt shall serve at the will and pleasure of City Council, pursuant to the terms and limitations of this Agreement.

2. **Term.** This Agreement shall be effective on May 30, 2023 and terminate upon the effective date of the appointment of a City Manager by City Council, unless terminated earlier by either City or Lichtwardt. Either party may terminate this Agreement upon giving written notice to the other party.

3. **Compensation.** During the term of this Agreement, Lichtwardt shall receive \$11,020.62 bi-weekly.

4. **Cost of Living Adjustments.** CITY agrees to increase the base salary automatically with any Cost of Living Adjustments provided to other employees covered by the most currently adopted Department Head Compensation and Benefit Plan.

5. **Benefits.** Lichtwardt shall receive the same rights and benefits as those conferred to department heads in the most currently adopted Department Heads Compensation and Benefits Plan. City shall contribute to Lichtwardt's retirement in accordance with the appropriate California Public Employees' Retirement System (CalPERS) formula as required by CalPERS.

6. **Return to Assistant City Manager Position.** Upon termination of this Agreement, Lichtwardt shall have the right to return to the position as Assistant City Manager.

7. **Entire Agreement.** This Agreement contains the entire agreement between the parties concerning the subject matter of this agreement. This Agreement shall supersede, and render null and void any and all prior agreements between the parties to this Agreement concerning the subject matter

of this Agreement. This Agreement may only be amended by written instrument signed by City and Lichtwardt and specifically approved by the City Council in open session.

8. **Representation by Counsel.** Lichtwardt and City acknowledge that they each did, or had the opportunity to, consult with legal counsel of their respective choices with respect to the subject matter of this Agreement prior to signing it.

9. **Applicable Law.** This Agreement is signed and delivered in the State of California and the rights and obligations of the parties under this Agreement shall be construed and enforced in accordance with the laws of the State of California.

10. **Waiver.** No waiver by any party of any breach of any term or provision of this Agreement shall be construed to be, nor shall be, a waiver of any preceding, concurrent or succeeding breach of the same or any other term or provision of this Agreement.

11. **Interpretation.** This Agreement is deemed to have been drafted jointly by the parties to this Agreement. Any uncertainty or ambiguity shall not be construed for or against any party based upon attribution of drafting to any party.

12. **Severability.** If any provision of this Agreement is held unconstitutional, invalid or unenforceable, that invalidity shall not affect any other provisions which could be given effect without the invalid provision.

13. **Counterparts.** This Agreement may be executed in several counterparts, and shall be admissible in counterparts. All executed copies are duplicate originals and are equally admissible in evidence.

City of Tracy

Midori Lichtwardt

Nancy D. Young, Mayor

DocuSigned by:
Midori Lichtwardt
5E962064124242B...

Midori Lichtwardt

Date: _____

Date: 6/1/2023 | 2:52 PM PDT

Attest:

Approved as to form:

Bijal M. Patel, City Attorney

APPROVED AS TO FORM AND LEGALITY

CITY ATTORNEY'S OFFICE

TRACY CITY COUNCIL

RESOLUTION NO. _____

INTRODUCED BY CITY COUNCIL

APPROVING AN AT-WILL EMPLOYMENT AGREEMENT BETWEEN MS. LICHTWARDT AND THE CITY OF TRACY FOR AN INTERIM BI-WEEKLY SALARY OF \$11,020.62, FOR A TERM THAT ENDS WHEN THE CITY COUNCIL APPOINTS A PERMANENT CITY MANAGER

WHEREAS, In a special closed session held on May 30, 2023, the City Council approved a Separation Agreement and Release of All Claims ("Separation Agreement") with the former City Manager, Michael Rogers; and

WHEREAS, Pursuant to the Separation Agreement Michael Rogers separated employment as City Manager effective as of May 26, 2023; and

WHEREAS, The appointment of an Interim City Manager is important for continuity of service delivery and to further the strategic goals and objectives of Council; and

WHEREAS, At the May 30, 2023 special closed session, the City Council appointed Midori Lichtwardt to serve as Interim City Manager until a permanent City Manager is appointed; and

WHEREAS, Prior to her appointment, Ms. Lichtwardt was the City's Assistant City Manager and has been employed with the City of Tracy for over 20 years; and

WHEREAS, The City Council desires to enter into an at-will employment agreement, for an interim bi-weekly salary of \$11,020.00, for a term that ends when the City Council appoints a permanent City Manager and the terms and conditions set forth in the Employment Agreement between Midori Lichtwardt and the City of Tracy attached hereto as **Attachment A** and made a part hereof ("Employment Agreement"); and

WHEREAS, Ms. Lichtwardt desires to be employed by the City of Tracy as its Interim City Manager subject to the terms and conditions set forth in the Employment Agreement; now, therefore, be it

RESOLVED: That the City Council of the City of Tracy hereby approves the At-Will Employment Agreement between Midori Lichtwardt set forth in **Attachment A**; and

FURTHER RESOLVED, That the terms of Ms. Lichtwardt's employment as the Interim City Manager shall be retroactive to May 30, 2023, the date of her appointment.

* * * * *

The foregoing Resolution 2023-_____ was adopted by the Tracy City Council on June 6, 2023, by the following vote:

AYES:	COUNCIL MEMBERS:
NOES:	COUNCIL MEMBERS:
ABSENT:	COUNCIL MEMBERS:
ABSTENTION:	COUNCIL MEMBERS:

NANCY D. YOUNG
Mayor of the City of Tracy, California

ATTEST: _____
ADRIANNE RICHARDSON
City Clerk and Clerk of the Council of the
City of Tracy, California